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HEALTH QUARTERLY STATEMENT

As of September 30, 2003

of the Condition and Affairs of the

Physicians Health Plan of South Michigan

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 52564 Employer's ID Number..... 38-3311905

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

Country of Domicile US

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..... April 17, 1996 Date Commenced Business..... May 1, 2000

Statutory Home Office	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	517-782-7154 *(Area Code) (Telephone Number)*
Mail Address	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	517-782-7154 *(Area Code) (Telephone Number)*
Internet Website Address	N/A	
Statutory Statement Contact	David Spring *(Name)*	517-841-6973 *(Area Code) (Telephone Number) (Extension)*
	david_w_spring@uhc.com *(E-Mail Address)*	*517-782-4512* *(Fax Number)*
Policyowner Relations Contact	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	517-782-7154 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Greg Gieseman

Chief Financial Officer ..... David Spring

Secretary / Treasurer..... Charles Johnson

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Dave Corravo	Brian Admaczyk M.D.	Georgia Fojtasek	Rick Warren
Carl English	K. V. Rao M.D.	Charles Johnson	Phil Miller
Bernard Levy	Phil Milhoan	Carolyn Bradley	Mark Browne M.D.

State of.....Michigan
County of....Jackson

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)
Greg Gieseman	Charles Johnson	David Spring
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary / Treasurer	Chief Financial Officer

Subscribed and sworn to before me this

.....day of ....., 2003

.....

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	8,315,192		8,315,192	8,733,190
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)	63,564	9,535	54,029	73,948
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(925,004)) and short-term investments ($.....21,963,443)	21,038,439		21,038,439	14,628,840
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets	353,246	44,198	309,048	302,679
8. Receivable for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	29,770,441	53,733	29,716,708	23,738,657
11. Investment income due and accrued	122,214		122,214	120,960
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection	184,234	9,520	174,714	251,661
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
12.3 Accrued retrospective premiums			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	60,115		60,115	39,172
13.2 Funds held by or deposited with reinsured companies			0	
13.3 Other amounts receivable under reinsurance contracts			0	
14. Amounts receivable relating to uninsured plans			0	
15.1 Current federal and foreign income tax recoverable and interest thereon			0	
15.2 Net deferred tax asset			0	
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software	38,689		38,689	38,099
18. Furniture and equipment, including health care delivery assets ($.....0)	3,859	579	3,281	6,541
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	7,410		7,410	41,172
21. Health care ($.....596,286) and other amounts receivable	596,286		596,286	501,710
22. Other assets nonadmitted			0	
23. Aggregate write-ins for other than invested assets	80,348	42,114	38,234	73,075
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	30,863,596	105,946	30,757,650	24,811,047
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	30,863,596	105,946	30,757,650	24,811,047

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. Prepaid Insurance	42,114	42,114	0	
2302. Other Receivable	38,234		38,234	73,075
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	80,348	42,114	38,234	73,075

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....56,700 reinsurance ceded)	8,485,343	1,701,143	10,186,486	8,155,486
2.	Accrued medical incentive pool and bonus payments	1,847,016		1,847,016	2,640,239
3.	Unpaid claims adjustment expenses	608,833		608,833	494,026
4.	Aggregate health policy reserves			0	
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	1,214,286		1,214,286	1,134,369
9.	General expenses due or accrued	1,380,816		1,380,816	1,120,439
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	78,344		78,344	
12.	Amounts withheld or retained for the account of others			0	
13.	Remittances and items not allocated			0	
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	467,513		467,513	323,935
16.	Payable for securities			0	
17.	Funds held under reinsurance treaties with ($.....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)	14,082,152	1,701,143	15,783,295	13,868,494
23.	Common capital stock	XXX	XXX		
24.	Preferred capital stock	XXX	XXX		
25.	Gross paid in and contributed surplus	XXX	XXX	10,888,193	10,888,193
26.	Surplus notes	XXX	XXX		
27.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28.	Unassigned funds (surplus)	XXX	XXX	4,086,161	54,360
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	14,974,354	10,942,553
31.	Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	30,757,650	24,811,047

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.		XXX	XXX		
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	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	257,017	270,294
2. Net premium income (including $.....0 non-health premium income)	XXX	54,406,378	50,721,754
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	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	54,406,378	50,721,754
Hospital and Medical:			
9. Hospital/medical benefits	5,561,706	33,303,629	34,094,529
10. Other professional services	3,431	20,546	20,235
11. Outside referrals			
12. Emergency room and out-of-area	307,611	1,841,983	
13. Prescription drugs	1,193,852	7,148,814	8,186,602
14. Aggregate write-ins for other hospital and medical	0	(48,295)	2,337
15. Incentive pool and withhold adjustments	321,066	1,922,553	2,014,333
16. Subtotal (Lines 9 to 15)	7,387,666	44,189,231	44,318,036
Less:			
17. Net reinsurance recoveries		79,004	109,200
18. Total hospital and medical (Lines 16 minus 17)	7,387,666	44,110,227	44,208,836
19. Non-health claims			
20. Claims adjustment expenses		2,069,047	2,852,191
21. General administrative expenses		4,692,543	3,416,360
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)	7,387,666	50,871,816	50,477,387
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,534,561	244,367
25. Net investment income earned		253,801	296,321
26. Net realized capital gains or (losses)		36,415	
27. Net investment gains or (losses) (Lines 25 plus 26)	0	290,216	296,321
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	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	3,824,777	540,688
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	3,824,777	540,688

DETAILS OF WRITE-INS

0601.	XXX		
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	0	0
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		(48,295)	2,337
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	(48,295)	2,337
2901.			
2902.			
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	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year
33. Capital and surplus prior reporting period	10,942,553	7,029,004
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	3,824,777	1,766,526
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	17,145	32,907
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	193,132	(299,078)
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		2,303,193
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	(3,253)	110,001
48. Net change in capital and surplus (Lines 34 to 47)	4,031,801	3,913,549
49. Capital and surplus end of reporting period (Line 33 plus 48)	14,974,354	10,942,553

DETAILS OF WRITE-INS

4701. Accounts Receivable allowance for bad debt and retroactivity	(3,253)	110,001
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)	(3,253)	110,001

CASH FLOW

		1 Current Year to Date	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	54,563,242	68,150,950
2.	Net investment income	423,161	425,528
3.	Miscellaneous income	51,062	
4.	Total (Lines 1 through 3)	55,037,465	68,576,478
5.	Benefit and loss related payments	44,847,632	61,336,419
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	4,353,822	6,197,234
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)	49,201,454	67,533,653
11.	Net cash from operations (Line 4 minus Line 10)	5,836,011	1,042,825
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	3,250,320	5,564,122
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,250,320	5,564,122
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	2,929,745	14,262,786
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		303,193
	13.6 Miscellaneous applications	19,631	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	2,949,376	14,565,979
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	300,944	(9,001,857)
	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		2,303,193
	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)	272,643	770,109
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	272,643	3,073,302
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18.	Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	6,409,598	(4,885,730)
19.	Cash and short-term investments:		
	19.1 Beginning of year	14,628,840	19,514,570
	19.2 End of period (Line 18 plus Line 19.1)	21,038,439	14,628,840

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at End of:													
1. Prior Year	28,062	130	27,932										
2. First Quarter	28,830	124	28,706										
3. Second Quarter	28,786	123	28,663										
4. Third Quarter	28,184	127	28,057										
5. Current Year	257,017	1,116	255,901										
6. Current Year Member Months	257,017	1,116	255,901										
Total Member Ambulatory Encounters for Period:													
7. Physician	189,836	817	189,019										
8. Non-Physician	64,441	277	64,164										
9. Total	254,277	1,094	253,183	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	5,159	59	5,100										
11. Number of Inpatient Admissions	1,491	17	1,474										
12. Health Premiums Collected	55,282,677	333,600	54,939,767						9,310				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	55,129,104	308,341	54,811,453						9,310				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	42,946,600	184,670	42,761,930										
18. Amount Incurred for Provision of Health Care Services	44,189,231	190,014	43,999,217										

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
Claims Payable (Reported)						
0299999. Aggregate Accounts Not Individually Listed-Uncovered	159,079	25,988	(125)	(355)	(429)	184,158
0399999. Aggregate Accounts Not Individually Listed-Covered	793,492	129,627	(625)	(1,772)	(2,140)	918,582
0499999. Subtotals	952,571	155,615	(750)	(2,127)	(2,569)	1,102,740
0599999. Unreported Claims and Other Claim Reserves						9,140,448
0799999. Total Claims Payable						10,243,188
0899999. Accrued Medical Incentive Pool						1,847,016

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 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)	4,258,614	35,620,565	(75,617)	9,605,699	4,182,997	7,515,171
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	4,258,614	35,620,565	(75,617)	9,605,699	4,182,997	7,515,171
10. Other non-health					0	
11. Medical incentive pools, accruals and disbursements	3,008,346	1,014		1,847,016	3,008,346	2,640,238
12. Totals	7,266,960	35,621,579	(75,617)	11,452,715	7,191,343	10,155,409

NOTES TO FINANCIAL STATEMENTS

UMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Physicians Health Plan of South Michigan are presented on the basis of accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) as adopted by the State of Michigan.

The Department of Consumer & Industry Services recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Michigan Insurance Law. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) was adopted by the State of Michigan starting with the first quarter 2003 filing.

CHANGE IN PRESENTATION

The Company received clarification from the NAIC during 2003 as to the components and presentation of the claim reserve rollforward. Based upon this clarification, the beginning and end of year claim reserves in 2003 are shown net of health care receivables. In 2002 incurred claims excluded the effect of pharmacy rebates and health care receivables.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since 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 [ ]

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? Yes [ ] No [X]
If yes, attach an organizational chart.

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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that 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? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

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

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. .....12/31/2001.....

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). .....03/25/2003.....

7.4 By what department or departments?..... MIchigan Office of Financial & Insurance Services

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 the 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
.....	.....	.....	.....	.....	.....	.....

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 change 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 [X] No [ ]

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	$302,679	$309,048
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$302,679	$309,048
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 [ ]
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
Comerica Bank	Detroit, MI

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
Munder Capital	Bladen McClelland	480 Pierce St Birmingham,MI

SCHEDULE A - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	73,948	87,793
2. Increase (decrease) by adjustment	(10,384)	(13,845)
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	63,564	73,948
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	63,564	73,948
11. Total nonadmitted amounts	9,535	
12. Statement value, current period (Page 2, real estate lines, current period)	54,030	73,948

SCHEDULE B - VERIFICATION

NONE

	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	0	
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	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	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	336,100	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		303,193
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	17,146	32,907
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	353,246	336,100
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	353,246	336,100
12. Total nonadmitted amounts	44,198	33,421
13. Statement value of long-term invested assets at end of current period	309,048	302,679

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	8,733,190	
2. Cost of bonds and stocks acquired	2,929,745	14,262,785
3. Accrual of discount	362	
4. Increase (decrease) by adjustment		(115,632)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	36,415	150,160
7. Consideration for bonds and stocks disposed of	3,250,320	5,564,123
8. Amortization of premium	134,199	
9. Book/adjusted carrying value, current period	8,315,193	8,733,190
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	8,315,193	8,733,190
12. Total nonadmitted amounts		
13. Statement value (Lines 11 minus 12)	8,315,193	8,733,190

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 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	26,273,928	13,611,236	9,565,826	(40,703)	28,428,680	26,273,928	30,278,635	25,688,838
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	26,273,928	13,611,236	9,565,826	(40,703)	28,428,680	26,273,928	30,278,635	25,688,838
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	26,273,928	13,611,236	9,565,826	(40,703)	28,428,680	26,273,928	30,278,635	25,688,838

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	21,963,443	XXX	21,963,443	86,835	

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	16,955,648	20,792,163
2. Cost of short-term investments acquired	34,848,442	71,786,325
3. Increase (decrease) by adjustment	(1,776)	264,497
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	29,838,871	75,887,337
7. Book/adjusted carrying value, current period	21,963,443	16,955,648
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	21,963,443	16,955,648
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	21,963,443	16,955,648
12. Income collected during period	86,835	272,069
13. Income earned during period	73,414	278,520

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	2	Direct Business Only Year-to-Date					
			3	4	5	6	7	8
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
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	55,119,795		9,310			
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	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a) 1	55,119,795	0	9,310	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

(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

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.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	NO

EXPLANATION:

BAR CODE:

* 5 2 5 6 4 2 0 0 3 4 7 0 0 0 0 0 3 *

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the 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 - U.S. Government								
3134A4 UD 4	FEDERAL HOME LN MTG CORP	09/19/2003	CS FIRST BOSTON CORP		126,133	125,000	126	1
912827 4V 1	UNITED STATES TREAS NTS	09/19/2003	UBS WARBURG LLC		268,984	250,000	4,195	1
0399999.	Total - Bonds - U.S. Government				395,117	375,000	4,321	XXX
Bonds - Industrial and Miscellaneous								
United States								
925524 AD 2	VIACOM INC	07/25/2003	MCDONALD & COMPANY		132,696	120,000	1,524	1PE
	United States				132,696	120,000	1,524	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				132,696	120,000	1,524	XXX
6099997.	Total - Bonds - Part 3				527,813	495,000	5,845	XXX
6099999.	Total - Bonds				527,813	495,000	5,845	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				527,813	XXX	5,845	XXX

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues:.....0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - U.S. Government																
912827 7A 4	US TREASURY NOTE	07/31/2003	MATURITY		715,000	715,000	729,569	715,000	(8,354)				0	27,706		1
912828 AA 8	US TREASURY NOTE	09/19/2003	VARIOUS		481,737	475,000	486,133	478,747	(4,486)			2,990	2,990	23,326		1
0399999.	Total - Bonds - U.S. Government				1,196,737	1,190,000	1,215,702	1,193,747	(12,840)	0	0	2,990	2,990	51,032	0	XXX
6099997.	Total - Bonds - Part 4				1,196,737	1,190,000	1,215,702	1,193,747	(12,840)	0	0	2,990	2,990	51,032	0	XXX
6099999.	Total - Bonds				1,196,737	1,190,000	1,215,702	1,193,747	(12,840)	0	0	2,990	2,990	51,032	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				1,196,737	XXX	1,215,702	1,193,747	(12,840)	0	0	2,990	2,990	51,032	0	XXX

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues: 0.

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. 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 During Current Quarter			8
				5	6	7	
Depository	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories							
JPMorgan Chase				(1,693,230)	(1,507,402)	(2,172,298)	XXX
Comerica Bank				1,403,126	1,162,750	1,247,294	XXX
0199999. Total Open Depositories	XXX	0	0	(290,104)	(344,653)	(925,004)	XXX
0399999. Total Cash on Deposit	XXX	0	0	(290,104)	(344,653)	(925,004)	XXX
0599999. Total Cash	XXX	0	0	(290,104)	(344,653)	(925,004)	XXX