



HEALTH QUARTERLY STATEMENT

AS OF March 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

MCARE INC.

NAIC Group Code	3414	3414	NAIC Company Code	95449	Employer's ID Number	38-2649504
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[]	Property/Casualty[]	Hospital, Medical & Dental Service or Indemnity[]			
	Dental Service Corporation[]	Vision Service Corporation[]	Health Maintenance Organization[X]			
	Other[]	Is HMO Federally Qualified? Yes[X] No[]				
Date Incorporated or Organized	01/01/1986		Date Commenced Business	10/01/1986		
Statutory Home Office	2301 Commonwealth Blvd.		Ann Arbor, MI 48105			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office	2301 Commonwealth Blvd.					
	(Street and Number)					
	Ann Arbor, MI 48105		(734)747-8700			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	2301 Commonwealth Blvd.		Ann Arbor, MI 48105			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records	2301 Commonwealth					
	(Street and Number)					
	Ann Arbor, MI 48105		(734)747-8700			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	www.mcare.net					
Statutory Statement Contact	Michele L. Laupmanis		(734)332-2623			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	mlaupman@mcare.med.umich.edu		(734)332-2177			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact	2301 Commonwealth Blvd.					
	(Street and Number)					
	Ann Arbor, MI 48105		(734)913-2211			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)(Extension)			

OFFICERS

President	Zelda Geyer-Sylvia
Secretary	Larry Warren
Treasurer	Douglas L. Strong
Chief Financial Officer	Gregory A. Hawkins
Chairman	Lazar J. Greenfield M.D.

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Kyle L. Grazier PhD # Sally Joy Allen S. Lichter M.D. Zelda Geyer-Sylvia Miriam M. Weininger Lazar J. Greenfield M.D.	Douglas L. Strong Jean M. Malouin M.D. Timothy P. Slottow Larry Warren Darrell A. Campbell, Jr. M.D. Richard C. Petrocelli #
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State of Michigan
 County of Washtenaw ss

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

_____ (Signature) Zelda Geyer-Sylvia _____ (Printed Name) President	_____ (Signature) Gregory A. Hawkins _____ (Printed Name) Chief Financial Officer	_____ (Signature) Douglas L. Strong _____ (Printed Name) Treasurer
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Subscribed and sworn to before me this _____ day of _____, 2003

 (Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	23,522,688		23,522,688	23,373,779
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	10,130,155		10,130,155	10,585,389
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$..... encumbrances)				
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....13,639,085 and short-term investments \$.....70,755,756)	84,394,841		84,394,841	96,987,859
6. Contract loans (including \$..... premium notes)				
7. Other invested assets	1,141,101		1,141,101	1,048,319
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	119,188,785		119,188,785	131,995,346
11. Investment income due and accrued	560,452		560,452	508,227
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection	2,162,843	110,221	2,052,622	
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers				
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset				
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	1,598,139	804,695	793,444	902,124
18. Furniture and equipment, including health care delivery assets (\$.....)	269,512	269,512		352,604
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates				
21. Health care (\$.....) and other amounts receivable				
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets	1,982,328	1,345,391	636,937	676,352
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	125,762,059	2,529,819	123,232,240	134,434,653
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. TOTALS (Lines 24 and 25)	125,762,059	2,529,819	123,232,240	134,434,653
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)				
2301. Leasehold Improvements	636,937		636,937	676,352
2302. Prepaid Expenses	1,345,391	1,345,391		
2303				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,982,328	1,345,391	636,937	676,352

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$..... reinsurance ceded)	57,106,241		57,106,241	61,323,283
2. Accrued medical incentive pool and bonus payments	11,992,794		11,992,794	18,995,264
3. Unpaid claims adjustment expenses	438,371		438,371	
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	6,746,615		6,746,615	10,145,878
9. General expenses due or accrued				
10.1 Current federal and foreign income tax payable and interest thereon (including \$..... on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans				
21. Aggregate write-ins for other liabilities (including \$..... current)	3,686,596		3,686,596	4,235,947
22. Total liabilities (Lines 1 to 21)	79,970,617		79,970,617	94,700,372
23. Common capital stock	X X X	X X X		
24. Preferred capital stock	X X X	X X X		
25. Gross paid in and contributed surplus	X X X	X X X		
26. Surplus notes	X X X	X X X	4,331,446	4,331,446
27. Aggregate write-ins for other than special surplus funds	X X X	X X X		
28. Unassigned funds (surplus)	X X X	X X X	38,930,177	37,214,647
29. Less treasury stock, at cost:				
29.1 shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2 shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	43,261,623	41,546,093
31. Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	123,232,240	136,246,465
DETAILS OF WRITE-INS				
2101. Accrued Salaries	2,193,033		2,193,033	2,064,465
2102. Accrued Administrative Expenses	1,493,563		1,493,563	2,171,482
2103				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	3,686,596		3,686,596	4,235,947
2701	X X X	X X X		
2702	X X X	X X X		
2703	X X X	X X X		
2798. Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	575,288	2,426,305
2. Net premium income (including \$..... non-health premium income)	X X X	113,217,851	488,681,852
3. Change in unearned premium reserves and reserves 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		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	113,217,851	488,681,852
Hospital and Medical:			
9. Hospital/medical benefits		80,235,185	319,917,977
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area		12,847,469	2,889,161
13. Prescription drugs			71,348,236
14. Aggregate write-ins for other hospital and medical		7,780,673	37,558,322
15. Incentive pool and withhold adjustments		1,784,532	19,688,760
16. Subtotal (Lines 9 to 15)		102,647,859	451,402,456
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		102,647,859	451,402,456
19. Non-health claims			
20. Claims adjustment expenses			
21. General administrative expenses		8,497,008	35,420,712
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)		111,144,867	486,823,168
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	2,072,984	1,858,684
25. Net investment income earned		522,139	3,210,604
26. Net realized capital gains or (losses)		5,624	150,265
27. Net investment gains or (losses) (Lines 25 plus 26)		527,763	3,360,869
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		(443,000)	(886,000)
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	2,157,747	4,333,553
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	2,157,747	4,333,553
DETAILS OF WRITE-INS			
0601	X X X		
0602	X X X		
0603	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
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 (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401. Misc Health and Mental Health		7,526,472	36,888,108
1402. Stop-Loss Insurance		254,201	670,214
1403			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		7,780,673	37,558,322
2901. Interest Expense on Note Payable		(443,000)	(886,000)
2902			
2903			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		(443,000)	(886,000)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	41,546,093	40,691,101
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	2,157,747	4,333,553
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	(430,732)	(2,183,562)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(104,268)	(1,294,999)
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	92,783	
48. Net change in capital and surplus (Lines 34 to 47)	1,715,530	854,992
49. Capital and surplus end of reporting period (Line 31 plus 48)	43,261,623	41,546,093
DETAILS OF WRITE-INS		
4701. M-Caid Net Income	92,783	
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)	92,783	

CASH FLOW

		1 Current Year To Date	2 Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	109,508,810	484,866,870
2.	Net investment income	469,914	3,793,423
3.	Miscellaneous income		(481,258,022)
4.	Total (Lines 1 through 3)	109,978,724	7,402,271
5.	Benefit and loss related payments	113,867,371	
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	9,050,985	
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net tax on capital gain (losses)		
10.	Total (Lines 5 through 9)	122,918,356	
11.	Net cash from operations (Line 4 minus Line 10)	(12,939,632)	7,402,271
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		495,000
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		11,191
12.7	Miscellaneous proceeds	5,624	
12.8	Total investment proceeds (Lines 12.1 to 12.7)	5,624	506,191
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	130,616	17,002,393
13.2	Stocks	5,070	4,415,822
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		1,050,000
13.6	Miscellaneous applications	81,503	
13.7	Total investments acquired (Lines 13.1 to 13.6)	217,189	22,468,215
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(211,565)	(21,962,024)
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)	558,179	795,627
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	558,179	795,627
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17)	(12,593,018)	(13,764,126)
19.	Cash and short-term investments:		
19.1	Beginning of year	96,987,859	110,751,985
19.2	End of period	84,394,841	96,987,859

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	205,170	337	180,330					10,006	14,497				
2. First Quarter	190,480	311	184,356					5,813					
3. Second Quarter													
4. Third Quarter													
5. Current Year													
6. Current Year Member Months	619,381	933	556,716					17,639	44,093				
Total Member Ambulatory Encounters for Period:													
7. Physician	150,409		141,514					8,895					
8. Non-Physician	18,498		16,994					1,504					
9. Total	168,907		158,508					10,399					
10. Hospital Patient Days Incurred	12,578		8,404					4,174					
11. Number of Inpatient Admissions	3,140		2,543					597					
12. Health Premiums Collected	122,647,313		104,785,518				5,673,490	12,188,305					
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	113,217,850		95,356,055				5,673,490	12,188,305					
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	106,426,530		92,102,688				2,887,380	11,436,462					
18. Amount Incurred for Provision of Health Care Services	102,647,860		88,536,088				2,675,310	11,436,462					

CLAIMS PAYABLE (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Payable						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	8,784,137	955,115			2,901,986	12,641,238
0499999 Subtotals	8,784,137	955,115			2,901,986	12,641,238
0599999 Unreported claims and other claim reserves						44,465,003
0699999 Total Amounts Withheld						
0799999 Total Claims Payable						57,106,241
0899999 Accrued Medical Incentive Pool						11,992,794

UNDERWRITING AND INVESTMENT EXHIBIT**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	16,248,175	65,609,952	1,988,786	31,347,698	18,236,961	36,903,084
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan Premiums ..	1,133,536	1,437,726	48,552	55,496	1,182,088	316,118
6. Title XVIII - Medicare	9,459,026	10,753,584	3,674,964	20,429,116	13,133,990	24,104,080
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	26,840,737	77,801,262	5,712,302	51,832,310	32,553,039	61,323,282
10. Other non-health			3,207,311	8,785,483	3,207,311	
11. Medical incentive pools, accruals and disbursements ..	8,787,002				8,787,002	18,995,264
12. TOTALS	35,627,739	77,801,262	8,919,613	60,617,793	44,547,352	80,318,546

Notes to Financial Statement

There have been no material events since the annual filing.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes[] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes attach an explanation. 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 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. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation. Yes[] No[] N/A[X]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000
- 7.2 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. 08/30/2001
- 7.3 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). 08/30/2001
- 7.4 By what department or departments?
- 8.1 Has this 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]
- 8.2 If yes, give full information
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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
.....	Yes[] No[X]				

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

- 10.1 Has there been any changes in the reporting entity's own preferred or common stock? Yes[] No[X]
 10.2 If yes, explain:
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[] No[X]
 14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages, Loans or Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above		

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes[] No[X]
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[X] N/A[]
 If no, attach a description with this statement.
16. 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[]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Mellon Trust	Medford, MA 02155-1660

- 16.2 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)
.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes[] No[X]
 16.4 If yes, give full and complete information relating thereto:

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

- 16.5 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	2 Name(s)	3 Address
.....

SCHEDULE A - VERIFICATION

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period		
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, current period)		

NONE**SCHEDULE B - VERIFICATION**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period		

NONE**SCHEDULE BA - VERIFICATION****Other Invested Assets Included in Schedule BA**

Description	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	1,048,319	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		1,050,000
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	92,782	(1,681)
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period	1,141,101	1,048,319
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	1,141,101	1,048,319
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period	1,141,101	1,048,319

SCHEDULE D - VERIFICATION

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	33,959,168	15,239,954
2. Cost of bonds and stocks acquired	135,686	21,418,215
3. Accrual of discount		
4. Increase (decrease) by adjustment	(442,012)	(2,204,001)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of		495,000
8. Amortization of premium		
9. Book/adjusted carrying value, current period	33,652,843	33,959,168
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	33,652,843	33,959,168
12. Total nonadmitted amounts		
13. Statement value (Lines 11 minus 12)	33,652,843	33,959,168

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	105,238,919	81,649,386	92,161,603	(2,282,734)	92,443,968			105,238,919
2. Class 2	2,160,865	154,350	474,147	(6,592)	1,834,475			2,160,865
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. TOTAL Bonds	107,399,784	81,803,736	92,635,750	(2,289,326)	94,278,443			107,399,784
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. TOTAL Preferred Stock								
15. TOTAL Bonds & Preferred Stock	107,399,784	81,803,736	92,635,750	(2,289,326)	94,278,443			107,399,784

SCHEDULE DA - PART 1**Short - Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. TOTALS	70,755,756	X X X	70,743,602	335,939	(34,369)

SCHEDULE DA - PART 2 - Verification**Short-Term Investments Owned**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	83,509,792	66,362,275
2. Cost of short-term investments acquired	82,189,333	427,948,402
3. Increase (decrease) by adjustment	(2,307,619)	(7,931,183)
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments	92,635,750	402,353,489
7. Book/adjusted carrying value, current period	70,755,756	84,026,005
8. Total valuation allowance		
9. Subtotals (Lines 7 plus 8)	70,755,756	84,026,005
10. Total nonadmitted amounts		516,213
11. Statement value (Lines 9 minus 10)	70,755,756	83,509,792
12. Income collected during period	370,308	2,872,828
13. Income earned during period	409,256	2,422,549

16 Schedule DB Part F Section 1 - NONE

17 Schedule DB Part F Section 2 - NONE

18 Schedule S Ceded Reinsurance - NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Allocated by States and Territories**

	State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date				
				3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds
1.	Alabama (AL)	No	No					
2.	Alaska (AK)	No	No					
3.	Arizona (AZ)	No	No					
4.	Arkansas (AR)	No	No					
5.	California (CA)	No	No					
6.	Colorado (CO)	No	No					
7.	Connecticut (CT)	No	No					
8.	Delaware (DE)	No	No					
9.	District of Columbia (DC)	No	No					
10.	Florida (FL)	No	No					
11.	Georgia (GA)	No	No					
12.	Hawaii (HI)	No	No					
13.	Idaho (ID)	No	No					
14.	Illinois (IL)	No	No					
15.	Indiana (IN)	No	No					
16.	Iowa (IA)	No	No					
17.	Kansas (KS)	No	No					
18.	Kentucky (KY)	No	No					
19.	Louisiana (LA)	No	No					
20.	Maine (ME)	No	No					
21.	Maryland (MD)	No	No					
22.	Massachusetts (MA)	No	No					
23.	Michigan (MI)	No	Yes	95,356,055	12,188,305	5,673,490		
24.	Minnesota (MN)	No	No					
25.	Mississippi (MS)	No	No					
26.	Missouri (MO)	No	No					
27.	Montana (MT)	No	No					
28.	Nebraska (NE)	No	No					
29.	Nevada (NV)	No	No					
30.	New Hampshire (NH)	No	No					
31.	New Jersey (NJ)	No	No					
32.	New Mexico (NM)	No	No					
33.	New York (NY)	No	No					
34.	North Carolina (NC)	No	No					
35.	North Dakota (ND)	No	No					
36.	Ohio (OH)	No	No					
37.	Oklahoma (OK)	No	No					
38.	Oregon (OR)	No	No					
39.	Pennsylvania (PA)	No	No					
40.	Rhode Island (RI)	No	No					
41.	South Carolina (SC)	No	No					
42.	South Dakota (SD)	No	No					
43.	Tennessee (TN)	No	No					
44.	Texas (TX)	No	No					
45.	Utah (UT)	No	No					
46.	Vermont (VT)	No	No					
47.	Virginia (VA)	No	No					
48.	Washington (WA)	No	No					
49.	West Virginia (WV)	No	No					
50.	Wisconsin (WI)	No	No					
51.	Wyoming (WY)	No	No					
52.	American Samoa (AS)	No	No					
53.	Guam (GU)	No	No					
54.	Puerto Rico (PR)	No	No					
55.	U.S. Virgin Islands (VI)	No	No					
56.	Canada (CN)	No	No					
57.	Aggregate other alien (OT)	X X X	X X X					
58.	TOTAL (Direct Business)	X X X	(a) 1	95,356,055	12,188,305	5,673,490		
DETAILS OF WRITE-INS								
5701		X X X	X X X					
5702		X X X	X X X					
5703		X X X	X X X					
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X	X X X					
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X	X X X					

(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

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL CHART

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSES

No

1. Will the SVO Compliance Certification be filed with this statement?

Explanation:

Bar Code:

SVO Compliance Certification



95449200347000001

2003

Document Code: 470

E01 **Schedule A Part 2 - NONE**

E01 **Schedule A Part 3 - NONE**

E02 **Schedule B Part 1 - NONE**

E02 **Schedule B Part 2 - NONE**

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - Industrial and Miscellaneous								
202681409	CIF CORE PLUS BOND FUND	03/01/2003	Mellon Trust	X X X	281	27		
202681300	CIF LOW DURATION BOND FUND	01/01/2003	Mellon Trust	X X X	38,460	3,835		
202681300	CIF LOW DURATION BOND FUND	02/01/2003	Mellon Trust	X X X	41,018	4,094		
202681300	CIF LOW DURATION BOND FUND	03/01/2003	Mellon Trust	X X X	50,857	5,081		
4599999 Subtotal - Bonds - Industrial and Miscellaneous					130,616	13,037		
6099997 Subtotal - Bonds - Part 3					130,616	13,037		
6099998 Summary Item for Bonds Bought and Sold This Quarter								
6099999 Subtotal - Bonds					130,616	13,037		
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter								
Common Stock - Industrial and Miscellaneous								
202681508	CIF CORE EQUITY FUND	01/01/2003	Mellon Trust		5,070	X X X		
6899999 Subtotal - Common Stock - Industrial and Miscellaneous					5,070	X X X		
7099997 Subtotal - Common Stock - Part 3					5,070	X X X		
7099998 Summary Item for Common Stock Bought and Sold This Quarter						X X X		
7099999 Subtotal - Common Stock					5,070	X X X		
7199999 Subtotal - Preferred and Common Stock					5,070	X X X		
7299999 Total - Bonds, Preferred and Common Stock					135,686	X X X		

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

E05 **Schedule D Part 4 - NONE**

E06 **Schedule DB Part A Section 1 - NONE**

E06 **Schedule DB Part B Section 1 - NONE**

E07 **Schedule DB Part C Section 1 - NONE**

E07 **Schedule DB Part D Section 1 - NONE**

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

1		2	3	4	Book Balance at End of Each Month			8
					During Current Quarter			
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	*
					First Month	Second Month	Third Month	
open depositories								
Bank One	Dearborn, MI				(8,853,223)	(10,219,226)	(11,494,422)	
MCARE Transitional Cash	Ann Arbor, MI	1.410	10,881		(2,113,138)	6,543,516	1,759,261	
MCARE Cash Outside UIP	Ann Arbor, MI				(3,408,007)			
Mellon Trust, Dreyfus Cash		1.400	82,353	31,588	23,953,394	24,297,251	22,406,705	
Mellon Trust, Demand Depositi Account					7,350,166	605,690	967,541	
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X						
0199999 Totals - Open Depositories		X X X	93,234	31,588	16,929,192	21,227,231	13,639,085	
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories		X X X						
0299999 Totals - Suspended Depositories		X X X						
0399999 Total Cash On Deposit		X X X	93,234	31,588	16,929,192	21,227,231	13,639,085	
0499999 Cash in Company's Office		X X X	X X X	X X X				
0599999 Total Cash		X X X	93,234	31,588	16,929,192	21,227,231	13,639,085	

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