9 5 7 5 9 2 0 0 3 2 0 1 0 0 1 0 4

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

Cape Health Plan, Inc.

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 95759 Employer's ID Number 38-2455176

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

Country of Domicile United States of America

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

Incorporated 04/29/1982 Commenced Business 04/29/1982

Statutory Home Office 26711 Northwestern Highway, Suite 300 (Street and Number), Southfield, MI 48034 (City or Town, State and Zip Code)

Main Administrative Office 26711 Northwestern Highway, Suite 300 (Street and Number)
Southfield, MI 48034 (City or Town, State and Zip Code) 248-386-3000 (Area Code) (Telephone Number)

Mail Address 26711 Northwestern Highway, Suite 300 (Street and Number or P.O. Box), Southfield, MI 48034 (City or Town, State and Zip Code)

Primary Location of Books and Records 26711 Northwestern Highway, Suite 300 (Street and Number)
Southfield, MI 48034 (City or Town, State and Zip Code) 248-386-3000-3003 (Area Code) (Telephone Number)

Internet Website Address www.capehealth.com

Statutory Statement Contact THOMAS A MURAR (Name) 248-386-3000-3003 (Area Code) (Telephone Number) (Extension)
tmurar@capehealth.com (E-mail Address) 248-945-9149 (FAX Number)

Policyowner Relations Contact 26711 Northwestern Highway (Street and Number)
Southfield, MI 48034 (City or Town, State and Zip Code) 248-386-3003 (Area Code) (Telephone Number) (Extension)

OFFICERS

President Nancy Wanchik Secretary William Brodhead
Treasurer Ralph Woronoff

VICE PRESIDENTS

Steve Stein MD	Michele Lundberg	Thomas Murar
Rodger Prong		

DIRECTORS OR TRUSTEES

Nancy Wanchik	William Brodhead	Ralph Woronoff
Janis Coleman	Susan Sarin	Etrue Bryant
Shirley Lightsey	Thomas Murar	Shirley Salazar #

State of Michigan
County of Macomb } 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.

Nancy Wanchik President (President & Chief Operating Officer)	Susan Sarin Secretary (Chief Executive Officer)	Thomas Murar Treasurer (Chief Financial Officer)

Subscribed and sworn to before me this 26 day of February, 2004

Linda Rusie
Notary Public
March 26, 2007

a. Is this an original filing? Yes [X] No [ ]
b. If no,
1. State the amendment number
2. Date filed 02/26/2004
3. Number of pages attached

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals						
Group subscribers:						
0299997 Group subscriber subtotal						
0299998 Premiums due and unpaid not individually listed						
0299999 Total group						
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 12)						

NONE

EXHIBIT 4 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Individually Listed Receivables:						
State of Michigan	1,144,598					1,144,598
0499999 Receivables not individually listed	0					
0599999 Gross health care receivables	1,144,598	0	0	0	0	1,144,598

EXHIBIT 5 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
Institutional	6,000,000	2,300,000	1,500,000			9,800,000
Professional	1,500,000	1,000,000	500,000			3,000,000
Pharmacy	50,000					50,000
						0
						0
0199999 Individually listed claims unpaid	7,550,000	3,300,000	2,000,000	0	0	12,850,000
0299999 Aggregate accounts not individually listed-uncovered						0
0399999 Aggregate accounts not individually listed-covered						0
0499999 Subtotals	7,550,000	3,300,000	2,000,000	0	0	12,850,000
0599999 Unreported claims and other claim reserves						3,050,995
0699999 Total amounts withheld						
0799999 Total claims unpaid						15,900,995
0899999 Accrued medical incentive pool and bonus amounts						1,200,000

Exhibit 6 - Amounts Due From Parent,Subs

NONE

Exhibit 7- Amount Due to Parent, Subs

NONE

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	19,123,967	18.7	720,978	100.0	19,123,967	
2. Intermediaries	0	0.0		0.0		
3. All other providers	0	0.0		0.0		
4. Total capitation payments	19,123,967	18.7	720,978	100.0	19,123,967	0
Other Payments:						
5. Fee-for-service	8,859,648	8.7	XXX	XXX	8,859,648	
6. Contractual fee payments	73,050,881	71.5	XXX	XXX	73,050,881	
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	1,183,059	1.2	XXX	XXX	1,183,059	
12. Total other payments	83,093,588	81.3	XXX	XXX	83,093,588	0
13. TOTAL (Line 4 plus Line 12)	102,217,555	100 %	XXX	XXX	102,217,555	0

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
	NONE				
9999999 Totals			XXX	XXX	XXX

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	490,723		(293,299)	197,424	(29,614)	167,810
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	490,723	0	(293,299)	197,424	(29,614)	167,810

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION CAPE HEALTH PLAN, INC. 2. _____ (LOCATION)

NAIC Group Code 0000 BUSINESS IN THE STATE OF Michigan DURING THE YEAR 2003 NAIC Company Code 95759

	1	Comprehensive (Hospital & Medical) 2	3	4	5	6	7	8	9	10	11	12	13
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	54,171								54,171				
2 First Quarter	56,943								56,943				
3 Second Quarter	59,056								59,056				
4. Third Quarter	63,083								63,083				
5. Current Year	63,963								63,963				
6 Current Year Member Months	720,978								720,978				
Total Member Ambulatory Encounters for Year:													
7. Physician	250,504								250,504				
8. Non-Physician	149,707								149,707				
9. Total	400,211	0	0	0	0	0	0	0	400,211	0	0	0	0
10. Hospital Patient Days Incurred	34,650								34,650				
11. Number of Inpatient Admissions	7,959								7,959				
12. Health Premiums Collected	120,599,778								120,599,778				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	120,599,778								120,599,778				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	102,217,555								102,217,555				
18. Amount Incurred for Provision of Health Care Services	105,088,550								105,088,550				

(a) For health business: number of persons insured under PPO managed care products _____ and number of persons under indemnity only products _____

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION CAPE HEALTH PLAN, INC. 2. _____ (LOCATION)

NAIC Group Code 0000 BUSINESS IN THE STATE OF Consolidated DURING THE YEAR 2003 NAIC Company Code 95759

	1	Comprehensive (Hospital & Medical) 2	3	4	5	6	7	8	9	10	11	12	13
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	54,171	0	0	0	0	0	0	0	54,171	0	0	0	0
2 First Quarter	56,943	0	0	0	0	0	0	0	56,943	0	0	0	0
3 Second Quarter	59,056	0	0	0	0	0	0	0	59,056	0	0	0	0
4. Third Quarter	63,083	0	0	0	0	0	0	0	63,083	0	0	0	0
5. Current Year	63,963	0	0	0	0	0	0	0	63,963	0	0	0	0
6 Current Year Member Months	720,978	0	0	0	0	0	0	0	720,978	0	0	0	0
Total Member Ambulatory Encounters for Year:													
7. Physician	250,504	0	0	0	0	0	0	0	250,504	0	0	0	0
8. Non-Physician	149,707	0	0	0	0	0	0	0	149,707	0	0	0	0
9. Total	400,211	0	0	0	0	0	0	0	400,211	0	0	0	0
10. Hospital Patient Days Incurred	34,650	0	0	0	0	0	0	0	34,650	0	0	0	0
11. Number of Inpatient Admissions	7,959	0	0	0	0	0	0	0	7,959	0	0	0	0
12. Health Premiums Collected	120,599,778	0	0	0	0	0	0	0	120,599,778	0	0	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	120,599,778	0	0	0	0	0	0	0	120,599,778	0	0	0	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	102,217,555	0	0	0	0	0	0	0	102,217,555	0	0	0	0
18. Amount Incurred for Provision of Health Care Services	105,088,550	0	0	0	0	0	0	0	105,088,550	0	0	0	0

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons under indemnity only products 0

SCHEDULE A VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	61,152
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 10	(12,874)
	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	0
	4.2 Totals, Part 3, Column 9	0
5.	Total profit (loss) on sales, Part 3, Column 14	0
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	0
8.	Book/adjusted carrying value at end of current period	48,278
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	48,278
11.	Total nonadmitted amounts	7,241
12.	Statement value, current period (Page 2, real estate lines, current period)	41,037

SCHEDULE B VERIFICATION BETWEEN YEARS

NONE

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	

SCHEDULE BA VERIFICATION BETWEEN YEARS

NONE

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

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1						0	0.0	0	0.0		
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0		
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0		
1.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1						0	0.0	0	0.0		
2.2 Class 2						0	0.0	0	0.0		
2.3 Class 3						0	0.0	0	0.0		
2.4 Class 4						0	0.0	0	0.0		
2.5 Class 5						0	0.0	0	0.0		
2.6 Class 6						0	0.0	0	0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1						0	0.0	0	0.0		
3.2 Class 2						0	0.0	0	0.0		
3.3 Class 3						0	0.0	0	0.0		
3.4 Class 4						0	0.0	0	0.0		
3.5 Class 5						0	0.0	0	0.0		
3.6 Class 6						0	0.0	0	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1						0	0.0	0	0.0		
4.2 Class 2						0	0.0	0	0.0		
4.3 Class 3						0	0.0	0	0.0		
4.4 Class 4						0	0.0	0	0.0		
4.5 Class 5						0	0.0	0	0.0		
4.6 Class 6						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1						0	0.0	0	0.0		
5.2 Class 2						0	0.0	0	0.0		
5.3 Class 3						0	0.0	0	0.0		
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0		
5.6 Class 6						0	0.0	0	0.0		
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1						0	0.0	0	0.0		
6.2 Class 2						0	0.0	0	0.0		
6.3 Class 3						0	0.0	0	0.0		
6.4 Class 4						0	0.0	0	0.0		
6.5 Class 5						0	0.0	0	0.0		
6.6 Class 6						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	1,000,000					1,000,000	100.0	1,004,000	100.0	1,000,000	
7.2 Class 2						0	0.0	0	0.0		
7.3 Class 3						0	0.0	0	0.0		
7.4 Class 4						0	0.0	0	0.0		
7.5 Class 5						0	0.0	0	0.0		
7.6 Class 6						0	0.0	0	0.0		
7.7 Totals	1,000,000	0	0	0	0	1,000,000	100.0	1,004,000	100.0	1,000,000	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1						0	0.0	0	0.0		
8.2 Class 2						0	0.0	0	0.0		
8.3 Class 3						0	0.0	0	0.0		
8.4 Class 4						0	0.0	0	0.0		
8.5 Class 5						0	0.0	0	0.0		
8.6 Class 6						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1						0	0.0	0	0.0		
9.2 Class 2						0	0.0	0	0.0		
9.3 Class 3						0	0.0	0	0.0		
9.4 Class 4						0	0.0	0	0.0		
9.5 Class 5						0	0.0	0	0.0		
9.6 Class 6						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	1,000,000	0	0	0	0	1,000,000	100.0	XXX	XXX	1,000,000	0
10.2 Class 2	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 Class 3	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	1,000,000	0	0	0	0	(b) 1,000,000	100.0	XXX	XXX	1,000,000	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	1,004,000	0	0	0	0	XXX	XXX	1,004,000	100.0	1,004,000	0
11.2 Class 2	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.7 Totals	1,004,000	0	0	0	0	XXX	XXX	(b) 1,004,000	100.0	1,004,000	0
11.8 Line 11.7 as a % of Col. 8	100.0	0.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	1,000,000					1,000,000	100.0	1,004,000	100.0	1,000,000	XXX
12.2 Class 2						0	0.0	0	0.0	0	XXX
12.3 Class 3						0	0.0	0	0.0	0	XXX
12.4 Class 4						0	0.0	0	0.0	0	XXX
12.5 Class 5						0	0.0	0	0.0	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	1,000,000	0	0	0	0	1,000,000	100.0	1,004,000	100.0	1,000,000	XXX
12.8 Line 12.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1						0	0.0	0	0.0	XXX	0
13.2 Class 2						0	0.0	0	0.0	XXX	0
13.3 Class 3						0	0.0	0	0.0	XXX	0
13.4 Class 4						0	0.0	0	0.0	XXX	0
13.5 Class 5						0	0.0	0	0.0	XXX	0
13.6 Class 6						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $ ..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $ ..... current year, $ ..... prior year of bonds with Z designations and $ ..... , current year, $ ..... prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes $ ..... current year, $ ..... prior year of bonds with 5* designations and $ ..... , current year, $ ..... prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations						0	0.0	0	0.0		
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
1.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations						0	0.0	0	0.0		
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined						0	0.0	0	0.0		
2.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined						0	0.0	0	0.0		
2.6 Other						0	0.0	0	0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations						0	0.0	0	0.0		
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined						0	0.0	0	0.0		
3.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined						0	0.0	0	0.0		
3.6 Other						0	0.0	0	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations						0	0.0	0	0.0		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined						0	0.0	0	0.0		
4.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined						0	0.0	0	0.0		
4.6 Other						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations						0	0.0	0	0.0		
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined						0	0.0	0	0.0		
5.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined						0	0.0	0	0.0		
5.6 Other						0	0.0	0	0.0		
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations						0	0.0	0	0.0		
6.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
6.3 Defined						0	0.0	0	0.0		
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	1,000,000					1,000,000	100.0	1,004,000	100.0	1,000,000	
7.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
7.3 Defined						0	0.0	0	0.0		
7.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
7.5 Defined						0	0.0	0	0.0		
7.6 Other						0	0.0	0	0.0		
7.7 Totals	1,000,000	0	0	0	0	1,000,000	100.0	1,004,000	100.0	1,000,000	0
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations						0	0.0	0	0.0		
9.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined						0	0.0	0	0.0		
9.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
9.5 Defined						0	0.0	0	0.0		
9.6 Other						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	1,000,000	0	0	0	0	1,000,000	100.0	XXX	XXX	1,000,000	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	1,000,000	0	0	0	0	1,000,000	100.0	XXX	XXX	1,000,000	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	1,004,000	0	0	0	0	XXX	XXX	1,004,000	100.0	1,004,000	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	1,004,000	0	0	0	0	XXX	XXX	1,004,000	100.0	1,004,000	0
11.8 Line 11.7 as a % of Col. 8	100.0	0.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	1,000,000					1,000,000	100.0	1,004,000	100.0	1,000,000	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined						0	0.0	0	0.0	0	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined						0	0.0	0	0.0	0	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	1,000,000	0	0	0	0	1,000,000	100.0	1,004,000	100.0	1,000,000	XXX
12.8 Line 12.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined						0	0.0	0	0.0	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

Schedule DA - Part 2

NONE

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

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
67105	41-0451140	04/01/2003	Reliastar Life Insurance Company	Minneapolis, MN	OTH/L	197,579						
0199999 - Total Affiliates						197,579						
0399999 Totals						197,579						

SCHEDULE S - PART 4

Reinsurance Ceded to Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total Cols. (5+6+7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
1199999 Totals													

NONE

Schedule S-Part 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2003	2 2002	3 2001	4 2000	5 1999
A. OPERATIONS ITEMS					
1. Premiums	0	0	0	0	0
2. Title XVIII-Medicare	0	0	0	0	0
3. Title XIX-Medicaid	198	117	101	123	100
4. Commissions and reinsurance expense allowance		0	0	0	0
5. Total hospital and medical expenses		0	0	0	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable		0	0	0	0
7. Claims payable		0	0	0	0
8. Reinsurance recoverable on paid losses	0	0	0	0	0
9. Experience rating refunds due or unpaid		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid		0	0	0	0
11. Unauthorized reinsurance offset	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)	0	0	0	0	0
13. Letters of credit (L)	0	0	0	0	0
14. Trust agreements (T)	0	0	0	0	0
15. Other (O)	0	0	0	0	0

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	31,349,176		31,349,176
2. Accident and health premiums due and unpaid (Line 12)	0		0
3. Amounts recoverable from reinsurers (Line 13.1)	0		0
4. Net credit for ceded reinsurance	XXX	0	0
5. All other admitted assets (Balance)	1,688,190		1,688,190
6. Total assets (Line 26)	33,037,366	0	33,037,366
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	15,900,995	0	15,900,995
8. Accrued medical incentive pool and bonus payments (Line 2)	1,200,000		1,200,000
9. Premiums received in advance (Line 8)	0		0
10. Reinsurance in unauthorized companies (Line 18)	0		0
11. All other liabilities (Balance)	5,388,774		5,388,774
12. Total liabilities (Line 22)	22,489,769	0	22,489,769
13. Total capital and surplus (Line 30)	10,547,597	XXX	10,547,597
14. Total liabilities, capital and surplus (Line 31)	33,037,366	0	33,037,366
NET CREDIT FOR CEDED REINSURANCE			
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 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	38-3435959	HCLB, Inc.									0	
95759	38-2455176	Cape Health Plan, Inc.									0	
	38-3300867	Springwater Management, Inc.									0	
	38-3511552	Cape Management, Inc.									0	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

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 [ ]
7.	Will the Life Supplement be filed the state of domicile and the NAIC by March 1?	SEE EXPLANATION
8.	Will the Property/Casualty Supplement be filed the state of domicile and the NAIC by March 1?	SEE EXPLANATION

APRIL FILING

9.	Will Management's Discussion and Analysis be filed by April 1?	Yes [X] No [ ]
10.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?	SEE EXPLANATION
11.	Will the Investment Risks Interrogatories be filed by April 1?	Yes [X] No [ ]

JUNE FILING

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

EXPLANATIONS:

1. Not applicable

7. Not applicable

8. Not applicable

10. Not applicable

BAR CODE:

OVERFLOW PAGE FOR WRITE-INS

M003 Additional Aggregate Lines for Page 03 Line 21.
*LIAB

2104.	Accrued Profit Sharing			0	0
2105.	Accrued 401(k) Match			0	1,865
2106.	Accrued Taxes			0	0
2197.	Summary of remaining write-ins for Line 21 from Page 03	0	0	0	1,865