



QUARTERLY STATEMENT
AS OF March 31, 2007
OF THE CONDITION AND AFFAIRS OF THE
HealthPlus of Michigan, Inc.

NAIC Group Code 3409 , 3409 NAIC Company Code 95580 Employer's ID Number 38-2160688
(Current Period) (Prior Period)

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[] Property/Casualty[] Hospital, Medical & Dental Service or Indemnity[]
 Dental Service Corporation[] Vision Service Corporation[] Health Maintenance Organization[X]
 Other[] Is HMO Federally Qualified? Yes[X] No[] N/A[]

Incorporated/Organized 08/09/1977 Commenced Business 10/15/1979

Statutory Home Office 2050 South Linden Road , Flint, MI 48532
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 2050 South Linden Road
(Street and Number)

Flint, MI 48532 (800)332-9161
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 2050 South Linden Road, P.O. Box 1700 , Flint, MI 48501-1700
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 2050 South Linden Road
(Street and Number)

Flint, MI 48532 (800)332-9161
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.healthplus.org

Statutory Statement Contact Matthew Andrew Mendrygal, C.P.A. (810)230-2179
(Name) (Area Code)(Telephone Number)(Extension)
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(E-Mail Address) (Fax Number)

Policyowner Relations Contact 2050 South Linden Road, P.O. Box 1700
(Street and Number)

Flint, MI 48501-1700 (800)332-9161
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)(Extension)

OFFICERS

Name	Title
David Paul Crosby	President
Matthew Andrew Mendrygal C.P.A.	Chief Financial Officer
Vernon Lee Burns	Treasurer

OTHERS

Dan Ellis Champney Esq., Vice President - Human Resources/General Counsel
 Laraine Bernadette Yapo, Vice President - Health Care Services
 John Jacob Saalwaechter MD,MBA,CPE, Vice President - Chief Medical Officer
 Dona Marie Kyle RN, BSN, Vice President - Medical Management

Bruce Robert Hill, Vice President - Health System/Purchaser Relations
 Christine Marie Tomcala, Vice President - Gov't Programs/Member Services
 Nancy Susan Jenkins, Vice President - Sales/Product Development

DIRECTORS OR TRUSTEES

Jack Louis Barry MD	Vernon Lee Burns
Harold Leslie Mallon DDS	Penelope Drake Pestronk
Gerald Edward Piesko DO	Peggy Joyce Tortorice
James Joseph Wascha Esq.	James Michael Van Tiffin
Stephanie Lynn Whisiker-Lewis DO	Christopher John Flores
Patrick Allen Campbell	Larry Leigh Carr DO
Roger LaVerne Sharp	Miles Conrad Owens
Amy Diane Farmer	Duane Edward Zuckschwerdt

State of Michigan
 County of Genesee ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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) David Paul Crosby (Printed Name) 1. President (Title)	_____ (Signature) Matthew Andrew Mendrygal (Printed Name) 2. Chief Financial Officer (Title)	_____ (Signature) Vernon Lee Burns (Printed Name) 3. Treasurer (Title)
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Subscribed and sworn to before me this _____ day of _____, 2007

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 _____

 (Notary Public Signature)

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	3,488,814		3,488,814	3,488,460
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	19,248,826		19,248,826	19,111,631
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	5,416,814		5,416,814	5,469,427
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....(1,216,934)), cash equivalents (\$.....0) and short-term investments (\$.....70,377,310)	69,160,376		69,160,376	93,482,252
6. Contract loans (including \$.....0 premium notes)				
7. Other invested assets	12,548,420		12,548,420	12,264,507
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	109,863,250		109,863,250	133,816,277
11. Title plants less \$.....0 charged off (for Title insurers only)				
12. Investment income due and accrued	434,893		434,893	458,413
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	20,297,001		20,297,001	1,614,881
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				271,270
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	3,369,356	2,254,964	1,114,392	1,059,755
19. Furniture and equipment, including health care delivery assets (\$.....0)	953,821	953,821		
20. Net adjustments in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	28,214		28,214	326,666
22. Health care (\$.....2,974,805) and other amounts receivable	3,091,359	458,546	2,632,813	2,686,223
23. Aggregate write-ins for other than invested assets	1,255,080	1,255,080		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	139,292,974	4,922,411	134,370,563	140,233,485
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	139,292,974	4,922,411	134,370,563	140,233,485
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Prepaid Expenses	1,255,080	1,255,080		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,255,080	1,255,080		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	43,881,283		43,881,283	49,935,247
2. Accrued medical incentive pool and bonus amounts	11,019,927		11,019,927	18,485,047
3. Unpaid claims adjustment expenses	984,320		984,320	948,411
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	4,707,695		4,707,695	1,654,740
9. General expenses due or accrued	5,478,095		5,478,095	6,128,222
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	117,773		117,773	60,915
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	2,342,518		2,342,518	140,781
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$.....0 current)	4,724,999		4,724,999	4,724,999
22. Total liabilities (Lines 1 to 21)	73,256,610		73,256,610	82,078,362
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X	170,511	170,511
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	60,943,442	57,984,612
30. Less treasury stock, at cost:				
30.10 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.20 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	61,113,953	58,155,123
32. Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	134,370,563	140,233,485
DETAILS OF WRITE-INS				
2101. Other Current Liabilities	24,999		24,999	24,999
2102. FEHBP Audit Redetermination	3,500,000		3,500,000	3,500,000
2103. Medicare Part D settlement	1,200,000		1,200,000	1,200,000
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	4,724,999		4,724,999	4,724,999
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	268,822	291,061
2. Net premium income (including \$.....0 non-health premium income)	X X X	104,496,535	101,842,226
3. Change in unearned premium reserves and reserves for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	104,496,535	101,842,226
Hospital and Medical:			
9. Hospital/medical benefits		65,013,932	65,682,307
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area		2,812,351	3,009,992
13. Prescription drugs		21,573,764	21,858,941
14. Aggregate write-ins for other hospital and medical		11,028	(625,774)
15. Incentive pool, withhold adjustments and bonus amounts		3,876,275	2,417,378
16. Subtotal (Lines 9 to 15)		93,287,350	92,342,844
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		93,287,350	92,342,844
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....1,672,220 cost containment expenses		2,683,098	2,548,387
21. General administrative expenses		7,106,152	6,143,805
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)		103,076,600	101,035,036
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,419,935	807,190
25. Net investment income earned		1,260,619	966,276
26. Net realized capital gains (losses) less capital gains tax of \$.....0			2,989
27. Net investment gains or (losses) (Lines 25 plus 26)		1,260,619	969,265
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		2,957	8,059
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	2,683,511	1,784,514
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	2,683,511	1,784,514
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401. Other Medical Expense		11,028	4,556
1402. Risk Sharing Receivables			(630,330)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		11,028	(625,774)
2901. Other Revenue		2,957	8,059
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		2,957	8,059

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	58,155,123	44,906,604	44,906,604
34. Net income or (loss) from Line 32	2,683,511	1,784,514	10,017,851
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	394,494	974,243	3,999,699
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(119,175)	59,729	(769,031)
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			
48. Net change in capital and surplus (Lines 34 to 47)	2,958,830	2,818,486	13,248,519
49. Capital and surplus end of reporting period (Line 33 plus 48)	61,113,953	47,725,090	58,155,123
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	88,880,181	405,237,304
2.	Net investment income	1,283,785	3,747,135
3.	Miscellaneous income		
4.	Total (Lines 1 to 3)	90,163,966	408,984,439
5.	Benefit and loss related payments	106,398,274	348,210,325
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	10,020,813	34,175,599
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	116,419,087	382,385,924
11.	Net cash from operations (Line 4 minus Line 10)	(26,255,121)	26,598,515
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		490,313
12.2	Stocks		162,001
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)		652,314
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		478,820
13.2	Stocks	26,615	9,673,005
13.3	Mortgage loans		
13.4	Real estate	75,364	1,053,087
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	101,979	11,204,912
14.	Net increase (or decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(101,979)	(10,552,598)
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)	2,035,224	(1,981,225)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	2,035,224	(1,981,225)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(24,321,876)	14,064,692
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	93,482,252	79,417,560
19.2	End of period (Line 18 plus Line 19.1)	69,160,376	93,482,252

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

Description		Amount 1	Amount 2
20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	93,935	392	78,366				1,634	3,655		9,888
2. First Quarter	89,540	379	73,697				1,937	3,591		9,936
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	268,822	1,143	221,425				5,841	10,778		29,635
Total Member Ambulatory Encounters for Period:										
7. Physician	93,379		81,415					4,591		7,373
8. Non-Physician	167,673		141,587					11,738		14,348
9. Total	261,052		223,002					16,329		21,721
10. Hospital Patient Days Incurred	13,674		6,885					1,823		4,966
11. Number of Inpatient Admissions	2,875		1,637					324		914
12. Health Premiums Written (a)	104,622,416	406,285	79,415,010				1,768,725	10,821,742		12,210,654
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	104,622,416	406,285	79,415,010				1,768,725	10,821,742		12,210,654
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	106,669,545	421,929	81,939,142				1,954,256	11,425,501		10,928,717
18. Amount Incurred for Provision of Health Care Services	93,287,350	366,702	70,929,665				1,982,728	9,872,897		10,135,358

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....10,821,742.

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
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	12,278,388	2,574,462	1,025,686	205,662	479,163	16,563,361
0499999 Subtotals	12,278,388	2,574,462	1,025,686	205,662	479,163	16,563,361
0599999 Unreported claims and other claim reserves						22,997,574
0699999 Total Amounts Withheld						4,320,348
0799999 Total Claims Unpaid						43,881,283
0899999 Accrued Medical Incentive Pool And Bonus Amounts						11,019,927

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	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	21,917,696	50,613,310	14,684,549	18,232,818	36,602,245	36,602,245
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan	738,482	1,158,965	122,575	823,763	861,057	861,057
6. Title XVIII - Medicare	6,152,694	5,470,199	1,751,325	4,491,686	7,904,019	7,904,019
7. Title XIX - Medicaid						
8. Other health	3,533,257	7,395,461	1,034,669	2,739,898	4,567,926	4,567,926
9. Health subtotal (Lines 1 to 8)	32,342,129	64,637,935	17,593,118	26,288,165	49,935,247	49,935,247
10. Healthcare receivables (a)	1,651,914		1,317,976	1,656,830	2,969,890	3,111,696
11. Other non-health						
12. Medical incentive pools and bonus amounts	11,097,220	244,175	7,387,814	3,632,113	18,485,034	18,485,047
13. Totals	41,787,435	64,882,110	23,662,956	28,263,448	65,450,391	65,308,598

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

Notes to Financial Statement

1. Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of HealthPlus of Michigan, Inc. (the Company) have been prepared in conformity with the 2007 NAIC Quarterly Statement Instructions and the NAIC Accounting Practices and Procedures Manual as of March 2006, to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or the 2006 Forms and Instructions for Required Filings in Michigan.

B. Management Estimates

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

C. Accounting Policy

Premium revenue is recognized in the month that members are entitled to health care services. The liability for incurred medical and hospital claims is accrued in the period during which the services are provided and includes estimates of services performed, which have not been reported to the Company.

The Company reports the value of its home office building at depreciated cost on Schedule A - Part 1. The fair value reported on Schedule A - Part 1 is based on a market analysis prepared for the Company by Mr. Winfield Cooper, President, Cooper Commercial, dated May 31, 2002.

In addition, the company uses the following accounting policies:

- 1) Short Term Investments are stated at amortized cost.
- 2) Bonds not backed by other loans are principally stated at amortized cost using the Seriatim Method.
- 3) Common Stocks are reported at market value.
- 4) The Company has no Preferred Stocks to report.
- 5) The Company has no mortgage loans to report.
- 6) Loan Backed Securities are stated at amortized cost. The Scientific Prospective method of amortization is applied.
- 7) The Company carries its investment in HealthPlus Partners, Inc. and HealthPlus Insurance Company at Statutory Equity, and its investment in HealthPlus Options at audited GAAP equity.
- 8) The Company has no ownership interests in joint ventures or limited liability companies.
- 9) The Company has no derivatives to report.
- 10) The Company has not calculated any premium deficiency reserves.
- 11) Unpaid claims include amounts determined from individual case estimates and amounts based on past experiences, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.
- 13) Estimated pharmaceutical rebate receivables are based primarily on historical trends.

Notes to Financial Statement

2. Accounting Changes and Corrections of Errors

The Company did not discover any material errors or make any material changes in accounting principles during the Quarter Ended March 31, 2007.

3. Business Combinations and Goodwill

None.

4. Discontinued Operations

None.

5. Investments – Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities, Repurchase Agreements

The Company does not have any mortgage loans, debt restructuring, reverse mortgages or repurchase agreements to report.

The Company's Loan-Backed Securities are reported at amortized cost. The Scientific Prospective method of amortization is applied. A PSA (Public Securities Association) rate of 100 is used to determine prepayment assumptions.

The Company has no impairment losses on real estate to report and does not engage in retail land sales.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

The Company does not exclude any investment income due and accrued.

8. Derivative Instruments

None.

9. Income Taxes

The Company is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4). The Company is also exempt from Michigan Single Business Tax.

10. Information Concerning Parent, Subsidiaries and Affiliates

HealthPlus Options, Inc. (HPO) is a wholly owned subsidiary of the Company. HPO began operations in 1990 as a third party administrator. The Company provides administrative services to HPO, and HPO pays the Company a monthly management fee for these services. Those fees amounted to \$1,281,403 as of the Quarter Ended March 31, 2007. The Company reports its investment in HPO at audited GAAP equity, which amounted to \$858,407 as of March 31, 2007 and is reported on page 2, line 7.

HealthPlus Partners, Inc. (HPP) is a wholly-owned not-for-profit subsidiary of HealthPlus of Michigan, Inc. HPP is a state licensed Health Maintenance Organization serving Medicaid members in the greater Flint and Saginaw regions and began operations on January 1, 2003. The Company reports its investment in HPP at statutory equity, which amounted to \$11,690,013 as of March 31, 2007, and is reported on page 2, line 7. The Company has entered into agreements with HPP for the provision of administrative services. These services amounted to \$3,491,489 as of the Quarter ended March 31, 2007.

Notes to Financial Statement

HealthPlus Insurance Company (HPI) is a wholly-owned for-profit subsidiary of HealthPlus of Michigan, Inc. HPI is a state licensed Insurance Company and began operations January 1, 2007 offering a PPO product. The Company reports its investment in HPI at statutory equity, which amounted to \$8,743,389 as of the Quarter Ended March 31, 2007, and is reported as an affiliated stock investment on Page 2, line 2.2.

11. Debt

The Company has no Capital Notes or Other Debts to report.

12. Retirement Plan

A defined contribution plan is provided to substantially all employees of the Company. The Company contributes 7% of participating employees' annual compensation into the benefit plan. Company contributions were \$328,594 as of the Quarter Ended March 31, 2007.

The Company also has a retiree health insurance program. To be eligible, the participant must have retired from active employment, attained the age of 62 and have 15 years of full-time service. The Company currently funds the cost of these benefits as they are incurred. There have been no material changes, as of the Quarter Ended March 31, 2007, in the disclosures on the 2006 Annual Statement for this program.

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

The Company has no Shareholder's Dividend Restrictions or Quasi-Reorganizations to report.

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a. change in unrealized gains and losses:	\$ 394,494
b. change in nonadmitted asset values:	\$ (119,175)

Unrealized gains and losses consist of the following:

Unrealized gains/(losses) on Equity Investments - unaffiliated	\$ 28,343
Unrealized gains/(losses) on Equity Investments – affiliated	82,237
Unrealized gains/(losses) on HealthPlus Partners	207,680
Unrealized gains/(losses) on HealthPlus Options	<u>76,234</u>
	<u>\$ 394,494</u>

14. Contingencies

In the normal course of business, HealthPlus of Michigan is a party to certain legal matters. Management is of the opinion that resolution of these matters will not have a material effect on the Company's financial position or results of operations.

15. Leases

There were no material changes in operating lease agreements as of the Quarter Ended March 31, 2007. Total rental expense for all operating leases for the period was \$59,139.

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

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

Notes to Financial Statement

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

None.

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

None.

20. September 11 events

None.

21. Other Items

The Company has no extraordinary items or other disclosures to report.

22. Events Subsequent

There were no events subsequent to the close of the books or accounts for this statement which may have a material effect on the financial condition of the Company.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes (x) No ()

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?

\$ 0.

Notes to Financial Statement

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (x)

(3) Uncollectible Reinsurance

None.

C. Commutation of Ceded Reinsurance

None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There has been no change in the status of the Federal Employees Health Benefits Program (FEHBP) redetermination as detailed in the 2006 Annual Statement, as of the Quarter Ended March 31, 2007.

There has been no change in the status of the Medicare Part D settlement as detailed in the 2006 Annual Statement, as of the Quarter Ended March 31, 2007.

25. Change in Incurred Claims and Claim Adjustment Expenses

There has been no change in the reserves for incurred claims attributable to insured events of prior years as of the Quarter Ended March 31, 2007 as a result of re-estimation of unpaid claims.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

Not applicable.

Notes to Financial Statement

28 Health Care Receivables

(a) Pharmaceutical Rebate Receivables

Pharmaceutical rebate receivables consist of actual amounts billed for the previous quarter, based on actual prescriptions filled, and estimates of rebates for the current quarter. Estimated rebates are based primarily on historical trends.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
03/31/2007	1,087,500	0	0	0	0
12/31/2006	635,118	1,088,314	453,196	0	0
09/30/2006	0	1,312,462	863,175	449,287	0
06/30/2006	0	1,362,547	1,140,405	222,142	0
03/31/2006	0	1,374,157	1,182,451	191,706	0
12/31/2005	0	1,610,968	1,593,764	17,204	0
09/30/2005	0	1,366,861	1,186,281	180,580	0
06/30/2005	0	1,362,998	1,095,701	267,297	0
03/31/2005	0	1,337,680	1,283,275	54,405	0
12/31/2004	0	1,423,041	1,244,704	178,337	0
09/30/2004	0	1,340,487	843,580	496,907	0
06/30/2004	0	1,289,412	780,681	508,731	0
03/31/2004	0	1,225,647	1,015,893	206,586	3,168

(b) Risk Sharing Receivables

The Company has agreements, which provide the basis of payments to different provider groups for the delivery of health care services. The groups include hospitals, physician hospital organizations, and physicians. The agreements include provisions for the sharing of surplus or deficits calculated by the comparison of total expense to funding reported for the Company's members served by the physicians affiliated with each contracting provider group. The funding levels are primarily based on a percentage of the premium, which the Company receives for providing health insurance coverage to employer groups. Certain of these providers have entered into separate agreements with affiliated hospitals to share any surplus or deficit associated with services to physician members.

The following table details risk sharing receivables recorded in accordance with the provisions of the aforementioned agreements.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated And Reported in the Prior Year	Risk Sharing Receivable as Estimated And Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected – All Other
2007	2007	0	569,327	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0	0
2006	2006	0	942,152	259,291	682,861	259,291	0	0	0
	2007	0	0	0	0	0	0	0	0
2005	2005	0	2,052,513	2,052,513	0	2,052,513	0	0	0
	2006	0	0	0	0	0	0	0	0
2004	2004	0	2,238,138	2,238,138	0	2,238,138	0	0	0
	2005	0	0	0	0	0	0	0	0
2003	2003	0	3,238,601	3,238,601	0	3,238,601	0	0	0
	2004	0	0	0	0	0	0	0	0

Notes to Financial Statement

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Salvage and Subrogation

The Company has not specifically identified any anticipated salvage and subrogation amounts in its calculation of loss reserves.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]

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

- 3. 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.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2003.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2003.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).06/16/2005.....
- 6.4 By what department or departments?
Department of Labor & Economic Growth, Office of Financial & Insurance Services, Office of Financial Evaluation

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

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide 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
.....	Yes[] No[X]				

FINANCIAL

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

- 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]
- 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:

GENERAL INTERROGATORIES (Continued)

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds		
15.22 Preferred Stock		
15.23 Common Stock	8,662,609	8,744,846
15.24 Short-Term Investments		
15.25 Mortgages Loans on Real Estate		
15.26 All Other	12,264,507	12,548,420
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	20,927,116	21,293,266
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above		

- 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[] N/A[X]
 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
JP Morgan Asset Management	611 Woodward Avenue, Detroit, MI 48226
Citizens Bank Wealth Management	328 S. Saginaw Street, Flint, MI 48502

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

1 Central Registration Depository	2 Name(s)	3 Address
111223	Citizens Bank Wealth Management	328 S. Saginaw Street, Flint, MI 48502
104234	JP Morgan Asset Management	611 Woodward Avenue, Detroit, MI 48226

- 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:

General Interrogatories Part 1 Attachments

5. HealthPlus of Michigan, Inc. has entered into an agreement to provide administrative services to its subsidiary, HealthPlus Insurance Company, effective January 1, 2007.

SCHEDULE A - VERIFICATION**Real Estate**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,469,427	4,832,170
2. Increase (decrease) by adjustment	(127,977)	(415,830)
3. Cost of acquired		
4. Cost of additions to and permanent improvements	75,364	1,053,087
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	5,416,814	5,469,427
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	5,416,814	5,469,427
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	5,416,814	5,469,427

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
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	NONE	
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		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION**Other Invested Assets**

Description	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	12,264,507	9,043,031
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	283,913	3,221,476
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	12,548,420	12,264,507
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	12,548,420	12,264,507
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	12,548,420	12,264,507

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	22,600,090	12,335,295
2. Cost of bonds and stocks acquired	26,615	10,151,825
3. Accrual of discount	915	2,635
4. Increase (decrease) by adjustment	110,581	778,223
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		(13,007)
7. Consideration for bonds and stocks disposed of		652,314
8. Amortization of premium	561	2,567
9. Book/adjusted carrying value, current period	22,737,640	22,600,090
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	22,737,640	22,600,090
12. Total nonadmitted amounts		
13. Statement value	22,737,640	22,600,090

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	95,690,799	6,989,881	28,814,910	354	73,866,124			95,690,799
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	95,690,799	6,989,881	28,814,910	354	73,866,124			95,690,799
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	95,690,799	6,989,881	28,814,910	354	73,866,124			95,690,799

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	70,377,310	X X X	70,377,310	350,594	

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	92,202,339	76,383,427
2. Cost of short-term investments acquired	6,989,881	64,683,087
3. Increase (decrease) by adjustment		
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	28,814,910	48,864,175
7. Book/adjusted carrying value, current period	70,377,310	92,202,339
8. Total valuation allowance		
9. Subtotals (Lines 7 plus 8)	70,377,310	92,202,339
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	70,377,310	92,202,339
12. Income collected during period	1,117,165	3,596,615
13. Income earned during period	1,094,654	3,596,615

15 Schedule DB Part F Section 1 NONE

16 Schedule DB Part F Section 2 NONE

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Accident and Health - Non-affiliates						
92711	35-1817054	01/01/2007	HCC LIFE INS CO	Minnetonka, MN	SSL/A/I	Yes[X] No[]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

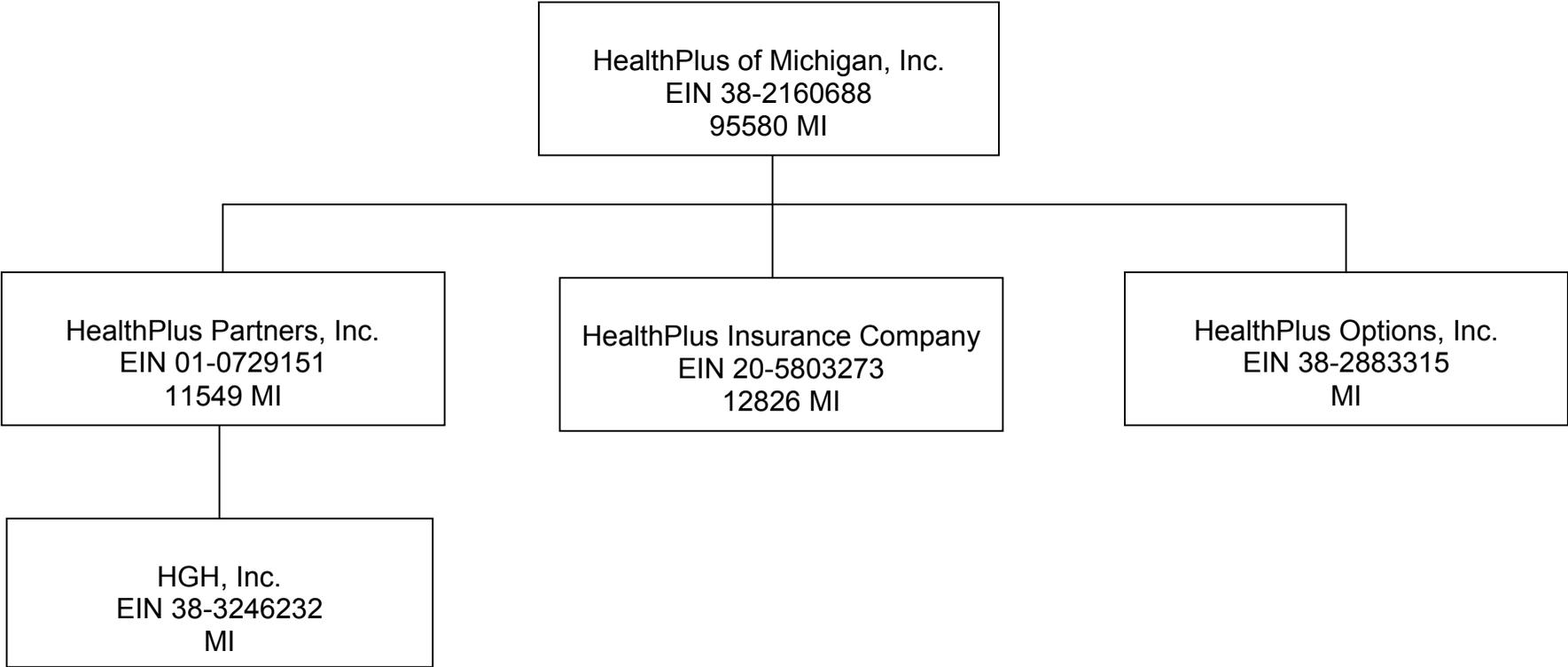
Current Year to Date - Allocated by States and Territories

State, Etc.		Direct Business Only								
		1 Is Insurer Licensed (Yes or No)	2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1.	Alabama (AL)	No								
2.	Alaska (AK)	No								
3.	Arizona (AZ)	No								
4.	Arkansas (AR)	No								
5.	California (CA)	No								
6.	Colorado (CO)	No								
7.	Connecticut (CT)	No								
8.	Delaware (DE)	No								
9.	District of Columbia (DC)	No								
10.	Florida (FL)	No								
11.	Georgia (GA)	No								
12.	Hawaii (HI)	No								
13.	Idaho (ID)	No								
14.	Illinois (IL)	No								
15.	Indiana (IN)	No								
16.	Iowa (IA)	No								
17.	Kansas (KS)	No								
18.	Kentucky (KY)	No								
19.	Louisiana (LA)	No								
20.	Maine (ME)	No								
21.	Maryland (MD)	No								
22.	Massachusetts (MA)	No								
23.	Michigan (MI)	Yes	92,031,949	10,821,742		1,768,725		104,622,416		
24.	Minnesota (MN)	No								
25.	Mississippi (MS)	No								
26.	Missouri (MO)	No								
27.	Montana (MT)	No								
28.	Nebraska (NE)	No								
29.	Nevada (NV)	No								
30.	New Hampshire (NH)	No								
31.	New Jersey (NJ)	No								
32.	New Mexico (NM)	No								
33.	New York (NY)	No								
34.	North Carolina (NC)	No								
35.	North Dakota (ND)	No								
36.	Ohio (OH)	No								
37.	Oklahoma (OK)	No								
38.	Oregon (OR)	No								
39.	Pennsylvania (PA)	No								
40.	Rhode Island (RI)	No								
41.	South Carolina (SC)	No								
42.	South Dakota (SD)	No								
43.	Tennessee (TN)	No								
44.	Texas (TX)	No								
45.	Utah (UT)	No								
46.	Vermont (VT)	No								
47.	Virginia (VA)	No								
48.	Washington (WA)	No								
49.	West Virginia (WV)	No								
50.	Wisconsin (WI)	No								
51.	Wyoming (WY)	No								
52.	American Samoa (AS)	No								
53.	Guam (GU)	No								
54.	Puerto Rico (PR)	No								
55.	U.S. Virgin Islands (VI)	No								
56.	Northern Mariana Islands (MP)	No								
57.	Canada (CN)	No								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	92,031,949	10,821,742		1,768,725		104,622,416		
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a) 1	92,031,949	10,821,742		1,768,725		104,622,416		
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

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

Q19



33.33% ownership. Under dissolution.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

RESPONSE

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95580200736500001

2007

Document Code: 365

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 1 NONE

E02 Schedule B Part 2 NONE

E03 Schedule BA Part 1 NONE

E03 Schedule 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)
6099998	Summary Item for Bonds Bought and Sold This Quarter				X X X	X X X	X X X	X X X	X X X
6599998	Summary Item for Preferred Stock Bought and Sold This Quarter				X X X	X X X	X X X	X X X	X X X
Common Stock - Mutual Funds									
4812C0381	JPMORGAN CORE BOND FUND		03/01/2007	BANK ONE MANAGEMENT FUND	2,513.571	26,615	X X X		L
7099999	Subtotal - Common Stock - Mutual Funds				X X X	26,615	X X X		X X X
7299997	Subtotal - Common Stock - Part 3				X X X	26,615	X X X		X X X
7299998	Summary Item for Common Stock Bought and Sold This Quarter				X X X	X X X	X X X	X X X	X X X
7299999	Subtotal - Common Stocks				X X X	26,615	X X X		X X X
7399999	Subtotal - Preferred and Common Stocks				X X X	26,615	X X X		X X X
7499999	Total - Bonds, Preferred and Common Stocks				X X X	26,615	X X X		X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E05 Schedule D Part 4 NONE

E06 Schedule DB Part A Section 1 NONE

E06 Schedule DB Part B Section 1 NONE

E07 Schedule DB Part C Section 1 NONE

E07 Schedule 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									
JP Morgan Chase Bank, N.A.	Baton Rouge, LA					1,811,046	622,795	1,143,127	X X X
JP Morgan Chase Bank, N.A.	Baton Rouge, LA					(527,391)	(660,587)	(675,201)	X X X
JP Morgan Chase Bank, N.A.	Baton Rouge, LA					(4,347,324)	(2,083,613)	(7,975,054)	X X X
GMAC	Chicago, IL			38		2,647	2,659	2,671	X X X
Citizens Bank	Flint, MI		5.250	53,180		4,157,063	4,174,035	4,192,210	X X X
Peoples State Bank	Fenton, MI		5.260	26,692		2,077,562	2,085,904	2,094,720	X X X
0	0								X X X
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X	79,910		3,173,603	4,141,193	(1,217,527)	X X X
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories		X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X	79,910		3,173,603	4,141,193	(1,217,527)	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X	593	593	593	X X X
0599999 Total Cash		X X X	X X X	79,910		3,174,196	4,141,786	(1,216,934)	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> N O N E </div>							
0199999							



MEDICARE PART D COVERAGE SUPPLEMENT
Net of Reinsurance
For the Quarter Ended

NAIC Group Code

NAIC Company Code

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		X X X		X X X	
2. Earned Premiums		X X X		X X X	X X X
3. Claims Paid		X X X		X X X	
4. Claims Incurred		X X X		X X X	X X X
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	X X X		X X X		
6. Aggregate Policy Reserves - change		X X X		X X X	X X X
7. Expenses Paid		X X X		X X X	
8. Expenses Incurred		X X X		X X X	X X X
9. Underwriting Gain or Loss		X X X		X X X	X X X
10. Cash Flow Results	X X X	X X X	X X X	X X X	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.0 due from CMS or \$.0 due to CMS

INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11
Accounting Practices and Policies; Q5; Q10, Note 1
Admitted Assets; Q2
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05
Bonuses; Q3; Q4; Q8; Q9
Borrowed Funds; Q3; Q6
Business Combinations and Goodwill; Q10, Note 3
Capital Gains (Losses)
 Realized; Q4
 Unrealized; Q4; Q5
Capital Stock; Q2; Q10, Note 13
Capital Notes; Q6; Q10, Note 11
Caps; QE06
Cash; Q2; Q6; QE08
Cash Equivalents; Q2; Q6
Claims; Q3; Q8
Collars; QE07
Commissions; Q6
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2
Cost Containment Expenses; Q4
Contingencies; Q10, Note 14
Counterparty Exposure; Q10, Note 8
Debt; Q10, Note 11
Deferred Compensation; Q10, Note 2
Derivative Instruments; Q10, Note 8; Q14; Q15; QE06; QE07
Discontinued Operations; Q10, Note 4
Electronic Data Processing Equipment; Q2
Encumbrances; Q2; QE01
Emergency Room; Q4
Expenses; Q3; Q4; Q6
Extinguishment of Liabilities; Q10, Note 17
Extraordinary Item; Q10, Note 21
Fee for Service; Q4
Foreign Exchange; Q2; Q3; Q5; Q12; QE01; QE02; QE04; QE05
Forwards; QE07
Furniture, Equipment and Supplies; Q2
Guaranty Fund; Q2; Q18
Health Care Receivables; Q2; Q9; Q10, Note 28
Hospital/Medical Benefits; Q4
Incentive Pools; Q3; Q4; Q9
Income; Q4; Q5
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9
Incurred Claims and Claim Adjustment Expenses; Q10, Note 25
Intercompany Pooling; Q10, Note 26
Investment Income; Q10, Note 7
 Accrued; Q2
 Earned; Q2; Q14
 Received; Q6
Investments; Q10, Note 5; Q11.1; Q11.2
Joint Ventures; Q10, Note 6
Leases; Q10, Note 15
Limited Liability Company (LLC); Q10, Note 6
Limited Partnership; Q10, Note 6
Long-Term Invested Assets; QE03
Managing General Agents; Q10, Note 19
Medicare Part D Coverage; QSupp1
Member Months; Q4; Q7
Mortgage Loans; Q2; Q6; Q11.1; QE02
Non Admitted Assets; Q2; Q5; Q12
Off-Balance Sheet Risk; Q10, Note 16
Options; QE06
Organizational Chart; Q11; Q19
Out-of-Area; Q4
Outside Referrals; Q4
Parents, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1
Participating Policies; Q10, Note 29
Pharmaceutical Rebates; Q10, Note 28
Policyholder Dividends; Q6
Postemployment Benefits; Q10, Note 12
Postretirement Benefits; Q10, Note 12
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2
Premium Deficiency Reserves; Q10, Note 30

INDEX TO HEALTH QUARTERLY STATEMENT

Premiums and Considerations

- Advance; Q3
- Collected; Q6
- Deferred; Q2
- Direct; Q7; Q18
- Earned; Q7
- Retrospective; Q2
- Uncollected; Q2
- Unearned; Q4; Q7
- Written; Q4; Q7

Prescription Drugs; Q4

Quasi Reorganizations; Q10, Note 13

Real Estate; Q2; QE01

Redetermination, Contracts Subject to; Q10, Note 24

Reinsurance; Q10, Note 23

- Ceded; Q3; Q17
- Funds Held; Q2
- Payable; Q3
- Premiums; Q3
- Receivable; Q2; Q4
- Unauthorized; Q3; Q5

Reserves

- Accident and Health; Q3; Q4
- Claim; Q3; Q5; Q8
- Life; Q3

Retirement Plans; Q10, Note 12

Retrospectively Rated Policies; Q10, Note 24

Risk Revenue; Q4

Salvage and Subrogation; Q10, Note 31

September 11 Events; Q10, Note 20

Servicing of Financial Assets; Q10, Note 17

Short-Term Investments; Q2; Q6; Q11.1; Q14

Stockholder Dividends; Q5

Subsequent Events; Q10, Note 22

Surplus; Q3; Q5; Q10, Note 13

Surplus Notes; Q3; Q5; Q6

Swaps; QE07

Synthetic Assets; Q15; Q16

Third Party Administrator; Q10, Note 19

Treasury Stock; Q3; Q5

Uninsured Accident and Health; Q2; Q3; Q10, Note 18

Valuation Allowance; Q12; Q14

Wash Sales; Q10, Note 17

Withholds; Q4; Q8