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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

of the Condition and Affairs of the

Physicians Health Plan of Mid-Michigan

NAIC Group Code..... 3408, (Current Period) (Prior Period) NAIC Company Code..... 95849 Employer's ID Number..... 38-2356288

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

Licensed as Business Type Health Maintenance Organization

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

Date Incorporated or Organized..... December 18, 1980 Date Commenced Business..... October 1, 1981

Statutory Home Office	1400 E. Michigan Avenue ..... Lansing ..... MI ..... 48912 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	1400 E. Michigan Avenue ..... Lansing ..... MI ..... 48912 *(Street and Number) (City or Town, State and Zip Code)*	517-364-8400 *(Area Code) (Telephone Number)*
Mail Address	PO Box 30377 ..... Lansing ..... MI ..... 48909 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	1400 E. Michigan Avenue ..... Lansing ..... MI ..... 48912 *(Street and Number) (City or Town, State and Zip Code)*	517-364-8400 *(Area Code) (Telephone Number)*
Internet Website Address	www.phpmm.org	
Statutory Statement Contact	Martin L. Pugno *(Name)*	517-364-8400 *(Area Code) (Telephone Number) (Extension)*
	Martin_L_Pugno@uhc.com *(E-Mail Address)*	*517-364-8407* *(Fax Number)*
Policyowner Relations Contact	.... *(Street and Number) (City or Town, State and Zip Code)*	*(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Olga Dazzo Treasurer ..... A. James Budzinski Assistant Secretary ..... Martin L. Pugno

VICE PRESIDENTS

Chairperson Marylee Davis

DIRECTORS OR TRUSTEES

Wendell Barron	Larry Rawesthorne MD	Dawn Springer MD	Martha Bibbs
Joseph Damore	Virginia Hilbert	Randolph Rifkin	Brian S Thompson Ph.D.
Richard Bruner	Marylee Davis Ph.D.	Donald Knickerbocker MD	James McGillicuddy MD
A. James Budzinski II	Olga Dazzo	Patrick Gribben Jr	

State of..... Michigan
County of..... Ingham

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.

Signature	Signature	Signature
Olga Dazzo	Martin L. Pugno	A. James Budzinski
(Printed Name)	(Printed Name)	(Printed Name)

Subscribed and sworn to before me this

.....day of ....., 2004

.....

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.....

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)			0	
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	8,547,021		8,547,021	6,735,991
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	3,949,330		3,949,330	4,375,493
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(4,079,461), Sch. E-Part 1), cash equivalents ($.....0, Sch. E-Part 2) and short-term investments ($.....61,038,489 Sch. DA)	56,959,028		56,959,028	52,603,128
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets (Schedule BA)	4,940,723	44,507	4,896,216	4,802,680
8. Receivable for securities	28,351		28,351	4,277
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	74,424,453	44,507	74,379,946	68,521,569
11. Investment income due and accrued	47,536		47,536	68,705
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection	655,206	86,857	568,349	1,489,823
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
12.3 Accrued retrospective premiums			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	320,436		320,436	98,358
13.2 Funds held by or deposited with reinsured companies			0	
13.3 Other amounts receivable under reinsurance contracts			0	
14. Amounts receivable relating to uninsured plans			0	
15.1 Current federal and foreign income tax recoverable and interest thereon			0	
15.2 Net deferred tax asset			0	
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software	57,722		57,722	180,776
18. Furniture and equipment, including health care delivery assets ($.....0)	188,574	28,286	160,288	236,194
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	1,375,356		1,375,356	1,621,707
21. Health care ($.....1,220,388) and other amounts receivable	1,220,388		1,220,388	3,311,412
22. Other assets nonadmitted			0	
23. Aggregate write-ins for other than invested assets	633,735	266,992	366,743	241,976
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	78,923,406	426,642	78,496,764	75,770,520
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	78,923,406	426,642	78,496,764	75,770,520

DETAILS OF WRITE-INS

0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0999) (Line 9 above)	0	0	0	0
2301. Receivable from PHP of South Michigan	366,743		366,743	207,247
2302. Prepaids	266,992	266,992	0	
2303. Receivable from PHP of Southwest Michigan			0	20,170
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	14,559
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	633,735	266,992	366,743	241,976

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	15,367,449	1,870,295	17,237,744	27,198,933
2. Accrued medical incentive pool and bonus amounts	9,569,792		9,569,792	11,493,976
3. Unpaid claims adjustment expenses	1,592,593		1,592,593	1,914,838
4. Aggregate health policy reserves			0	858,740
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	1,300,375		1,300,375	2,093,295
9. General expenses due or accrued	2,860,813		2,860,813	3,635,416
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	48,829
13. Remittances and items not allocated	5,668		5,668	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	14,695,028		14,695,028	528,342
16. Payable for securities	8,367		8,367	
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured accident and health plans			0	
21. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	45,400,085	1,870,295	47,270,380	47,772,369
23. Common capital stock	XXX	XXX		
24. Preferred capital stock	XXX	XXX		
25. Gross paid in and contributed surplus	XXX	XXX		
26. Surplus notes	XXX	XXX		
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	2,000,000	2,000,000
28. Unassigned funds (surplus)	XXX	XXX	29,226,384	25,998,151
29. Less treasury stock at cost:				
29.1 .....0.000 shares common (value included in Line 23 $.....0)	XXX	XXX		
29.2 .....0.000 shares preferred (value included in Line 24 $.....0)	XXX	XXX		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	31,226,384	27,998,151
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	78,496,764	75,770,520

DETAILS OF WRITE-INS

2101.			0	
2102.			0	
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2701. Statutory Contingency Reserve	XXX	XXX	2,000,000	2,000,000
2702.	XXX	XXX		
2703.	XXX	XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	2,000,000	2,000,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	840,862	1,273,770
2. Net premium income (including $.....0 non-health premium income)	XXX	189,173,256	241,838,699
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	(701,598)	433,889
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	188,471,658	242,272,588
Hospital and Medical:			
9. Hospital/medical benefits	11,236,980	94,183,552	160,128,133
10. Other professional services	7,701	9,454,063	109,448
11. Outside referrals			
12. Emergency room and out-of-area	661,620	6,097,880	
13. Prescription drugs	2,651,389	24,436,764	41,968,302
14. Aggregate write-ins for other hospital and medical	0	(496,987)	(1,324,465)
15. Incentive pool, withhold adjustments and bonus amounts		9,165,668	11,290,078
16. Subtotal (Lines 9 to 15)	14,557,690	142,840,940	212,171,496
Less:			
17. Net reinsurance recoveries		451,882	467,022
18. Total hospital and medical (Lines 16 minus 17)	14,557,690	142,389,058	211,704,474
19. Non-health claims			
20. Claims adjustment expenses		7,114,435	9,446,606
21. General administrative expenses		12,779,827	17,929,352
22. Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)	14,557,690	162,283,320	239,080,432
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	26,188,338	3,192,156
25. Net investment income earned		618,775	337,203
26. Net realized capital gains or (losses)		(696,457)	(534,938)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	(77,682)	(197,735)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29. Aggregate write-ins for other income or expenses	0	(23,092,789)	2,100,951
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	3,017,867	5,095,372
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	3,017,867	5,095,372

DETAILS OF WRITE-INS

0601. Capitated Contract Revenue	XXX	(701,598)	433,889
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	(701,598)	433,889
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical Costs Paid		(496,987)	(1,324,465)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	(496,987)	(1,324,465)
2901. Revenue (Expense) from affiliated Heatlh Delivery Network		(23,092,789)	2,085,890
2902. Other Revenues			15,061
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	(23,092,789)	2,100,951

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	27,998,151	25,255,085
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	3,017,867	5,095,372
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	2,416,529	(2,738,844)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	543,838	(359,422)
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	(2,750,000)	
47. Aggregate write-ins for gains or (losses) in surplus	0	745,960
48. Net change in capital and surplus (Lines 34 to 47)	3,228,233	2,743,066
49. Capital and surplus end of reporting period (Line 33 plus 48)	31,226,384	27,998,151

DETAILS OF WRITE-INS

4701. Change in Allowance for Bad Debt		745,960
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	745,960

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	189,307,478	245,206,414
2. Net investment income	(69,593)	398,558
3. Miscellaneous income	(701,598)	379,454
4. Total (Lines 1 through 3)	188,536,287	245,984,426
5. Benefit and loss related payments	185,884,718	229,183,135
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	13,554,430	27,455,097
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)		
10. Total (Lines 5 through 9)	199,439,148	256,638,232
11. Net cash from operations (Line 4 minus Line 10)	(10,902,861)	(10,653,806)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks	4,638,665	3,962,633
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		72,145
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,638,665	4,034,778
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks	4,849,618	4,027,997
13.3 Mortgage loans		
13.4 Real estate		745,722
13.5 Other invested assets		4,500,000
13.6 Miscellaneous applications	1,696,240	
13.7 Total investments acquired (Lines 13.1 to 13.6)	6,545,858	9,273,719
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(1,907,193)	(5,238,941)
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)	17,165,953	(1,214,941)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	17,165,953	(1,214,941)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	4,355,900	(17,107,688)
19. Cash and short-term investments:		
19.1 Beginning of year	52,603,128	69,710,816
19.2 End of year (Line 18 plus Line 19.1)	56,959,028	52,603,128

ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plans	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	189,173,256	189,160,740						12,516					
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of $.....0 medical expenses)	0												XXX
4. Risk revenue	0												XXX
5. Aggregate write-ins for other health care related revenues	(701,598)	(702,142)	0	0	0	0	0	544	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	188,471,658	188,458,598	0	0	0	0	0	13,060	0	0	0	0	0
8. Hospital/medical benefits	94,183,553	96,647,326						(2,463,773)					XXX
9. Other professional services	9,454,062	8,950,143						503,919					XXX
10. Outside referrals	0												XXX
11. Emergency room and out-of-area	6,097,880	6,097,880											XXX
12. Prescription drugs	24,436,764	24,695,593						(258,829)					XXX
13. Aggregate write-ins for other hospital and medical	(496,987)	(192,685)	0	0	0	0	0	(304,302)	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	9,165,668	9,205,233						(39,565)					XXX
15. Subtotal (Lines 8 to 14)	142,840,940	145,403,490	0	0	0	0	0	(2,562,550)	0	0	0	0	XXX
16. Net reinsurance recoveries	451,882	482,577						(30,695)					XXX
17. Total hospital and medical (Lines 15 minus 16)	142,389,058	144,920,913	0	0	0	0	0	(2,531,855)	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses	7,114,435	7,113,942						493					
20. General administrative expenses	12,779,827	12,778,941						886					
21. Increase in reserves for accident and health contracts	0												XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	162,283,320	164,813,796	0	0	0	0	0	(2,530,476)	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	26,188,338	23,644,802	0	0	0	0	0	2,543,536	0	0	0	0	0

DETAILS OF WRITE-INS

0501. Capitated Contract Revenue	(701,598)	(702,142)						544					XXX
0502.	0												XXX
0503.	0												XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	(701,598)	(702,142)	0	0	0	0	0	544	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Other Medical Costs Paid	(496,987)	(192,685)						(304,302)					XXX
1302.	0												XXX
1303.	0												XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	(496,987)	(192,685)	0	0	0	0	0	(304,302)	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	190,438,554		1,272,467	189,166,087
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid	7,169			7,169
8. Stop loss				0
9. Disability income				0
10. Long-term care				0
11. Other health				0
12. Health subtotal (Lines 1 through 11)	190,445,723	0	1,272,467	189,173,256
13. Life				0
14. Property/casualty				0
15. Totals (Lines 12 to 14)	190,445,723	0	1,272,467	189,173,256

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits 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. Payments during the year:													
1.1 Direct	141,447,081	137,164,272						4,282,809					
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	131,446	162,141						(30,695)					
1.4 Net	141,315,635	137,002,131	0	0	0	0	0	4,313,504	0	0	0	0	0
2. Paid medical incentive pools and bonuses	11,089,852	10,833,194						256,658					
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	16,017,357	16,112,544						(95,187)					
3.2 Reinsurance assumed	0												
3.3 Reinsurance ceded	0												
3.4 Net	16,017,357	16,112,544	0	0	0	0	0	(95,187)	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct	0												
4.2 Reinsurance assumed	0												
4.3 Reinsurance ceded	0												
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	9,569,791	9,563,221						6,570					
6. Amounts recoverable from reinsurers December 31, current year	320,436	320,436											
7. Claim liability December 31, prior year from Part 2A:													
7.1 Direct	23,789,162	19,895,554						3,893,608					
7.2 Reinsurance assumed	0												
7.3 Reinsurance ceded	0												
7.4 Net	23,789,162	19,895,554	0	0	0	0	0	3,893,608	0	0	0	0	0
8. Claim reserve December 31, prior year from Part 2D:													
8.1 Direct	0												
8.2 Reinsurance assumed	0												
8.3 Reinsurance ceded	0												
8.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year	11,493,976	11,191,183						302,793					
10. Amounts recoverable from reinsurers December 31, prior year	0												
11. Incurred benefits:													
11.1 Direct	133,675,276	133,381,262	0	0	0	0	0	294,014	0	0	0	0	0
11.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded	451,882	482,577	0	0	0	0	0	(30,695)	0	0	0	0	0
11.4 Net	133,223,394	132,898,685	0	0	0	0	0	324,709	0	0	0	0	0
12. Incurred medical incentive pools and bonuses	9,165,667	9,205,232	0	0	0	0	0	(39,565)	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits 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. Reported in process of adjustment:													
1.1 Direct	4,356,641	4,350,734						5,907					
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	0												
1.4 Net	4,356,641	4,350,734	0	0	0	0	0	5,907	0	0	0	0	0
2. Incurred but unreported:													
2.1 Direct	12,881,104	12,930,479						(49,375)					
2.2 Reinsurance assumed	0												
2.3 Reinsurance ceded	0												
2.4 Net	12,881,104	12,930,479	0	0	0	0	0	(49,375)	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:													
3.1 Direct	0												
3.2 Reinsurance assumed	0												
3.3 Reinsurance ceded	0												
3.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Totals:													
4.1 Direct	17,237,745	17,281,213	0	0	0	0	0	(43,468)	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	17,237,745	17,281,213	0	0	0	0	0	(43,468)	0	0	0	0	0

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)	15,244,978	121,757,154	486,705	15,305,402	15,731,683	19,895,554
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid	4,588,354	(274,851)	167,923	(263,111)	4,756,277	3,893,608
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	19,833,332	121,482,303	654,628	15,042,291	20,487,960	23,789,162
10. Other non-health					0	
11. Medical incentive pools, accruals and disbursements	11,332,855	(243,003)	811,469	8,758,322	12,144,324	11,493,975
12. Totals (Lines 9 to 11)	31,166,187	121,239,300	1,466,097	23,800,613	32,632,284	35,283,137

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior		1,016			
2. 1999	327,652	65,077	671		
3. 2000	XXX	236,151	40,648	431	
4. 2001	XXX	XXX	192,388	25,379	415
5. 2002	XXX	XXX	XXX	181,702	19,418
6. 2003	XXX	XXX	XXX	XXX	121,482

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of 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	513,182	514,198	514,198	514,198	514,198
2. 1999	327,652	397,301	393,401	393,402	393,402
3. 2000	XXX	284,271	281,591	277,230	277,230
4. 2001	XXX	XXX	232,388	219,782	218,181
5. 2002	XXX	XXX	XXX	218,379	201,776
6. 2003	XXX	XXX	XXX	XXX	136,525

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX	514,198		XXX	514,198	0.0			514,198	0.0
2. 1999	379,645	393,402		0.0	393,402	103.6			393,402	103.6
3. 2000	302,226	277,230		0.0	277,230	91.7			277,230	91.7
4. 2001	266,912	218,181	7,238	3.3	225,419	84.5			225,419	84.5
5. 2002	244,136	201,121	10,982	5.5	212,103	86.9	1,874		213,977	87.6
6. 2003	190,456	121,482	7,114	5.9	128,596	67.5	24,934	1,592	155,122	81.4
7. Total (Lines 1 through 6)	XXX	1,725,614	25,334	XXX	1,750,948	XXX	26,808	1,592	1,779,348	XXX
8. Total (Lines 2 through 6)	1,383,375	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior		817			
2. 1999	238,133	52,327	560		
3. 2000	XXX	189,884	33,901	337	
4. 2001	XXX	XXX	160,455	19,830	319
5. 2002	XXX	XXX	XXX	145,056	14,926
6. 2003	XXX	XXX	XXX	XXX	121,757

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

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	444,734	445,551	445,551	445,551	445,551
2. 1999	238,133	294,110	291,029	291,021	291,021
3. 2000	XXX	228,301	227,712	224,122	224,122
4. 2001	XXX	XXX	193,229	181,467	180,603
5. 2002	XXX	XXX	XXX	175,739	160,469
6. 2003	XXX	XXX	XXX	XXX	137,063

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICA

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX	445,551		XXX	445,551	XXX			445,551	XXX
2. 1999	285,333	291,021		0.0	291,021	102.0			291,021	102.0
3. 2000	245,613	224,122		0.0	224,122	91.3			224,122	91.3
4. 2001	221,657	180,603	5,861	3.2	186,464	84.1			186,464	84.1
5. 2002	197,889	159,982	8,893	5.6	168,875	85.3	1,597		170,472	86.1
6. 2003	190,449	121,757	7,114	5.8	128,871	67.7	25,248	1,592	155,711	81.8
7. Total (Lines 1 through 6)	XXX	1,423,036	21,868	XXX	1,444,904	XXX	26,845	1,592	1,473,341	XXX
8. Total (Lines 2 through 6)	1,140,941	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

NONE

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

NONE

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			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMEN

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003				0.0	0	0.0			0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	0	0	0	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

NONE

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

NONE

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			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003				0.0	0	0.0			0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	0	0	0	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

NONE

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

NONE

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			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

12.VO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003				0.0	0	0.0			0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	0	0	0	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999	6,154				
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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	4,044	4,044	4,044	4,044	4,044
2. 1999	6,154	6,154	6,154	6,154	6,154
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIU

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX	4,044		XXX	4,044	XXX			4,044	XXX
2. 1999		6,154		0.0	6,154	0.0			6,154	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003				0.0	0	0.0			0	0.0
7. Total (Lines 1 through 6)	XXX	10,198	0	XXX	10,198	XXX	0	0	10,198	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

NONE

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

NONE

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			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICAR

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003				0.0	0	0.0			0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	0	0	0	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior		199			
2. 1999	83,365	12,750	111		
3. 2000	XXX	46,267	6,747	94	
4. 2001	XXX	XXX	31,933	5,549	96
5. 2002	XXX	XXX	XXX	36,646	4,492
6. 2003	XXX	XXX	XXX	XXX	(275)

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

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	64,404	64,603	64,603	64,603	64,603
2. 1999	83,365	97,037	96,218	96,227	96,227
3. 2000	XXX	55,970	53,879	53,108	53,108
4. 2001	XXX	XXX	39,159	38,315	37,578
5. 2002	XXX	XXX	XXX	42,640	41,307
6. 2003	XXX	XXX	XXX	XXX	(538)

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAI

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX	64,603		XXX	64,603	XXX			64,603	XXX
2. 1999	94,312	96,227		0.0	96,227	102.0			96,227	102.0
3. 2000	56,613	53,108		0.0	53,108	93.8			53,108	93.8
4. 2001	45,255	37,578	1,377	3.7	38,955	86.1			38,955	86.1
5. 2002	46,247	41,139	2,089	5.1	43,228	93.5	277		43,505	94.1
6. 2003	7	(275)		0.0	(275)	(3,928.6)	(314)		(589)	(8,414.3)
7. Total (Lines 1 through 6)	XXX	292,380	3,466	XXX	295,846	XXX	(37)	0	295,809	XXX
8. Total (Lines 2 through 6)	242,434	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

NONE

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - OTHER

NONE

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			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHEI

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003				0.0	0	0.0			0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	0	0	0	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other
POLICY RESERVE												
1. Unearned premium reserves	0											
2. Additional policy reserves (a)	0											
3. Reserve for future contingent benefits	0											
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	0											
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross)	0	0	0	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded	0											
8. Totals (net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0	0	0	0
CLAIM RESERVE												
9. Present value of amounts not yet due on claims	0											
10. Reserve for future contingent benefits	0											
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0											
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
0501.	0											
0502.	0											
0503.	0											
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0
1101.	0											
1102.	0											
1103.	0											
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0

NONE

(a) Includes $.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent ($.....0 for occupancy of own building)	35,156	48,074		83,230
2. Salaries, wages and other benefits	2,463,809	4,167,046		6,630,855
3. Commissions (less $.....0 ceded plus $.....0 assumed)	1,262,235	2,281,449		3,543,684
4. Legal fees and expenses	58,118	102,078		160,196
5. Certifications and accreditation fees				0
6. Auditing, actuarial and other consulting services		1,130,467		1,130,467
7. Traveling expenses	21,530	38,092		59,622
8. Marketing and advertising		157,558		157,558
9. Postage, express and telephone	1,704,810	2,310,851		4,015,661
10. Printing and office supplies	93,357	172,782		266,139
11. Occupancy, depreciation and amortization	412,546	694,886		1,107,432
12. Equipment				0
13. Cost or depreciation of EDP equipment and software	55,894	104,143		160,037
14. Outsourced services including EDP, claims, and other services	524,821	773,395		1,298,216
15. Boards, bureaus and association fees	27,068	51,101		78,169
16. Insurance, except on real estate	90,469	170,798		261,267
17. Collection and bank service charges	363	673		1,036
18. Group service and administration fees				0
19. Reimbursements by uninsured accident and health plans				0
20. Reimbursements from fiscal intermediaries				0
21. Real estate expenses				0
22. Real estate taxes	23,976	45,265		69,241
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes				0
23.2 State premium taxes	104,205	138,132		242,337
23.3 Regulatory authority licenses and fees				0
23.4 Payroll taxes	106,062	200,837		306,899
23.5 Other (excluding federal income and real estate taxes)	33,325	55,491		88,816
24. Investment expenses not included elsewhere				0
25. Aggregate write-ins for expenses	96,691	136,709	0	233,400
26. Total expenses incurred (Lines 1 to 25)	7,114,435	12,779,827	0	(a) 19,894,262
27. Less expenses unpaid December 31, current year	1,592,593	2,860,813		4,453,406
28. Add expenses unpaid December 31, prior year	1,914,838	3,635,416		5,550,254
29. Amounts receivable relating to uninsured accident and health plans, prior year				0
30. Amounts receivable relating to uninsured accident and health plans, current year				0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	7,436,680	13,554,430	0	20,991,110

DETAILS OF WRITE-INS

2501. Other Miscellaneous	96,691	136,709		233,400
2502.				0
2503.				0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	96,691	136,709	0	233,400

(a) Includes management fees of $.....0 to affiliates and $.....8,095,115 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	200,312	204,307
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash/short-term investments	(e) 561,862	536,811
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	762,174	741,118
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		122,343
16.	Total deductions (Lines 11 through 15)		122,343
17.	Net investment income (Line 10 minus Line 16)		618,775

DETAILS OF WRITE-INS

0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0
1501.	Bank Fees		57,121
1502.	Investment Fees		65,222
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		122,343

(a) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 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 or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1.	U.S. government bonds					0
1.1	Bonds exempt from U.S. tax					0
1.2	Other bonds (unaffiliated)					0
1.3	Bonds of affiliates					0
2.1	Preferred stocks (unaffiliated)					0
2.11	Preferred stocks of affiliates					0
2.2	Common stocks (unaffiliated)	(776,913)		2,376,990		1,600,077
2.21	Common stocks of affiliates					0
3.	Mortgage loans					0
4.	Real estate					0
5.	Contract loans					0
6.	Cash/short-term investments					0
7.	Derivative instruments					0
8.	Other invested assets			24,166	(44,507)	(20,341)
9.	Aggregate write-ins for capital gains (losses)	80,456	0	0	0	80,456
10.	Total capital gains (losses)	(696,457)	0	2,401,156	(44,507)	1,660,192

DETAILS OF WRITE-INS

0901.	Investment in Physicians Health Plan Mid Michigan - Family Care	80,456				80,456
0902.						0
0903.						0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	80,456	0	0	0	80,456

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 12 to 20, Column 2	115,143	648,995	533,852
2. Other nonadmitted assets:			
2.1 Bills receivable			0
2.2 Leasehold improvements			0
2.3 Cash advanced to or in hands of officers and agents			0
2.4 Loans on personal security, endorsed or not			0
2.5 Commuted commissions			0
3. Total (Lines 2.1 to 2.5)	0	0	0
4. Aggregate write-ins for other than invested assets	311,499	321,485	9,986
5. Total (Line 1 plus Lines 3 and 4)	426,642	970,480	543,838

DETAILS OF WRITE-INS

0401. Prepaid Assets	266,992	288,064	21,072
0402. Other Long-term Invested Assets	44,507	33,421	(11,086)
0403.			0
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	311,499	321,485	9,986

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health maintenance organizations	100,126	71,534	70,536	67,885	69,426	840,862
2. Provider service organizations						
3. Preferred provider organizations						
4. Point of service						
5. Indemnity only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	100,126	71,534	70,536	67,885	69,426	840,862

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Services (OFIS) and the National Association of Insurance Commissioners. These practices differ in some respects from generally accepted accounting principles. Certain assets are considered non-admitted for statutory purposes and are excluded for the balance sheet. These non-admitted assets have been allocated to retained earning in the financial statements.

Cash and Cash Equivalents – Short-term investments with maturity of three months or less at the time of purchase are reported as cash equivalents.

Long-term Investments - Long-term investments consist of common stocks. The long-term investments are carried at actual cost, which approximates market value.

Property and Equipment - Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided on a straight-line basis, over the estimated useful lives of the assets, which range from 3 to 35 years.

Claims Payable – Accrued medical claims and related expenses (hospitalization and other outside medical services) include amounts billed and not paid and an estimate of costs incurred for unbilled services provided to the balance sheet date.

Premiums – Premiums are recognized in the period in which the members are entitled to health care services. Premiums billed and collected in advance are recorded as unearned premiums.

Use of Estimates – The statutory basis financial statements have been prepared in accordance with the accounting practices prescribed or permitted by the CIS, which is a comprehensive basis of accounting other than generally accepted accounting principles, and requires the use of certain estimates, the most significant of which related to incurred but unreported claims for medical services. Actual results could differ from these estimates.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

The state of Michigan has adopted codification effective January 1, 2003.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS - Investments are stated at Fair Market Value

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. INVESTMENT INCOME

All income due or accrued has been included in the filing.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

PHPMM is not subject to income taxes.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

PHPMM is a controlled entity of Sparrow Hospital. PHPMM has contracts with the Health Delivery Networks (HDN) and their respective sponsors.

PHPMM members obtain medical services from two HDN's. As a result, medical service expenses include approximately $41,100,000 of claims incurred for 2003. PHPMM own 33.33% of PHP Shared Services, L.L.C. The purpose of PHP Shared Services, L.L.C is to facilitate statewide contracting and to achieve economies to obtain health maintenance organization management and other required services for members.

11. DEBT

NOTES TO FINANCIAL STATEMENTS

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTRETIREMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

Not applicable

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

Not applicable.

14. CONTINGENCIES

In the ordinary course of operations, PHPMM is subject to various litigation matters related to health benefits provided to its subscribers. Although the outcome of these matters cannot be determined, it is management's opinion that disposition of these proceeds will not have a material adverse effect on the financial position or the results of operations.

15. LEASES

There are no lease obligations.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

PHPMM has a risk-sharing arrangement with United Healthcare Insurance Company (UHIC), whereby PHPMM earns 70% of the net profit or loss (as defined) of the HMO's out-of-area product and out-of-network portion of a point-of-service product.

19. DIRECT PREMIUM WRITTEN PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

Not applicable.

20. OTHER ITEMS

Dividends paid by a Michigan Health Maintenance Organization (HMO) are subject to limitations imposed by the Michigan Insurance Code (the Code). Under the Code, dividends may be paid only from statutory earnings and net worth. In addition, the OFIS must approve all dividends and may not approve extraordinary dividends. Dividend payments in 2003 totaled $2,750,000.

PHPMM elected to use rounding in reporting amounts in the statement.

21. SUBSEQUENT EVENTS

There are no subsequent events to December 31, 2003 that require disclosure.

22. REINSURANCE

PHPMM has a reinsurance contract whereby it cedes exposure of potential losses arising from large medical claims. Amounts to be received under reinsurance agreements are recorded as a reduction in health care costs when the claim is identified and can be reasonably estimated. Reinsurance ceded contracts do not relieve PHPMM from its obligations to providers. PHPMM initially pays all claims and assumes responsibility for the portion reinsured, to the extent that the reinsured does not meet its obligations assumed under the reinsurance agreement.

23. RETROSPECTIVELY RATED CONTRACTS

Not applicable.

24. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Reserves for incurred claims attributable to insured events of prior years has decreased by $10.2 million from $38.6 million in 2002 to $28.4 million in 2003.

25. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

NOTES TO FINANCIAL STATEMENTS

26. STRUCTURED SETTLEMENTS

Not applicable.

27. HEALTH CARERECEIVABLES (In000'S)

Pharmacy Rebates

A.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2003	565	-	-		
9/30/2003	432	367	355		
6/30/2003	514	369	338		
3/30/2003	371	410	376		
12/31/2002	614	447	312		
9/30/2002	546	560	357		
6/30/2002	514	605	485		
3/30/2002	477	558	539		
12/31/2001	592	499	474		
9/30/2001	603	468	468		
6/30/2001	765	469	458		
3/30/2001	-				

Risk Share Receivable

B.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent
2003	2003		286	78	208		
2002	2002	880	814	814			814
2001	2001						

28. PARTICIPATING POLICIES

Not applicable

29. PREMIUM DEFICIENCY RESERVES

Not applicable

30. ANTICIPATED SALVAGEAND SUBROGATION

Due to the typeof business being writtenwith this license, theCompany has no salvage. As of December31, 2003 and 2002 the company had nospecific accruals established foroutstanding subrogation, asit is consideredas a componentof the actuarial calculations usedto developthe estimatesof incurredbut notyet reported claims.

NOTES TO FINANCIAL STATEMENTS

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities		0.0		0.0
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.0		0.0
1.22 Issued by U.S. government sponsored agencies		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities)		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations		0.0		0.0
1.43 Revenue and assessment obligations		0.0		0.0
1.44 Industrial development and similar obligations		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.0		0.0
1.512 Issued by FNMA and FHLMC		0.0		0.0
1.513 Privately issued		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC		0.0		0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC		0.0		0.0
1.523 All other privately issued		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.0		0.0
2.2 Unaffiliated foreign securities		0.0		0.0
2.3 Affiliated securities		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated		0.0		0.0
3.22 Unaffiliated		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.0		0.0
3.32 Unaffiliated	8,449,374	11.4	8,449,374	11.4
3.4 Other equity securities:				
3.41 Affiliated	97,647	0.1	97,647	0.1
3.42 Unaffiliated		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.0		0.0
3.52 Unaffiliated		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development		0.0		0.0
4.2 Agricultural		0.0		0.0
4.3 Single family residential properties		0.0		0.0
4.4 Multifamily residential properties		0.0		0.0
4.5 Commercial loans		0.0		0.0
4.6 Mezzanine real estate loans		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company	3,949,330	5.3	3,949,330	5.3
5.2 Property held for production of income (includes $.....0 of property acquired in satisfaction of debt)		0.0		0.0
5.3 Property held for sale ($.....0 including property acquired in satisfaction of debt)		0.0		0.0
6. Policy loans		0.0		0.0
7. Receivables for securities	28,351	0.0	28,351	0.0
8. Cash and short-term investments	56,959,028	76.5	56,959,028	76.6
9. Other invested assets	4,940,723	6.6	4,896,216	6.6
10. Total invested assets	74,424,453	100.0	74,379,946	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? Michigan

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No [ ]

2.2 If yes, date of change: 06/16/2003
If not previously filed, furnish herewith a certified copy of the instrument as amended.

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

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2001

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/09/2009

3.4 By what department or departments? OFIS

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control. .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES (continued)

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Suite 900
600 Renaissance Center, Detroit MI 48243-1895

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Reden-Anders LTD, Suite 1500
222 South Ninth Street, Minneapolis MN 55400

11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

11.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

BOARD OF DIRECTORS

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

13. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

14. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

15.11 To directors or other officers 0

15.12 To stockholders not officers 0

15.13 Trustees, supreme or grand (Fraternal only) 0

15.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

15.21 To directors or other officers 0

15.22 To stockholders not officers 0

15.23 Trustees, supreme or grand (Fraternal only) 0

16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

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

16.21 Rented from others 0

16.22 Borrowed from others 0

16.23 Leased from others 0

16.24 Other 0

Disclose in the Notes to Financial the nature of each obligation.

17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

17.2 If answer is yes:

17.21 Amount paid as losses or risk adjustment 0

17.22 Amount paid as expenses 0

17.23 Other amounts paid 0

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [ ] No [ ]	Yes [ ] No [ ]
Common				XXX	XXX XXX	XXX XXX

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 3-Special Deposits? Yes [X] No [ ]

19.2 If no, give full and complete information relating thereto.

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 3-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1) Yes [ ] No [X]

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

20.21 Loaned to others 0
20.22 Subject to repurchase agreements 0
20.23 Subject to reverse repurchase agreements 0
20.24 Subject to dollar repurchase agreements 0
20.25 Subject to reverse dollar repurchase agreements 0
20.26 Pledged as collateral 0
20.27 Placed under option agreements 0
20.28 Letter stock or securities restricted as to sale 0
20.29 Other 0

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

20.31
20.32
20.33
20.34
20.35
20.36
20.37
20.38
20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

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

GENERAL INTERROGATORIES (continued)

INVESTMENT

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Mellon Bank	One Mellon Center, Pittsburgh PA 15258-0001

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A		

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year? Yes [ ] No [X]

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

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

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Longwood Investment Advisors	Three Radnor Corporate Center, PA 19087
104474	Sanford C Bernstein & Co., Inc.	One Northe Lexington Ave White Plains, NY 10601
25587	Pimco Advisors Distributors LLC	2187 Atlantic St, 7th Floor Stamford, CT 06902
28832	Janus Distributors LLC	PO Box 173401 Denver, CO 80217
N/A	Western Asset Management Co.	117 E. Colorado Blvd Pasadena, CA 91105
N/A	Trust Company of the West	865 South Figueroa St Los Angeles, CA 90017

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [ ] No [X]

24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
9999999. TOTAL		0

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

GENERAL INTERROGATORIES (continued)

OTHER

25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $.....47,880

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

1 Name	2 Amount Paid
Michigan Association of Health Plans	40,720

26.1 Amount of payments for legal expenses, if any? $.....100,763

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

1 Name	2 Amount Paid
Foster, Swift, Collins, & Smith	100,588

27.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? 0

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

1 Name	2 Amount Paid
N/A	

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only $.....0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $.....0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $.....0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $.....0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $.....0

1.62 Total incurred claims $.....0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $.....0

1.65 Total incurred claims $.....0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $.....0

1.72 Total incurred claims $.....0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $.....0

1.75 Total incurred claims $.....0

1.76 Number of covered lives 0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	189,173,256	241,838,699
2.2 Premium Denominator	189,173,256	241,838,699
2.3 Premium Ratio (2.1/2.2)	100.0	100.0
2.4 Reserve Numerator	25,266,710	39,551,649
2.5 Reserve Denominator	26,807,536	39,551,649
2.6 Reserve Ratio (2.4/2.5)	94.3	100.0

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive medical $.....210,000

5.32 Medical only $.....0

5.33 Medicare supplement $.....0

5.34 Dental $.....0

5.35 Other limited benefit plan $.....0

5.36 Other $.....0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

PHPMM adheres to the statutory deposit requirements established by the NAIC. PHPMM also has established margin at approximately 7% on the balance sheet. In case of insolvency, PHPMM does not need to pay the management contract fee, which includes runout for future claims.

7.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes [X] No [ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 1,305

8.2 Number of providers at end of reporting year 1,513

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with the rate guarantees between 15-36 months $.....0

9.22 Business with rate guarantees over 36 months $.....0

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES (continued)

10.1 Does the reporting entity have Incentive Pool, Withhold and Bonus arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses $.....250,000

10.22 Amount actually paid for year bonuses $.....145,884

10.23 Maximum amount payable withholds $.....9,319,792

10.24 Amount actually paid for year withholds $.....10,701,270

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or Yes [X] No [ ]

11.14 A Mixed Model (combination of above)? Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. Michigan

11.4 If yes, show the amount required. $.....12,545,416

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation:
200% of authorized control level risk based capital

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Clinton County
Eaton County
Gratiot County
Ingham County
Ionia County
Isabella County
Montcalm County
Saginaw County
Shiawasee County

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)	78,496,764	75,770,520	93,339,103	100,305,523	62,221,241
2. Total liabilities (Page 3, Line 22)	47,270,380	47,772,369	68,184,018	66,311,925	31,579,644
3. Statutory surplus	12,545,414	2,000,000	2,000,000	2,000,000	2,000,000
4. Total capital and surplus (Page 3, Line 30)	31,226,384	27,998,151	25,155,085	33,933,598	30,641,597
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	188,471,658	242,272,588	261,794,866	310,006,867	380,733,686
6. Total medical and hospital expenses (Line 18)	142,389,058	211,704,474	225,384,989	267,339,138	327,652,216
7. Total administrative expenses (Line 21)	12,779,827	17,929,352	24,501,683	38,978,800	49,039,902
8. Net underwriting gain (loss) (Line 24)	26,188,338	3,192,156	7,598,336	(4,781,792)	3,046,370
9. Net investment gain (loss) (Line 27)	(77,682)	(197,735)	1,985,796	4,827,221	995,198
10. Total other income (Lines 28 plus 29)	(23,092,789)	2,100,951	(9,580,277)	3,643,500	
11. Net income or (loss) (Line 32)	3,017,867	5,095,372	3,855	3,688,929	4,041,568
Risk-Based Capital Analysis					
12. Total adjusted capital	31,226,384	27,998,151	25,155,085	33,993,598	30,641,597
13. Authorized control level risk-based capital	6,272,707	8,735,172	10,514,879	4,853,286	8,902,296
Enrollment (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	69,426	100,126	126,218	133,671	240,495
15. Total member months (Column 6, Line 7)	840,862	1,273,770	1,531,330	2,126,099	2,933,385
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)	75.3	0.9	0.9	0.9	0.9
18. Total underwriting deductions (Line 23)	85.8	1.0	1.0	1.0	1.0
19. Total underwriting gain (loss) (Line 24)	13.8	0.0		(0.0)	
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	32,632,284	40,347,319	46,154,326		
21. Estimated liability of unpaid claims - [prior year (Line 12, Col. 6)]	35,283,137	45,244,273	52,784,341	53,144,810	
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)	97,647	91,408			
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	4,896,216	4,802,680			
28. Total of above Lines 22 to 27	4,993,863	4,894,088	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States				
Governments	2. Canada				
(Including all obligations guaranteed	3. Other Countries				
by governments)	4. Totals	0	0	0	0
	5. United States				
States, Territories and Possessions	6. Canada				
(Direct and guaranteed)	7. Other Countries				
	8. Totals	0	0	0	0
Political Subdivisions of States,	9. United States				
Territories and Possessions	10. Canada				
(Direct and guaranteed)	11. Other Countries				
	12. Totals	0	0	0	0
Special Revenue and Special Assessment	13. United States				
Obligations and all Non-guaranteed Obligations	14. Canada				
of Agencies and Authorities of Governments	15. Other Countries				
and their Political Subdivisions	16. Totals	0	0	0	0
	17. United States				
Public Utilities	18. Canada				
(unaffiliated)	19. Other Countries				
	20. Totals	0	0	0	0
Industrial and Miscellaneous and	21. United States				
Credit Tenant Loans	22. Canada				
(Unaffiliated)	23. Other Countries				
	24. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals				
	26. **Total Bonds**	0	0	0	0
PREFERRED STOCKS	27. United States				
Public Utilities	28. Canada				
(Unaffiliated)	29. Other Countries				
	30. Totals	0	0	0	
	31 United States				
Banks, Trust and Insurance Companies	32. Canada				
(Unaffiliated)	33. Other Countries				
	34. Totals	0	0	0	
	35. United States				
Industrial and Miscellaneous	36. Canada				
(Unaffiliated)	37. Other Countries				
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. **Total Preferred Stocks**	0	0	0	
COMMON STOCKS	41. United States	111,108	111,108	101,131	
Public Utilities	42. Canada				
(Unaffiliated)	43. Other Countries				
	44. Totals	111,108	111,108	101,131	
	45. United States	575,324	575,324	404,367	
Banks, Trust and Insurance Companies	46. Canada				
(Unaffiliated)	47. Other Countries	26,325	26,325	24,745	
	48. Totals	601,649	601,649	429,111	
	49. United States	7,516,138	7,516,141	6,897,087	
Industrial and Miscellaneous	50. Canada	80,881	80,881	55,927	
(Unaffiliated)	51. Other Countries	139,599	139,597	92,819	
	52. Totals	7,736,618	7,736,618	7,045,834	
Parent, Subsidiaries and Affiliates	53. Totals	97,647	97,647	23,380	
	54. **Total Common Stocks**	8,547,021	8,547,021	7,599,456	
	55. **Total Stocks**	8,547,021	8,547,021	7,599,456	
	56. **Total Bonds and Stocks**	8,547,021	8,547,021	7,599,456	

(a) The aggregate value of bonds which are valued at other than actual fair value is $.....0.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year		6,735,991	
2. Cost of bonds and stocks acquired, Column 6, Part 3		4,849,618	
3. Increase (decrease) by adjustment:			
3.1 Column 16, Part 1			
3.2 Column 12, Part 2, Section 1			
3.3 Column 10, Part 2, Section 2	1,058,488		
3.4 Column 10, Part 4	1,318,503	2,376,990	
4. Total gain (loss), Column 14, Part 4		(776,913)	
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4		4,638,665	
6. Foreign exchange adjustment:			
6.1 Column 17, Part 1			
6.2 Column 13, Part 2, Section 1			
6.3 Column 11, Part 2, Section 2			
6.4 Column 11, Part 4			0
7. Book/adjusted carrying value at end of current period			8,547,021
8. Total valuation allowance			
9. Subtotal (Lines 7 plus 8)			8,547,021
10. Total nonadmitted amounts			
11. Statement value of bonds and stocks, current period			8,547,021

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	2	Direct Business Only					
			3	4	5	6	7	8
State, Etc.	Guaranty Fund (YES or NO)	Is Insurer Licensed? (YES or NO)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1. Alabama AL		Invalid						
2. Alaska AK		Invalid						
3. Arizona AZ		Invalid						
4. Arkansas AR		Invalid						
5. California CA		Invalid						
6. Colorado CO		Invalid						
7. Connecticut CT		Invalid						
8. Delaware DE		Invalid						
9. District of Columbia DC		Invalid						
10. Florida FL		Invalid						
11. Georgia GA		Invalid						
12. Hawaii HI		Invalid						
13. Idaho ID		Invalid						
14. Illinois IL		Invalid						
15. Indiana IN		Invalid						
16. Iowa IA		Invalid						
17. Kansas KS		Invalid						
18. Kentucky KY		Invalid						
19. Louisiana LA		Invalid						
20. Maine ME		Invalid						
21. Maryland MD		Invalid						
22. Massachusetts MA		Invalid						
23. Michigan MI	NO	YES	190,438,554		7,169			
24. Minnesota MN		Invalid						
25. Mississippi MS		Invalid						
26. Missouri MO		Invalid						
27. Montana MT		Invalid						
28. Nebraska NE		Invalid						
29. Nevada NV		Invalid						
30. New Hampshire NH		Invalid						
31. New Jersey NJ		Invalid						
32. New Mexico NM		Invalid						
33. New York NY		Invalid						
34. North Carolina NC		Invalid						
35. North Dakota ND		Invalid						
36. Ohio OH		Invalid						
37. Oklahoma OK		Invalid						
38. Oregon OR		Invalid						
39. Pennsylvania PA		Invalid						
40. Rhode Island RI		Invalid						
41. South Carolina SC		Invalid						
42. South Dakota SD		Invalid						
43. Tennessee TN		Invalid						
44. Texas TX		Invalid						
45. Utah UT		Invalid						
46. Vermont VT		Invalid						
47. Virginia VA		Invalid						
48. Washington WA		Invalid						
49. West Virginia WV		Invalid						
50. Wisconsin WI		Invalid						
51. Wyoming WY		Invalid						
52. American Samoa AS		Invalid						
53. Guam GU		Invalid						
54. Puerto Rico PR		Invalid						
55. U.S. Virgin Islands VI		Invalid						
56. Canada CN								
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a) 1	190,438,554	0	7,169	0	0	0

DETAILS OF WRITE-INS

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

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART