Amended Statement Cover

Per Letter from OFIS dated 03/17/04, we have amended statement pages for the 2003 annual report.

ANNUAL STATEMENT

For the Year Ending December 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

McLAREN HEALTH PLAN, INC

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

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 G-3245 Beecher Rd. (Street and Number), FLINT, MI 48532 (City, or Town, State and Zip Code)

Main Administrative Office G-3245 Beecher Rd. (Street and Number)
FLINT, MI 48532 (City or Town, State and Zip Code) (810)733-9723 (Area Code) (Telephone Number)

Mail Address G-3245 Beecher Rd. (Street and Number or P.O. Box), FLINT, MI 48532 (City, or Town, State and Zip Code)

Primary Location of Books and Records G-3245 Beecher Rd. (Street and Number)
FLINT, MI 48532 (City, or Town, State and Zip Code) (810)733-9723 (Area Code) (Telephone Number)

Internet Website Address www.mclaren.org

Statutory Statement Contact CHERYL WESTOBY (Name) (810)733-9723 (Area Code)(Telephone Number)(Extension)
cherylwe@mclaren.org (E-Mail Address) (810)733-5782 (Fax Number)

Policyowner Relations Contact G-3245 Beecher Rd. (Street and Number)
Flint, MI 48532 (City, or Town, State and Zip Code) (888)327-0671 (Area Code) (Telephone Number)(Extension)

OFFICERS

President KATHY KENDALL
Secretary DENNIS KRZEMINSKI
Chief Financial Officer JEFF ASH

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

KATHY KENDALL
TOM DONALDSON
DENNIS KRZEMINSKI
BARBARA VANDERSON
KEVIN TOMPKINS
RICK WYLES
RONALD SHAHEEN D.O.
VICKIE RAMEY
BRENDA KAISER

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 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.

(Signature)	(Signature)	(Signature)
KATHY KENDALL	DENNIS KRZEMINSKI	JEFF ASH
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Chief Financial Officer

a. Is this an original filing? Yes[ ] No[X]
b. If no, 1. State the amendment number 1
2. Date filed 04/15/2004
3. Number of pages attached 14

Subscribed and sworn to before me this
_____ day of _____, 2004

(Notary Public Signature)

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	307,551	224,742
2.	Net premium income (including $..... non-health premium income)	X X X	50,087,235	35,361,916
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	(931,727)	83,198
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL revenues (Lines 2 to 7)	X X X	49,155,508	35,445,114
Hospital and Medical:				
9.	Hospital/medical benefits		27,897,909	25,001,466
10.	Other professional services		690,630	
11.	Outside referrals			
12.	Emergency room and out-of-area		2,260,759	
13.	Prescription drugs		8,836,568	5,457,507
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		39,685,865	30,458,973
Less:				
17.	Net reinsurance recoveries		164,135	519,578
18.	TOTAL hospital and medical (Lines 16 minus 17)		39,521,730	29,939,395
19.	Non-health claims			
20.	Claims adjustment expenses		446,730	1,056,336
21.	General administrative expenses		3,276,019	1,798,627
22.	Increase in reserves for life and accident and health contracts (including $..... increase in reserves for life only)			
23.	TOTAL underwriting deductions (Lines 18 through 22)		43,244,478	32,794,358
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	5,911,029	2,650,756
25.	Net investment income earned		12,505	181,315
26.	Net realized capital gains or (losses)			
27.	Net investment gains or (losses) (Lines 25 plus 26)		12,505	181,315
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....) (amount charged off $.....)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	5,923,534	2,832,071
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	5,923,534	2,832,071
DETAILS OF WRITE-INS				
0601.	OTHER HEALTH CARE RELATED REVENUE	X X X	948,374	83,198
0602.	QAAP TAX	X X X	(1,880,101)	
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	(931,727)	83,198
0701		X X X		
0702		X X X		
0703		X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401				
1402				
1403				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901				
2902				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	6,302,883	3,470,812
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	5,923,534	2,832,071
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses	(125,681)	
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(101,576)	
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in		
	44.2 Transferred from surplus (Stock Dividend)		
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in		
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	5,696,278	2,832,071
49.	Capital and surplus end of reporting year (Line 33 plus 48)	11,999,160	6,302,883
DETAILS OF WRITE-INS			
4701			
4702			
4703			
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	50,413,739	35,361,916
2.	Net investment income	418,721	185,376
3.	Miscellaneous income	(327,478)	83,198
4.	Total (Lines 1 through 3)	50,504,982	35,630,490
5.	Benefit and loss related payments	41,220,689	30,337,265
6.	Net transfers to Separate, Segregated and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	3,101,961	2,070,762
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) $..... net tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	44,322,650	32,408,027
11.	Net cash from operations (Lines 4 minus 10)	6,182,331	3,222,463
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds		
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds		
	13.2 Stocks	12,068	17,012
	13.3 Mortgage loans		
	13.4 Real estate	3,154,979	62,000
	13.5 Other invested assets		
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	3,167,047	79,012
14.	Net increase (or decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(3,167,047)	(79,012)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds received		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	252,378	(612,438)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	252,378	(612,438)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18.	Net change in cash and short-term investments (Line 11, plus Line 15, plus Line 17)	3,267,663	2,531,014
19.	Cash and short-term investments:		
	19.1 Beginning of year	14,438,917	11,907,905
	19.2 End of year (Line 18 plus Line 19.1)	17,706,580	14,438,919

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

		1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employee Health Benefit Plan	7 Title XVIII-Medicare	8 Title XIX-Medicaid	9 Stop Loss	10 Disability Income	11 Long-term Care	12 Other Health	13 Other Non-Health
1.	Net premium income	50,087,235							50,087,235					
2.	Change in unearned premium reserves and reserve for rate credit													
3.	Fee-for-service (net of $..... medical expenses)													XXX
4.	Risk revenue													XXX
5.	Aggregate write-ins for other health care related revenues	(931,727)							(931,727)					XXX
6.	Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7.	TOTAL revenues (Lines 1 to 6)	49,155,508							49,155,508					
8.	Hospital/medical benefits	27,897,909							27,897,909					XXX
9.	Other professional services	690,630							690,630					XXX
10.	Outside referrals													XXX
11.	Emergency room and out-of-area	2,260,759							2,260,759					XXX
12.	Prescription drugs	8,836,568							8,836,568					XXX
13.	Aggregate write-ins for other hospital and medical													XXX
14.	Incentive pool, withhold adjustments and bonus amounts													XXX
15.	Subtotal (Lines 8 to 14)	39,685,865							39,685,865					XXX
16.	Net reinsurance recoveries	164,135							164,135					XXX
17.	TOTAL hospital and medical (Lines 15 minus 16)	39,521,730							39,521,730					XXX
18.	Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19.	Claims adjustment expenses	446,730							446,730					
20.	General administrative expenses	3,276,019							3,276,019					
21.	Increase in reserves for accident and health contracts													XXX
22.	Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23.	TOTAL underwriting deductions (Lines 17 to 22)	43,244,478							43,244,478					
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	5,911,029							5,911,029					
DETAILS OF WRITE-INS														
0501.	Other Health Care Related Revenue	948,374							948,374					XXX
0502.	QAAP TAX	(1,880,101)							(1,880,101)					XXX
0503														XXX
0598.	Summary of remaining write-ins for Line 5 from overflow page													XXX
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(931,727)							(931,727)					XXX
0601			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698.	Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301														XXX
1302														XXX
1303														XXX
1398.	Summary of remaining write-ins for Line 13 from overflow page													XXX
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)													XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Payments during the year:													
1.1	Direct	40,229,677							40,229,677					
1.2	Reinsurance assumed													
1.3	Reinsurance ceded	188,934							188,934					
1.4	Net	40,040,743							40,040,743					
2.	Paid medical incentive pools and bonuses	1,661,574							1,661,574					
3.	Claim liability December 31, current year from Part 2A:													
3.1	Direct	7,065,726							7,065,726					
3.2	Reinsurance assumed													
3.3	Reinsurance ceded													
3.4	Net	7,065,726							7,065,726					
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	1,607,757							1,607,757					
6.	Amounts recoverable from reinsurers December 31, current year	74,727							74,727					
7.	Claim liability December 31, prior year from Part 2A:													
7.1	Direct	7,609,538							7,609,538					
7.2	Reinsurance assumed													
7.3	Reinsurance ceded													
7.4	Net	7,609,538							7,609,538					
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	1,661,574							1,661,574					
10.	Amounts recoverable from reinsurers December 31, prior year	326,504							326,504					
11.	Incurred benefits:													
11.1	Direct	39,685,865							39,685,865					
11.2	Reinsurance assumed													
11.3	Reinsurance ceded	(62,843)							(62,843)					
11.4	Net	39,748,708							39,748,708					
12.	Incurred medical incentive pools and bonuses	1,607,757							1,607,757					

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 (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	4,789,190	33,668,595	17,244	7,048,482	4,806,434	7,609,538
8. Other health						
9. Health subtotal (Lines 1 to 8)	4,789,190	33,668,595	17,244	7,048,482	4,806,434	7,609,538
10. Other non-health						
11. Medical incentive pool and bonus amounts	1,661,574			1,607,757	1,661,574	1,661,574
12. TOTALS (Lines 9 to 11)	6,450,764	33,668,595	17,244	8,656,239	6,468,008	9,271,112

UNDERWRITING AND INVESTMENT EXHIBIT

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	994	3			
2. 1999	5,821	1,977	19		
3. 2000	XXX	13,070	2,802	74	
4. 2001	XXX	XXX	16,392	7,301	42
5. 2002	XXX	XXX	XXX	22,517	6,409
6. 2003	XXX	XXX	XXX	XXX	33,669

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX	27,584		42
5. 2002	XXX	XXX	XXX	38,954	6,426
6. 2003	XXX	XXX	XXX	XXX	42,325

Section C - Incurred Year Health 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 1999	XXX			XXX		XXX				XXX
2. 1999		7,817			7,817				7,817	
3. 2000		15,946			15,946				15,946	
4. 2001		23,735			23,735				23,735	
5. 2002	36,118	28,926	142	0.491	29,068	80.481	17	142	29,227	80.921
6. 2003	50,979	33,669	343	1.019	34,012	66.718	8,656	104	42,772	83.901
7. TOTAL (Lines 1 through 6)	XXX	110,093	485	XXX	110,578	XXX	8,673	246	119,497	XXX
8. TOTAL (Lines 2 through 6)	87,097	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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 HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	994	3			
2. 1999	5,821	1,977	19		
3. 2000	X X X	13,070	2,802	74	
4. 2001	X X X	X X X	16,392	7,301	42
5. 2002	X X X	X X X	X X X	22,517	6,409
6. 2003	X X X	X X X	X X X	X X X	33,669

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	X X X				
4. 2001	X X X	X X X	27,584		42
5. 2002	X X X	X X X	X X X	38,954	6,426
6. 2003	X X X	X X X	X X X	X X X	42,325

Section C - Incurred Year Health 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 1999	X X X			X X X		X X X				X X X
2. 1999		7,817			7,817				7,817	
3. 2000		15,946			15,946				15,946	
4. 2001		23,735			23,735				23,735	
5. 2002	36,118	28,926	142	0.491	29,068	80.481	17	142	29,227	80.921
6. 2003	50,979	33,669	343	1.019	34,012	66.718	8,656	104	42,772	83.901
7. TOTAL (Lines 1 through 6)	X X X	110,093	485	X X X	110,578	X X X	8,673	246	119,497	X X X
8. TOTAL (Lines 2 through 6)	87,097	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 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

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)	12,068	11,678
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 347,150	347,639
5.	Contract loans		
6.	Cash/short-term investments	(e) 78,597	74,854
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	437,814	434,171
11.	Investment expenses		(g) 303,191
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) 118,476
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		421,667
17.	Net Investment income (Line 10 minus Line 16)		12,504
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 $.....129,454 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 $.....118,476 depreciation on real estate and $..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	5 Total
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)			125,681		125,681
10.	Total capital gains (losses)			125,681		125,681
DETAILS OF WRITE-INS						
0901.	UNREALIZED LOSS IN SUBSIDIARY			125,681		125,681
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)			125,681		125,681

Notes to Financial Statement

McLaren Health Plan, Inc
December 31, 2003
Revised 04.16.04
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 are 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 2003 or prior periods. 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. Stated at market value.
      (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). Stated at market value.
      (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 Parent Corporation 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) Anticipated investment income is not a factor in the premium deficiency calculation.
      (11) 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
F. Real Estate: 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: $456,425: amounts due from affiliate for administrative services and information system operations support. The amounts are settled quarterly.
Due to Affiliates: $531,461: 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 Retirement 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. The Plan's 2003 pension expense amount was $100,000.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
(1) Capital stock: None
(2) Preferred stock: None

Notes to Financial Statement

(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);
- (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: None
(10) Surplus notes: None
(11) Quasi-reorganization: None
(12) Quasi-reorganization: None

14. Contingencies
- A. Contingent Commitments
  None
- B. Assessments
  None
- C. Gain Contingencies: None
- D. 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 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. Other Disclosures

Notes to Financial Statement

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. Ceded Reinsurance Report

Section 1-General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? No.

Section 2 - Ceded Reinsurance Report - Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? No.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits form other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? No.

Section 3 - Ceded Reinsurance Report - Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business in making this estimate. $134,000

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No.

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance

None

23. Retrospectively Rated Contracts

None

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for incurred claims attributable to insured events of prior years has decreased by $2,786,679 from the 2002 estimate, as a result of reestimation of unpaid claims. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements None

26. Structured Settlements Not Applicable

27. Health Care Receivables

Notes to Financial Statement

A. Pharmacy Rebates - The Health Plan did receive pharmacy rebates in 2003. In order to take the most conservative position on expense we have recorded pharmacy rebates when they were received rather than estimate receivables.

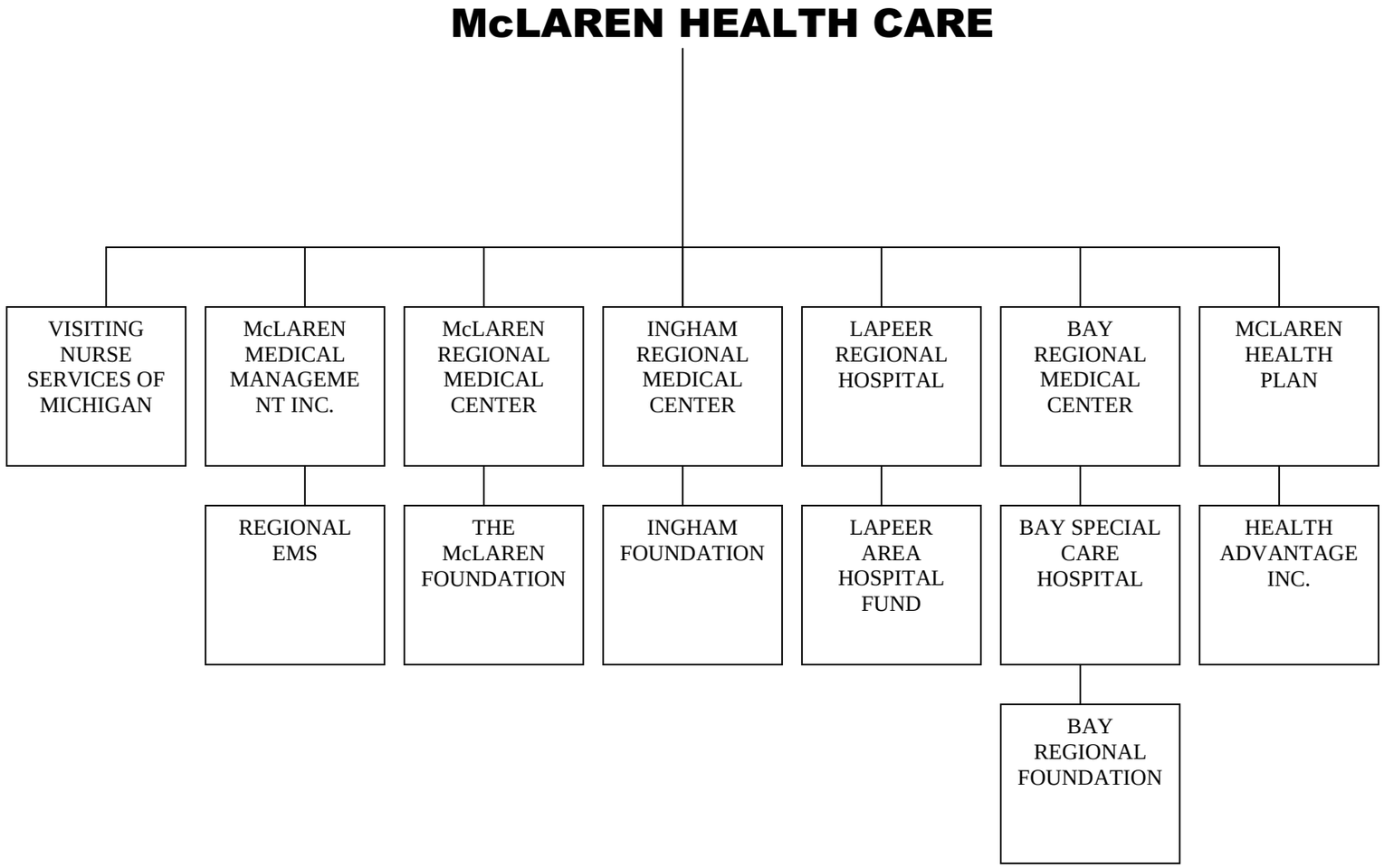
B. Risk Sharing Receivables - None

28. Participating Policies None

29. Premium Deficiency Reserves None

30. Anticipated Salvage and Subrogation None__

FIVE-YEAR HISTORICAL DATA

	1 2003	2 2002	3 2001	4 2000	5 1999
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	23,060,362	16,998,566	13,368,604	5,698,307	3,658,448
2. Total liabilities (Page 3, Line 22)	11,061,202	10,695,684	9,897,793	4,182,327	2,766,206
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 30)	11,999,159	6,302,883	3,470,812	1,515,981	892,242
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	49,155,508	35,445,114	28,368,975	17,899,615	8,510,577
6. Total medical and hospital expenses (Line 18)	39,521,730	29,939,395	24,564,563	16,602,815	7,464,855
7. Total administrative expenses (Line 21)	3,276,019	1,798,627	1,406,298	1,403,374	1,035,735
8. Net underwriting gain (loss) (Line 24)	5,911,029	2,650,756	1,736,326	343,988	9,987
9. Net investment gain (loss) (Line 27)	12,505	181,315	218,505	249,751	63,334
10. Total other income (Lines 28 plus 29)					
11. Net income or (loss) (Line 32)	5,923,534	2,832,071	1,954,831	593,739	73,321
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	11,999,159	6,302,883	3,470,812	1,515,981	892,242
13. Authorized control level risk-based capital	2,078,865	1,631,693	1,427,455	995,944	470,823
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	29,464	20,830	15,881	13,444	8,104
15. Total members months (Column 6, Line 7)	307,551	224,742	174,289	120,088	83,512
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 hospital and medical (Line 18)	78.9	84.7	86.6	92.8	87.7
18. Total underwriting deductions (Line 23)	86.3	92.7	93.9	98.1	99.8
19. Total underwriting gain (loss) (Line 24)	11.8	7.5	6.1	1.9	0.7
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	6,468,008	7,841,477	3,151,490	2,059,650	993,870
21. Estimated liability of unpaid claims-[prior year (Line 12, Col. 6)]	9,271,112	8,985,868	3,511,410	1,619,261	716,654
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 Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART