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HEALTH QUARTERLY STATEMENT

As of June 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc.

NAIC Group Code 0000 (Current Period) _____ (Prior Period) NAIC Company Code 52615 Employer's ID Number 38-3379956

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 [ ] Dental Service Corporation [ ]
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X]
Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [ ] No [X]

Incorporated 10/14/1997 Commenced Business 08/01/1998

Statutory Home Office 228 West Washington St. (Street and Number), Marquette, MI 49855 (City or Town, State and Zip Code)

Main Administrative Office 228 West Washington St. (Street and Number)
Marquette,MI 49855 (City or Town, State and Zip Code) (906) 225-7500 (Area Code) (Telephone Number)

Mail Address 228 West Washington St. (Street and Number or P.O. Box), Marquette, MI 49855 (City or Town, State and Zip Code)

Primary Location of Books and Records 228 West Washington St. (Street and Number)
Marquette,MI 49855 (City or Town, State and Zip Code) (906) 225-7500 (Area Code) (Telephone Number)

Internet Website Address www.uphp.com

Statement Contact Brian P. Poshak (Name) (906) 225-7500 (Area Code) (Telephone Number) (Extension)
bpposhak@uphp.com (E-mail Address) (906) 225-7690 (FAX Number)

Policyowner Relations Contact 228 W. Washington St. (Street and Number)
Marquette,MI 49855 (City or Town, State and Zip Code) (906)-225-7500 (Area Code) (Telephone Number)

OFFICERS

President Mr. William J.Streur Secretary John Weiss, MD
Treasurer Mr. John Schon

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Satish Chawla,MD Catherine Kroll,DO Mark Callaghan,MD William Phillips, DO Jerry Luoma,MD Mr. William Nemacheck Mr. Dan Wakeham
Mr. John Schon Mr.Fred Geissler Mr. David Jahn Mr. James Bogan Ms. Staci Fortin John Weiss,MD Mr.Robert Vairo Ms.Connie Lekander
Ms. Michelle Tavernier Mr. John Chartier Ms. Melissa Mazurek

State of Michigan
County of Marquette } 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.

Mr. William J. Streur	John Weiss, MD	Mr. Greg Gustafson
President	Secretary	CFO

Subscribed and sworn to before me this
6th day of August, 2002

a. Is this an original filing? Yes [X] No [ ]
b. If no
1.State the amendment number

ASSETS

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	515,956		515,956	515,224
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ ..... encumbrances)			(a)	
4.2 Properties held for the production of income (less $ ..... encumbrances)				
4.3 Properties held for sale (less $ ..... encumbrances)				
5. Cash ($ 5,307,158) and short-term investments ($ 492,190)	5,799,348		5,799,348	4,927,242
6. Other long-term invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	6,315,304		6,315,304	5,442,466
10. Accident and health premiums due and unpaid	742,069		742,069	921,291
11. Health care receivables	1,206,331		1,206,331	1,784,837
12. Amounts recoverable from reinsurers				
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued	5,858		5,858	8,701
15. Amounts due from parent, subsidiaries and affiliates				
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment	41,849		41,849	42,091
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including $ ..... net deferred tax asset)				
20. Electronic data processing equipment and software	53,472	6,508	46,964	50,249
21. Other nonadmitted assets				
22. Aggregate write-ins for other than invested assets				
23. Total assets (Lines 9 plus 10 through 22)	8,364,883	6,508	8,358,375	8,249,635
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)				
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)				

(a) $ ..... health care delivery assets included in Line 4.1, Column 3

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	5,083,668		5,083,668	5,936,791
2. Accrued medical incentive pool and bonus payments	40,353		40,353	91,231
3. Unpaid claims adjustment expenses				
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance				
7. General expenses due or accrued	290,329		290,329	144,782
8. Federal and foreign income tax payable and interest thereon (including $ ..... on realized capital gains (losses) (including $ ..... net deferred tax liability)				
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including $ ..... current) and interest thereon $ ..... (including $ ..... current)				
11. Amounts due to parent, subsidiaries and affiliates	19,014		19,014	
12. Payable for securities				
13. Funds held under reinsurance treaties with ($ ..... authorized reinsurers and $ ..... unauthorized reinsurers)				
14. Reinsurance in unauthorized companies				
15. Net adjustments in assets and liabilities due to foreign exchange rates				
16. Liability for amounts held under uninsured accident and health plans				
17. Aggregate write-ins for other liabilities (including $ ..... current)				
18 Total liabilities (Lines 1 to 17)	5,433,364		5,433,364	6,172,804
19. Common capital stock	XXX	XXX	1,859,570	1,859,570
20 Preferred capital stock	XXX	XXX		
21. Gross paid in and contributed surplus	XXX	XXX		
22. Surplus notes	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds	XXX	XXX		
24. Unassigned funds (surplus)	XXX	XXX	1,065,441	217,261
25. Less treasury stock, at cost:				
25.1 ..... shares common (value included in Line 19) $ .....)	XXX	XXX		
25.2 ..... shares preferred (value included in Line 20) $ .....)	XXX	XXX		
26. Total capital and surplus (Lines 19 to 25)	XXX	XXX	2,925,011	2,076,831
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	8,358,375	8,249,635
DETAILS OF WRITE-INS				
1701.				
1702.				
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)				
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	113,511	211,433
2. Net premium income	XXX	16,023,508	30,935,527
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $ ..... medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Total revenues (Lines 2 to 6)	XXX	16,023,508	30,935,527
Medical and Hospital:			
8. Hospital/medical benefits		7,527,096	9,813,997
9. Other professional services		1,204,468	8,546,876
10. Outside referrals			
11. Emergency room and out-of-area		594,957	998,344
12. Prescription drugs		4,186,823	7,064,881
13. Aggregate write-ins for other medical and hospital			
14. Incentive pool and withhold adjustments			
15. Subtotal (Lines 8 to 14)		13,513,344	26,424,098
Less:			
16. Net reinsurance recoveries			
17. Total medical and hospital (Lines 15 minus 16)		13,513,344	26,424,098
18. Claims adjustment expenses			
19. General administrative expenses		1,374,311	3,194,368
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)		14,887,655	29,618,466
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	1,135,853	1,317,061
23. Net investment income earned		48,719	163,648
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Lines 23 plus 24)		48,719	163,648
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ .....) (amount charged off $ .....)]			
27. Aggregate write-ins for other income or expenses			
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		1,184,572	1,480,709
29. Federal and foreign income taxes incurred	XXX	337,730	
30. Net income (loss) (Lines 28 minus 29)	XXX	846,842	1,480,709
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX		
1301.			
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)			
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)			

CAPITAL AND SURPLUS ACCOUNT

		1 Current Year to Date	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:		
31.	Capital and surplus prior reporting period	2,076,831	134,922
	GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32.	Net income or (loss) from Line 30	846,842	1,480,709
33.	Change in valuation basis of aggregate policy and claim reserves		
34.	Net unrealized capital gains and losses		
35.	Change in net unrealized foreign exchange capital gain or (loss)		
36.	Change in net deferred income tax		
37.	Change in nonadmitted assets	1,338	217,160
38.	Change in unauthorized reinsurance		
39.	Change in treasury stock		
40.	Change in surplus notes		
41.	Cumulative effect of changes in accounting principles		
42.	Capital Changes:		
	42.1 Paid in		244,040
	42.2 Transferred from surplus (Stock Dividend)		
	42.3 Transferred to surplus		
43.	Surplus adjustments:		
	43.1 Paid in		
	43.2 Transferred to capital (Stock Dividend)		
	43.3 Transferred from capital		
44.	Dividends to stockholders		
45.	Aggregate write-ins for gains or (losses) in surplus		
46.	Net change in capital & surplus (Lines 32 to 45)	848,180	1,941,909
47.	Capital and surplus end of reporting period (Line 31 plus 46)	2,925,011	2,076,831
	DETAILS OF WRITE-INS		
4501.			
4502.			
4503.			
4598.	Summary of remaining write-ins for Line 45 from overflow page		
4599.	Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)		

CASH FLOW

	1 Current Year to Date	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	14,295,569	30,935,527
2. Claims and claims adjustment expenses	11,293,893	24,301,862
3. General administrative expenses paid	1,374,311	3,194,368
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	1,627,365	3,439,297
6. Net investment income	48,719	163,649
7. Other income (expenses)		
8. Federal and foreign income taxes (paid) recovered	(337,730)	
9. Net cash from operations (Lines 5 to 8)	1,338,354	3,602,946
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		285,000
10.2 Stocks		
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Lines 10.1 to 10.7)		285,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds		448,440
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)		448,440
12. Net Cash from investments (Line 10.8 minus Line 11.7)		(163,440)
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		244,040
13.2 Net transfers from affiliates	19,014	
13.3 Borrowed funds received		
13.4 Other cash provided	0	
13.5 Total (Lines 13.1 to 13.4)	19,014	244,040
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates		
14.3 Borrowed funds repaid		350,000
14.4 Other applications	0	
14.5 Total (Lines 14.1 to 14.4)	0	350,000
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	19,014	(105,960)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	1,357,368	3,333,546
17. Cash and short-term investments:		
17.1 Beginning of period	4,441,980	1,108,434
17.2 End of period (Line 16 plus Line 17.1)	5,799,348	4,441,980

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	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	18,245								17,938	307
2 First Quarter	19,003								18,687	316
3 Second Quarter	19,123								18,810	313
4. Third Quarter										
5. Current Year										
6 Current Year Member Months	113,511								111,624	1,887
Total Member Ambulatory Encounters for Period:										
7. Physician	61,594								60,868	726
8. Non-Physician	130,135								129,080	1,055
9. Total	191,729								189,948	1,781
10. Hospital Patient Days Incurred	3,796								3,790	6
11. Number of Inpatient Admissions	1,084								1,082	2
12. Premiums Collected	14,295,569								14,157,811	137,758
13. Premiums Earned	16,023,508								15,885,750	137,758
14. Amount Paid for Provision of Health Care Services	14,366,467								14,308,924	57,543
15. Amount Incurred for Provision of Health Care Services	13,513,344								13,408,873	104,471

CLAIMS PAYABLE (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 Payable (Reported)						
Paid Prescriptions, LLC	491,216	0				491,216
Bell Memorial Hospital	1,734	1,705	201	336	2,918	6,894
Dickinson County Healthcare System	1,810	1,503	0	960	4,883	19,156
Keweenaw Memorial Medical Center	121	566	9,669	131	0	10,487
Marquette General Health System	7,561	167	1,037	370	1,506	12,641
Munson Medical Center	0	0	0	11,067	0	11,067
St. Vincent Hospital	0	0	0	0	71,740	71,740
War Memorial Hospital	9,299	3,522	77	343	323	13,564
Grand View Health System	5,896	44	21	162	1,267	7,390
OSF St. Francis Hospital	0	186	376	5,690	2,137	8,389
St. Mary's Medical Center	0	0	0	0	5,318	5,318
Memorial Lutheran	0	0	0	0	61,341	61,341
0199999 Individually Listed Claims Payable	516,637	7,693	11,381	29,059	69,433	634,203
0299999 Aggregate Accounts Not Individually Listed-Uncovered						
0399999 Aggregate Accounts Not Individually Listed-Covered						
0499999 Subtotals	516,637	7,693	11,381	29,059	69,433	634,203
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	4,448,818
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total Claims Payable	XXX	XXX	XXX	XXX	XXX	5,083,668
0899999 Accrued Medical Incentive Pool	XXX	XXX	XXX	XXX	XXX	04,353

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)						
2. Medicare Supplement						
3. Dental Only						
4. Vision Only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	3,780,964	10,527,960	308,714	4,794,760	4,089,678	5,904,359
8. Other	18,633	38,910	3,439	30,633	22,072	32,432
9. Subtotal	3,799,597	10,566,870	312,153	4,825,393	4,111,750	5,936,791
10. Medical incentive pools, accruals and disbursements				40,353		91,231
11. Totals	3,799,597	10,566,870	312,153	4,865,746	4,111,750	6,028,022

NOTES TO FINANCIAL STATEMENTS

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 implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [ ] No [X]

1.2 If yes, explain:

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

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

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

3.2 If yes, date of change:

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

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

If yes, attach an organizational chart.

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

5.2 If yes, provide 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

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

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 09/10/2001

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2001

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/01/2002

7.4 By what department or departments?

Office of Financial and Insurance Services

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

8.2 If yes, give full information:

GENERAL INTERROGATORIES

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

INVESTMENT

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

9.2 If yes, explain:

10.1 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]

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

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

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

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

13.2 If yes, please complete the following:

		1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21	Bonds	$	$
13.22	Preferred Stock	$	$
13.23	Common Stock	$	$
13.24	Short-term Investments	$	$
13.25	Mortgages, Loans or Real Estate	$	$
13.26	All Other	$	$
13.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$	$
13.28	Total Investment in Parent included in Lines 13.21 to 13.26 above	$	$
13.29	Receivable from Parent not included in Lines 13.21 to 13.26 above	$	$

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [X]

If no, attach a description with this statement.

15. 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 [ ]

15.1 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
Wells Fargo	101 W. Washington St. Marquette, MI. 49855

15.2 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)

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? Yes [ ] No [X]

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

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

15.5 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
Wells Fargo	Bob Stephenson	101 W. Washington St. Marquette, MI. 49855

SCHEDULE A - VERIFICATION

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

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period				
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 committment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period				
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				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period				
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				
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				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period				

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 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	1,003,976	0	0	1,069	1,003,976	1,002,907		1,001,707
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	1,003,976			1,069	1,003,976	1,002,907		1,001,707
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 and Preferred Stock	1,003,976			1,069	1,003,976	1,002,907		1,001,707

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999 Totals	492,190	XXX	486,139	6,289	0

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	485,262	486,307		
2. Cost of short-term investments acquired				485,262
3. Increase (decrease) by adjustment	1,045	5,883		
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				
7. Book/adjusted carrying value, current period	486,307	492,190		485,262
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	486,307	492,190		485,262
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	486,307	492,190		485,262
12. Income collected during period	1,263	6,289		6,008
13. Income earned during period				

SCHEDULE DB - PART F- SECTION 1

Summary of Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
					Derivative Instruments Open		Cash Instrument(s) Held				
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description
9999999 Totals					XXX		XXX	XXX			XXX

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-to-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	
7. Ending Inventory										

SCHEDULE S—CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
66346	58-0828824	LIFE AND ANNUITY AFFILIATES Munich American Reassurance Company, Inc.	Atlanta, Georgia	Yes
		LIFE AND ANNUITY NON-AFFILIATES		
		ACCIDENT AND HEALTH AFFILIATES		
		ACCIDENT AND HEALTH NON-AFFILIATES		

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only Year-to-Date 3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefit Program Premium
1. Alabama	AL						
2. Alaska	AK						
3. Arizona	AZ						
4. Arkansas	AR						
5. California	CA						
6. Colorado	CO						
7. Connecticut	CT						
8. Delaware	DE						
9. District of Columbia	DC						
10. Florida	FL						
11. Georgia	GA						
12. Hawaii	HI						
13. Idaho	ID						
14. Illinois	IL						
15. Indiana	IN						
16. Iowa	IA						
17. Kansas	KS						
18. Kentucky	KY						
19. Louisiana	LA						
20. Maine	ME						
21. Maryland	MD						
22. Massachusetts	MA						
23. Michigan	MI	No	Yes	16,086,248			
24. Minnesota	MN						
25. Mississippi	MS						
26. Missouri	MO						
27. Montana	MT						
28. Nebraska	NE						
29. Nevada	NV						
30. New Hampshire	NH						
31. New Jersey	NJ						
32. New Mexico	NM						
33. New York	NY						
34. North Carolina	NC						
35. North Dakota	ND						
36. Ohio	OH						
37. Oklahoma	OK						
38. Oregon	OR						
39. Pennsylvania	PA						
40. Rhode Island	RI						
41. South Carolina	SC						
42. South Dakota	SD						
43. Tennessee	TN						
44. Texas	TX						
45. Utah	UT						
46. Vermont	VT						
47. Virginia	VA						
48. Washington	WA						
49. West Virginia	WV						
50. Wisconsin	WI						
51. Wyoming	WY						
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. U.S. Virgin Islands	VI						
56 Canada	CN						
57. Aggregate Other Alien	OT	XXX	XXX				
58. Total (Direct Business)		XXX	(a) 1	16,086,248			
DETAILS OF WRITE-INS							
5701.							
5702.							
5703.							
5798. Summary of remaining write-ins for Line 57 from overflow page							
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)							

(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

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 on "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 question.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	No

Explanation:

Bar Code:

SVO Compliance Certification (Document Identifier 470) here:

5 2 6 1 5 2 0 0 2 4 7 0 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements
9999999 - Totals								

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Current Quarter, including Payments during the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16
	2	3													
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Expended for Additions, Permanent Improvements and Changes in Encum-brances	Book/ Adjusted Carrying Value Less Encum-brances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encum-brances	Taxes, Repairs and Expenses Incurred
9999999 Totals															

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

1	Location		4	5	6	7	8	9	10	11
	2	3								
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation
9999999 Totals										XXX

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Loan Number	City	State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
9999999 Totals												

SCHEDULE BA - PART 1

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

1	Location		4	5	6	7	8	9	10
	2	3							
Number of Units and Description	City	State	Name of Vendor	Date Acquired	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment
9999999 Totals									

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Number of Units and Description	City	State	Name of Purchaser or Nature of Disposition	Date Acquired	Book/ Adjusted Carrying Value Less Encum-brances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encum-brances at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
9999999 Totals												

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 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation [a]
6099999 - Total	- Bonds							XXX
6599999 - Total	- Preferred Stocks					XXX		XXX
7099999 - Total	- Common Stocks					XXX		XXX
7199999 - Total	- Preferred and Common Stocks					XXX		XXX
7299999 - Totals						XXX		XXX

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

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 CUSIP Identi-fication	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Desig-nation (a)
6099999 - Total - Bonds															XXX	XXX
6599999 - Total - Preferred Stocks						XXX								XXX		XXX
7099999 - Total - Common Stocks						XXX								XXX		XXX
7199999 - Total - Preferred and Common Stocks						XXX								XXX		XXX
7299999 Totals						XXX										XXX

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
2599999 - Subtotal - Hedging Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
2599999 - Subtotal - Hedging Transactions								XXX					
2699999 - Subtotal - Income Generation Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income	15 Potential Exposure
2599999 - Subtotal - Hedging Transactions								XXX						
2799999 - Subtotal - Other Derivative Transactions								XXX						
9999999 - Totals								XXX						

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts Open at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
2599999 - Subtotal - Hedging Transactions						XXX	XXX					
2799999 - Subtotal - Other Derivative Transactions						XXX	XXX					
9999999 - Totals						XXX	XXX					

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	Book Balance at End of Each Month During Current Quarter			8
				5	6	7	
Depository	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Wells Fargo 101 W. Washington St. Marquette, MI. 49855	1.235	19,896	5,858	6,090,143	5,216,015	5,307,158	
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX						XXX
0199999 Totals - Open Depositories	XXX	19,896	5,858	6,090,143	5,216,015	5,307,158	XXX
0399999 Total Cash on Deposit	XXX	19,896	5,858	6,090,143	5,216,015	5,307,158	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	19,896	5,858	6,090,143	5,216,015	5,307,158	XXX