

## **Amended Statement Cover**

Midwest Health Plan, Inc. has amended their third quarter 2003 filing as follows:

Pages 2, 6, 13, 14 and 15 have been changed to reflect a reclassification of Midwest Health Plan's statutory reserve of \$1,000,000 on deposit with the State of Michigan. This reserve was classified as a bond. It is now being shown as a short-term investment due to it maturing in 365 days.

Page 7 has been revised so lines 7, 8, 9, 10 and 11 reflect year-to-date numbers as opposed to quarterly numbers that were originally reported.



# HEALTH QUARTERLY STATEMENT

## AS OF September 30, 2003

### OF THE CONDITION AND AFFAIRS OF THE

## Midwest Health Plan, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 95814 Employer's ID Number 38-3123777  
(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[  ] No[X]

Date Incorporated or Organized 01/01/1994 Date Commenced Business 01/01/1994

Statutory Home Office 5050 Schaefer Road , Dearborn, MI 48126  
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 5050 Schaefer Road  
(Street and Number)

Dearborn, MI 48126 (313)581-3700  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 5050 Schaefer Road , Dearborn, MI 48126  
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 5050 Schaefer  
(Street and Number)

Dearborn, MI 48126 (313)581-3700  
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.midwesthealthplan.com

Statutory Statement Contact Allen A. Kessler, CPA (313)586-6064  
(Name) (Area Code)(Telephone Number)(Extension)  
akessler@midwesthealthplan.com (313)581-8699  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact None  
(Street and Number)

None, (Area Code) (Telephone Number)(Extension)  
(City, or Town, State and Zip Code)

### OFFICERS

President Mark Saffer DPM  
 Secretary Jack Shapiro MD  
 Treasurer Robert Rubin DPM

### VICE PRESIDENTS

Marshall G. Katz MD  
 Larry E. Zbanek  
 Allen A. Kessler CPA

### DIRECTORS OR TRUSTEES

Mark Saffer DPM  
 Rick Poston DO  
 Demitra Morgan  
 Jack Shapiro MD  
 Robert Rubin DPM  
 Kathleen Vass

State of Michigan  
 County of Wayne ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of 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) <b>Mark Saffer</b> _____ (Printed Name) President	_____ (Signature) <b>Jack Shapiro</b> _____ (Printed Name) Secretary	_____ (Signature) <b>Robert Rubin</b> _____ (Printed Name) Treasurer
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003

- a. Is this an original filing?  
 b. If no, 1. State the amendment number  
 2. Date filed  
 3. Number of pages attached

Yes[  ] No[X]  
1  
11/21/2003  
6

\_\_\_\_\_  
 (Notary Public Signature)

**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 .....				1,017,201
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
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 (\$.....33,054,021 and short-term investments \$.....1,000,000) .....	34,054,021		34,054,021	23,653,271
6. Contract loans (including \$..... premium notes) .....				
7. Other invested assets .....				
8. Receivable for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	34,054,021		34,054,021	24,670,472
11. Investment income due and accrued .....	12,725		12,725	
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection .....				2,119,609
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 .....	88,705		88,705	88,705
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 .....	465,000	465,000		
15.2 Net deferred tax asset .....				
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....	267,076		267,076	506,693
18. Furniture and equipment, including health care delivery assets (\$.....) .....	9,922	9,922		
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivables from parent, subsidiaries and affiliates .....	118,913		118,913	
21. Health care (\$.....) and other amounts receivable .....				
22. Other assets nonadmitted .....				
23. Aggregate write-ins for other than invested assets .....	46,872	46,872		55,883
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	35,063,234	521,794	34,541,440	27,441,362
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. TOTALS (Lines 24 and 25) .....	35,063,234	521,794	34,541,440	27,441,362
<b>DETAILS OF WRITE-INS</b>				
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 .....	46,872	46,872		55,883
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	46,872	46,872		55,883

**CASH FLOW**

		1 Current Year To Date	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	73,019,250	80,513,342
2.	Net investment income .....	199,813	348,679
3.	Miscellaneous income .....	(2,240,924)	
4.	Total (Lines 1 through 3) .....	70,978,139	80,862,021
5.	Benefit and loss related payments .....	54,106,508	65,417,566
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	5,636,791	6,756,352
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) \$..... net tax on capital gain (losses) .....	2,785,528	1,029,515
10.	Total (Lines 5 through 9) .....	62,528,827	73,203,433
11.	Net cash from operations (Line 4 minus Line 10) .....	8,449,312	7,658,588
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	1,000,000	1,039,842
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash and short-term investments .....		
12.7	Miscellaneous proceeds .....	17,201	
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	1,017,201	1,039,842
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		1,017,201
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....		1,017,201
14.	Net increase (decrease) in policy loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	1,017,201	22,641
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	(8,184)	
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) .....	942,421	1,473,335
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	934,237	1,473,335
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17) .....	10,400,750	9,154,564
19.	Cash and short-term investments:		
19.1	Beginning of year .....	23,653,271	14,498,706
19.2	End of period .....	34,054,021	23,653,270

## 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 .....	40,317								40,317				
2. First Quarter .....	42,079								42,079				
3. Second Quarter .....	45,800								45,800				
4. Third Quarter .....	47,236								47,236				
5. Current Year .....													
6. Current Year Member Months .....	396,453								396,453				
Total Member Ambulatory Encounters for Period:													
7. Physician .....	244,577								244,577				
8. Non-Physician .....	48,646								48,646				
9. Total .....	293,223								293,223				
10. Hospital Patient Days Incurred .....	12,131								12,131				
11. Number of Inpatient Admissions .....	2,671								2,671				
12. Health Premiums Collected .....	73,019,250								73,019,250				
13. Life Premiums Direct .....													
14. Property/Casualty Premiums Written .....													
15. Health Premiums Earned .....	70,899,641								70,899,641				
16. Property/Casualty Premiums Earned .....													
17. Amount Paid for Provision of Health Care Services .....	54,002,287								54,002,287				
18. Amount Incurred for Provision of Health Care Services .....	57,508,599								57,508,599				

**SCHEDULE A - VERIFICATION**

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

**NONE****SCHEDULE D - VERIFICATION**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,017,201	1,037,315
2. Cost of bonds and stocks acquired .....		1,017,201
3. Accrual of discount .....		
4. Increase (decrease) by adjustment .....	(17,201)	
5. Increase (decrease) by foreign exchange adjustment .....		
6. Total profit (loss) on disposal .....		
7. Consideration for bonds and stocks disposed of .....	1,000,000	1,037,315
8. Amortization of premium .....		
9. Book/adjusted carrying value, current period .....		1,017,201
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....		1,017,201
12. Total nonadmitted amounts .....		
13. Statement value (Lines 11 minus 12) .....		1,017,201

**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
<b>BONDS</b>								
1. Class 1 .....	1,018,204		1,000,000	(18,204)	1,020,210	1,018,204		1,017,201
2. Class 2 .....								
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. TOTAL Bonds .....	1,018,204		1,000,000	(18,204)	1,020,210	1,018,204		1,017,201
<b>PREFERRED STOCK</b>								
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 .....	1,018,204		1,000,000	(18,204)	1,020,210	1,018,204		1,017,201

**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 .....	1,000,000	X X X	1,015,195		15,195

**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 .....		
2. Cost of short-term investments acquired .....	1,015,195	
3. Increase (decrease) by adjustment .....	(15,195)	
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 .....		
7. Book/adjusted carrying value, current period .....	1,000,000	
8. Total valuation allowance .....		
9. Subtotals (Lines 7 plus 8) .....	1,000,000	
10. Total nonadmitted amounts .....		
11. Statement value (Lines 9 minus 10) .....	1,000,000	
12. Income collected during period .....		
13. Income earned during period .....	13,750	