



ANNUAL STATEMENT

For the Year Ending December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

McLAREN HEALTH PLAN, INC

NAIC Group Code 0000 , 0000 NAIC Company Code 95848 Employer's ID Number 383383640
(Current Period) (Prior Period)

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

Country of Domicile United States of America

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

Date Incorporated or Organized 09/12/1997 Date Commenced Business 08/01/1998

Statutory Home Office 401 SOUTH BALLENGER HIGHWAY , FLINT, MI 48532-3685
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 401 SOUTH BALLENGER HIGHWAY
(Street and Number)

FLINT, MI 48532-3685 (810)342-1008
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 401 SOUTH BALLENGER HIGHWAY , FLINT, MI 48532-3685
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 401 SOUTH BALLENGER HIGHWAY
(Street and Number)

FLINT, MI 48532-3685 (810)342-1008
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address _____

Statement Contact JEFF ASH (810)342-1052
(Name) (Area Code)(Telephone Number)(Extension)

JEFFAS@MCLAREN.ORG (810)342-1089
(E-Mail Address) (Fax Number)

Policyowner Relations Contact _____
(Street and Number)

_____ (Area Code) (Telephone Number)(Extension)
(City, or Town, State and Zip Code)

OFFICERS

President KATHY KENDALL
 Secretary DENNIS KRZEMINSKI
 Chief Financial Officer JEFF ASH

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

KATHY KENDALL
 TOM DONALDSON
 DENNIS KRZEMINSKI
 CAROLYN DUFFINEY

RICK WYLES
 RONALD SHAHEEN D.O.
 EDWIN DELANGE D.O.

State of Michigan
 County of Genesee ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures 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)
 KATHY KENDALL
(Printed Name)
 President

(Signature)
 RICK WYLES
(Printed Name)
 Treasurer

(Signature)
 JEFF ASH
(Printed Name)
 Chief Financial Officer

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 _____

Subscribed and sworn to before me this _____ day of _____, 2003

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	1,018,617		1,018,617	1,001,605
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)	62,000		(a) 62,000	
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....14,438,917, Schedule E - Part 1) and short-term investments (\$....., Schedule DA - Part 2)	14,438,917		14,438,917	11,907,905
6. Other long-term invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets	160,000		160,000	
9. Subtotal, cash and invested assets (Lines 1 to 8)	15,679,534		15,679,534	12,909,510
10. Accident and health premiums due and unpaid				
11. Health care receivables	512,995		512,995	206,171
12. Amounts recoverable from reinsurers	326,504		326,504	213,878
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued	8,320		8,320	12,984
15. Amounts due from parent, subsidiaries and affiliates	390,888		390,888	22,677
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment				
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	1,128		1,128	3,383
21. Other nonadmitted assets				
22. Aggregate write-ins for other than invested assets	79,198		79,198	
23. Total assets (Lines 9 plus 10 through 22)	16,998,567		16,998,567	13,368,604
DETAILS OF WRITE-INS				
0801. Capital Contribution	160,000		160,000	
0802				
0803				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)	160,000		160,000	
2201. Other Admitted Assets	79,198		79,198	
2202				
2203				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)	79,198		79,198	

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

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$..... reinsurance ceded)	9,271,112		9,271,112	8,985,868
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses	142,426		142,426	3,785
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance				
7. General expenses due or accrued	242,510		242,510	8,042
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 account of others	75,536		75,536	
10. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
11. Amounts due to parent, subsidiaries and affiliates	964,100		964,100	900,098
12. Payable to 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)	10,695,684		10,695,684	9,897,793
19. Common capital stock	X X X	X X X		
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X	1,140,000	1,140,000
22. Surplus notes	X X X	X X X		
23. Aggregate write-ins for other than special surplus funds	X X X	X X X		
24. Unassigned funds (surplus)	X X X	X X X	5,162,883	2,330,812
25. Less treasury stock, at cost:	X X X	X X X		
25.1 shares common (value included in Line 19 \$.....)	X X X	X X X		
25.2 shares preferred (value included in Line 20 \$.....)	X X X	X X X		
26. Total capital and surplus (Lines 19 to 25)	X X X	X X X	6,302,883	3,470,812
27. Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	16,998,567	13,368,605
DETAILS OF WRITE-INS				
1701				
1702				
1703				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above)				
2301	X X X	X X X		
2302	X X X	X X X		
2303	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	224,742	174,289
2. Net premium income	X X X	35,361,916	28,368,975
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$..... medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate Write-Ins for Other health care related revenues	X X X	83,198	
7. Total revenues (Lines 2 to 6)	X X X	35,445,114	28,368,975
Medical and Hospital:			
8. Hospital/medical benefits		25,001,466	20,601,218
9. Other Professional Services			
10. Outside Referrals			
11. Emergency room and out-of-area			
12. Prescription drugs		5,457,507	4,085,935
13. Aggregate write-ins for other medical and hospital			
14. Incentive pool and withhold adjustments			
15. Subtotal (Lines 8 to 14)		30,458,973	24,687,153
LESS:			
16. Net reinsurance recoveries		519,578	122,590
17. Total medical and hospital (Lines 15 minus 16)		29,939,395	24,564,563
18. Claims adjustment expenses		1,056,336	661,788
19. General administrative expenses		1,798,627	1,406,298
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)		32,794,358	26,632,649
22. Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	2,650,756	1,736,326
23. Net investment income earned		181,315	218,505
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Lines 23 plus 24)		181,315	218,505
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)		2,832,071	1,954,831
29. Federal and foreign income taxes incurred	X X X		
30. Net income (loss) (Lines 28 minus 29)	X X X	2,832,071	1,954,831
DETAILS OF WRITE-INS			
0601. OTHER HEALTH CARE RELATED REVENUE	X X X	83,198	
0602	X X X		
0603	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	83,198	
1301			
1302			
1303			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. TOTALS (Lines 1301 through 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 through 2703 plus 2798) (Line 27 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	3,470,812	1,515,981
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	2,832,071	1,954,831
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		
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		(60,000)
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		60,000
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus		
46. Net change in capital and surplus (Lines 32 to 45)	2,832,071	1,954,831
47. Capital and surplus end of reporting year (Line 31 plus 46)	6,302,883	3,470,812
DETAILS OF WRITE-INS		
4501		
4502		
4503		
4598. Summary of remaining write-ins for Line 45 from overflow page		
4599. TOTALS (Lines 4501 through 4503 plus 4598) (Line 45 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance	35,445,114	28,741,080
2.	Claims and claims adjustment expenses	30,843,868	19,996,893
3.	General administrative expenses paid	1,564,159	1,496,731
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	3,037,087	7,247,456
6.	Net investment income	185,376	205,520
7.	Other income (expenses)		
8.	Federal and foreign income taxes (paid) recovered		
9.	Net cash from operations (Line 5 to 8)	3,222,463	7,452,977
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		
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)		
11.	Cost of investments acquired (long-term only):		
11.1	Bonds		
11.2	Stocks	17,012	473,389
11.3	Mortgage loans		
11.4	Real estate	62,000	
11.5	Other invested assets		
11.6	Miscellaneous applications		
11.7	Total investments acquired (Lines 11.1 to 11.6)	79,012	473,389
12.	Net cash from investments (Line 10.8 minus Line 11.7)	(79,012)	(473,389)
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in		(60,000)
13.2	Net transfers from affiliates		769,860
13.3	Borrowed funds received		
13.4	Other cash provided	77,792	127,522
13.5	Total (Lines 13.1 to 13.4)	77,792	837,382
14.	Cash applied:		
14.1	Dividends to stockholder paid		
14.2	Net transfers to affiliates	304,208	
14.3	Borrowed funds repaid		
14.4	Other applications	386,022	
14.5	Total (Lines 14.1 to 14.4)	690,230	
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(612,439)	837,382
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	2,531,012	7,816,970
17.	Cash and short-term investments:		
17.1	Beginning of year	11,907,905	4,090,934
17.2	End of year (Line 16 plus Line 17.1)	14,438,917	11,907,904

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other
1. Net premium income	35,361,916								35,361,916				
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$..... medical expenses)													
4. Risk revenue													
5. Aggregate write-ins for other health care related revenues	83,198												83,198
6. Total revenues (Lines 1 to 5)	35,445,114								35,361,916				83,198
7. Medical/hospital benefits	25,001,466								25,001,466				
8. Other professional services													
9. Outside referrals													
10. Emergency room and out-of-area													
11. Prescription drugs	5,457,507								5,457,507				
12. Aggregate write-ins for other medical and hospital													
13. Incentive pool and withhold adjustments													
14. Subtotal (Lines 7 to 13)	30,458,973								30,458,973				
15. Net reinsurance recoveries	519,578								519,578				
16. Total medical and hospital (Lines 14 minus 15)	29,939,395								29,939,395				
17. Claims adjustment expenses	1,056,336								1,053,856				2,480
18. General administrative expenses	1,798,627								1,794,404				4,223
19. Increase in reserves for accident and health contracts													
20. Total underwriting deductions (Lines 16 to 19)	32,794,358								32,787,654				6,703
21. Net underwriting gain or (loss) (Line 6 minus Line 20)	2,650,756								2,574,262				76,495
DETAILS OF WRITE-INS													
0501. Other Health Care Related Revenue	83,198												83,198
0502													
0503													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. TOTAL (Lines 0501 through 0503 plus 0598) (Line 5 above)	83,198												83,198
1201													
1202													
1203													
1298. Summary of remaining write-ins for Line 12 from overflow page													
1299. TOTAL (Lines 1201 through 1203 plus 1298) (Line 12 above)													

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (medical and hospital) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan Premiums .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....
7.	Title XIX - Medicaid	36,035,296	.....	673,380	35,361,916
8.	Other	83,198	.....	.....	83,198
9.	TOTALS	36,118,494	.....	673,380	35,445,114

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct	30,173,729							30,173,729	
1.2 Reinsurance assumed									
1.3 Reinsurance ceded	282,185							282,185	
1.4 Net	29,891,544							29,891,544	
2. Paid medical incentive pools and bonuses									
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	9,271,112							9,271,112	
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net	9,271,112							9,271,112	
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct									
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net									
5. Accrued medical incentive pools and bonuses, current year									
6. Amounts recoverable from reinsurers December 31, current year	326,504							326,504	
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	8,985,868							8,985,868	
7.2 Reinsurance assumed									
7.3 Reinsurance ceded									
7.4 Net	8,985,868							8,985,868	
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct									
8.2 Reinsurance assumed									
8.3 Reinsurance ceded									
8.4 Net									
9. Accrued medical incentive pools and bonuses, prior year									
10. Amounts recoverable from reinsurers December 31, prior year	213,878							213,878	
11. Incurred benefits:									
11.1 Direct	30,458,973							30,458,973	
11.2 Reinsurance assumed									
11.3 Reinsurance ceded	394,812							394,812	
11.4 Net	30,064,161							30,064,161	
12. Incurred medical incentive pools and bonuses									

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1.	Reported in Process of Adjustment:									
1.1	Direct	2,781,334							2,781,334	
1.2	Reinsurance assumed									
1.3	Reinsurance ceded									
1.4	Net	2,781,334							2,781,334	
2.	Incurred but Unreported:									
2.1	Direct	4,828,204							4,828,204	
2.2	Reinsurance assumed									
2.3	Reinsurance ceded									
2.4	Net	4,828,204							4,828,204	
3.	Amounts Withheld from Paid Claims and Capitations:									
3.1	Direct	1,661,574							1,661,574	
3.2	Reinsurance assumed									
3.3	Reinsurance ceded									
3.4	Net	1,661,574							1,661,574	
4.	TOTALS									
4.1	Direct	9,271,112							9,271,112	
4.2	Reinsurance assumed									
4.3	Reinsurance ceded									
4.4	Net	9,271,112							9,271,112	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		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 (medical and hospital)						
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan Premiums						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	7,374,916	22,516,628	466,561	6,933,898	7,841,477	8,985,868
8.	Other						
9.	Subtotal	7,374,916	22,516,628	466,561	6,933,898	7,841,477	8,985,868
10.	Medical incentive pools, accrual and disbursements				1,661,574		
11.	TOTALS	7,374,916	22,516,628	466,561	8,595,472	7,841,477	8,985,868

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Grand Total Section A - Paid Claims

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior					
2.	1998	360	994	3		
3.	1999	X X X	5,821	1,977	19	
4.	2000	X X X	X X X	13,070	2,802	74
5.	2001	X X X	X X X	X X X	16,392	7,301
6.	2002	X X X	X X X	X X X	X X X	22,517

Section B - Incurred Claims

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior					
2.	1998					
3.	1999	X X X				
4.	2000	X X X	X X X			
5.	2001	X X X	X X X	X X X	27,584	
6.	2002	X X X	X X X	X X X	X X X	38,954

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998	X X X			X X X		X X X				X X X
2.	1998										
3.	1999										
4.	2000		74			74				74	
5.	2001		7,301			7,301		467		7,768	
6.	2002	36,118	22,517	1,056	5	23,573	65	8,805	142	32,520	90
7.	TOTAL (Lines 1 through 6)	X X X	29,892	1,056	X X X	30,948	X X X	9,272	142	40,362	X X X
8.	TOTAL (Lines 2 through 6)	36,118	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical. . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical. . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical. . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only. NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only. NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only. NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only. NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only. NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only. NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP. NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP. NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP. NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare. NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)

Title XIX - Medicaid
Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998	360	994	3		
3. 1999	X X X	5,821	1,977	19	
4. 2000	X X X	X X X	13,070	2,802	74
5. 2001	X X X	X X X	X X X	16,392	7,301
6. 2002	X X X	X X X	X X X	X X X	22,517

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X	27,584	
6. 2002	X X X	X X X	X X X	X X X	38,954

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. Prior to 1998	X X X			X X X		X X X				X X X
2. 1998										
3. 1999										
4. 2000		74			74				74	
5. 2001		7,301			7,301		467		7,768	
6. 2002	36,118	22,517	1,056	5	23,573	65	8,805	142	32,520	90
7. TOTAL (Lines 1 through 6)	X X X	29,892	1,056	X X X	30,948	X X X	9,272	142	40,362	X X X
8. TOTAL (Lines 2 through 6)	36,118	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Title XIX-Medicaid

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other..... NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other..... NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other..... NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve - NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent (\$..... for occupancy of own building)				
2. Salaries, wages and other benefits	418,569	712,698		1,131,267
3. Commissions (less \$..... ceded plus \$..... assumed)				
4. Legal fees and expenses	1,704	2,901		4,605
5. Certifications and accreditation fees	3,732	6,354		10,086
6. Auditing, actuarial and other consulting services	9,083	15,466		24,549
7. Traveling expenses	8,446	14,381		22,827
8. Marketing and advertising	58,801	100,120		158,920
9. Postage, express and telephone	29,030	49,430		78,460
10. Printing and office supplies	64,186	109,290		173,476
11. Occupancy, depreciation and amortization				
12. Equipment	2,027	3,452		5,480
13. Cost or depreciation of EDP equipment and software	203,544	346,575		550,119
14. Outsourced services including EDP, claims, and other services	135,651	230,973		366,624
15. Boards, bureaus and association fees	10,026	17,072		27,098
16. Insurance, except on real estate				
17. Collection and bank service charges	16,189	27,564		43,753
18. Group service and administration fees				
19. Reimbursements by uninsured accident and health plans				
20. Reimbursements from fiscal intermediaries				
21. Real estate expenses				
22. Real estate taxes				
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes				
23.2 State premium taxes				
23.3 Regulator authority licenses and fees				
23.4 Payroll taxes				
23.5 Other (excluding federal income and real estate taxes)				
24. Investment expenses not included elsewhere				
25. Aggregate write-ins for expenses	95,348	162,350		257,698
26. Total expenses incurred (Lines 1 to 25)	1,056,336	1,798,627		(a) 2,854,963
27. Add expenses unpaid December 31, prior year	3,785	8,042		11,827
28. Less expenses unpaid December 31, current year	142,426	242,510		384,936
29. Amounts receivable relating to uninsured accident and health plans, prior year				
30. Amounts receivable relating to uninsured accident and health plans, current year				
31. Total expenses paid (Lines 26 plus 27 minus 28 minus 29 plus 30)	917,695	1,564,159		2,481,854
DETAILS OF WRITE-INS				
2501. GENERAL & ADMINISTRATIVE	95,348	162,350		257,698
2502				
2503				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 + 2598)(Line 25 above)	95,348	162,350		257,698

(a) Includes management fees of \$..... to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) .....	.....
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) .....	.....
1.3 Bonds of affiliates	(a) .....	.....
2.1 Preferred stocks (unaffiliated)	(b) .....	.....
2.11 Preferred stocks of affiliates	(b) .....	.....
2.2 Common stocks (unaffiliated)	17,012	16,455
2.21 Common stocks of affiliates .....	.....	.....
3. Mortgage loans	(c) .....	.....
4. Real estate	(d) .....	.....
5. Contract loans .....	.....	.....
6. Cash/short-term investments	168,365	164,861
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	.....	.....
10. Total gross investment income	185,376	181,315
11. Investment expenses .....	.....	(g)
12. Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g)
13. Interest expense .....	.....	(h)
14. Depreciation on real estate and other invested assets .....	.....	(i)
15. Aggregate write-ins for deductions from investment income .....	.....	.....
16. Total deductions (Lines 11 through 15) .....	.....	.....
17. Net Investment income (Line 10 minus Line 16) .....	.....	181,315
DETAILS OF WRITE-INS		
0901 .....	.....	.....
0902 .....	.....	.....
0903 .....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501 .....	.....	.....
1502 .....	.....	.....
1503 .....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....

- (a) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.
- (c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.
- (e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (f) Includes \$..... accrual of discount less \$..... amortization of premium.
- (g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.
- (i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4 Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	5 Total
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment		
1. U.S. Government bonds
1.1 Bonds exempt from U.S. tax
1.2 Other bonds (unaffiliated)
1.3 Bonds of affiliates
2.1 Preferred stocks (unaffiliated)
2.11 Preferred stocks of affiliates
2.2 Common stocks (unaffiliated)
2.21 Common stocks of affiliates
3. Mortgage loans
4. Real estate
5. Contract loans
6. Cash/short-term investments
7. Derivative instruments
8. Other invested assets
9. Aggregate write-ins for capital gains (losses)
10. Total capital gains (losses)
DETAILS OF WRITE-INS					
0901
0902
0903
0998. Summary of remaining write-ins for Line 9 from overflow page
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)

NONE

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

		1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1.	Summary of items Page 2, Lines 10 to 13 and 15 to 20, Column 2			
2.	Other Nonadmitted Assets:			
2.1	Bills receivable			
2.2	Leasehold improvements			
2.3	Cash advanced to or in the hands of officers and agents			
2.4	Loans on personal security, endorsed or not			
2.5	Commuted commissions			
3.	Total (Lines 2.1 to 2.5)			
4.	Aggregate write-ins for other assets			
5.	TOTAL (Line 1 plus Line 3 and Line 4)			
NONE				
DETAILS OF WRITE-INS				
0401	.....		
0402	.....		
0403	.....		
0498.	Summary of remaining write-ins for Line 4 from overflow page			
0499.	TOTALS (Lines 0401 through 0403 plus 0498) (Line 4 above)			

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment		Total Members at End of					6 Current Year Member Months
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1.	Health Maintenance Organizations	15,881	16,986	17,757	20,575	20,830	224,742
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	15,881	16,986	17,757	20,575	20,830	224,742
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

McLaren Health Plan, Inc

December 31, 2002

Section A:

1. Summary of Significant Accounting Policies

- A. The financial statements of McLaren Health Plan are presented on the basis of accounting practices prescribed or permitted by the Michigan Insurance Department. The statements have been completed in accordance with NAIC Accounting Practices and Procedures manual except to the extent that Michigan law differs.
- B. Preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures manual requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates exist relating to accrued health care costs. These estimates are actuarially determined and represent the Plan's best estimate of the level of claims to be paid applicable to 2002 or prior periods. It is at least reasonably possible that these estimates will be materially revised in the near term. Any future adjustments to these amounts will affect the reported results in the future periods.
- C. (1) Short-term investments are all highly liquid investments purchased with an original maturity of three months or less are treated as cash equivalents.
- (2) Bonds: None
- (3) Common Stock: Statutory deposit held in a Trust Indenture with Bank One, the Michigan Insurance Bureau and the Plan in short-term Money Market Funds (these do not meet the Exempt test).
- (4) Preferred Stock: None
- (5) Mortgage Loans: None
- (6) Loan-Backed Securities: None
- (7) Investments in Subsidiaries, Controlled and Affiliated Companies: The Plan is the sole shareholder of Health Advantage, Inc., a licensed Michigan TPA. The Plan carries Health Advantage, Inc., at GAAP equity.
- (8) Investments in Joint Ventures, Partnerships, and Limited Liability Companies: None
- (9) Derivatives: None
- (10) Estimates of Liabilities for losses and loss/claim adjustment expenses are made by our independent actuary and are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals; are based on actuarial assumptions relevant to contract provisions; and include appropriate provision for all actuarial terms that ought to be established.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss/lag reports, based on past experience, for losses incurred but not reported.

The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

- A. Material changes in accounting principles and/or correction of errors. None.
- B. Effect of changes in accounting principles as a result of the initial implementation of Codification: None.

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgages: None
- D. Loan-Backed Securities: None

Notes to Financial Statement

- E. Repurchase Agreements: None
6. Joint Ventures, Partnerships and Limited Liability Companies
None
7. Investment Income
Non admitted / Excluded = None
8. Derivative Investments
None
9. Income Taxes
None (Plan was awarded tax-exempt status by the IRS beginning 1/1/2000)
10. Information Concerning Parent, Subsidiaries and Affiliates
- A. McLaren Health Care Corporation, a Michigan non-profit corporation and holding company of various health care entities, has provided to McLaren Health Plan Gross paid in and contributed surplus of \$1,140,000.
 - B. Transactions: None
 - C. Transactions: None
 - D. Due from Affiliates: \$390,883
Due to Affiliates: \$964,099: amounts due to affiliate per contract for various administrative support, including personnel and information system operations support. The amounts are settled quarterly.
 - E. Guarantees: None
 - F. Management Agreement between McLaren Health Plan and McLaren Health Care Corporation: McLaren Health Care Corporation agrees to provide certain operational services and other resources to McLaren Health Plan.
 - G. Control relationship: None
 - H. Upstream/downstream activity: None
 - I. Investment in SCA: None
 - J. Investments in impaired SCA: None
11. Debt
None
12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. Defined Benefit Plan
See D Below
 - B. Defined Contribution Plans:
None
 - C. Multiemployer Plans:
None
 - D. Consolidated/Holding Company Plans
McLaren Health Plan is a wholly owned subsidiary of McLaren Health Care Corporation, which sponsors a defined benefit pension plan covering substantially all of McLaren Health Plan associates. The benefits under the plan are based on years of service and the employee's termination of employment. The funding policy is to contribute annually an amount in accordance with the standards of the Employee Income Security Act of 1974. Contributions are intended to provide not only the benefits attributed to services to date, but also those expected to be earned in the future.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- (1) Capital stock: None
 - (2) Preferred stock: None
 - (3) Dividend restrictions: The Commissioner (State of Michigan) shall consider the following factors regarding dividends:
 - (a.) The adequacy of the level of surplus as regards policyholders remaining after the dividend payment(s);

Notes to Financial Statement

- (b.) The quality of the Plan's earnings and the extent to which the reported earnings include extraordinary items, such as surplus relief insurance transactions and reserve destrengthening;
- (c.) The quality and liquidity of investments in subsidiaries;
- (d.) If the Commissioner determines that the Plan's surplus as regards policyholders is not reasonable in relation to the Plan's outstanding liabilities and is not adequate to its financial needs, the commissioner shall limit or disallow the payment of shareholder dividends.
- (e.) Dividends shall be declared or paid only from earned surplus, unless approved by the Commissioner.

(4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(5) Restrictions placed on surplus: None

(6) Advances of surplus not paid: None

(7) Amount of stock held for special purposed: None

(8) Special surplus funds: None

(9) Unassigned funds (surplus) represented or reduced: Non

(10) Surplus notes: None

(11) Quasi-reorganization: None

(12) Quasi-reorganization: None

14. Contingencies

A. Contingent Commitments

None

B. Assessments

None

C. All Other Contingencies

The Plan is susceptible to various legal actions related to Plan activities. Management is of the opinion that no litigation matters are outstanding or pending that will have a material effect on its financial position or results of operations.

15. Leases

None

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None

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

None

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

None

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

None

20. Other Items

A. Extraordinary Items

None

B. Troubled Debt Restructuring: Debtors

None

C. Disclosures

None

21. Events Subsequent

The Plan had no events occurring subsequent to the close of the books or accounts for this statement that may have a material effect on the financial condition of the Plan.

22. Reinsurance

A. Unsecured Reinsurance Recoverables

Notes to Financial Statement

None

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

None

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

23. Retrospectively Rated Contracts

None

24. Organization and Operations

McLaren Health Plan, Inc (The Plan) was incorporated on September 12 1997, and commenced enrolling members on August 1, 1998. The Plan is organized as a network HMO. The Plan was formed to provide comprehensive medical services to persons in specific Michigan counties who subscribe as recipients of State and Federal health benefits, specifically the recipients are Medicaid qualified enrollees in the State of Michigan.

The Plan provides health care services through contracts with various independent physicians, physician groups and other health care providers. The Plan pays Primary Care Providers (PCPs) a monthly capitation; all other providers are paid Michigan Medicaid fee for service rates. Risk sharing agreements exist among the Plan, PCPs and the 3 Parent owned hospitals for outpatient and inpatient services. Generally, under the terms of the agreements, 10% of capitation and paid claim amounts are withheld. The amount of withhold returned or retained is determined by the Plan annual Net Income or Net Loss, and is in proportion to the providers' capitation or paid claim amounts. There are no risk arrangements with specialist providers or non-affiliated hospitals.

For 2002 the Plan was 100% at risk for all inpatient services.

The Plan became a Michigan HMO on 12/14/99.

The Plan changed its Michigan status from for profit to not for profit on 5/18/00.

The Plan was awarded tax-exempt status by the IRS in November 2000, effective 1/1/00.

The Plan became an NCQA accredited "New Health Plan".

There are no non-affiliated management agreements.

The books and records are located in Flint, Michigan.

25. Salvage and Subrogation

None

26. Change in Incurred Claims and Claim Adjustment Expenses

None

27. Minimum Net Worth

Under the laws of the State of Michigan, the Plan is required to maintain:

- (1) Net worth: For HMOs that provide 90% of benefit payout with contracted or employed providers, the minimum net worth requirement is the greater of:
\$1,500,000 or 4% of subscription revenue or 3 months' uncovered expenditures.

For HMOs that do not provide 90% of benefit payout from contracted or employed providers, the minimum net worth requirement is the greater of:
\$3,000,000 or 10% of subscription revenue or 3 months' uncovered expenditures.

Net worth is determined on a statutory accounting basis.

Existing HMOs have until 12/31/2003 to comply with the new requirement. However, if an HMO attains the new minimum level of net worth prior to 12/31/2003 it must continue to

Notes to Financial Statement

maintain that level of net worth.

- (2) Working capital: Requires HMOs to have a financial plan that at a minimum includes cash flow needs and adequacy or working capital. Working capital must be at an adequate level and at no time may it be negative. The commissioner may establish a minimum level of working capital.
- (3) Statutory deposit: Segregated funds to protect subscribers and health care providers. The Plan held \$1,018,617 in a Trust Indenture with Bank One.

An amount determined adequate by the commissioner but not less than \$100,000 plus 5% of annual subscription revenue up to a \$1,000,000 maximum deposit.

Existing HMOs have until 12/31/2001 to comply with the new requirement. However, if an HMO attains the new minimum level prior to 12/31/2001 it must continue to maintain that level of statutory deposit.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated	1,018,617	6.496	1,018,617	6.521
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company	62,000	0.395	62,000	0.397
5.2 Property held for production of income (includes \$..... of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$..... including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	14,438,917	92.088	14,438,917	92.441
9. Other invested assets	160,000	1.020	100,000	0.640
10. Total invested assets	15,679,534	100.000	15,619,534	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Michigan
- 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.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1999
- 3.2 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. 12/31/1999
- 3.3 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). 05/11/2001
- 3.4 By what department or departments?
MICHIGAN OFFICE OF FINANCIAL & INSURANCE SERVICES
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 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 the 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	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, %
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity
.....

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 PLANTE AND MORAN LLP, 1111 MICHIGAN AVENUE, EAST LANSING, MI 48823
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 THOMAS M. SKURAT, F.S.A., M.A.A.A.- NiiS/APEX GROUP HOLDINGS INC. 125-310 VILLAGE BOULEVARD, PRINCETON, NEW JERSEY 08540 CONSULTING ACTUARY
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[] No[] N/A[X]
 10.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]
 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes[] No[] N/A[X]

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[]
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[]
13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes[X] No[]

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|---|
| 14.11 To directors or other officers | \$ | 0 |
| 14.12 To stockholders not officers | \$ | 0 |
| 14.13 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|---|
| 14.21 To directors or other officers | \$ | 0 |
| 14.22 To stockholders not officers | \$ | 0 |
| 14.23 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[] No[X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|----------------------------|----|-------|
| 15.21 Rented from others | \$ | ..... |
| 15.22 Borrowed from others | \$ | ..... |
| 15.23 Leased from others | \$ | ..... |
| 15.24 Other | \$ | ..... |
- Disclose in Notes to Financial the nature of each obligation.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[] No[X]
- 16.2 If answer is yes:
- | | | |
|--|----|-------|
| 16.21 Amount paid as losses or risk adjustment | \$ | ..... |
| 16.22 Amount paid as expenses | \$ | ..... |
| 16.23 Other amounts paid | \$ | ..... |

GENERAL INTERROGATORIES (continued)

INVESTMENT

17. List the following capital stock information for the reporting entity:

	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
1. Preferred	0.000	0.000	0.000		Yes[] No[] N/A[X]	Yes[] No[] N/A[X]
2. Common			1.000	X X X	X X X	X X X

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes[X] No[]
 18.2 If no, give full and complete information, relating thereto:

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1). Yes[] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	\$
19.22 Subject to repurchase agreements	\$
19.23 Subject to reverse repurchase agreements	\$
19.24 Subject to dollar repurchase agreements	\$
19.25 Subject to reverse dollar repurchase agreements	\$
19.26 Pledged as collateral	\$
19.27 Placed under option agreements	\$
19.28 Letter stock or securities restricted as to sale	\$
19.29 Other	\$

19.3 For each category above, if any of these assets are held by other, identify by whom held:

19.31
19.32
19.33
19.34
19.35
19.36
19.37
19.38
19.39

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
 20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
 If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
 21.2 If yes, state the amount thereof at December 31 of the current year. \$

22. 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[]
 22.1 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

	1 Name of Custodian(s)	2 Custodian's Address
22.1001	BANK ONE, TREASURY MANAGEMENT SERVICES	611 WOODWARD AVE, DETROIT, MI 48226

GENERAL INTERROGATORIES (continued)

INVESTMENT

22.02 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)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?

Yes [] No [X]

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

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

22.05 Identify all investment advisers, 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 Number(s)	2 Name	3 Address

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$ 28,819

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
MICHIGAN ASSOCIATION OF HEALTH PLANS	15,029
NATIONAL COMMITTEE FOR QUALITY ASSURANCE	10,000

24.1 Amount of payments for legal expenses, if any?

\$ 4,605

24.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
VLKO, LANE, PAYNE & BRODER, PC	4,605

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$ 0

25.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?
1.31 Reason for excluding: \$
- 1.4 Indicate amount of premium earned attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$
- 1.6 Individual policies - Most current three years:
1.61 Total premium earned \$
1.62 Total incurred claims \$
1.63 Number of covered lives \$
All years prior to most current three years:
1.64 Total premium earned \$
1.65 Total incurred claims \$
1.66 Number of covered lives \$
- 1.7 Group policies - Most current three years:
1.71 Total premium earned \$
1.72 Total incurred claims \$
1.73 Number of covered lives \$
All years prior to most current three years:
1.74 Total premium earned \$
1.75 Total incurred claims \$
1.76 Number of covered lives \$
- 2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes[] No[X]
- 2.2 If yes, give particulars:
- 3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes[X] No[]
- 3.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[] No[X]
- 4.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No[]
- 4.2 If no, explain:
- 4.3 Maximum retained risk (see instructions): \$
- 4.31 Comprehensive Medical \$ 230,000
- 4.32 Medical Only \$
- 4.33 Medicare Supplement \$
- 4.34 Dental \$
- 4.35 Other Limited Benefit Plan \$
- 4.36 Other \$
5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
THE ABOVE TOPICS ARE INCLUDED IN ALL PROVIDER CONTRACTS WITH LANGUAGE APPROVED BY THE MICHIGAN OFFICE OF FINANCIAL & INSURANCE SERVICES.
- 6.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes[X] No[]
- 6.2 If no, give details:
7. Provide the following information regarding participating providers:
7.1 Number of providers at start of reporting year 797
7.2 Number of providers at end of reporting year 1377
- 8.1 Does the reporting entity have business subject to premium rate guarantees? Yes[] No[X]
- 8.2 If yes, direct premium earned:
8.21 Business with rate guarantees between 15-36 months 0
8.22 Business with rate guarantees over 36 months 0
- 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contracts? Yes[X] No[]
- 9.2 If yes:
9.21 Maximum amount payable bonuses \$
9.22 Amount actually paid for year bonuses \$
9.23 Maximum amount payable withholds \$ 1,661,574
9.24 Amount actually paid for year withholds \$
10. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
CLINTON COUNTY
EATON COUNTY
INGHAM COUNTY
GENESEE COUNTY
LAPEER COUNTY
SAGINAW COUNTY
SHIAWASSEE COUNTY
OGEMAW COUNTY
OSCODA COUNTY

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	16,998,567	13,368,604	5,698,307	3,658,448	1,199,987
2. Total liabilities (Page 3, Line 18)	10,695,684	9,897,793	4,182,327	2,766,206	1,051,066
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 26)	6,302,883	3,470,812	1,515,981	892,242	148,921
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	35,445,114	28,368,975	17,899,615	8,510,577	1,029,839
6. Total medical and hospital expenses (Line 17)	29,939,395	24,564,563	16,602,815	7,464,855	1,076,534
7. Total administrative expenses (Line 19)	1,798,627	1,406,298	1,403,374	1,035,735	324,263
8. Net underwriting gain (loss) (Line 22)	2,650,756	1,736,326	343,988	9,987	(370,958)
9. Net investment gain (loss) (Line 25)	181,315	218,505	249,751	63,334	19,879
10. Total other income (Lines 26 plus 27)					
11. Net income or (loss) (Line 30)	2,832,071	1,954,831	593,739	73,321	(351,079)
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	6,302,883	3,470,812	1,515,981	892,242	
13. Authorized control level risk-based capital	1,859,756	1,427,455	995,944	470,823	
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	20,830	15,881	13,444	8,104	4,321
15. Total members months (Column 6, Line 7)	224,742	174,289	120,088	83,512	12,344
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	84.7	86.6	92.8	87.7	104.5
18. Total underwriting deductions (Line 21)	92.7	93.9	98.1	99.8	136.0
19. Total underwriting gain (loss) (Line 22)	7.5	6.1	1.9	0.7	(0.4)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	7,841,477	3,151,490	2,059,650	993,870	
21. Estimated liability of unpaid claims-[prior year (Line 11, Col. 6)] ..	8,985,868	3,511,410	1,619,261	716,654	

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27					

SCHEDULE D - SUMMARY BY COUNTRY

Long-term Bonds and Stocks OWNED December 31 of Current Year

Description	1	2	3	4
	Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States .....	.....	.....	.....
	2. Canada .....	.....	.....	.....
	3. Other Countries .....	.....	.....	.....
	4. Totals .....	.....	.....	.....
States, Territories and Possessions (Direct and Guaranteed)	5. United States .....	.....	.....	.....
	6. Canada .....	.....	.....	.....
	7. Other Countries .....	.....	.....	.....
	8. Totals .....	.....	.....	.....
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9. United States .....	.....	.....	.....
	10. Canada .....	.....	.....	.....
	11. Other Countries .....	.....	.....	.....
	12. Totals .....	.....	.....	.....
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	.....	.....	.....
	14. Canada .....	.....	.....	.....
	15. Other Countries .....	.....	.....	.....
	16. Totals .....	.....	.....	.....
Public Utilities (unaffiliated)	17. United States .....	.....	.....	.....
	18. Canada .....	.....	.....	.....
	19. Other Countries .....	.....	.....	.....
	20. Totals .....	.....	.....	.....
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	.....	.....	.....
	22. Canada .....	.....	.....	.....
	23. Other Countries .....	.....	.....	.....
	24. Totals .....	.....	.....	.....
Parent, Subsidiaries and Affiliates	25. Totals .....	.....	.....	.....
	26. Total Bonds .....	.....	.....	.....
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States .....	.....	.....	.....
	28. Canada .....	.....	.....	.....
	29. Other Countries .....	.....	.....	.....
	30. Totals .....	.....	.....	.....
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....	.....	.....	.....
	32. Canada .....	.....	.....	.....
	33. Other Countries .....	.....	.....	.....
	34. Totals .....	.....	.....	.....
Industrial and Miscellaneous (unaffiliated)	35. United States .....	.....	.....	.....
	36. Canada .....	.....	.....	.....
	37. Other Countries .....	.....	.....	.....
	38. Totals .....	.....	.....	.....
Parent, Subsidiaries and Affiliates	39. Totals .....	.....	.....	.....
	40. Total Preferred Stocks .....	.....	.....	.....
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States .....	.....	.....	.....
	42. Canada .....	.....	.....	.....
	43. Other Countries .....	.....	.....	.....
	44. Totals .....	.....	.....	.....
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....	.....	.....	.....
	46. Canada .....	.....	.....	.....
	47. Other Countries .....	.....	.....	.....
	48. Totals .....	.....	.....	.....
Industrial and Miscellaneous (unaffiliated)	49. United States	1,018,617	1,018,617	1,018,617
	50. Canada .....	.....	.....	.....
	51. Other Countries .....	.....	.....	.....
	52. Totals	1,018,617	1,018,617	1,018,617
Parent, Subsidiaries and Affiliates	53. Totals .....	.....	.....	.....
	54. Total Common Stocks	1,018,617	1,018,617	1,018,617
	55. Total Stocks	1,018,617	1,018,617	1,018,617
	56. Total Bonds and Stocks	1,018,617	1,018,617	1,018,617

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year.....	1,001,605	6. Foreign Exchange Adjustment	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	17,012	6.1 Column 17, Part 1.....	.....
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	.....
3.1 Column 16, Part 1.....	.....	6.3 Column 11, Part 2, Section 2.....	.....
3.2 Column 12, Part 2, Section 1.....	.....	6.4 Column 11, Part 4.....	.....
3.3 Column 10, Part 2, Section 2.....	.....	7. Book/adjusted carrying value at end of current period.....	1,018,617
3.4 Column 10, Part 4.....	.....	8. Total valuation allowance.....	.....
4. Total gain (loss), Column 14, Part 4.....	.....	9. Subtotal (Lines 7 plus 8).....	1,018,617
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4.....	.....	10. Total nonadmitted assets.....	.....
		11. Statement value of bonds and stocks, current period.....	1,018,617

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only			6 Federal Employees Health Benefits Program Premiums
				3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	
1.	Alabama	AL	No	No			
2.	Alaska	AK	No	No			
3.	Arizona	AZ	No	No			
4.	Arkansas	AR	No	No			
5.	California	CA	No	No			
6.	Colorado	CO	No	No			
7.	Connecticut	CT	No	No			
8.	Delaware	DE	No	No			
9.	District of Columbia	DC	No	No			
10.	Florida	FL	No	No			
11.	Georgia	GA	No	No			
12.	Hawaii	HI	No	No			
13.	Idaho	ID	No	No			
14.	Illinois	IL	No	No			
15.	Indiana	IN	No	No			
16.	Iowa	IA	No	No			
17.	Kansas	KS	No	No			
18.	Kentucky	KY	No	No			
19.	Louisiana	LA	No	No			
20.	Maine	ME	No	No			
21.	Maryland	MD	No	No			
22.	Massachusetts	MA	No	No			
23.	Michigan	MI	No	Yes	83,198		36,035,296
24.	Minnesota	MN	No	No			
25.	Mississippi	MS	No	No			
26.	Missouri	MO	No	No			
27.	Montana	MT	No	No			
28.	Nebraska	NE	No	No			
29.	Nevada	NV	No	No			
30.	New Hampshire	NH	No	No			
31.	New Jersey	NJ	No	No			
32.	New Mexico	NM	No	No			
33.	New York	NY	No	No			
34.	North Carolina	NC	No	No			
35.	North Dakota	ND	No	No			
36.	Ohio	OH	No	No			
37.	Oklahoma	OK	No	No			
38.	Oregon	OR	No	No			
39.	Pennsylvania	PA	No	No			
40.	Rhode Island	RI	No	No			
41.	South Carolina	SC	No	No			
42.	South Dakota	SD	No	No			
43.	Tennessee	TN	No	No			
44.	Texas	TX	No	No			
45.	Utah	UT	No	No			
46.	Vermont	VT	No	No			
47.	Virginia	VA	No	No			
48.	Washington	WA	No	No			
49.	West Virginia	WV	No	No			
50.	Wisconsin	WI	No	No			
51.	Wyoming	WY	No	No			
52.	American Samoa	AS	No	No			
53.	Guam	GU	No	No			
54.	Puerto Rico	PR	No	No			
55.	U.S. Virgin Islands	VI	No	No			
56.	Canada	CN	No	No			
57.	Aggregate other alien	OT	X X X	X X X			
58.	TOTAL (Direct Business)	X X X	(a)..... 1		83,198		36,035,296

DETAILS OF WRITE-INS							
5701							
5702							
5703							
5798.	Summary of remaining write-ins for Line 57 from overflow page						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)						

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

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