52569200220100103

HEALTH QUARTERLY STATEMENT

As of September 30, 2002

of the Condition and Affairs of the

Physicians Health Plan of Southwest Michigan

NAIC Group Code..... 1334, (Current Period) (Prior Period) NAIC Company Code..... 52569 Employer's ID Number..... 38-3376063

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

Country of Domicile US

Licensed as Business Type Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ] Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [x] Other [ ]

Is HMO Federally Qualified? Yes [X] No [ ]

Date Incorporated or Organized..... March 31, 2000 Date Commenced Business..... June 1, 2000

Statutory Home Office	106 Farmers Alley Suite 300 ..... Kalamazoo ..... MI ..... 49005-1100 *(Street and Number) (City or Town, State and Zip Code)*	
Address of Main Administrative Office	106 Farmers Alley Suite 300 ..... Kalamazoo ..... MI ..... 49005-1100 *(Street and Number) (City or Town, State and Zip Code)*	269-341-7200 *(Area Code) (Telephone Number)*
Mail Address	106 Farmers Alley Suite 300 ..... Kalamazoo ..... MI ..... 49005-1100 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	106 Farmers Alley Suite 300 ..... Kalamazoo ..... MI ..... 49005-1100 *(Street and Number) (City or Town, State and Zip Code)*	269-341-7200 *(Area Code) (Telephone Number)*
Internet Website Address	www.phpiba.com	
Statement Contact	David Lee Vis *(Name)*	269-341-7311 *(Area Code) (Telephone Number) (Extension)*
	dvis@uhc.com *(E-Mail Address)*	*269-341-6928* *(Fax Number)*
Policyowner Relations Contact	.... *(Street and Number) (City or Town, State and Zip Code)*	*(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Kenneth Lee Taft
Secretary ..... Kenneth Lee Taft
Chief Financial Officer ..... David Lee Vis

VICE PRESIDENTS

Donald P Gillespie
Ike David Kibbe

DIRECTORS OR TRUSTEES

Frank Joseph Sardone
David Vincent Copeland
Rosalie Novara
Kenneth Lee Taft
Abbe Jane Siver
Owen Mark Berow M.D.
Dawn Joann Kline
Richard Martin Gerstner M.D.
Konrads Valentins Lubvas M.D.

State of..... Michigan
County of..... Kalamazoo

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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* manuals 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.

(Signature)	(Signature)	(Signature)
Kenneth Lee Taft	Kenneth Lee Taft	David Lee Vis
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Chief Financial Officer

Subscribed and sworn to before me this

.....day of ....., 2002

.....

ASSETS

	Current Period 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	Prior Year 4 Net Admitted Assets
1. Bonds	5,348,716		5,348,716	5,659,157
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)			(a) 0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(1,810,772)) and short-term investments ($.....13,111,612)	11,300,840		11,300,840	10,891,766
6. Other long-term invested assets	333,554	22,659	310,895	291,173
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotal, cash and invested assets (Lines 1 to 8)	16,983,110	22,659	16,960,451	16,842,096
10. Accident and health premiums due and unpaid	22,876	1,857	21,019	357,019
11. Health care receivables	926,134		926,134	1,078,389
12. Amounts recoverable from reinsurers	24,041		24,041	811,327
13. Net adjustment in assets and liabilities due to foreign exchange rates			0	
14. Investment income due and accrued	69,919		69,919	67,567
15. Amounts due from parent, subsidiaries and affiliates			0	1,000,000
16. Amounts receivable relating to uninsured accident and health plans			0	
17. Furniture and equipment	2,006		2,006	6,011
18. Amounts due from agents			0	
19. Federal and foreign income tax recoverable and interest thereon (including $.....0 net deferred tax asset)			0	
20. Electronic data processing equipment and software			0	4,994
21. Other nonadmitted assets			0	
22. Aggregate write-ins for other than invested assets	93,593	11,827	81,766	19,612
23. Total assets (Lines 9 plus 10 through 22)	18,121,679	36,343	18,085,336	20,187,016

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2201. Receivable from PHP of South Michigan			0	9,265
2202. Receivable from PHP of Michigan entities			0	5,913
2203. Other Receivable	86,200	4,434	81,766	4,434
2298. Summary of remaining write-ins for Line 22 from overflow page	7,393	7,393	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	93,593	11,827	81,766	19,612

(a) $.....0 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 $.....1,712 reinsurance ceded)	8,994,053	180,910	9,174,963	10,823,305
2. Accrued medical incentive pool and bonus payments	465,685		465,685	794,760
3. Unpaid claims adjustment expenses	136,166		136,166	
4. Aggregate policy reserves			0	896,570
5. Aggregate claim reserves			0	
6. Premiums received in advance	204,301		204,301	621,820
7. General expenses due or accrued	501,017		501,017	1,280,628
8. Federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses)) (including $.....0 net deferred tax liability)			0	
9. Amounts withheld or retained for the account of others			0	
10. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
11. Amounts due to parent, subsidiaries and affiliates	224,292		224,292	213,497
12. Payable for securities			0	
13. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
14. Reinsurance in unauthorized companies			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	
16. Liability for amounts held under uninsured accident and health plans			0	
17. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
18. Total liabilities (Lines 1 to 17)	10,525,514	180,910	10,706,424	14,630,581
19. Common capital stock	XXX	XXX	450	450
20. Preferred capital stock	XXX	XXX		
21. Gross paid in and contributed surplus	XXX	XXX	10,232,000	8,881,550
22. Surplus notes	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
24. Unassigned funds (surplus)	XXX	XXX	(2,853,538)	(3,325,565)
25. Less treasury stock at cost:				
25.1 .....0.000 shares common (value included in Line 19 $.....0)	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 $.....0)	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less 25)	XXX	XXX	7,378,912	5,556,435
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	18,085,336	20,187,016

DETAILS OF WRITE-INS

1701.			0	
1702.			0	
1703.			0	
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	0	0	0	0
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

STATEMENT OF REVENUE AND EXPENSES

	Current Year-to-Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	295,710	465,404
2. Net premium income	XXX	47,169,704	74,502,993
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Total revenues (Lines 2 to 6)	XXX	47,169,704	74,502,993
Medical and Hospital:			
8. Hospital/medical benefits	592,431	30,072,652	52,118,940
9. Other professional services		22,151	27,910
10. Outside referrals			
11. Emergency room and out-of-area			
12. Prescription Drugs	193,163	9,805,252	14,200,978
13. Aggregate write-ins for other medical and hospital	0	14,183	2,719
14. Incentive pool and withhold adjustments		925,571	534,714
15. Subtotal (Lines 8 to 14)	785,594	40,839,808	66,885,262
Less:			
16. Net reinsurance recoveries		(300,807)	962,976
17. Total medical and hospital (Lines 15 minus 16)	785,594	41,140,615	65,922,286
18. Claims adjustment expenses		1,349,380	2,102,106
19. General administrative expenses		4,964,985	7,735,119
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	785,594	47,454,980	75,759,511
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	(285,276)	(1,256,518)
23. Net investment income earned		345,871	630,692
24. Net realized capital gains or (losses)			27,253
25. Net investment gains or (losses) (Lines 23 plus 24)	0	345,871	657,945
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
27. Aggregate write-ins for other income or expenses	0	0	0
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	60,595	(598,573)
29. Federal and foreign income taxes incurred	XXX		
30. Net income (loss) (Lines 28 minus 29)	XXX	60,595	(598,573)

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
1301. Other Medical Costs		14,183	2,719
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	14,183	2,719
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year-to-Date	2 Prior Year
31. Capital and surplus prior reporting period	5,556,435	1,590,492
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	60,595	(598,573)
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses	28,504	163,814
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax		
37. Change in nonadmitted assets	266,975	18,702
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		
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in	1,350,450	4,382,000
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	115,952	0
46. Net change in capital and surplus (Lines 32 to 45)	1,822,477	3,965,943
47. Capital and surplus end of reporting period (Line 31 plus 46)	7,378,912	5,556,435

DETAILS OF WRITE-INS

4501. Accounts Receivable Allowance for bad debt and retroactivity	115,952	
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	115,952	0

CASH FLOW

	1 Current Year to Date	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance	47,086,328	75,961,138
2. Claims and claims adjustment expenses	44,440,531	68,722,014
3. General administrative expenses paid	5,744,596	7,426,113
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(3,098,799)	(186,989)
6. Net Investment income	324,001	643,833
7. Other income (expenses)	(53,155)	
8. Federal and foreign income taxes (paid) recovered		
9. Net cash from operations (Lines 5 to 8)	(2,827,953)	456,844
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	1,925,000	530,625
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)	1,925,000	530,625
11. Cost of investments acquired (long-term only):		
11.1 Bonds	1,614,763	4,354,376
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)	1,614,763	4,354,376
12. Net cash from investments (Line 10.8 minus Line 11.7)	310,238	(3,823,751)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in	1,350,450	4,382,000
13.2 Net transfers from affiliates	1,010,795	
13.3 Borrowed funds received		
13.4 Other cash provided	565,543	942,539
13.5 Total (Lines 13.1 to 13.4)	2,926,789	5,324,539
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates		613,067
14.3 Borrowed funds repaid		
14.4 Other applications		24,826
14.5 Total (Lines 14.1 to 14.4)	0	637,893
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	2,926,789	4,686,647
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	409,074	1,319,740
17. Cash and short-term investments:		
17.1 Beginning of period	10,891,766	9,572,026
17.2 End of period (Line 16 plus Line 17.1)	11,300,840	10,891,766

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 Plans	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	36,838	82	12,719						24,037	
2. First Quarter	33,160	75	8,167						24,918	
3. Second Quarter	32,661	69	7,648						24,944	
4. Third Quarter	32,695	65	7,013						25,617	
5. Current Year	0									
6. Current Year Member Months	295,710	637	69,075						225,998	
Total Member Ambulatory Encounters for Period:										
7. Physician	224,061	1,209	87,022						135,830	
8. Non-Physician	296,866	1,118	80,473						215,275	
9. Total	520,927	2,327	167,495	0	0	0	0	0	351,105	0
10. Hospital Patient Days Incurred	6,008	24	1,709						4,275	
11. Number of Inpatient Admissions	2,036	8	583						1,445	
12. Premiums Collected	36,881,498	188,840	15,705,303						20,987,355	
13. Premiums Earned	36,964,874	216,622	15,535,240						21,213,012	
14. Amount Paid for Provision of Health Care Services	44,694,491	232,854	16,763,826						27,697,811	
15. Amount Incurred for Provision of Health Care Services	40,839,807	174,959	12,595,784						28,069,064	

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)						
0299999. Aggregate Accounts Not Individually Listed-Uncovered	150,280	13,136	1,128	(1,451)	19,528	182,622
0399999. Aggregate Accounts Not Individually Listed-Covered	1,914,882	169,310	14,545	(18,700)	251,693	2,331,730
0499999. Subtotals	2,065,162	182,446	15,673	(20,151)	271,221	2,514,352
0599999. Unreported Claims and Other Claim Reserves						6,396,265
0699999. Total Amounts Withheld						266,055
0799999. Total Claims Payable						9,176,672
0899999. Accrued Medical Incentive Pool						465,685

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (Hospital and Medical)	3,890,621	12,485,186	(31,552)	3,071,355	3,859,069	6,319,365
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid	3,685,576	22,731,862	427,005	5,708,152	4,112,581	5,402,221
8. Other					0	
9. Subtotal	7,576,197	35,217,048	395,453	8,779,507	7,971,650	11,721,586
10. Medical incentive pools, accruals and disbursements	1,254,647			465,685	1,254,647	794,760
11. Totals	8,830,844	35,217,048	395,453	9,245,192	9,226,297	12,516,346

NOTES TO FINANCIAL STATEMENTS

Basis of Presentation

The financial statements of Physicians Health Plan of Southwest Michigan are presented on the basis of accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) as adopted by the State of Michigan.

The Department of Consumer & Industry Services recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Michigan Insurance Law. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has not yet been adopted by the State of Michigan. However, the State of Michigan has indicated they will adopt the new codification effective first quarter of fiscal year 2003.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes 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 [ ]

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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that ceased to exist as a result of the merger or consolidation.

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

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

If yes, attach an explanation.

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

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

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). NA - not complete.....

7.4 By what department or departments?..... Office of Financial & 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 (continued)

INVESTMENT

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

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: $na.....

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$.....0	$.....0
13.22 Preferred Stock	$.....0	$.....0
13.23 Common Stock	$.....0	$.....0
13.24 Short-Term Investments	$.....0	$.....0
13.25 Mortgages, Loans or Real Estate	$.....0	$.....0
13.26 All Other	$.....291,173	$.....310,895
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$.....291,173	$.....310,895
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$.....0	$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$.....0	$.....0

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 [ ]
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
National City Trust	100 E. MIchigan Ave. Kalamazoo, MI 49005

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
National City Turst	Scott Campbell	100 E. Michigan Ave. Kalamazoo, MI 49005
Compass Bank	Kenneth Hartley	7335 E. Doubletree Ranch Road, Scottsdale AZ 85258

SCHEDULE A - VERIFICATION

NONE

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

SCHEDULE B - VERIFICATION

NONE

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

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	303,193	333,047	333,047	139,379
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	29,854		507	163,814
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	333,047	333,047	333,554	303,193
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	333,047	333,047	333,554	303,193
12. Total nonadmitted amounts	19,198	19,198	22,659	12,020
13. Statement value of long-term invested assets at end of current period	313,849	313,849	310,895	291,173

SCHEDULE D - PART 1B

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

	1 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	5,018,452	755,625	425,000	(361)	5,158,578	5,018,452	5,348,716	5,915,738
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	5,018,452	755,625	425,000	(361)	5,158,578	5,018,452	5,348,716	5,915,738
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	5,018,452	755,625	425,000	(361)	5,158,578	5,018,452	5,348,716	5,915,738

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	13,111,612	XXX	13,111,612	58,181	

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	256,580	818,830	2,039,152	
2. Cost of short-term investments acquired	562,250	2,085,758	25,631,289	256,580
3. Increase (decrease) by adjustment				
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments		865,435	14,558,828	
7. Book/adjusted carrying value, current period	818,830	2,039,152	13,111,612	256,580
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	818,830	2,039,152	13,111,612	256,580
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	818,830	2,039,152	13,111,612	256,580
12. Income collected during period	2,786	2,776	55,405	104,991
13. Income earned during period	2,786	2,776	52,708	104,991

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

NONE

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			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

NONE

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)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	2	Direct Business Only Year-to-Date			
			3	4	5	6
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1. Alabama AL		Invalid				
2. Alaska AK		Invalid				
3. Arizona AZ		Invalid				
4. Arkansas AR		Invalid				
5. California CA		Invalid				
6. Colorado CO		Invalid				
7. Connecticut CT		Invalid				
8. Delaware DE		Invalid				
9. District of Columbia DC		Invalid				
10. Florida FL		Invalid				
11. Georgia GA		Invalid				
12. Hawaii HI		Invalid				
13. Idaho ID		Invalid				
14. Illinois IL		Invalid				
15. Indiana IN		Invalid				
16. Iowa IA		Invalid				
17. Kansas KS		Invalid				
18. Kentucky KY		Invalid				
19. Louisiana LA		Invalid				
20. Maine ME		Invalid				
21. Maryland MD		Invalid				
22. Massachusetts MA		Invalid				
23. Michigan MI	No	Yes	15,802,095		20,745,260	
24. Minnesota MN		Invalid				
25. Mississippi MS		Invalid				
26. Missouri MO		Invalid				
27. Montana MT		Invalid				
28. Nebraska NE		Invalid				
29. Nevada NV		Invalid				
30. New Hampshire NH		Invalid				
31. New Jersey NJ		Invalid				
32. New Mexico NM		Invalid				
33. New York NY		Invalid				
34. North Carolina NC		Invalid				
35. North Dakota ND		Invalid				
36. Ohio OH		Invalid				
37. Oklahoma OK		Invalid				
38. Oregon OR		Invalid				
39. Pennsylvania PA		Invalid				
40. Rhode Island RI		Invalid				
41. South Carolina SC		Invalid				
42. South Dakota SD		Invalid				
43. Tennessee TN		Invalid				
44. Texas TX		Invalid				
45. Utah UT		Invalid				
46. Vermont VT		Invalid				
47. Virginia VA		Invalid				
48. Washington WA		Invalid				
49. West Virginia WV		Invalid				
50. Wisconsin WI		Invalid				
51. Wyoming WY		Invalid				
52. American Samoa AS		Invalid				
53. Guam GU		Invalid				
54. Puerto Rico PR		Invalid				
55. U.S. Virgin Islands VI		Invalid				
56. Canada CN		XXX				
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0
58. Total (Direct Business)	XXX	(a) 1	15,802,095	0	20,745,260	0

DETAILS OF WRITE-INS

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

(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

Bronson Healthcare Group, Inc.	MI	100	38-2418383	
Bronson Methodist Hospital	MI	100	38-1359087	
Bronson Vicksburg Hospital	MI	100	38-2610349	
Bronson Properties Corporation	MI	100	38-6052573	
Bronson Health Foundation	MI	100	38-2415081	
Child Care Plus, Inc.	MI	100	38-2767444	
Kalamazoo County Safe Kids Coalition	MI	100	38-3283257	
Hospital Network, Inc.	MI	71.5	38-2625715	
Van Buren Emergency Medical Services, Inc.	MI	50	38-2745910	
Allegan Emergency Medical Services, Inc.	MI	50	38-2893665	
Van Buren Healthcare Services Corporation	MI	50	38-3027386	
West Michigan Air Care, Inc.	MI	50	38-3067256	
West Michigan Cancer Center	MI	50	38-3061574	
West Michigan Health Ventures, Inc.	MI	50	38-2938976	
Michigan Health Partners	MI	100	38-3252721	
Michigan HealthLink	MI	50	38-3145044	
First Health Development Corporation	MI	50	38-2787945	
Physicians Health Plan of Southwest Michigan	MI	100	38-3376063	52569
Physicians Health Plan Shared Services L.L.C.	MI	25	38-3361367	
Bronson Management Services Corporation	MI	100	38-2415032	
IBA Health and Life Assurance Company	MI	100	38-2346432	81450
Southwest Michigan Health Network, Inc.	MI	100	38-2609888	
IBA Self Funded Group, Inc.	MI	100	38-2432067	
Bronson Practice Management, Inc.	MI	100	38-2511179	
Bronson Physician Services, Inc	MI	100	38-2756971	
Bronson Retirement Center, Inc.	MI	100	38-2850098	
Bronson Community Home Care, Inc.	MI	100	38-3277697	
Bronson Lifestyle Improvement & Research Center	MI	100	38-3552556	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	YES

EXPLANATION:

BAR CODE:

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
2204. Prepaids	7,393	7,393	0	
2297. Summary of remaining write-ins for Line 22 from Assets	7,393	7,393	0	0

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarte

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

NONE

E01

SCHEDULE A - PART 3

Showing all Real Estate SOLD During the 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 Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	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 Encumbrances	Taxes, Repairs, and Expenses Incurred

NONE

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

NONE

E02

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

NONE

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

NONE

E03

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 Encumbrances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encumbrances at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale

NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 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)
Bonds - U.S. Government								
3136F1X96	FNMA	07/01/2002	National Clty		755,625	750,000	203	1
0399999.	Total - Bonds - U.S. Government				755,625	750,000	203	XXX
6099997.	Total - Bonds - Part 3				755,625	750,000	203	XXX
6099999.	Total - Bonds				755,625	750,000	203	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				755,625	XXX	203	XXX

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	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 Designation (a)
Bonds - U.S. Government																
9128273C4	U.S. Treasury Note	07/31/2002	National City		425,000	425,000	425,000	425,000					0	25,500		1
0399999.	Total - Bonds - U.S. Government				425,000	425,000	425,000	425,000	0	0	0	0	0	25,500	0	XXX
6099997.	Total - Bonds - Part 4				425,000	425,000	425,000	425,000	0	0	0	0	0	25,500	0	XXX
6099999.	Total - Bonds				425,000	425,000	425,000	425,000	0	0	0	0	0	25,500	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				425,000	XXX	425,000	425,000	0	0	0	0	0	25,500	0	XXX

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

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

NONE

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

NONE

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

NONE

SCHEDULE DB - PART D - SECTION 1

Showing All Futures Contracts and Insurance Futures Contracts 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

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5 First Month	6 Second Month	7 Third Month	*
Open Depositories							
The Chase Manhatan Bank				(1,640,906)	(1,185,827)	(1,980,397)	
Comerica Bank Detroit				23,073	491,370	169,625	
0199999. Total Open Depositories	XXX	0	0	(1,617,833)	(694,456)	(1,810,772)	XXX
0399999. Total Cash on Deposit	XXX	0	0	(1,617,833)	(694,456)	(1,810,772)	XXX
0599999. Total Cash	XXX	0	0	(1,617,833)	(694,456)	(1,810,772)	XXX