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HEALTH QUARTERLY STATEMENT

As of June 30, 2003

of the Condition and Affairs of the

Physicians Health Plan Mid-Michigan Family Care

NAIC Group Code..... 3408, (Current Period) (Prior Period) NAIC Company Code..... 11537 Employer's ID Number..... 36-4497604

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..... May 23, 2002 Date Commenced Business..... January 1, 2003

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

OFFICERS

President ..... Olga Dazzo Treasurer ..... A. James Budzinski II

Assistant Secretary ..... Martin L. Pugno

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Olga Dazzo Marylee Davis Ph.D. Joe Damore

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

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

(Signature)	(Signature)	(Signature)
Olga Dazzo	Martin L. Pugno	A. James Budzinski II
(Printed Name)	(Printed Name)	(Printed Name)
President	Assistant Secretary	Treasurer

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			0	
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)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(158,628)) and short-term investments ($.....9,512,683)	9,354,055		9,354,055	4,500,000
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	
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)	9,354,055	0	9,354,055	4,500,000
11. Investment income due and accrued	4,153		4,153	
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection	(9,745)		(9,745)	
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
12.3 Accrued retrospective premiums			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	
13.2 Funds held by or deposited with reinsured companies			0	
13.3 Other amounts receivable under reinsurance contracts			0	
14. Amounts receivable relating to uninsured plans			0	
15.1 Current federal and foreign income tax recoverable and interest thereon			0	
15.2 Net deferred tax asset			0	
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software			0	
18. Furniture and equipment, including health care delivery assets ($.....0)			0	
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	787,341		787,341	
21. Health care ($.....590,482) and other amounts receivable	590,482		590,482	
22. Other assets nonadmitted			0	
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	10,726,286	0	10,726,286	4,500,000
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	10,726,286	0	10,726,286	4,500,000

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.			0	
2302.			0	
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)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	3,687,373		3,687,373	
2. Accrued medical incentive pool and bonus payments	29,669		29,669	
3. Unpaid claims adjustment expenses	134,143		134,143	
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			0	
9. General expenses due or accrued	254,677		254,677	
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	1,507,968		1,507,968	
16. Payable for securities			0	
17. Funds held under reinsurance treaties with ($.....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 $.....524,042 current)	524,042	0	524,042	0
22. Total liabilities (Lines 1 to 21)	6,137,872	0	6,137,872	0
23. Common capital stock	XXX	XXX		
24. Preferred capital stock	XXX	XXX		
25. Gross paid in and contributed surplus	XXX	XXX		
26. Surplus notes	XXX	XXX		
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	4,588,414	4,500,000
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	4,588,414	4,500,000
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	10,726,286	4,500,000

DETAILS OF WRITE-INS

2101. QAAP State Assessment Taxes	524,042		524,042	
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)	524,042	0	524,042	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	124,517	
2. Net premium income (including $.....0 non-health premium income)	XXX	19,236,070	
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	(524,042)	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	18,712,028	0
Hospital and Medical:			
9. Hospital/medical benefits		14,398,772	
10. Other professional services		9,961	
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		4,222,074	
14. Aggregate write-ins for other hospital and medical	0	334,727	0
15. Incentive pool and withhold adjustments		29,669	
16. Subtotal (Lines 9 to 15)	0	18,995,203	0
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)	0	18,995,203	0
19. Non-health claims			
20. Claims adjustment expenses		715,813	
21. General administrative expenses		1,359,006	
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)	0	21,070,022	0
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(2,357,994)	0
25. Net investment income earned		17,633	
26. Net realized capital gains or (losses)			
27. Net investment gains or (losses) (Lines 25 plus 26)	0	17,633	0
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	2,393,775	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	53,414	0
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	53,414	0

DETAILS OF WRITE-INS

0601. QAAP State Assessment Taxes	XXX	(524,042)	
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	(524,042)	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		334,727	
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	334,727	0
2901. Revenue (Expense) from affiliated Health Delivery Network		2,393,775	
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	2,393,775	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	4,500,000	4,500,000
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	53,414	
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets		
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	35,000	0
48. Net change in capital and surplus (Lines 34 to 47)	88,414	0
49. Capital and surplus end of reporting period (Line 33 plus 48)	4,588,414	4,500,000

DETAILS OF WRITE-INS

4701. Change in Allowance for BAd Debt	35,000	
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)	35,000	0

CASH FLOW

	1 Current Year to Date	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	19,245,815	
2. Net investment income	13,480	
3. Miscellaneous income	2,393,775	
4. Total (Lines 1 through 3)	21,653,070	0
5. Benefit and loss related payments	15,859,831	
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,104,329	
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)	16,964,160	0
11. Net cash from operations (Line 4 minus Line 10)	4,688,910	0
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
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)	0	0
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	0	0
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		4,500,000
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)	165,145	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	165,145	4,500,000
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	4,854,055	4,500,000
19. Cash and short-term investments:		
19.1 Beginning of year	4,500,000	
19.2 End of period (Line 18 plus Line 19.1)	9,354,055	4,500,000

Statement as of June 30, 2003 of the **Physicians Health Plan Mid-Michigan Family Care**

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	0												
2. First Quarter	25,169								25,169				
3. Second Quarter	16,494								16,494				
4. Third Quarter	0												
5. Current Year	0												
6. Current Year Member Months	124,517								124,517				
Total Member Ambulatory Encounters for Period:													
7. Physician	66,693								66,693				
8. Non-Physician	41,035								41,035				
9. Total	107,728	0	0	0	0	0	0	0	107,728	0	0	0	0
10. Hospital Patient Days Incurred	4,107								4,107				
11. Number of Inpatient Admissions	1,083								1,083				
12. Health Premiums Collected	19,347,179								19,347,179				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	19,337,433								19,337,433				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	15,868,643								15,868,643				
18. Amount Incurred for Provision of Health Care Services	18,995,203								18,995,203				

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	67,041	1,441	2,123	157	(483)	70,279
0399999. Aggregate Accounts Not Individually Listed-Covered	697,216	14,986	22,081	1,646	(5,028)	730,901
0499999. Subtotals	764,257	16,427	24,204	1,803	(5,511)	801,180
0599999. Unreported Claims and Other Claim Reserves						2,886,192
0799999. Total Claims Payable						3,687,372
0899999. Accrued Medical Incentive Pool						29,669

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)					0	
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		15,864,641		3,096,891	0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	0	15,864,641	0	3,096,891	0	0
10. Other non-health					0	
11. Medical incentive pools, accruals and disbursements				29,669	0	
12. Totals	0	15,864,641	0	3,126,560	0	0

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Physicians Health Plan of Mid 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:

Effective March 31, 2003, Physicians Health Plan of Mid Michigan - Family Care changed the presentation of Net Premium Income, Line 2 on the Statement of Revenue and Expenses to comply with NAIC reporting guidelines. The amount reported on Line 3 reflects the Change in Unearned Premiums and Reserve for Rate Credits. Premiums Received in Advance is no longer included in the calculation of direct written premiums. This change does not impact net income of statutory net worth.

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 [X] No [ ]

1.2 If yes, explain:... Codification adopted by the State of Michigan January 1, 2003

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. N/A.....

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. N/A.....

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). N/A.....

7.4 By what department or departments?..... N/A

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:
N/A

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.
N/A

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:... N/A

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:
N/A

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: N/A.....

13. Amount of real estate and mortgages held in short-term investments: N/A.....

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)	$.....0	$.....0
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 [ ] No [X]

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

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

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
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	0	0
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, current period)	0	0

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

NONE

	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	0	
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	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period	0	0

SCHEDULE D - VERIFICATION

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	0	
2. Cost of bonds and stocks acquired		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of		
8. Amortization of premium		
9. Book/adjusted carrying value, current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value (Lines 11 minus 12)	0	0

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	7,040,000	9,149,000	7,679,000		7,040,000	8,510,000		
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	7,040,000	9,149,000	7,679,000	0	7,040,000	8,510,000	0	0
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	7,040,000	9,149,000	7,679,000	0	7,040,000	8,510,000	0	0

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	9,512,683	XXX	9,512,683	11,184	

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	4,475,000	
2. Cost of short-term investments acquired	26,447,683	4,475,000
3. Increase (decrease) by adjustment		
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	21,410,000	
7. Book/adjusted carrying value, current period	9,512,683	4,475,000
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	9,512,683	4,475,000
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	9,512,683	4,475,000
12. Income collected during period	11,184	
13. Income earned during period	11,673	

SCHEDULE DB - PART F - SECTION 1

Summary of Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
					Derivative Instruments Open		Cash Instrument(s) Held				
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description

NONE

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

NONE

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
A&H Non-Affiliates				
67105	41-0451140	ReliaStar Life Insurance Company	Minnesota	Yes

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		Invalid						
2. Alaska AK		Invalid						
3. Arizona AZ		Invalid						
4. Arkansas AR		Invalid						
5. California CA		Invalid						
6. Colorado CO		Invalid						
7. Connecticut CT		Invalid						
8. Delaware DE		Invalid						
9. District of Columbia DC		Invalid						
10. Florida FL		Invalid						
11. Georgia GA		Invalid						
12. Hawaii HI		Invalid						
13. Idaho ID		Invalid						
14. Illinois IL		Invalid						
15. Indiana IN		Invalid						
16. Iowa IA		Invalid						
17. Kansas KS		Invalid						
18. Kentucky KY		Invalid						
19. Louisiana LA		Invalid						
20. Maine ME		Invalid						
21. Maryland MD		Invalid						
22. Massachusetts MA		Invalid						
23. Michigan MI	No	Yes			19,337,433			
24. Minnesota MN		Invalid						
25. Mississippi MS		Invalid						
26. Missouri MO		Invalid						
27. Montana MT		Invalid						
28. Nebraska NE		Invalid						
29. Nevada NV		Invalid						
30. New Hampshire NH		Invalid						
31. New Jersey NJ		Invalid						
32. New Mexico NM		Invalid						
33. New York NY		Invalid						
34. North Carolina NC		Invalid						
35. North Dakota ND		Invalid						
36. Ohio OH		Invalid						
37. Oklahoma OK		Invalid						
38. Oregon OR		Invalid						
39. Pennsylvania PA		Invalid						
40. Rhode Island RI		Invalid						
41. South Carolina SC		Invalid						
42. South Dakota SD		Invalid						
43. Tennessee TN		Invalid						
44. Texas TX		Invalid						
45. Utah UT		Invalid						
46. Vermont VT		Invalid						
47. Virginia VA		Invalid						
48. Washington WA		Invalid						
49. West Virginia WV		Invalid						
50. Wisconsin WI		Invalid						
51. Wyoming WY		Invalid						
52. American Samoa AS		Invalid						
53. Guam GU		Invalid						
54. Puerto Rico PR		Invalid						
55. U.S. Virgin Islands VI		Invalid						
56. Canada CN		Invalid						
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a) 1	0	0	19,337,433	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:

11537200347000002

Overflow Page for Write-Ins

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarte

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements

NONE

E01

SCHEDULE A - PART 3

Showing all Real Estate SOLD During the Quarter, Including Payments During the Final Year on "Sales Under Contract

1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16
	2	3													
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred

NONE

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9	10	11
	2	3								
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Loan Number	City	State	Loan Type	Date Acquired	Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/ Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9	10
	2	3							
Number of Units and Description	City	State	Name of Vendor	Date Acquired	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment

NONE

E03

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Number of Units and Description	City	State	Name of Purchaser or Nature of Disposition	Date Acquired	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encumbrances at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale

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)

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

NONE

SCHEDULE D - PART 4

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

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)

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

NONE

SCHEDULE DB - PART A - SECTION 1

Showing All Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/ Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART B - SECTION 1

Showing All Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART C - SECTION 1

Showing All Collar, Swap and Forwards Open at Current Statement Date

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income	15 Potential Exposure

NONE

SCHEDULE DB - PART D - SECTION 1

Showing All Futures Contracts and Insurance Futures Contracts at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure

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
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5 First Month	6 Second Month	7 Third Month	*
Open Depositories								
National City Bank	Family Care Operating Account						651,225	XXX
The Chase Manhattan Bank	Family Care Outstanding Checks						(809,853)	XXX
0199999. Total Open Depositories		XXX	0	0	0	0	(158,628)	XXX
0399999. Total Cash on Deposit		XXX	0	0	0	0	(158,628)	XXX
0599999. Total Cash		XXX	0	0	0	0	(158,628)	XXX