



**HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE**

**THE WELLNESS PLAN**

NAIC Group Code 1150 1150 NAIC Company Code 95471 Employer's ID Number 38-2008890  
(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 [ ] Dental Service Corporation [ ]  
 Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [ X ]  
 Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [ X ] No [ ]

Incorporated 11/08/1972 Commenced Business 02/28/1973

Statutory Home Office 2875 W. GRAND BLVD., DETROIT, MI 48202  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 2875 W. GRAND BLVD.  
DETROIT, MI 48202 313-875-4200  
(City or Town, State and Zip Code) (Street and Number) (Area Code) (Telephone Number)

Mail Address 2875 W. GRAND BLVD., DETROIT, MI 48202  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 2875 W. GRAND BLVD.  
DETROIT, MI 48202 313-875-4200-5720  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.wellplan.com

Statement Contact Ashok K Parikh Mr. 313-875-4200-5720  
akparikh@wellplan.com 313-874-8277  
(Name) (Area Code) (Telephone Number) (Extension) (E-mail Address) (FAX Number)

Policyowner Relations Contact 2875 W. GRAND BLVD.  
DETROIT, MI 48202  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

**OFFICERS**

President Isadore Julius King Secretary Stanley Reese Kirk  
 Treasurer Jimmie Anthony Hearn

**VICE PRESIDENTS**

Ashok K Parikh Stanley Reese Kirk Alvin Riddle  
Samuel Eugene McCargo Delores Baker Dr.

**DIRECTORS OR TRUSTEES**

<u>Kathleen Callahan</u>	<u>Ronald Ahmed Echols</u>	<u>Jimmy Anthony Hearn</u>
<u>Arthur Lee Johnson, Chairman</u>	<u>Gloria Jean Johnson</u>	<u>Helen Benita Love</u>
<u>Bernard Frederick Parker</u>	<u>Ernestine Thomas Pointer</u>	<u>Charles Francis Whitten MD</u>
<u>Carol Ann Williams</u>	<u>John Wisner Williams</u>	<u>Margie Dell Williams</u>
<u>Stanley Reese Kirk</u>	<u>Wynesse Renee Stanford</u>	<u>Cecelia Maria Stevenson</u>
<u>Walter Crawford Watkins</u>	<u>John Thomas Kerr</u>	<u>Sandra Lee King #</u>
<u>Evette Karee Smith #</u>		

State of Michigan }  
 County of Wayne } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Isadore Julius King Stanley Reese Kirk Jimmie Anthony Hearn  
 President and CEO Secretary Treasurer

Subscribed and sworn to before me this \_\_\_\_\_ day of 2003

- 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

Polly J. Jones  
 Notary Public Wayne County, MI  
 August 17, 2003













**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE THE WELLNESS PLAN**

**EXHIBIT 8 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups .....	11,571,103	4.4		.0	11,571,103	.0
2. Intermediaries .....	.0	.0		.0		
3. All other providers .....	3,450,686	1.3		.0	3,450,686	
4. Total capitation payments .....	15,021,789	5.7	0	.0	15,021,789	.0
Other Payments:						
5. Fee-for-service .....	56,594,678	21.4	XXX	XXX		56,594,678
6. Contractual fee payments .....	191,705,941	72.7	XXX	XXX	191,705,941	.0
7. Bonus/withhold arrangements - fee-for-service .....	.0	.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments .....	528,699	.2	XXX	XXX	528,699	
9. Non-contingent salaries .....	.0	.0	XXX	XXX		
10. Aggregate cost arrangements .....	.0	.0	XXX	XXX		
11. All other payments .....	.0	.0	XXX	XXX		
12. Total other payments .....	248,829,318	94.3	XXX	XXX	192,234,640	56,594,678
13. TOTAL (Line 4 plus Line 12)	263,851,107	100 %	XXX	XXX	207,256,429	56,594,678

**EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	6 Intermediary's Total Adjusted Capital	7 Intermediary's Authorized Control Level RBC
<b>NONE</b>					
9999999 Totals			XXX	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE THE WELLNESS PLAN

**EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED**

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment .....	7,402,485		4,236,702	3,165,781		3,165,781
2. Medical furniture, equipment and fixtures .....	762,429		591,782	170,647		170,647
3. Pharmaceuticals and surgical supplies .....	560,610			560,610		560,610
4. Durable medical equipment .....						
5. Other property and equipment	417,819		415,129	2,690		2,690
6. Total	9,143,343	0	5,243,613	3,899,728	0	3,899,728



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE THE WELLNESS PLAN

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

THE WELLNESS PLAN

2. DIVISION

(LOCATION)

NAIC Group Code 1150

BUSINESS IN THE STATE OF Michigan

DURING THE YEAR 2002

NAIC Company Code

95471

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	134,548	18	16,119				1,402		117,009	
2. First Quarter .....	134,017	25	15,373				1,337		117,282	
3. Second Quarter .....	129,212	25	13,238				1,151		114,798	
4. Third Quarter .....	121,441	23	11,720				1,019		108,679	
5. Current Year	118,685	19	11,021				958		106,687	
6. Current Year Member Months	1,530,915	282	168,640				14,664		1,347,329	
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	192,960	48	28,915				2,519		161,478	
8. Non-Physician .....	342,204	70	41,893				3,649		296,592	
9. Total	535,164	118	70,808	0	0	0	6,168	0	458,070	0
10. Hospital Patient Days Incurred	56,568	8	4,610				402		51,548	
11. Number of Inpatient Admissions	12,272	2	1,128				98		11,044	
12. Premiums Collected .....	233,523,008	43,507	26,017,661				1,961,593		205,500,247	
13. Premiums Earned	234,207,470	42,406	25,359,252				1,955,460		206,850,352	
14. Amount Paid for Provision of Health Care Services .....	233,851,107	59,619	35,653,276				2,222,989		195,915,223	
15. Amount Incurred for Provision of Health Care Services	218,466,040	49,633	29,681,483				1,632,989		187,101,935	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE THE WELLNESS PLAN

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

THE WELLNESS PLAN

2. DIVISION

(LOCATION)

NAIC Group Code	1150	BUSINESS IN THE STATE OF Consolidated		DURING THE YEAR 2002						NAIC Company Code 95471	
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other	
<b>Total Members at end of:</b>											
1. Prior Year .....	134,548	18	16,119	.0	.0	.0	1,402	.0	117,009	.0	
2. First Quarter .....	134,017	25	15,373	.0	.0	.0	1,337	.0	117,282	.0	
3. Second Quarter .....	129,212	25	13,238	.0	.0	.0	1,151	.0	114,798	.0	
4. Third Quarter .....	121,441	23	11,720	.0	.0	.0	1,019	.0	108,679	.0	
5. Current Year	118,685	19	11,021	0	0	0	958	0	106,687	0	
6. Current Year Member Months	1,530,915	282	168,640	0	0	0	14,664	0	1,347,329	0	
<b>Total Member Ambulatory Encounters for Year:</b>											
7. Physician .....	192,960	48	28,915	.0	.0	.0	2,519	.0	161,478	.0	
8. Non-Physician .....	342,204	70	41,893	0	0	0	3,649	0	296,592	0	
9. Total	535,164	118	70,808	0	0	0	6,168	0	458,070	0	
10. Hospital Patient Days Incurred	56,568	8	4,610	0	0	0	402	0	51,548	0	
11. Number of Inpatient Admissions	12,272	2	1,128	0	0	0	98	0	11,044	0	
12. Premiums Collected .....	233,523,008	43,507	26,017,661	.0	.0	.0	1,961,593	.0	205,500,247	.0	
13. Premiums Earned	234,207,470	42,406	25,359,252	0	0	0	1,955,460	0	206,850,352	0	
14. Amount Paid for Provision of Health Care Services .....	233,851,107	59,619	35,653,276	.0	.0	.0	2,222,989	.0	195,915,223	.0	
15. Amount Incurred for Provision of Health Care Services	218,466,040	49,633	29,681,483	0	0	0	1,632,989	0	187,101,935	0	

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## SCHEDULE A VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value, December 31, prior year (prior year statement).....	30,576,717
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 10 .....	(2,049,783)
2.2 Totals, Part 3, Column 7 .....	0
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9) .....	0
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 13.....	16,095
4.2 Totals, Part 3, Column 9 .....	0
5. Total profit (loss) on sales, Part 3, Column 14 .....	101,739
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 11.....	0
6.2 Totals, Part 3, Column 8 .....	0
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 12 .....	221,831
8. Book/adjusted carrying value at end of current period .....	28,422,937
9. Total valuation allowance .....	
10. Subtotal (Lines 8 plus 9) .....	28,422,937
11. Total nonadmitted amounts .....	
12. Statement value, current period (Page 2, real estate lines, current period) .....	28,422,937

## SCHEDULE B VERIFICATION BETWEEN YEARS

1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year .....	
2. Amount loaned during year:	
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 year .....	
7. Amortization of premium .....	
8. Increase (decrease) by foreign exchange adjustment .....	
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....	
10. Total valuation allowance .....	
11. Subtotal (Lines 9 plus 10) .....	
12. Total nonadmitted amounts .....	
13. Statement value of mortgages owned at end of current period .....	

**NONE**

## SCHEDULE BA VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....	(7,414,879)
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions .....	
2.2 Additional investment made after acquisitions .....	0
3. Accrual of discount .....	
4. Increase (decrease) by adjustment .....	(26,795)
5. Total profit (loss) on sale .....	
6. Amounts paid on account or in full during the year .....	
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 .....	(7,441,674)
10. Total valuation allowance .....	
11. Subtotal (Lines 9 plus 10) .....	(7,441,674)
12. Total nonadmitted amounts .....	
13. Statement value of long-term invested assets at end of current period .....	(7,441,674)

Schedule D - Part 1A - Section 1

**NONE**

Schedule D - Part 1A - Section 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE THE WELLNESS PLAN**

**SCHEDULE DA - PART 2**

**Verification of SHORT-TERM INVESTMENTS Between Years**

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year .....	10,422,143	.0	.0	10,422,143	.0
2. Cost of short-term investments acquired .....	.0				
3. Increase (decrease) by adjustment .....	(9,419,782)			(9,419,782)	
4. Increase (decrease) by foreign exchange adjustment .....	.0				
5. Total profit (loss) on disposal of short-term investments .....	.0				
6. Consideration received on disposal of short-term investments .....	.0				
7. Book/adjusted carrying value, current year .....	1,002,361	.0	.0	1,002,361	.0
8. Total valuation allowance .....	.0				
9. Subtotal (Lines 7 plus 8) .....	1,002,361	.0	.0	1,002,361	.0
10. Total nonadmitted amounts .....	.0				
11. Statement value (Lines 9 minus 10) .....	1,002,361	.0	.0	1,002,361	.0
12. Income collected during year .....	11,325			11,325	
13. Income earned during year .....	11,325			11,325	

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

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Schedule DB - Part A - VBY

**NONE**

Schedule DB - Part B - VBY

**NONE**

Schedule DB - Part C - VBY

**NONE**

Schedule DB - Part D - VBY

**NONE**

Schedule DB - Part E - VBY

**NONE**

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule S - Part 1 - Section 2

**NONE**

Schedule S - Part 2

**NONE**

Schedule S - Part 3 - Section 2

**NONE**

Schedule S - Part 4

**NONE**

Schedule S - Part 5

**NONE**

**SCHEDULE S-PART 6**

**Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance**

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 9) .....	31,774,893		31,774,893
2. Amounts recoverable from reinsurers (Line 12) .....	0	XXX	0
3. Accident and health premiums due and unpaid (Line 10).....	1,193,364		1,193,364
4. Net credit for ceded reinsurance.....	XXX	0	0
5. All other admitted assets (Balance).....	12,986,982		12,986,982
6. Total assets (Line 23)	45,955,239	0	45,955,239
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1).....	30,764,742	0	30,764,742
8. Accrued medical incentive pool and bonus payments (Line 2).....	1,578,750		1,578,750
9. Premiums received in advance (Line 6).....	525,956		525,956
10. Reinsurance in unauthorized companies (Line 14).....	0	XXX	0
11. All other liabilities (Balance).....	9,858,627		9,858,627
12. Total liabilities (Line 18).....	42,728,075	0	42,728,075
13. Total capital and surplus (Line 26).....	3,227,164	XXX	3,227,164
14. Total liabilities, capital and surplus (Line 27)	45,955,239	0	45,955,239
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
15. Claims unpaid.....	0		
16. Accrued medical incentive pool.....	0		
17. Premiums received in advance .....	0		
18. Reinsurance recoverable on paid losses .....	0		
19. Other ceded reinsurance recoverables .....	0		
20. Total ceded reinsurance recoverables .....	0		
21. Premiums receivable .....	0		
22. Unauthorized reinsurance .....	0		
23. Other ceded reinsurance payables/offsets .....	0		
24. Total ceded reinsurance payable/offsets .....	0		
25. Total net credit for ceded reinsurance	0		

**SCHEDULE Y (continued)**  
**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
<b>NONE</b>												
9999999 Control Totals									XXX			

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## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual 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 filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

- |  |                  |
|--|------------------|
| 1. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?..... | SEE EXPLANATION  |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?.....                             | Yes [ X ] No [ ] |
| 3. Will an actuarial certification be filed by March 1?.....   | Yes [ X ] No [ ] |
| 4. Will the Risk-based Capital Report be filed with the NAIC by March 1?.....  | Yes [ X ] No [ ] |
| 5. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?.....                        | Yes [ X ] No [ ] |
| 6. Will the SVO Compliance Certification be filed by March 1? .....  | Yes [ X ] No [ ] |

### APRIL FILING

- |  |                  |
|--|------------------|
| 7. Will Management's Discussion and Analysis be filed by April 1?.....                                     | Yes [ X ] No [ ] |
| 8. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?..... | Yes [ X ] No [ ] |
| 9. Will the Investment Risks Interrogatories be filed by April 1? .....                                    | Yes [ X ] No [ ] |

### JUNE FILING

- |   |                  |
|---|------------------|
| 10. Will an audited financial report be filed by June 1 with the state of domicile? ..... | Yes [ X ] No [ ] |
|---|------------------|

### EXPLANATIONS:

- Not applicable

### BAR CODE:

OVERFLOW PAGE FOR WRITE-INS

M002 Additional Aggregate Lines for Page 2 Line 8.

\*ASSETS

0804. Employee Benefit Trust.....	541,249		541,249	770,755
0897. Summary of remaining write-ins for Line 8 from Page 2	541,249	0	541,249	770,755

M003 Additional Aggregate Lines for Page 03 Line 17.

\*LIAB

1704. Other Liabilities.....			0	80,429
1705. Deficiency Reserve (Commercial).....			0	3,975,935
1797. Summary of remaining write-ins for Line 17 from Page 03	0	0	0	4,056,364

M004 Additional Aggregate Lines for Page 04 Line 6.

\*REVEX1

0604. Insurance Proceeds.....		.XXX		276,725
0697. Summary of remaining write-ins for Line 6 from Page 04		.XXX	0	276,725