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QUARTERLY STATEMENT

AS OF JUNE 30, 2007

OF THE CONDITION AND AFFAIRS OF THE

Health Alliance Plan of Michigan

NAIC Group Code 1311 (Current Period), 1311 (Prior Period) NAIC Company Code 95844 Employer's ID Number 38-2242827

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

Country of Domicile United States

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

Incorporated/Organized 06/27/1978 Commenced Business 02/08/1979

Statutory Home Office 2850 West Grand Boulevard (Street and Number), Detroit, MI 48202 (City or Town, State and Zip Code)

Main Administrative Office 2850 West Grand Boulevard (Street and Number) Detroit, MI 48202 (City or Town, State and Zip Code) 313-872-8100 (Area Code) (Telephone Number)

Mail Address 2850 West Grand Boulevard (Street and Number or P.O. Box), Detroit, MI 48202 (City or Town, State and Zip Code)

Primary Location of Books and Records 2850 West Grand Boulevard (Street and Number) Detroit, MI 48202 (City or Town, State and Zip Code) 248-443-1093 (Area Code) (Telephone Number)

Internet Website Address www.hap.org

Statutory Statement Contact Dianna Ronan CPA (Name) 248-443-1093 (Area Code) (Telephone Number) (Extension)

dronan@hap.org (E-Mail Address) 248-443-8610 (Fax Number)

Policyowner Relations Contact 2850 West Grand Boulevard (Street and Number) Detroit, MI 48202 (City or Town, State and Zip Code) 313-872-8100 (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
Francine Parker	President and CEO	Maurice E. McMurray	Secretary
Ronald W. Berry	Treasurer	Colleen McClorey	Assistant Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Nicholas C. Anderson	Mary Beth Bolton M.D.	Mary E Bunn	William A. Conway M.D.
Dennis H. DePaulis	Mary C. Dickson	John T. Gargaro	Jethro Joseph
Jackie Martin	Francine Parker	William L. Peirce	Carol Quigley IHM
Catherine A. Roberts	Robin Scales-Wooten	Nancy Schlicting	Gerald K. Smith
Rebecca R. Smith	Susan Wells	Karen Wezner #	

State of Michigan
County of Wayne ss

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.

Francine Parker President and CEO	Maurice E. McMurray Secretary	Ronald W. Berry Treasurer

Subscribed and sworn to before me this
_____ day of _____, _____

Roderick Irwin Curry, Notary
August 14 2013

a. Is this an original filing? Yes [X] No [ ]

b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	66,401,696		66,401,696	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	127,803,898		127,803,898	128,653,501
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ ..... encumbrances)	2,777,796	1,908,862	868,934	883,493
4.2 Properties held for the production of income (less $ ..... encumbrances)			0	0
4.3 Properties held for sale (less $ ..... encumbrances)			0	0
5. Cash ($ 7,332,231), cash equivalents ($ 64,517,985) and short-term investments ($ 69,012,321)	140,862,537		140,862,537	171,219,931
6. Contract loans, (including $ ..... premium notes)			0	0
7. Other invested assets	64,487,978	0	64,487,978	63,056,652
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	892,776	0	892,776	871,238
10. Subtotals, cash and invested assets (Lines 1 to 9)	403,226,681	1,908,862	401,317,819	364,684,814
11. Title plants less $ ..... charged off (for Title insurers only)			0	0
12. Investment income due and accrued	1,392,806		1,392,806	1,190,984
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	33,469,120		33,469,120	19,289,034
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	13,942,096	13,086,447	855,649	794,201
19. Furniture and equipment, including health care delivery assets ($ .....)	1,620,613	1,620,613	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	1,322,644		1,322,644	1,256,619
22. Health care ($ 3,162,126) and other amounts receivable	3,162,126		3,162,126	6,071,146
23. Aggregate write-ins for other than invested assets	13,112,576	12,259,755	852,821	689,250
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	471,248,661	28,875,676	442,372,984	393,976,048
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	471,248,661	28,875,676	442,372,984	393,976,048
DETAILS OF WRITE-INS				
0901. Rabbi Trust	892,776		892,776	871,238
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	892,776	0	892,776	871,238
2301. Other Receivables	88,750		88,750	68,344
2302. Deferred Compensation	706,228		706,228	563,062
2303. Intangible Asset	2,185,578	2,185,578	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	10,132,020	10,074,177	57,843	57,843
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	13,112,576	12,259,755	852,821	689,250

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	101,845,299	1,798,665	103,643,964	97,911,257
2. Accrued medical incentive pool and bonus amounts	1,023,527		1,023,527	2,152,020
3. Unpaid claims adjustment expenses	963,088		963,088	857,444
4. Aggregate health policy reserves	5,051,288		5,051,288	4,480,009
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	39,308,825		39,308,825	17,777,822
9. General expenses due or accrued	16,385,658		16,385,658	14,284,396
10.1 Current federal and foreign income tax payable and interest thereon (including $ ..... on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including $ 86,716 current) and interest thereon $ 10,006 (including $ 10,006 current)	315,785		315,785	236,223
15. Amounts due to parent, subsidiaries and affiliates	565,782		565,782	606,556
16. Payable for securities			0	422,833
17. Funds held under reinsurance treaties with ($ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	5,671,149		5,671,149	4,419,257
21. Aggregate write-ins for other liabilities (including $ ..... current)	11,220,944	0	11,220,944	8,475,978
22. Total liabilities (Lines 1 to 21)	182,351,345	1,798,665	184,150,010	151,623,795
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		0
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX		0
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	258,222,975	242,352,253
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24) $ .....)	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25) $ .....)	XXX	XXX	0	0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	258,222,975	242,352,253
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	442,372,984	393,976,048
DETAILS OF WRITE-INS				
2101. Pension Liability - Long Term	9,457,014		9,457,014	6,825,803
2102. Retiree Health Benefits	1,057,703		1,057,703	1,087,112
2103. Deferred Compensation	706,228		706,228	563,062
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	11,220,944	0	11,220,944	8,475,978
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	2,464,112	2,658,744
2. Net premium income (including $ ..... non-health premium income)	XXX	801,139,957	787,589,289
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of $ ..... medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	801,139,957	787,589,289
Hospital and Medical:			
9. Hospital/medical benefits		526,139,835	517,186,031
10. Other professional services			0
11. Outside referrals		21,336,756	20,779,930
12. Emergency room and out-of-area		68,338,149	61,179,979
13. Prescription drugs		121,055,343	119,485,921
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		140,810	192,625
16. Subtotal (Lines 9 to 15)	0	737,010,893	718,824,486
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	737,010,893	718,824,486
19. Non-health claims (net)			0
20. Claims adjustment expenses, including $ 4,075,133 ..... cost containment expenses		8,284,449	9,403,304
21. General administrative expenses		46,491,343	45,758,652
22. Increase in reserves for life and accident and health contracts including $ ..... increase in reserves for life only)			0
23. Total underwriting deductions (Lines 18 through 22)	0	791,786,685	773,986,442
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	9,353,272	13,602,847
25. Net investment income earned		7,200,949	6,392,269
26. Net realized capital gains (losses) less capital gains tax of $		(1,429)	0
27. Net investment gains (losses) (Lines 25 plus 26)	0	7,199,520	6,392,269
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ .....) (amount charged off $ .....)]			0
29. Aggregate write-ins for other income or expenses	0	276,040	210,946
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	16,828,833	20,206,063
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	16,828,833	20,206,063
DETAILS OF WRITE-INS			
0601.	XXX		0
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901. Gain/(Loss) on Sale of Assets		6,716	(12,771)
2902. Miscellaneous Revenue		269,325	223,717
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	276,040	210,946

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:			
33.	Capital and surplus prior reporting year	242,352,253	220,773,309	220,773,309
34.	Net income or (loss) from Line 32	16,828,833	20,206,063	48,891,712
35.	Change in valuation basis of aggregate policy and claim reserves		0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $	(2,178,258)	(2,609,698)	(2,085,130)
37.	Change in net unrealized foreign exchange capital gain or (loss)		0	0
38.	Change in net deferred income tax		0	0
39.	Change in nonadmitted assets	1,220,146	1,740,961	4,772,363
40.	Change in unauthorized reinsurance	0	0	0
41.	Change in treasury stock		0	0
42.	Change in surplus notes	0	0	0
43.	Cumulative effect of changes in accounting principles		0	0
44.	Capital Changes:			
	44.1 Paid in		0	0
	44.2 Transferred from surplus (Stock Dividend)		0	0
	44.3 Transferred to surplus		0	0
45.	Surplus adjustments:			
	45.1 Paid in		0	0
	45.2 Transferred to capital (Stock Dividend)	0	0	0
	45.3 Transferred from capital		0	0
46.	Dividends to stockholders		0	(30,000,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	15,870,721	19,337,326	21,578,944
49.	Capital and surplus end of reporting period (Line 33 plus 48)	258,222,975	240,110,636	242,352,253
	DETAILS OF WRITE-INS			
4701.			0	0
4702.			0	0
4703.			0	0
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	808,490,875	1,598,583,092
2. Net investment income	5,920,387	10,225,116
3. Miscellaneous income	248,918	676,751
4. Total (Lines 1 to 3)	814,660,179	1,609,484,958
5. Benefits and loss related payments	732,406,679	1,427,845,246
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	42,706,603	91,850,786
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ ..... tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	775,113,282	1,519,696,032
11. Net cash from operations (Line 4 minus Line 10)	39,546,897	89,788,926
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	133,700,000	0
12.2 Stocks	53,656	51,358
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	47,872	129,407
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	133,801,529	180,765
13. Cost of investments acquired (long-term only):		
13.1 Bonds	200,101,696	0
13.2 Stocks	2,117,948	5,474,681
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	510,184	80,583
13.7 Total investments acquired (Lines 13.1 to 13.6)	202,729,827	5,555,264
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(68,928,299)	(5,374,499)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	(34,972)	236,223
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	30,000,000
16.6 Other cash provided (applied)	(941,020)	(1,447,595)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(975,992)	(31,211,371)
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)	(30,357,393)	53,203,056
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	171,219,931	118,016,875
19.2 End of period (Line 18 plus Line 19.1)	140,862,537	171,219,931

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

20.0001. Subsidiary acquired in a business acquisition		603,601
20.0002. Note given for subsidiary acquired		343,601
20.0003. Cash paid for subsidiary acquired		260,000

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	430,864	4,469	359,146	20,203	0	0	26,332	20,714	0	0
2 First Quarter	410,185	4,257	341,247	19,247	0	0	23,484	21,950	0	0
3 Second Quarter	409,930	4,091	340,978	19,389			23,466	22,006		
4. Third Quarter	0									
5. Current Year	0									
6 Current Year Member Months	2,464,112	25,529	2,050,436	116,732			141,160	130,255		
Total Member Ambulatory Encounters for Period:										
7. Physician	757,543									757,543
8. Non-Physician	381,826									381,826
9. Total	1,139,369	0	0	0	0	0	0	0	0	1,139,369
10. Hospital Patient Days Incurred	86,570		46,915	18,818				20,667		170
11. Number of Inpatient Admissions	17,827		10,790	3,313				3,674		50
12. Health Premiums Written	808,490,874	7,645,923	561,559,878	52,595,995			44,312,369	142,376,709		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	801,139,957	7,607,303	574,898,158	52,595,995			44,771,377	121,267,124		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	732,406,679	6,992,566	528,441,344	44,879,619			44,380,780	107,712,370		
18. Amount Incurred for Provision of Health Care Services	737,010,893	6,936,638	524,214,764	46,045,818			44,713,174	115,100,499		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $ 142,376,709

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)						
0199999 Individually Listed Claims Unpaid	0	0	0	0	0	0
0299999 Aggregate Accounts Not Individually Listed-Uncovered	1,698,955	99,186			524	1,798,665
0399999 Aggregate Accounts Not Individually Listed-Covered	16,423,922	306,272	7,288	50	249	16,737,781
0499999 Subtotals	18,122,877	405,458	7,288	50	773	18,536,446
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	69,451,928
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	15,655,590
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	103,643,964
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	1,023,527

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
1. Comprehensive (hospital & medical)	62,655,657	471,508,950	17,729,095	66,073,374	80,384,752	86,956,485
2. Medicare Supplement	3,206,868	41,672,751	681,735	4,595,829	3,888,603	4,111,365
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	4,481,744	39,899,036	902,245	3,753,940	5,383,989	4,323,790
6. Title XVIII - Medicare	2,347,686	105,364,684	85,979	9,821,767	2,433,665	2,519,617
7. Title XIX - Medicaid					0	0
8. Other Health					0	0
9. Health Subtotal (Lines 1 to 8)	72,691,955	658,445,421	19,399,054	84,244,910	92,091,009	97,911,257
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	1,269,303		882,717	140,810	2,152,020	2,152,020
13. Totals	73,961,258	658,445,421	20,281,771	84,385,720	94,243,029	100,063,277

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices - No significant change.

B. Use of Estimates in the Preparation of the Financial Statements - No significant change.

C. Accounting Policy - No significant change.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. Material changes in accounting principles and/or correction of errors - Not applicable.

B. The cummulative effect of changes in accounting principles - Not applicable.

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method - Not applicable.

B. Statutory Merger - Not applicable.

C. Assumption Reinsurance - Not applicable.

D. Impairment Loss - Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans - Not applicable.

B. Debt Restructing - Not applicable.

C. Reverse Mortgages - Not applicable.

D. Loan-Backed Securities - Not applicable.

E. Repurchase agreements - Not applicable.

F. Real Estate - No significant change.

G. Investments in Low-Income Housing Tax Credits - Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. The Company has no new investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. Impaired investments in Joint Ventures, Partnerships and Limited Liability Companies - Not applicable.

7. INVESTMENT INCOME

A. The bases for excluding (nonadmitting) any investment income due and accrued - Not applicable.

B. The total amount of investment income excluded - Not applicable.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

Not applicable.

NOTES TO FINANCIAL STATEMENTS

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No significant change.

11. DEBT

No significant change.

The Company does not have any reverse repurchase agreements.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No significant change.

13. CAPITAL AND SURPLUS, SHAREHOLDER' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

A. The Corporation has no common stock.

B. The Corporation has no preferred stock.

C. The Corporation has no restrictions on unassigned funds (surplus).

D. The Corporation holds 1,500,000 shares of AHLIC stock with a par value of $1,500,000 and 50,000 shares of Preferred Health Plan with a par value of $50,000.

E. The Corporation has no surplus notes outstanding.

F. The Corporation has no quasi-reorganization to report.

G. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) is ($5,521,000).

14. CONTINGENCIES

No significant change.

15. LEASES

No significant change.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY UNINSURED PLANS

A. ASO Plans - Not applicable.

B. ASC Plans - Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract - Not applicable.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATION

Not applicable.

20. SEPTEMBER 11 EVENTS

Not applicable.

NOTES TO FINANCIAL STATEMENTS

21. OTHER ITEMS

A. Extraordinary Items - Not applicable.

B. Troubled Debt Restructuring - Not applicable.

C. Other Disclosures - Not applicable.

D. At June 30, 2007 and December 31, 2006 the Company had admitted assets of $33,469,000 and $19,289,000, respectively, in Uncollected Premiums. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.

E. Business Interruption Insurance Recoveries - Not applicable.

22. EVENTS SUBSEQUENT

Not applicable.

23. REINSURANCE

A. Ceded Reinsurance Report - Not applicable.

B. Uncollectible Reinsurance - Not applicable.

C. Commutation of Ceded Reinsurance - Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Not applicable.

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

27. STRUCTURED SETTLEMENTS

Not applicable.

28. HEALTHCARE RECEIVABLES

A. Pharmaceutical Rebate Receivables (dollars in thousands)

These rebates are calculated using historical rebate trends and membership

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
06/30/2007	1,613	1,691			
03/31/2007	2,924	2,721	3,233		
12/31/2006	2,508	2,587	2,873	154	
09/30/2006	1,568	2,661	3,073	117	93
06/30/2006	1,571	1,783	2,051	505	383
03/31/2006	1,631	1,842	2,301	26	58
12/31/2005	1,627	1,892	2,126	144	(146)
09/30/2005	1,047	1,166	1,071	366	
06/30/2005	952	1,086	986	239	
03/31/2005	937	1,154	962	22	305

NOTES TO FINANCIAL STATEMENTS

B. Risk Sharing Receivables (dollars in thousands)

Risk sharing receivables are based on the actual financial performance of the contracted provider network for their contracted period.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Recv'ble as Estimated in the Prior Year	Risk Sharing Recv'ble as Estimated in the Current Year	Risk Sharing Recv'ble Billed	Risk Sharing Recv'ble Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subseqnt	Actual Risk Sharing Amounts Received 2nd Year Subseqnt	Actual Risk Sharing Amounts Received All Other
2005	2005	8,111	40		40	7,979			
	2006	XXX	XXX		XXX				

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

Not applicable.

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable.

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 [ ]

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

2.2 If yes, date of change: .....

If not previously filed, furnish herewith a certified copy of the instrument as amended.

3. 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 [ ] No [ ] NA [X]

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. 12/31/2002

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. 12/31/2002

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). 05/11/2004

6.4 By what department or departments?

The Michigan Office of Financial and Insurance Services.....

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

GENERAL INTERROGATORIES

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).

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 825,625

INVESTMENT

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

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: $

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

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

15.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21	Bonds	$	$
15.22	Preferred Stock	$	$
15.23	Common Stock	$ 25,693,822	$ 24,082,250
15.24	Short-Term Investments	$	$
15.25	Mortgage Loans on Real Estate	$	$
15.26	All Other	$	$ 734,207
15.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	$ 25,693,822	$ 24,816,457
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 [ ]
If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

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

1 Name of Custodian(s)	2 Custodian Address
Comerica Bank NA	Detroit Michigan
Western Assets	Wilmington Delaware
The Reserve	New York New York
Janus Fund	Denver Colorado

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)
Not applicable		

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
Not applicable			

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
Not applicable	Brian Gamble	Detroit Michigan
2405849	Kyle Logan	Charlotte North Carolina
70923	Calvin Johnson	Chicago Illinois
7691	Susan Renaud	Detroit Michigan
110441	Sandy Goodman	Pasadena California
1723878	Joe Gaskey	Charlotte Carolina
7691	Paul Youngblood	Detroit Michigan
7691	Brian Kerber	Detroit Michigan
Not applicable	Janet Koscik	Columbus Ohio

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

18.2 If no, list exceptions:

.....

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,795,374	3,410,393
2. Increase (decrease) by adjustment	(399,764)	(822,606)
3. Cost of acquired		0
4. Cost of additions to and permanent improvements	382,186	207,587
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	2,777,796	2,795,374
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	2,777,796	2,795,374
11. Total nonadmitted amounts	1,908,862	1,911,881
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	868,934	883,493

SCHEDULE B – VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA – VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	63,056,652	59,351,008
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions	603,601	0
2.2. Additional investment made after acquisitions	65,813	0
3. Accrual of discount		0
4. Increase (decrease) by adjustment	805,393	3,828,432
5. Total profit (loss) on sale	4,392	6,619
6. Amounts paid on account or in full during the period	47,872	129,407
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	64,487,978	63,056,652
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	64,487,978	63,056,652
12. Total nonadmitted amounts		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	64,487,978	63,056,652

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	128,653,501	125,317,749
2. Cost of bonds and stocks acquired	202,219,644	5,474,681
3. Accrual of discount		0
4. Increase (decrease) by adjustment	(2,178,258)	(2,085,131)
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal	(1,429)	(2,441)
7. Consideration for bonds and stocks disposed of	134,487,863	51,358
8. Amortization of premium		0
9. Book/adjusted carrying value, current period	194,205,594	128,653,501
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	194,205,594	128,653,501
12. Total nonadmitted amounts		0
13. Statement value	194,205,594	128,653,501

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	42,398,417	418,098,955	325,083,355		42,398,417	135,414,017	0	42,460,410
2. Class 2	0				0	0	0	0
3. Class 3	0				0	0	0	0
4. Class 4	0				0	0	0	0
5. Class 5	0				0	0	0	0
6. Class 6	0				0	0	0	0
7. Total Bonds	42,398,417	418,098,955	325,083,355	0	42,398,417	135,414,017	0	42,460,410
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	42,398,417	418,098,955	325,083,355	0	42,398,417	135,414,017	0	42,460,410

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	69,012,321	XXX	69,012,321	1,436,226	

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	42,460,410	13,000,000
2. Cost of short-term investments acquired	242,525,301	29,460,410
3. Increase (decrease) by adjustment		0
4. Increase (decrease) by foreign exchange adjustment		0
5. Total profit (loss) on disposal of short-term investments		0
6. Consideration received on disposal of short-term investments	215,973,390	0
7. Book/adjusted carrying value, current period	69,012,321	42,460,410
8. Total valuation allowance		0
9. Subtotal (Lines 7 plus 8)	69,012,321	42,460,410
10. Total nonadmitted amounts		0
11. Statement value (Lines 9 minus 10)	69,012,321	42,460,410
12. Income collected during period	1,101,559	562,452
13. Income earned during period	1,436,226	796,386

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed (Yes or No)	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	No							0	
2. Alaska AK	No							0	
3. Arizona AZ	No							0	
4. Arkansas AR	No							0	
5. California CA	No							0	
6. Colorado CO	No							0	
7. Connecticut CT	No							0	
8. Delaware DE	No							0	
9. District of Columbia DC	No							0	
10. Florida FL	No							0	
11. Georgia GA	No							0	
12. Hawaii HI	No							0	
13. Idaho ID	No							0	
14. Illinois IL	No							0	
15. Indiana IN	No							0	
16. Iowa IA	No							0	
17. Kansas KS	No							0	
18. Kentucky KY	No							0	
19. Louisiana LA	No							0	
20. Maine ME	No							0	
21. Maryland MD	No							0	
22. Massachusetts MA	No							0	
23. Michigan MI	Yes	632,323,508	121,267,124		44,771,377			798,362,009	
24. Minnesota MN	No							0	
25. Mississippi MS	No							0	
26. Missouri MO	No							0	
27. Montana MT	No							0	
28. Nebraska NE	No							0	
29. Nevada NV	No							0	
30. New Hampshire NH	No							0	
31. New Jersey NJ	No							0	
32. New Mexico NM	No							0	
33. New York NY	No							0	
34. North Carolina NC	No							0	
35. North Dakota ND	No							0	
36. Ohio OH	No							0	
37. Oklahoma OK	No							0	
38. Oregon OR	No							0	
39. Pennsylvania PA	No							0	
40. Rhode Island RI	No							0	
41. South Carolina SC	No							0	
42. South Dakota SD	No							0	
43. Tennessee TN	No							0	
44. Texas TX	No							0	
45. Utah UT	No							0	
46. Vermont VT	No							0	
47. Virginia VA	No							0	
48. Washington WA	No							0	
49. West Virginia WV	No							0	
50. Wisconsin WI	No							0	
51. Wyoming WY	No							0	
52. American Samoa AS	No							0	
53. Guam GU	No							0	
54. Puerto Rico PR	No							0	
55. U.S. Virgin Islands VI	No							0	
56. Northern Mariana Islands MP								0	
57. Canada CN								0	
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	632,323,508	121,267,124	0	44,771,377	0	0	798,362,009	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	2,777,948						2,777,948	
61. Total (Direct Business)	(a) 1	635,101,456	121,267,124	0	44,771,377	0	0	801,139,957	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

Schedule Y - Part 1

NONE

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 supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?	.....SEE EXPLANATION.....

Explanation:

1.The Company provides Medicare Part D coverage through a Medicare Advantage plan

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 23.
*ASSETS

	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
2304. Goodwill	8,788,094	8,788,094	0	0
2305. Prepaid Expense	1,286,082	1,286,082	0	0
2306. Other Assets	57,843		57,843	57,843
2397. Summary of remaining write-ins for Line 23 from Page 02	10,132,020	10,074,177	57,843	57,843

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

SCHEDULE BA - PART 1

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

1	2	Location		5	6	7	8	9	10	11	12	13	14	15	16
		3	4												
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value	Increase (Decrease) By Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Commitment for Additional Investment	Percentage of Ownership
3999999 – Total Unaffiliated								0	0	0	0	0	0	0	XXX
4099999 – Total Affiliated								0	0	0	0	0	0	0	XXX
4199999 Totals								0	0	0	0	0	0	0	XXX

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13	14	15
		3	4											
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encum-brances on Disposal	Consideration Received	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
000000-00-0	WESTERN ASSETS US CORE PLUS LLC	WILMINGTON	DELAWARE	REDEEMED	02/15/2005	18,829	(1,590)		17,239	19,137		1,899	1,899	375
000000-00-0	WESTERN ASSET LIMITED DUR LLC	WILMINGTON	DELAWARE	REDEEMED	02/15/2005	14,148	(1,081)		13,067	14,412		1,346	1,346	260
3799999 - Any Other Class of Assets - Unaffiliated						32,976	(2,671)		30,305	33,550		3,244	3,244	635
3999999 – Total Unaffiliated						32,976	(2,671)	0	30,305	33,550	0	3,244	3,244	635
4099999 – Total Affiliated						0	0	0	0	0	0	0	0	0
4199999 Totals						32,976	(2,671)	0	30,305	33,550	0	3,244	3,244	635

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)
761056-37-3	PRIMARY FUND		06/29/2007	NOT APPLICABLE		200,101,696	200,101,696		1
4599999 - Total - Bonds - Industrial, Misc.						200,101,696	200,101,696		XXX
6099997 - Total - Bonds - Part 3						200,101,696	200,101,696		XXX
6099999 - Total - Bonds						200,101,696	200,101,696	0	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	XXX
000000-00-0	JPMORGAN CHASE		05/31/2007	NOT APPLICABLE	89,904.450	870,500			U
7099999 - Total - Common Stocks - Mutual Fund						870,500	XXX		XXX
7299997 - Total - Common Stocks - Part 3						870,500	XXX		XXX
7299999 - Total - Common Stocks						870,500	XXX	0	XXX
7399999 - Total - Preferred and Common Stocks						870,500	XXX	0	XXX
7499999 - Totals						200,972,196	XXX	0	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 89,904 .

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
761056-37-3	PRIMARY FUND		06/27/2007	REDEEMED		133,700,000	133,700,000	133,700,000					0		133,700,000			0		01/01/2009	1
4599999 - Bonds - Industrial and Miscellaneous						133,700,000	133,700,000	133,700,000							133,700,000					XXX	XXX
6099997 - Bonds - Part 4						133,700,000	133,700,000	133,700,000							133,700,000					XXX	XXX
6099999 - Total - Bonds						133,700,000	133,700,000	133,700,000	0	0	0	0	0	0	133,700,000	0	0	0	0	XXX	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
000000-00-0	JPMORGAN CHASE		04/27/2007	REDEEMED	1,835.420	17,914		18,305	17,804	502			502		18,305		(392)	(392)	213		U
7099999 - Common Stocks - Mutual Fund						17,914	XXX	18,305	17,804	502			502		18,305		(392)	(392)	213	XXX	XXX
7299997 - Common Stocks - Part 4						17,914	XXX	18,305	17,804	502			502		18,305		(392)	(392)	213	XXX	XXX
7299999 - Total - Common Stocks						17,914	XXX	18,305	17,804	502	0	0	502	0	18,305	0	(392)	(392)	213	XXX	XXX
7399999 - Total - Preferred and Common Stocks						17,914	XXX	18,305	17,804	502	0	0	502	0	18,305	0	(392)	(392)	213	XXX	XXX
7499999 Totals						133,717,914	XXX	133,718,305	17,804	502	0	0	502	0	133,718,305	0	(392)	(392)	213	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 1,835 .

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

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	*
Comerica Bank NA Detroit Michigan					(5,085,507)	(7,863,508)	7,230,886	XXX
Detroit Commerce Bank Detroit Michigan		4.500		4,125	100,000	100,000	100,000	XXX
Western Assets Wilmington Michigan				0	216	33,766	81	XXX
JPmorgan Chase New York New York					86	86	564	XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Totals - Open Depositories	XXX	XXX		4,125	(4,985,205)	(7,729,656)	7,331,531	XXX
0399999 Total Cash on Deposit	XXX	XXX		4,125	(4,985,205)	(7,729,656)	7,331,531	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX	700	700	700	XXX
0599999 Total	XXX	XXX		4,125	(4,984,505)	(7,728,956)	7,332,231	XXX

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing 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 and Accrued	8 Gross Investment Income
CARGILL GLOBAL FUNDING		05/31/2007	5.250	07/02/2007	4,976,667	22,604	22,604
UBS FINANCE		06/05/2007	5.260	07/06/2007	4,977,374	18,976	18,976
FPL FUELS		06/05/2007	5.260	07/09/2007	4,975,161	18,994	18,994
HEWLETT-PACKARD		06/04/2007	5.250	07/11/2007	4,973,021	19,688	19,688
L'OREAL USA INC		06/11/2007	5.240	07/11/2007	4,978,167	14,556	14,556
AIR LIQUIDE US		06/15/2007	5.260	07/12/2007	4,980,275	11,689	11,689
STATOIL		06/29/2007	5.350	07/16/2007	4,987,368	1,486	1,486
CINTAS CORP NO 2		06/04/2007	5.240	08/01/2007	4,957,789	19,650	19,650
SKANDI ENSK BANK		05/04/2007	5.220	08/02/2007	4,934,750	42,050	42,050
MACQUARIE BANK LTD		05/11/2007	5.230	08/03/2007	4,938,983	37,046	37,046
JOHN DEERE CAPITAL		06/14/2007	5.240	08/08/2007	4,959,972	12,372	12,372
AMERICAN HONDA FINANCE		06/07/2007	5.220	08/29/2007	4,939,825	17,400	17,400
MITSUBISHI INTERNATIONAL CORP		06/26/2007	5.260	09/18/2007	4,938,633	3,653	3,653
0199999 Total Cash Equivalents					64,517,985	240,164	240,164