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ANNUAL STATEMENT

For the Year Ending December 31, 2006

of the Condition and Affairs of the

Blue Care Network of Michigan

NAIC Group Code.....572, 572 (Current Period) (Prior Period) NAIC Company Code..... 95610 Employer's ID Number..... 38-2359234

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 [X] No [ ]

Incorporated/Organized..... May 6, 1981 Commenced Business..... May 13, 1981

Statutory Home Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City, State and Zip Code)*	248-799-6400 *(Area Code) (Telephone Number)*
Mail Address	20500 Civic Center Drive MC C455….. Southfield ..... MI ..... 48076 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City, State and Zip Code)*	248-455-3410 *(Area Code) (Telephone Number)*
Internet Website Address	www.mibcn.com	
Statutory Statement Contact	Joseph John Andraska *(Name)*	248-455-3428 *(Area Code) (Telephone Number) (Extension)*
	jandraska@bcbsm.com *(E-Mail Address)*	248-455-3639 *(Fax Number)*
Policyowner Relations Contact	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City, State and Zip Code)*	800-662-6667 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Jeanne Helen Carlson	President & Chief Executive Officer	2. Julie Concetta Swantek	Secretary
3. Susan Anne Kluge	Treasurer & Chief Financial Officer	4. David Robert Nelson	Chief Actuarial Officer

OTHER

Douglas Robert Woll MD	Chief Medical Officer	Laurie Lowe Westfall #	Chief Operating Officer

DIRECTORS OR TRUSTEES

Julie Anne Angott	Mark Robert Bartlett	William Harrison Black	Charles Lee Burkett
Jeanne Helen Carlson	Shauna Ryder Diggs MD	Franklin Delano Garrison	Janet Louise Harden
DeMerritte Bonta Hiscoe MD	Valeriah Ann Holmon	Karen Marie Knapp	Daniel Joseph Loepp
Donald Glenn Oetman	Gregory Alan Sudderth	Diana Lynn Watson	

State of..... Michigan
County of..... Oakland

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)
Jeanne Helen Carlson	Julie Concetta Swantek	Susan Anne Kluge
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	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 _____

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
Federal Employees Health Benefit Program	1,038,760					1,038,760
City Of Detroit	658,801	124,430				783,231
State Of Michigan	332,845	40,064				372,909
0299997. Group subscribers subtotal	2,030,406	164,494	0	0	0	2,194,900
0299998. Premiums due and unpaid not individually listed	2,999,071	292,245	124,316	195,217	195,217	3,415,632
0299999. Total group	5,029,477	456,739	124,316	195,217	195,217	5,610,532
0399999. Premiums due and unpaid from Medicare entities	1,209,660					1,209,660
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	6,239,137	456,739	124,316	195,217	195,217	6,820,192

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
0199998. Pharmaceutical Rebate Receivables Not Listed Individually	3,332,994	4,086,121		1,098,612	1,940,630	6,577,097
0199999. Total Pharmaceutical Rebate Receivables	3,332,994	4,086,121	0	1,098,612	1,940,630	6,577,097
Other Receivables						
Medicare	41,772	19,376	9,507	18,542		89,197
Medicaid	31,029	14,394	7,063	13,774		66,260
0699998. Other Receivables Not Listed Individually	54,348	27,183	38,146	36,324	156,001	0
0699999. Total Other Receivables	127,149	60,953	54,716	68,640	156,001	155,457
0799999. Total Health Care Receivables	3,460,143	4,147,074	54,716	1,167,252	2,096,631	6,732,554

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate accounts not individually listed - covered	45,505,600	6,168,853	779,232	5,916	19,463	52,479,064
0499999. Subtotals	45,505,600	6,168,853	779,232	5,916	19,463	52,479,064
0599999. Unreported claim and other claim reserves						169,934,824
0699999. Total amounts withheld						7,939,179
0799999. Total claims unpaid						230,353,067
0899999. Accrued medical incentive pool and bonus amounts						48,913,134

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Blue Cross Blue Shield of Michigan	9,006,844	17,162	8,421	16,423	16,423	9,032,427	
M-CARE	96,800					96,800	
BCN Service Company	51,518					51,518	
Blue Care Network Malpractice Trust	14,721					14,721	
0199999. Individually listed receivables	9,169,883	17,162	8,421	16,423	16,423	9,195,466	0
0299999. Receivables not individually listed	587					587	
0399999. Total gross amounts receivable	9,170,470	17,162	8,421	16,423	16,423	9,196,053	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
Blue Cross Blue Shield of Michigan	Administrative Services	13,248,844	13,248,844	
Blue Care Of Michigan, Inc.	Personal Plus Premium	67,461	67,461	
0199999. Individually listed payables		13,316,305	13,316,305	0
0399999. Total gross payables		13,316,305	13,316,305	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	185,565,459	13.9	459,163	95.1		185,565,459
2. Intermediaries		0.0				
3. All other providers	56,683,009	4.3	482,998	100.0		56,683,009
4. Total capitation payments	242,248,468	18.2	942,161	195.1	0	242,248,468
Other Payments:						
5. Fee-for-service	281,383,179	21.2	XXX	XXX		281,383,179
6. Contractual fee payments	741,466,618	55.7	XXX	XXX		741,466,618
7. Bonus/withhold arrangements - fee-for-service	10,619,116	0.8	XXX	XXX		10,619,116
8. Bonus/withhold arrangements - contractual fee payments	41,985,053	3.2	XXX	XXX		41,985,053
9. Non-contingent salaries	12,614,691	0.9	XXX	XXX		12,614,691
10. Aggregate cost arrangements		0.0	XXX	XXX		
11. All other payments		0.0	XXX	XXX		
12. Total other payments	1,088,068,657	81.8	XXX	XXX	0	1,088,068,657
13. Total (Line 4 plus Line 12)	1,330,317,125	100.0	XXX	XXX	0	1,330,317,125

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	5,235,352		4,394,446	840,906	840,906	0
2. Medical furniture, equipment and fixtures	2,712,988		2,338,423	374,565	112,370	262,195
3. Pharmaceuticals and surgical supplies	1,194,935			1,194,935		1,194,935
4. Durable medical equipment						0
5. Other property and equipment	7,982,640		3,407,532	4,575,108	4,575,108	0
6. Total	17,125,915	0	10,140,401	6,985,514	5,528,384	1,457,130

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Care Network of Michigan 2. Southfield, MI

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....572 NAIC Company Code.....95610

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	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	452,163	1,734	416,511	20,309			13,609						
2. First quarter	460,284	1,704	423,903	18,671			13,238	2,768					
3. Second quarter	473,738	1,668	435,732	18,853			13,113	4,372					
4. Third quarter	476,410	1,659	438,300	18,602			13,219	4,630					
5. Current year	482,998	1,598	444,396	18,781			13,169	5,054					
6. Current year member months	5,622,483	19,866	5,174,883	224,448			156,530	46,756					
Total Member Ambulatory Encounters for Year:													
7. Physician	2,756,252	26,550	2,417,470	180,547			90,776	40,909					
8. Non-physician	530,860	4,524	345,164	158,415			19,552	3,205					
9. Totals	3,287,112	31,074	2,762,634	338,962	0	0	110,328	44,114	0	0	0	0	0
10. Hospital patient days incurred	146,342	393	102,373	35,157			3,097	5,322					
11. Number of inpatient admissions	34,238	98	25,608	6,810			775	947					
12. Health premiums written	1,571,722,906	5,890,134	1,390,610,843	86,073,236			51,507,018	37,641,675					
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	1,573,482,114	5,890,134	1,390,520,639	86,073,236			54,144,199	36,853,906					
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	1,330,317,125	8,710,926	1,169,657,081	75,655,697			47,952,981	28,309,314					31,126
18. Amount incurred for provision of health care services	1,351,865,362	8,710,926	1,181,675,369	77,465,988			48,459,058	35,522,895					31,126

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Care Network of Michigan 2. Southfield, MI

BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR (Location)

NAIC Group Code.....572

NAIC Company Code.....95610

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	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	452,163	1,734	416,511	20,309			13,609						
2. First quarter	460,284	1,704	423,903	18,671			13,238	2,768					
3. Second quarter	473,738	1,668	435,732	18,853			13,113	4,372					
4. Third quarter	476,410	1,659	438,300	18,602			13,219	4,630					
5. Current year	482,998	1,598	444,396	18,781			13,169	5,054					
6. Current year member months	5,622,483	19,866	5,174,883	224,448			156,530	46,756					
Total Member Ambulatory Encounters for Year:													
7. Physician	2,756,252	26,550	2,417,470	180,547			90,776	40,909					
8. Non-physician	530,860	4,524	345,164	158,415			19,552	3,205					
9. Totals	3,287,112	31,074	2,762,634	338,962	0	0	110,328	44,114	0	0	0	0	0
10. Hospital patient days incurred	146,342	393	102,373	35,157			3,097	5,322					
11. Number of inpatient admissions	34,238	98	25,608	6,810			775	947					
12. Health premiums written	1,571,722,906	5,890,134	1,390,610,843	86,073,236			51,507,018	37,641,675					
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	1,573,482,114	5,890,134	1,390,520,639	86,073,236			54,144,199	36,853,906					
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	1,330,317,125	8,710,926	1,169,657,081	75,655,697			47,952,981	28,309,314					31,126
18. Amount incurred for provision of health care services	1,351,865,362	8,710,926	1,181,675,369	77,465,988			48,459,058	35,522,895					31,126

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year	0
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 11	
	2.2 Totals, Part 3, Column 7	
3.	Cost of acquired (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 14	
	4.2 Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 12	
	6.2 Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	
8.	Book/adjusted carrying value at end of current period	0
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	0
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year		
2.	Amount loaned during year:		
	2.1 Actual cost at time of acquisitions		
	2.2 Additional investment made after acquisitions		0
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 year		
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
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		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

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		56,008,811
2.	Cost of acquisitions during year:		
	2.1 Actual cost at time of acquisitions		
	2.2 Additional investment made after acquisitions		0
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		9,946,029
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
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		65,954,840
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		65,954,840
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		65,954,840

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Class 1	60,553,963	1,001,372				61,555,335	14.8	98,778,596	16.9	61,555,335	
1.2 Class 2						0	0.0		0.0		
1.3 Class 3						0	0.0		0.0		
1.4 Class 4						0	0.0		0.0		
1.5 Class 5						0	0.0		0.0		
1.6 Class 6						0	0.0		0.0		
1.7 Totals	60,553,963	1,001,372	0	0	0	61,555,335	14.8	98,778,596	16.9	61,555,335	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Class 1						0	0.0		0.0		
2.2 Class 2						0	0.0		0.0		
2.3 Class 3						0	0.0		0.0		
2.4 Class 4						0	0.0		0.0		
2.5 Class 5						0	0.0		0.0		
2.6 Class 6						0	0.0		0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. **States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)**											
3.1 Class 1						0	0.0		0.0		
3.2 Class 2						0	0.0		0.0		
3.3 Class 3						0	0.0		0.0		
3.4 Class 4						0	0.0		0.0		
3.5 Class 5						0	0.0		0.0		
3.6 Class 6						0	0.0		0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Class 1						0	0.0		0.0		
4.2 Class 2						0	0.0		0.0		
4.3 Class 3						0	0.0		0.0		
4.4 Class 4						0	0.0		0.0		
4.5 Class 5						0	0.0		0.0		
4.6 Class 6						0	0.0		0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Class 1	59,894,799			3,862,845	34,109,254	97,866,898	23.5	114,438,821	19.6	97,866,898	
5.2 Class 2						0	0.0		0.0		
5.3 Class 3						0	0.0		0.0		
5.4 Class 4						0	0.0		0.0		
5.5 Class 5						0	0.0		0.0		
5.6 Class 6						0	0.0		0.0		
5.7 Totals	59,894,799	0	0	3,862,845	34,109,254	97,866,898	23.5	114,438,821	19.6	97,866,898	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Class 1						0	0.0	23,634,141	4.0		
6.2 Class 2						0	0.0	10,156,283	1.7		
6.3 Class 3						0	0.0		0.0		
6.4 Class 4						0	0.0		0.0		
6.5 Class 5						0	0.0		0.0		
6.6 Class 6						0	0.0		0.0		
6.7 Totals	0	0	0	0	0	0	0.0	33,790,424	5.8	0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Class 1	85,180,154			1,614,560		86,794,714	20.9	188,211,953	32.2	86,794,714	
7.2 Class 2	166,849,186				2,634,491	169,483,677	40.8	149,843,741	25.6	169,483,677	
7.3 Class 3						0	0.0		0.0		
7.4 Class 4						0	0.0		0.0		
7.5 Class 5						0	0.0		0.0		
7.6 Class 6						0	0.0		0.0		
7.7 Totals	252,029,340	0	0	1,614,560	2,634,491	256,278,391	61.6	338,055,694	57.8	256,278,391	0
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Class 1						0	0.0		0.0		
8.2 Class 2						0	0.0		0.0		
8.3 Class 3						0	0.0		0.0		
8.4 Class 4						0	0.0		0.0		
8.5 Class 5						0	0.0		0.0		
8.6 Class 6						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Class 1						0	0.0		0.0		
9.2 Class 2						0	0.0		0.0		
9.3 Class 3						0	0.0		0.0		
9.4 Class 4						0	0.0		0.0		
9.5 Class 5						0	0.0		0.0		
9.6 Class 6						0	0.0		0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. **Total Bonds Current Year**											
10.1 Class 1	205,628,916	1,001,372	0	5,477,405	34,109,254	246,216,947	59.2	XXX	XXX	246,216,947	0
10.2 Class 2	166,849,186	0	0	0	2,634,491	169,483,677	40.8	XXX	XXX	169,483,677	0
10.3 Class 3	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	372,478,102	1,001,372	0	5,477,405	36,743,745	(b) 415,700,624	100.0	XXX	XXX	415,700,624	0
10.8 Line 10.7 as a % of Col. 6	89.6	0.2	0.0	1.3	8.8	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Class 1	284,709,707	773,828	137,962,553		1,617,423	XXX	XXX	425,063,511	72.7	425,063,511	
11.2 Class 2	139,628,097	10,156,283	7,354,900		2,860,744	XXX	XXX	160,000,024	27.3	160,000,024	
11.3 Class 3						XXX	XXX	0	0.0		
11.4 Class 4						XXX	XXX	0	0.0		
11.5 Class 5						XXX	XXX	(c) 0	0.0		
11.6 Class 6						XXX	XXX	(c) 0	0.0		
11.7 Totals	424,337,804	10,930,111	145,317,453	0	4,478,167	XXX	XXX	(b) 585,063,535	100.0	585,063,535	0
11.8 Line 11.7 as a % of Col. 8	72.5	1.9	24.8	0.0	0.8	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	205,628,916	1,001,372		5,477,405	34,109,254	246,216,947	59.2	425,063,511	72.7	246,216,947	XXX
12.2 Class 2	166,849,186				2,634,491	169,483,677	40.8	160,000,024	27.3	169,483,677	XXX
12.3 Class 3						0	0.0	0	0.0	0	XXX
12.4 Class 4						0	0.0	0	0.0	0	XXX
12.5 Class 5						0	0.0	0	0.0	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	372,478,102	1,001,372	0	5,477,405	36,743,745	415,700,624	100.0	585,063,535	100.0	415,700,624	XXX
12.8 Line 12.7 as a % of Col. 6	89.6	0.2	0.0	1.3	8.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	89.6	0.2	0.0	1.3	8.8	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**											
13.1 Class 1						0	0.0	0	0.0	XXX	0
13.2 Class 2						0	0.0	0	0.0	XXX	0
13.3 Class 3						0	0.0	0	0.0	XXX	0
13.4 Class 4						0	0.0	0	0.0	XXX	0
13.5 Class 5						0	0.0	0	0.0	XXX	0
13.6 Class 6						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Issuer Obligations	60,553,963	1,001,372				61,555,335	14.8	98,778,596	16.9	61,555,335	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
1.7 Totals	60,553,963	1,001,372	0	0	0	61,555,335	14.8	98,778,596	16.9	61,555,335	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Issuer Obligations						0	0.0		0.0		
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined						0	0.0		0.0		
2.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined						0	0.0		0.0		
2.6 Other						0	0.0		0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. **States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)**											
3.1 Issuer Obligations						0	0.0		0.0		
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined						0	0.0		0.0		
3.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined						0	0.0		0.0		
3.6 Other						0	0.0		0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Issuer Obligations						0	0.0		0.0		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined						0	0.0		0.0		
4.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined						0	0.0		0.0		
4.6 Other						0	0.0		0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Issuer Obligations	59,894,799					59,894,799	14.4	20,089,845	3.4	59,894,799	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities				3,862,845	34,109,254	37,972,099	9.1	94,348,976	16.1	37,972,099	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined						0	0.0		0.0		
5.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined						0	0.0		0.0		
5.6 Other						0	0.0		0.0		
5.7 Totals	59,894,799	0	0	3,862,845	34,109,254	97,866,898	23.5	114,438,821	19.6	97,866,898	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Issuer Obligations						0	0.0	33,790,424	5.8		
6.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined						0	0.0		0.0		
6.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined						0	0.0		0.0		
6.6 Other						0	0.0		0.0		
6.7 Totals	0	0	0	0	0	0	0.0	33,790,424	5.8	0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Issuer Obligations	252,029,340			1,614,560		253,643,900	61.0	332,195,334	56.8	253,643,900	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	5,860,360	1.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined					2,634,491	2,634,491	0.6		0.0	2,634,491	
7.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
7.5 Defined						0	0.0		0.0		
7.6 Other						0	0.0		0.0		
7.7 Totals	252,029,340	0	0	1,614,560	2,634,491	256,278,391	61.6	338,055,694	57.8	256,278,391	0
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Issuer Obligations						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Issuer Obligations						0	0.0		0.0		
9.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined						0	0.0		0.0		
9.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined						0	0.0		0.0		
9.6 Other						0	0.0		0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. **Total Bonds Current Year**											
10.1 Issuer Obligations	372,478,102	1,001,372	0	1,614,560	0	375,094,034	90.2	XXX	XXX	375,094,034	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	3,862,845	34,109,254	37,972,099	9.1	XXX	XXX	37,972,099	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	2,634,491	2,634,491	0.6	XXX	XXX	2,634,491	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	372,478,102	1,001,372	0	5,477,405	36,743,745	415,700,624	100.0	XXX	XXX	415,700,624	0
10.8 Line 10.7 as a % of Col. 6	89.6	0.2	0.0	1.3	8.8	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	424,337,804	10,930,111	47,968,861		1,617,423	XXX	XXX	484,854,199	82.9	484,854,199	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities			97,348,592		2,860,744	XXX	XXX	100,209,336	17.1	100,209,336	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX	0	0.0		
11.4 Other						XXX	XXX	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX	0	0.0		
11.6 Other						XXX	XXX	0	0.0		
11.7 Totals	424,337,804	10,930,111	145,317,453	0	4,478,167	XXX	XXX	585,063,535	100.0	585,063,535	0
11.8 Line 11.7 as a % of Col. 8	72.5	1.9	24.8	0.0	0.8	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	372,478,102	1,001,372		1,614,560		375,094,034	90.2	484,854,199	82.9	375,094,034	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities				3,862,845	34,109,254	37,972,099	9.1	100,209,336	17.1	37,972,099	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined					2,634,491	2,634,491	0.6	0	0.0	2,634,491	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined						0	0.0	0	0.0	0	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	372,478,102	1,001,372	0	5,477,405	36,743,745	415,700,624	100.0	585,063,535	100.0	415,700,624	XXX
12.8 Line 12.7 as a % of Col. 6	89.6	0.2	0.0	1.3	8.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	89.6	0.2	0.0	1.3	8.8	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**											
13.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined						0	0.0	0	0.0	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value December 31 of prior year	424,337,804	424,337,804			
2. Cost of short-term investments acquired	803,081,308	803,081,308			
3. Increase (decrease) by adjustment	92,239	92,239			
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	(662,349)	(662,349)			
6. Consideration received on disposal of short-term investments	854,370,900	854,370,900			
7. Book/adjusted carrying value, current year	372,478,102	372,478,102	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	372,478,102	372,478,102	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	372,478,102	372,478,102	0	0	0
12. Income collected during year	22,689,053	22,689,053			
13. Income earned during year	23,318,668	23,318,668			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Sch. DB-Pt.A-Verification Between Years
NONE

Sch. DB-Pt.B-Verification Between Years
NONE

Sch. DB-Pt.C-Verification Between Years
NONE

Sch. DB-Pt.D-Verification Between Years
NONE

Sch. DB-Pt.E-Verification
NONE

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

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

Sch. S-Pt. 1-Sn. 2
NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
Accident and Health - Affiliates						
	38-6561862	01/01/2006	BCN Stop-Loss & Casualty Self-Insurance Trust	Southfield, Mi		7,857,452
0499999.	Total - Affiliates				0	7,857,452
0699999.	Total - Accident and Health				0	7,857,452
0799999.	Totals - Life, Annuity and Accident and Health				0	7,857,452

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Authorized General Account - Affiliates												
	38-6561862	01/01/2006	BCN Stop-Loss & Casualty Self-Insurance Trust	Southfield, Mi	SSL/L/I	8,023,048						
0199999.	Total - Authorized General Account - Affiliates					8,023,048	0	0	0	0	0	0
0399999.	Total - Authorized General Account					8,023,048	0	0	0	0	0	0
0799999.	Total - Authorized and Unauthorized General Account					8,023,048	0	0	0	0	0	0
1599999.	Totals					8,023,048	0	0	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5 + 6 + 7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols. 9 + 10 + 11 + 12 + 13 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2006	2 2005	3 2004	4 2003	5 2002
A. OPERATIONS ITEMS					
1. Premiums	7,885	3,437			
2. Title XVIII - Medicare	138				
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses	5,913	2,528			
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable	7,857	10,768			
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	619,068,826	(800,194)	618,268,632
2.	Accident and health premiums due and unpaid (Line 13)	6,820,192		6,820,192
3.	Amounts recoverable from reinsurers (Line 14.1)			0
4.	Net credit for ceded reinsurance	XXX	8,657,646	8,657,646
5.	All other admitted assets (balance)	24,996,425		24,996,425
6.	Totals assets (Line 26)	650,885,443	7,857,452	658,742,895
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	222,495,615	7,857,452	230,353,067
8.	Accrued medical incentive pool and bonus payments (Line 2)	48,913,134		48,913,134
9.	Premiums received in advance (Line 8)	31,838,588		31,838,588
10.	Reinsurance in unauthorized companies (Line 18)			0
11.	All other liabilities (balance)	119,351,581		119,351,581
12.	Total liabilities (Line 22)	422,598,918	7,857,452	430,456,370
13.	Total capital and surplus (Line 31)	228,286,525	XXX	228,286,525
14.	Total liabilities, capital and surplus (Line 32)	650,885,443	7,857,452	658,742,895
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	7,857,452		
16.	Accrued medical incentive pool	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	0		
19.	Other ceded reinsurance recoverables	800,194		
20.	Total ceded reinsurance recoverables	8,657,646		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	(800,194)		
24.	Total ceded reinsurance payables/offsets	(800,194)		
25.	Total net credit for ceded reinsurance	9,457,840		

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		Direct Business Only					
	States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1.	Alabama AL						0
2.	Alaska AK						0
3.	Arizona AZ						0
4.	Arkansas AR						0
5.	California CA						0
6.	Colorado CO						0
7.	Connecticut CT						0
8.	Delaware DE						0
9.	District of Columbia DC						0
10.	Florida FL						0
11.	Georgia GA						0
12.	Hawaii HI						0
13.	Idaho ID						0
14.	Illinois IL						0
15.	Indiana IN						0
16.	Iowa IA						0
17.	Kansas KS						0
18.	Kentucky KY						0
19.	Louisiana LA						0
20.	Maine ME						0
21.	Maryland MD						0
22.	Massachusetts MA						0
23.	Michigan MI						0
24.	Minnesota MN						0
25.	Mississippi MS						0
26.	Missouri MO						0
27.	Montana MT						0
28.	Nebraska NE						0
29.	Nevada NV						0
30.	New Hampshire NH						0
31.	New Jersey NJ						0
32.	New Mexico NM						0
33.	New York NY						0
34.	North Carolina NC						0
35.	North Dakota ND						0
36.	Ohio OH						0
37.	Oklahoma OK						0
38.	Oregon OR						0
39.	Pennsylvania PA						0
40.	Rhode Island RI						0
41.	South Carolina SC						0
42.	South Dakota SD						0
43.	Tennessee TN						0
44.	Texas TX						0
45.	Utah UT						0
46.	Vermont VT						0
47.	Virginia VA						0
48.	Washington WA						0
49.	West Virginia WV						0
50.	Wisconsin WI						0
51.	Wyoming WY						0
52.	American Samoa AS						0
53.	Guam GU						0
54.	Puerto Rico PR						0
55.	US Virgin Islands VI						0
56.	Northern Mariana Islands MP						0
57.	Canada CN						0
58.	Aggregate Other Alien OT						0
59.	Totals	0	0	0	0	0	0

NONE

SCHEDULE Y (Continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
54291	38-2069753	Blue Cross Blue Shield of Michigan	14,300,000	(30,771,000)			561,178,911				544,707,911	
95610	38-2359234	Blue Care Network of Michigan		(341,076)			(528,610,244)	(2,110,143)			(531,061,463)	7,857,452
52037	38-2536979	Blue Care of Michigan, Inc.					(4,333,272)	(1,000)			(4,334,272)	
10166	38-3207001	Accident Fund Insurance Company of America	(12,000,000)				(8,486,771)		*		(20,486,771)	21,552,000
12304	20-3058200	Accident Fund General Insurance Company					(2,214,921)		*		(2,214,921)	(29,886,000)
12305	20-3058291	Accident Fund National Insurance Company					(4,529,343)		*		(4,529,343)	(37,363,000)
29157	39-0941450	United Wisconsin Insurance Company					(7,196,999)		*		(7,196,999)	45,697,000
	38-6561861	BCN Medical Malpractice Self-Insurance Trust									0	
	38-6561862	BCN Stop-Loss and Casualty Self-Insurance Trust						2,111,143			2,111,143	(7,857,452)
	38-3134881	BCN Service Company		341,076			(51,518)				289,558	
	38-2612298	DenteMax	(2,300,000)				(1,865,975)				(4,165,975)	
95449	38-2649504	M-CARE									0	
11557	38-0026448	M-CAID									0	
11946	20-0547500	Michigan Health Insurance Company									0	
	38-2338506	Blue Cross Blue Sheild of Michigan Foundation					(795,601)				(795,601)	
12606	76-0800811	LifeSecure Insurance Company		30,771,000			(3,094,267)				27,676,733	
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES

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

	MARCH FILING	
9.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
10.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
11.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
12.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
	APRIL FILING	
14.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
15.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
16.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO

EXPLANATIONS:

BAR CODE:

9561020063600000
9561020062050000
9561020062070000
9561020064200000
9561020063650000
9561020063300000
9561020062110000
9561020062130000

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2104. Employee Health Insurance	2,023,039		2,023,039	1,558,338
2105. Escheats	300,271		300,271	735,358
2106. Other Payables	1,142		1,142	
2197. Summary of remaining write-ins for Line 21	2,324,452	0	2,324,452	2,293,696

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2304. Other Accounts Receivable	5,784	1,381	(4,403)
2305. Vehicle		1,006	1,006
2397. Summary of remaining write-ins for Line 23	5,784	2,387	(3,397)

Overflow Page for Write-Ins

NONE

95610200620700000

PROPERTY/CASUALTY SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2006

Of the.....Blue Care Network of Michigan

ADDRESS .....Southfield MI 48076

NAIC Group Code.....572 NAIC Company Code.....95610 Employer's ID Number.....38-2359234

Sch. F-Pt. 1
NONE

Sch. F-Pt. 3
NONE

Sch. P-Pt. 1-Summary
NONE

Sch. P-Pt. 1A
NONE

Sch. P-Pt. 1B
NONE

Sch. P-Pt. 1C
NONE

Sch. P-Pt. 1D
NONE

Sch. P-Pt. 1E
NONE

Sch. P-Pt. 1F-Sn. 1
NONE

Sch. P-Pt. 1F-Sn. 2
NONE

Sch. P-Pt. 1G
NONE

Sch. P-Pt. 1H-Sn. 1
NONE

Sch. P-Pt. 1H-Sn. 2
NONE

Sch. P-Pt. 1I
NONE

Sch. P-Pt. 1J
NONE

Sch. P-Pt. 1K
NONE

Sch. P-Pt. 1L
NONE

Sch. P-Pt. 1M
NONE

Sch. P-Pt. 1N
NONE

Sch. P-Pt. 1O
NONE

Sch. P-Pt. 1P
NONE

Sch. P-Pt. 1R-Sn. 1
NONE

Sch. P-Pt. 1R-Sn. 2
NONE

Sch. P-Pt. 1S
NONE

Sch. P-Pt. 2-Summary
NONE

Sch. P-Pt. 2A
NONE

Sch. P-Pt. 2B
NONE

Sch. P-Pt. 2C
NONE

Sch. P-Pt. 2D
NONE

Sch. P-Pt. 2E
NONE

Sch. P-Pt. 2F-Sn. 1
NONE

Sch. P-Pt. 2F-Sn. 2
NONE

Sch. P-Pt. 2G
NONE

Sch. P-Pt. 2H-Sn. 1
NONE

Sch. P-Pt. 2H-Sn. 2
NONE

Sch. P-Pt. 2I
NONE

Sch. P-Pt. 2J
NONE

Sch. P-Pt. 2K
NONE

Sch. P-Pt. 2L
NONE

Sch. P-Pt. 2M
NONE

Sch. P-Pt. 2N
NONE

Sch. P-Pt. 2O
NONE

Sch. P-Pt. 2P
NONE

Sch. P-Pt. 2R-Sn. 1
NONE

Sch. P-Pt. 2R-Sn. 2
NONE

Sch. P-Pt. 2S
NONE

Supplement for the year 2006 of the **Blue Care Network of Michigan**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code.....572 NAIC Company Code....95610

BUSINESS IN GRAND TOTAL DURING THE YEAR

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A&H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A & H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0
34. TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0

NONE

DETAILS OF WRITE-INS

3301.												
3302.												
3303.												
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 34 $.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

PS32.GT

Overflow Page for Write-Ins

NONE