



# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2015  
OF THE CONDITION AND AFFAIRS OF THE

## Health Alliance Plan of Michigan

NAIC Group Code 1311 , 1311 NAIC Company Code 95844 Employer's ID Number 38-2242827  
(Current Period) (Prior Period)

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

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
 Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [ X ]  
 Other [ ] Is HMO Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized 06/27/1978 Commenced Business 02/08/1979

Statutory Home Office 2850 West Grand Boulevard , Detroit, MI, US 48202  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2850 West Grand Boulevard Detroit, MI, US 48202 313-872-8100  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 2850 West Grand Boulevard Detroit, MI, US 48202  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2850 West Grand Boulevard Detroit, MI, US 48202 248-443-1093  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.hap.org

Statutory Statement Contact Dianna L Ronan CPA 248-443-1093  
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### OFFICERS

Name	Title	Name	Title
<u>James M Connelly</u>	<u>President and CEO</u>	<u>Todd E Hutchison #</u>	<u>Treasurer</u>
<u>Edith L Eisenmann</u>	<u>Secretary</u>	<u>Dan E Champney</u>	<u>Assistant Secretary</u>

### OTHER OFFICERS

\_\_\_\_\_

### DIRECTORS OR TRUSTEES

<u>Marvin W Beatty</u>	<u>Shari L Burgess</u>	<u>Sandra A Cavette MPH RDH</u>	<u>James M Connelly</u>
<u>Colleen M Ezzeddine Ph D</u>	<u>Joyce V Hayes-Giles</u>	<u>Harvey Hollins III</u>	<u>Jamie C Hsu Ph D</u>
<u>Wright L Lassiter III #</u>	<u>Raymond C Lope' #</u>	<u>Jackie Martin</u>	<u>Judith S Milosic</u>
<u>Susanne M Mitchell</u>	<u>Marguerite S Rigby</u>	<u>Kim E Schatzel Ph D</u>	<u>Michelle B Schreiber MD</u>
<u>James G Vella</u>	<u>Susie M Wells</u>		

State of Michigan

ss

County of Wayne

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

James M Connelly  
President and CEO

Todd E Hutchison  
Treasurer

Edith L Eisenmann  
Secretary

a. Is this an original filing? Yes [ X ] No [ ]

b. If no:

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_  
Roderick Irwin Curry, Notary  
August 14 2020

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

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 .....	60,214,614		60,214,614	59,073,614
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	198,884,893	26,258,736	172,626,157	155,260,653
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	9,269,921	8,307,954	961,967	660,328
4.2 Properties held for the production of income (less \$ ..... encumbrances).....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances).....			0	0
5. Cash (\$ .....11,857,697 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....116,180,495 ).....	128,038,192		128,038,192	171,193,918
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	10,760,799		10,760,799	10,715,151
9. Receivables for securities .....	144,040		144,040	1,049,196
10. Securities lending reinvested collateral assets.....			0	0
11. Aggregate write-ins for invested assets .....	1,464,498	0	1,464,498	1,426,550
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	408,776,957	34,566,690	374,210,268	399,379,409
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	393,697		393,697	419,988
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	24,680,049		24,680,049	35,847,389
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,715,162		2,715,162	4,455,369
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	10,420,000		10,420,000	5,920,000
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software.....	81,711,579	77,553,009	4,158,569	4,779,785
21. Furniture and equipment, including health care delivery assets (\$ ..... ).....	5,872,570	5,872,570	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	5,977,550		5,977,550	6,673,824
24. Health care (\$ .....20,730,619 ) and other amounts receivable.....	20,730,619	2,676,769	18,053,850	11,457,753
25. Aggregate write-ins for other-than-invested assets .....	5,214,173	3,671,924	1,542,250	145,887
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	566,492,357	124,340,962	442,151,395	469,079,403
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	566,492,357	124,340,962	442,151,395	469,079,403
<b>DETAILS OF WRITE-INS</b>				
1101. Deferred Compensation.....	1,426,823		1,426,823	1,416,342
1102. Rabbi Trust.....	37,675		37,675	10,207
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	1,464,498	0	1,464,498	1,426,550
2501. Prepaid Expense.....	3,671,924	3,671,924	0	0
2502. ACA Risk Adjustment Receivable.....	1,456,273		1,456,273	57,843
2503. Other Assets.....	57,843		57,843	57,843
2598. Summary of remaining write-ins for Line 25 from overflow page .....	28,133	0	28,133	30,200
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,214,173	3,671,924	1,542,250	145,887

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....103,444 reinsurance ceded).....	99,364,841		99,364,841	124,481,501
2. Accrued medical incentive pool and bonus amounts .....			0	0
3. Unpaid claims adjustment expenses .....	1,393,758		1,393,758	1,567,312
4. Aggregate health policy reserves including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act.....	1,354,644		1,354,644	275,000
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserve .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....	14,749,574		14,749,574	14,539,605
9. General expenses due or accrued .....	39,683,280		39,683,280	48,572,557
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittances and items not allocated .....			0	0
14. Borrowed money (including \$ .....5,000,000 current) and interest thereon \$ ..... (including \$ ..... current) .....	30,416,675		30,416,675	34,166,672
15. Amounts due to parent, subsidiaries and affiliates .....	2,513,036		2,513,036	3,620,720
16. Derivatives .....		0	0	0
17. Payable for securities .....	652,958		652,958	176,686
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	31,450,629	0	31,450,629	33,359,563
24. Total liabilities (Lines 1 to 23).....	221,579,394	0	221,579,394	260,759,616
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	13,014,696	17,352,928
26. Common capital stock .....	XXX	XXX		0
27. Preferred capital stock .....	XXX	XXX		0
28. Gross paid in and contributed surplus .....	XXX	XXX		0
29. Surplus notes .....	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	207,557,305	190,909,016
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	220,572,001	208,261,944
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	442,151,395	469,021,560
<b>DETAILS OF WRITE-INS</b>				
2301. Pension Liability - Long Term.....	27,327,366		27,327,366	29,241,397
2302. Retiree Health Benefits.....	1,974,303		1,974,303	1,840,072
2303. Deferred Compensation.....	1,426,823		1,426,823	1,416,342
2398. Summary of remaining write-ins for Line 23 from overflow page .....	722,136	0	722,136	861,752
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	31,450,629	0	31,450,629	33,359,563
2501. Surplus Appropriated for ACA Section 9010 Fee Due in 2016.....	XXX	XXX	13,014,696	17,352,928
2502. ....	XXX	XXX		0
2503. ....	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX	13,014,696	17,352,928
3001. ....	XXX	XXX		0
3002. ....	XXX	XXX		0
3003. ....	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX	0	0

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	2,354,397	2,711,556	3,529,098
2. Net premium income (including \$ non-health premium income).....	XXX	1,213,137,870	1,342,980,768	1,750,916,368
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0	0
4. Fee-for-service (net of \$ medical expenses) .....	XXX		0	0
5. Risk revenue .....	XXX		0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	(251,783)	0	(1,426,870)
8. Total revenues (Lines 2 to 7) .....	XXX	1,212,886,087	1,342,980,768	1,749,489,497
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		765,932,468	843,599,765	1,098,717,051
10. Other professional services .....			0	0
11. Outside referrals .....		41,689,937	45,952,367	60,241,907
12. Emergency room and out-of-area .....		103,295,621	113,856,692	149,262,044
13. Prescription drugs .....		158,922,763	175,171,221	237,286,607
14. Aggregate write-ins for other hospital and medical .....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....			642,574	411,000
16. Subtotal (Lines 9 to 15) .....	0	1,069,840,789	1,179,222,619	1,545,918,609
<b>Less:</b>				
17. Net reinsurance recoveries .....		3,613,192	0	4,694,683
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,066,227,597	1,179,222,619	1,541,223,926
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 13,327,502 cost containment expenses.....		18,214,609	15,969,930	22,907,336
21. General administrative expenses.....		138,795,716	153,750,392	194,494,378
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	1,223,237,922	1,348,942,941	1,758,625,640
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(10,351,835)	(5,962,172)	(9,136,142)
25. Net investment income earned .....		7,112,922	989,778	1,421,133
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(38,372)	2,253,376	2,459,624
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	7,074,551	3,243,154	3,880,757
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )] .....			0	0
29. Aggregate write-ins for other income or expenses .....	0	306,100	92,520	257,947
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(2,971,185)	(2,626,498)	(4,997,438)
31. Federal and foreign income taxes incurred .....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(2,971,185)	(2,626,498)	(4,997,438)
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX		0	0
0602. ....	XXX		0	0
0603. ....	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0	0
0701. Gain/(Loss) on Sale of Assets.....	XXX	(251,783)	0	(1,426,870)
0702. ....	XXX		0	0
0703. ....	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	(251,783)	0	(1,426,870)
1401. ....			0	0
1402. ....			0	0
1403. ....			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	0	0
2901. Delta Dental Commission Revenues.....		306,100	92,520	257,947
2902. ....			0	0
2903. ....			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	306,100	92,520	257,947

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	208,261,944	210,223,909	210,223,909
34. Net income or (loss) from Line 32 .....	(2,971,185)	(2,626,498)	(4,997,438)
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	11,599,864	10,303,507	9,955,832
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....		0	0
39. Change in nonadmitted assets .....	3,681,378	2,941,350	5,993,933
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....		0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....		0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....		0	0
45. Surplus adjustments:			
45.1 Paid in .....		0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	(12,914,293)
48. Net change in capital and surplus (Lines 34 to 47) .....	12,310,057	10,618,359	(1,961,966)
49. Capital and surplus end of reporting period (Line 33 plus 48)	220,572,001	220,842,269	208,261,944
<b>DETAILS OF WRITE-INS</b>			
4701. Additional Pension Liability.....		0	(12,558,889)
4702. Additional Retiree Health Benefits.....		0	(342,316)
4703. Additional SERP Liability.....		0	(13,088)
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	(12,914,293)

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	1,223,058,905	1,351,328,874	1,769,426,219
2. Net investment income .....	8,492,176	2,382,955	3,251,377
3. Miscellaneous income .....	308,167	(479)	258,982
4. Total (Lines 1 to 3) .....	1,231,859,248	1,353,711,350	1,772,936,578
5. Benefit and loss related payments .....	1,096,031,851	1,191,961,435	1,559,929,749
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	156,804,165	157,368,272	194,547,991
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9) .....	1,252,836,016	1,349,329,706	1,754,477,741
11. Net cash from operations (Line 4 minus Line 10) .....	(20,976,768)	4,381,644	18,458,837
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	25,895,320	437,679,797	442,160,366
12.2 Stocks .....	10,794	20,123,031	42,291,411
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	18,981,686	18,999,022
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	1,381,428	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	27,287,541	476,784,514	503,450,799
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	27,533,079	424,893,955	431,275,450
13.2 Stocks .....	1,151,705	44,879,383	59,701,715
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	11,000,000	11,000,000
13.6 Miscellaneous applications .....	0	1,338,899	2,446,484
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	28,684,784	482,112,237	504,423,649
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(1,397,243)	(5,327,723)	(972,850)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds .....	(3,750,000)	(4,166,667)	(5,416,665)
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	(17,031,715)	(16,416,340)	(17,794,469)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(20,781,715)	(20,583,007)	(23,211,135)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(43,155,726)	(21,529,086)	(5,725,148)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	171,193,918	176,919,066	176,919,066
19.2 End of period (Line 18 plus Line 19.1) .....	128,038,192	155,389,980	171,193,918

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	271,908	4,624	205,720	.0	.0	.0	18,410	43,154	.0	.0
2. First Quarter .....	264,929	8,714	195,837	.0	.0	.0	17,020	43,358	.0	.0
3. Second Quarter .....	261,002	8,152	192,777	.0	.0	.0	16,717	43,356	.0	.0
4. Third Quarter .....	257,390	7,838	189,079				17,149	43,324		
5. Current Year	0									
6. Current Year Member Months	2,354,397	70,785	1,736,235				156,932	390,445		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	1,002,011	23,356	693,242				66,333	219,080		
8. Non-Physician .....	116,138	2,313	82,675				7,853	23,297		
9. Total	1,118,149	25,669	775,917	0	0	0	74,186	242,377	0	0
10. Hospital Patient Days Incurred	108,558	460	49,976				4,101	54,021		
11. Number of Inpatient Admissions	23,003	173	12,086				922	9,822		
12. Health Premiums Written (a).....	1,213,672,331	29,037,986	730,561,694				86,227,449	367,845,202		
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	1,213,672,331	29,037,986	730,561,694				86,227,449	367,845,202		
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	1,102,165,297	19,621,822	668,708,216				82,398,176	331,437,083		
18. Amount Incurred for Provision of Health Care Services	1,069,840,787	15,067,332	639,884,936				81,916,077	332,972,442		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 367,845,202



**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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	60,393,269	617,097,196	(1,028,856)	55,567,889	59,364,413	80,708,949
2. Medicare Supplement .....					.0	.0
3. Dental only .....					.0	.0
4. Vision only .....					.0	.0
5. Federal Employees Health Benefits Plan .....	6,876,349	75,521,827	(21,220)	4,447,184	6,855,129	4,908,063
6. Title XVIII - Medicare .....	23,949,407	307,487,676	573,679	39,826,169	24,523,086	38,864,489
7. Title XIX - Medicaid .....					.0	.0
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	91,219,025	1,000,106,699	(476,397)	99,841,242	90,742,628	124,481,501
10. Health care receivables (a) .....		7,311,297			.0	12,193,101
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals (Lines 9-10+11+12)	91,219,025	992,795,402	(476,397)	99,841,242	90,742,628	112,288,400

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan  
NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Accounting Practices - The accompanying financial statements of Health Alliance Plan of Michigan (the Corporation) have been prepared in accordance with the *NAIC Accounting Practices and Procedures Manual (NAPPM)* and the NAIC Annual Statement Instructions (NASI) to the extent that these accounting practices, procedures and reporting standards are not modified by accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining the financial condition and results of operation of an insurance company. The *NAPPM* has been adopted as a component of prescribed or permitted practices by DIFS.

A reconciliation of the Corporation's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan are shown below:

<u>NET INCOME</u>	<u>State of Domicile</u>	<u>2015</u>	<u>2014</u>
(1) HAP state basis (Page 4, Line 32, Columns 3 & 4)	Michigan	(\$2,971,000)	(\$4,997,000)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(3) State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(4) NAIC SAP (1-2-3=4)	Michigan	<u>(\$2,971,000)</u>	<u>(\$4,997,000)</u>
 <u>SURPLUS</u>			
(5) HAP state basis (Page 3, Line 33, Columns 3 & 4)	Michigan	\$220,572,000	\$208,262,000
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(7) State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(8) NAIC SAP (5-6-7=8)	Michigan	<u>\$220,572,000</u>	<u>\$208,262,000</u>

B. Use of Estimates in the Preparation of the Financial Statements – No significant change.

C. Accounting Policy – No significant changes except as follows.

(6) Loan-Backed Securities - loan backed securities are stated at amortized cost or the lower of amortized cost or fair value based on the NAIC designation of the underlying security unless prescribed otherwise by the NAIC. The retrospective method is used to value all securities. Amortized cost is determined utilizing the scientific interest method.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

Not applicable.

**3. BUSINESS COMBINATIONS AND GOODWILL**

No significant change.

**4. DISCONTINUED OPERATIONS**

Not applicable.

**5. INVESTMENTS**

A. Mortgage Loans, including Mezzanine Real Estate Loans - Not applicable.

B. Debt Restructuring - Not applicable.

C. Reverse Mortgages - Not applicable.

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan**  
**NOTES TO FINANCIAL STATEMENTS**

D. Loan-Backed Securities

(1) Prepayment assumptions for loan-backed and asset backed securities are obtained from broker dealer survey values.

(2) - (3) Securities with a recognized other-than-temporary-impairment (OTTI): HAP has not recognized any OTTI.

(4) Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

a. The aggregate amount of unrealized losses:

1. Less than 12 months \$108,000.

2. 12 months or longer \$ 71,000.

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months \$16,031,000.

2. 12 months or longer \$ 3,730,000.

(5) In considering whether an investment is other-than-temporarily impaired, management considers its ability and intent to hold the investment, the severity of the decline in fair value and the duration of the impairment, among other factors. Management has determined that it has the ability and intent to hold indefinitely its investment in loan-backed securities and that the severity and duration of any impairments are insufficient to indicate an other-than-temporary impairment.

E. Repurchase Agreements and/or Securities Lending Transactions.

The Corporation does not presently have any holdings in repurchase agreements. While the Corporation may occasionally enter into repurchase agreements, any collateral pledged, sold or repledged as of the Balance Sheet date is not applicable.

For repurchase agreements, the Corporation's policies require collateral by cash or other eligible securities equal to at least 102% of the market value of the repurchase agreement. Eligible collateral includes: cash, U.S. Treasury securities, U.S. Government agency securities and high grade commercial paper.

Pursuant to its investment policy, the Corporation does not enter into securities lending transactions.

F. Real Estate - No significant change.

G. Investments in Low-Income Housing Tax Credits - Not applicable.

H. Restricted Assets – No significant change.

I. Working Capital Finance Investments – Not applicable.

J. Offsetting and Netting of Assets and Liabilities – No significant change.

K. Structured Notes – No significant change.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

No significant change.

**7. INVESTMENT INCOME**

Not applicable.

**8. DERIVATIVE INSTRUMENTS**

Not applicable.

**9. INCOME TAXES**

Not applicable.

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

No significant change.

**11. DEBT**

No significant change.

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan  
NOTES TO FINANCIAL STATEMENTS**

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

No significant change except for footnote 12A (4).

A. Defined Benefit Plan

(4) Components of net periodic benefit cost

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>		<u>Postemployment &amp; Compensated Absence Benefits</u>	
	2015	2014	2015	2014	2015	2014
a. Service cost	\$2,567	\$4,288	\$35	\$46		
b. Interest cost	2,711	3,846	53	65		
c. Expected return on plan assets	(3,683)	(4,699)				
d. Transition asset or obligation	426	603	(11)	(14)	N/A	N/A
e. Gains and losses	1,921	1,279				
f. Prior service cost or credit	(993)	(956)	33	43		
g. Gain or loss recognized due to a settlement or curtailment		(38)	51			
h. Total net periodic benefit cost	<u>\$2,948</u>	<u>\$4,323</u>	<u>\$161</u>	<u>\$140</u>		

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

1. Capital Stock - Not applicable.
2. Preferred Stock - Not applicable.
3. Dividend Restrictions - No significant change.
4. Dividends Paid – Not applicable.
5. Portion of Company's profits that may be paid as ordinary dividends - No significant change.
6. Restrictions on unassigned funds (surplus) - Not applicable.
7. Advances to surplus not repaid - Not applicable.
8. Total amount of stock held by the Company for special purposes - Not applicable.
9. Changes in special surplus funds from the prior year are due to the annual fee under section 9010 of the Affordable Care Act that is due in 2016.
10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses - No significant change.
11. Surplus Notes - Not applicable.
12. The impact of any restatement due to a quasi-reorganization - Not applicable.
13. The effective date of any quasi-reorganization - Not applicable.

**14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS**

- A. Contingent Commitments - Not applicable.
- B. Assessments – No significant change.
- C. Gain Contingencies - Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not applicable.
- E. Joint and Several Liabilities – No significant change.

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan**  
**NOTES TO FINANCIAL STATEMENTS**

F. All Other Contingencies

**Risk Adjustment Data Validation Audits (“RADV audits”).** CMS adjusts capitation payments to Medicare Advantage and Medicare Part D plans according to the predicted health status of each beneficiary, as supported by data provided by health care providers. The Company collects claim and encounter data from providers, who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted by the Company and member demographic information.

CMS performs RADV audits of selected Medicare Advantage health plans each year to validate the coding practices of and supporting documentation maintained by health care providers. These audits involve a review of medical records maintained by providers and may result in retrospective adjustments to payments made to health plans. To date, the Company has not been selected for audit by CMS. Payment years open for audit include 2011 and forward.

In December 2010, CMS published for public comment a new proposed RADV audit and payment adjustment methodology. The proposed methodology contains provisions allowing retroactive contract level payment adjustments for the year audited using an extrapolation of the “error rate” identified in audit samples. CMS also indicated that it anticipated the final methodology would be issued in the near future. Depending on the methodology utilized, potential payment adjustments could have a material adverse effect on the Company’s results of operations, financial position and cash flows.

**15. LEASES**

No significant change.

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

Not applicable.

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

Not applicable.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY UNINSURED PLANS**

A. ASO Plans - Not applicable.

B. ASC Plans - Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract - No significant change.

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

Not applicable.

**20. FAIR VALUE MEASUREMENT**

**A.**

(1) Fair Value Measurements at Reporting Date

Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at Fair Value				
Bonds:				
U.S. Governments	\$94,081,000			\$94,081,000
Industrial and Misc.	20,124,000	2,091,000		22,215,000
Total Bonds	114,205,000	2,091,000		116,296,000
Equity Securities:				
Industrial and Misc.		58,543,000		58,543,000
Other Invested Assets		10,761,000		10,761,000
Other Equity Securities	1,464,000			1,464,000
Total Common Stocks	1,464,000	69,304,000		70,768,000
Total Assets at Fair Value	\$115,669,000	\$71,395,000		\$187,064,000

(2) The Corporation has no fair value measurements categorized within Level 3 of the fair value hierarchy.

(3) The Corporation's policy for recognition of transfers between levels within the fair value hierarchy is to recognize the transfer on the actual date of the event or change in circumstances that caused the transfer. The Corporation had no transfers between levels.

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan**  
**NOTES TO FINANCIAL STATEMENTS**

(4) The fair value measurements categorized within Level 2 of the fair value hierarchy reported by the Corporation are obtained primarily from independent pricing services and broker dealer quotes. Mortgage backed securities are submitted to the NAIC's Securities Valuation Office for modeling/valuation.

(5) Derivative assets and liabilities – Not applicable.

B. Fair value information and information about other similar measurements disclosed under other accounting pronouncements combined with disclosures under SSAP No. 100, Fair Value Measurements - Not applicable.

C. Aggregate fair values of financial instruments and applicable levels within the fair value hierarchy

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets/ Liabilities	(Level 1)	(Level 2)	(Level 3)	Not Practicable Carrying Value
Bonds	176,899,000	176,396,000	114,205,000	62,694,000		n/a
Common Stock	70,768,000	70,768,000	1,464,000	69,304,000		n/a

D. Financial instruments or classes of financial instruments for which fair value measurements are not determinable - Not applicable.

**21. OTHER ITEMS**

A. Extraordinary Items - Not applicable.

B. Troubled Debt Restructuring: Debtors - Not applicable.

C. Other Disclosures and Unusual Items

On October 30, 2015, the Company announced, along with its subsidiary, HAP Preferred Inc, (collectively Health Alliance Plan) that it had entered into a merger agreement with Health Plus of Michigan and its subsidiary, Health Plus Options Inc. (collectively HealthPlus). Under this agreement, HealthPlus (HMO) will merge into the Company and HealthPlus Options Inc. will merge into HAP Preferred Inc. The proposed effective date of the merger is January 1, 2016 pending regulatory approval.

On October 13, 2015 HAP Midwest Health Plan, Inc., (“HAP Midwest”) a subsidiary of the Company, was notified by the State of Michigan that effective January 1, 2016 they would no longer be a participating Medicaid plan for two key regions, 9 and 10, that reflect the vast majority of HAP Midwest membership. Management has appealed the decision with the State and while we believe that the proposal and protest filed by HAP Midwest will be successful, in the unlikely event that we are not successful and we choose not to pursue other relief, we have provided contingent notice to MDHHS that HAP Midwest intends to transfer (for monetary consideration) its Medicaid membership directly to one or more other health plans that were awarded a Medicaid contract to service Regions 6, 9 and/or 10.

D. Business Interruption Insurance Recoveries – Not applicable.

E. State Transferable and Non-transferable Tax Credits - Not applicable.

F. Subprime-Mortgage Related Risk Exposure – Not applicable.

G. Retained Assets – Not applicable.

**22. EVENTS SUBSEQUENT**

Not applicable.

**23. REINSURANCE**

No significant change.

**24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**

A – D. No significant change.

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? YES

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan**  
**NOTES TO FINANCIAL STATEMENTS**

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment \$1,033,000

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment \$ 25,000

3. Premium adjustments payable due to ACA Risk Adjustment \$N/A

Operations (Revenue and Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$1,033,000

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$ 20,000

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance \$2,715,000.

2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) \$ 103,000.

3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance \$N/A

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium \$6,926,000.

5. Ceded reinsurance premiums payable due to ACA Reinsurance \$ 260,000.

6. Liabilities for amounts held under uninsured plans contributions for ACA reinsurance \$N/A

Operations (Revenue and Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance \$ 260,000.

8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected \$1,789,000.

9. ACA Reinsurance contributions – not reported as ceded premium \$6,926,000.

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors \$N/A

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors \$1,080,000.

Operations (Revenue and Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received) \$1,080,000.

4. Effect of ACA Risk Corridors on change in reserves for rate credits \$N/A

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accr During the Prior Yr on Bus Written Before Dec 31 of the Prior Year		Rec'd or Paid as of the Curr Yr on Business Written Before Dec 31 of the Prior Yr		Differences		Adjustments		Ref	Unsettled Bals as of Reporting Date	
	1	2	3	4	Prior Year Acrr Less Payments (Col 1-3)	Prior Year Acrr Less Payments (Col 2-4)	To Pr Year Balances	To Pr Year Balances		Cumulative Bal from Pr Years (Col 1-3+7)	Cumulative Bal from Pr Years (Col 2-4+8)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		1	2
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustment receivable							1,033,000		A	1,033,000	
2. Premium adjustments (payable)									B		
3. Subtotal ACA Permanent Risk Adjustment program							1,033,000			1,033,000	
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	4,455,000		5,250,000		(795,000)		1,228,000		C	433,000	
2. Amounts recoverable for claims unpaid (contra liability)	239,000		239,000		0				D	0	
3. Amounts receivable relating to uninsured plans									E		
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		15,944,000		15,944,000		0			F		0
5. Ceded reinsurance premiums payable		269,000		269,000		0			G		0
6. Liability for amounts hold under uninsured plans									H		
7. Subtotal ACA Transitional Reinsurance Program	4,694,000	16,213,000	5,489,000	16,213,000	(795,000)	0	1,228,000			433,000	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium									I		
2. Reserve for rate credits or policy experience rating refunds							1,080,000		J		1,080,000
3. Subtotal ACA Risk Corridors Program							1,080,000				1,080,000
d. Total for ACA Risk Sharing Provisions	4,694,000	16,213,000	5,489,000	16,213,000	(795,000)	0	2,261,000	1,080,000		1,466,000	1,080,000

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan**  
**NOTES TO FINANCIAL STATEMENTS**

Explanations of Adjustments

- A. Adjustments are for claims with 2014 service dates.
- B. None
- C. Adjustment is based on the final announced payouts by CMS.
- D. None
- E. None
- F. None
- G. None
- H. None
- I. None
- J. Adjustments are for claims with 2014 service dates.

**25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES**

Claims and claims adjustment expense reserves as of December 31, 2014 were \$126,049,000. As of September 30, 2015 \$92,795,000 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Claims and claims adjustment expense reserves remaining for prior years are now (\$485,000). Changes in actuarial estimates of reserves attributable to insured events of prior years' reflect revisions in estimates of medical cost trends and changes in claims processing patterns.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

Not applicable.

**27. STRUCTURED SETTLEMENTS**

Not applicable.

**28. HEALTH CARE RECEIVABLES**

A. Pharmaceutical Rebate Receivables - No significant change.

B. Risk Sharing Receivables - Not applicable

**29. PARTICIPATING POLICIES**

Not applicable.

**30. PREMIUM DEFICIENCY RESERVES**

Not applicable.

**31. ANTICIPATED SALVAGE AND SUBROGATION**

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 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]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [X] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. 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 [ ] NA [X]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2012
- 6.2 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. ....12/31/2012
- 6.3 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). ....02/10/2014
- 6.4 By what department or departments?  
The Michigan Department of Insurance and Financial Services.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [X] No [ ] NA [ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]
- 7.1 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? ..... Yes [ ] No [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide 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 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 FDIC	6 SEC

**GENERAL INTERROGATORIES**

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes  No

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:  
 .....

9.2 Has the code of ethics for senior managers been amended? ..... Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes  No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:..... \$ .....0

**INVESTMENT**

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

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: ..... \$ .....0

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....128,163,750	\$ .....140,341,613
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....128,163,750	\$ .....140,341,613
14.28 Total Investment in Parent 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

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.

**GENERAL INTERROGATORIES**

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....0
  - 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....0
  - 16.3 Total payable for securities lending reported on the liability page \$ .....0

17. Excluding items in Schedule E – Part 3 – Special Deposits, 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 Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? ..... Yes [X] No [ ]

17.1 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
The Northern Trust Company.....	Chicago, Illinois.....
Comerica Bank NA.....	Detroit, Michigan.....

17.2 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)
Not applicable.....		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

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

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

17.5 Identify all investment advisors, broker/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
Not Applicable.....	Christopher Graunstadt.....	Detroit Michigan.....
152606.....	Doubleline Capital LP.....	Los Angeles California.....
104863.....	Income Research and Management.....	Boston Massachusetts.....
107038.....	J.P. Morgan Investment Management Inc.....	New York New York.....
104559.....	Pacific Investment Management Company LLC.....	Newport Beach California.....
108860.....	Post Advisory Group LLC.....	Santa Monica California.....
159020.....	Sky Harbor Capital Management LLC.....	Greenwich Connecticut.....
106614.....	Blackrock Advisors LLC.....	Wilmington Delaware.....
105642.....	The Dreyfus Corporation.....	New York New York.....
107738.....	Goldman Sachs Asset Management LP.....	New York New York.....
108281.....	Fidelity management and Research Company.....	Boston Massachusetts.....
110841.....	Wells Fargo Funds Management LLC.....	San Francisco California.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [X] No [ ]

18.2 If no, list exceptions:  
.....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

- |     |  |                |  |
|-----|--|----------------|--|
| 1.  | Operating Percentages:   |                |  |
|     | 1.1 A&H loss percent.....  | 89.0 %         |  |
|     | 1.2 A&H cost containment percent .....   | 1.1 %          |  |
|     | 1.3 A&H expense percent excluding cost containment expenses.....                           | 11.8 %         |  |
| 2.1 | Do you act as a custodian for health savings accounts?.....                                | Yes [ ] No [X] |  |
| 2.2 | If yes, please provide the amount of custodial funds held as of the reporting date.....    | \$             |  |
| 2.3 | Do you act as an administrator for health savings accounts?.....                           | Yes [ ] No [X] |  |
| 2.4 | If yes, please provide the balance of the funds administered as of the reporting date..... | \$             |  |

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
NONE								

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

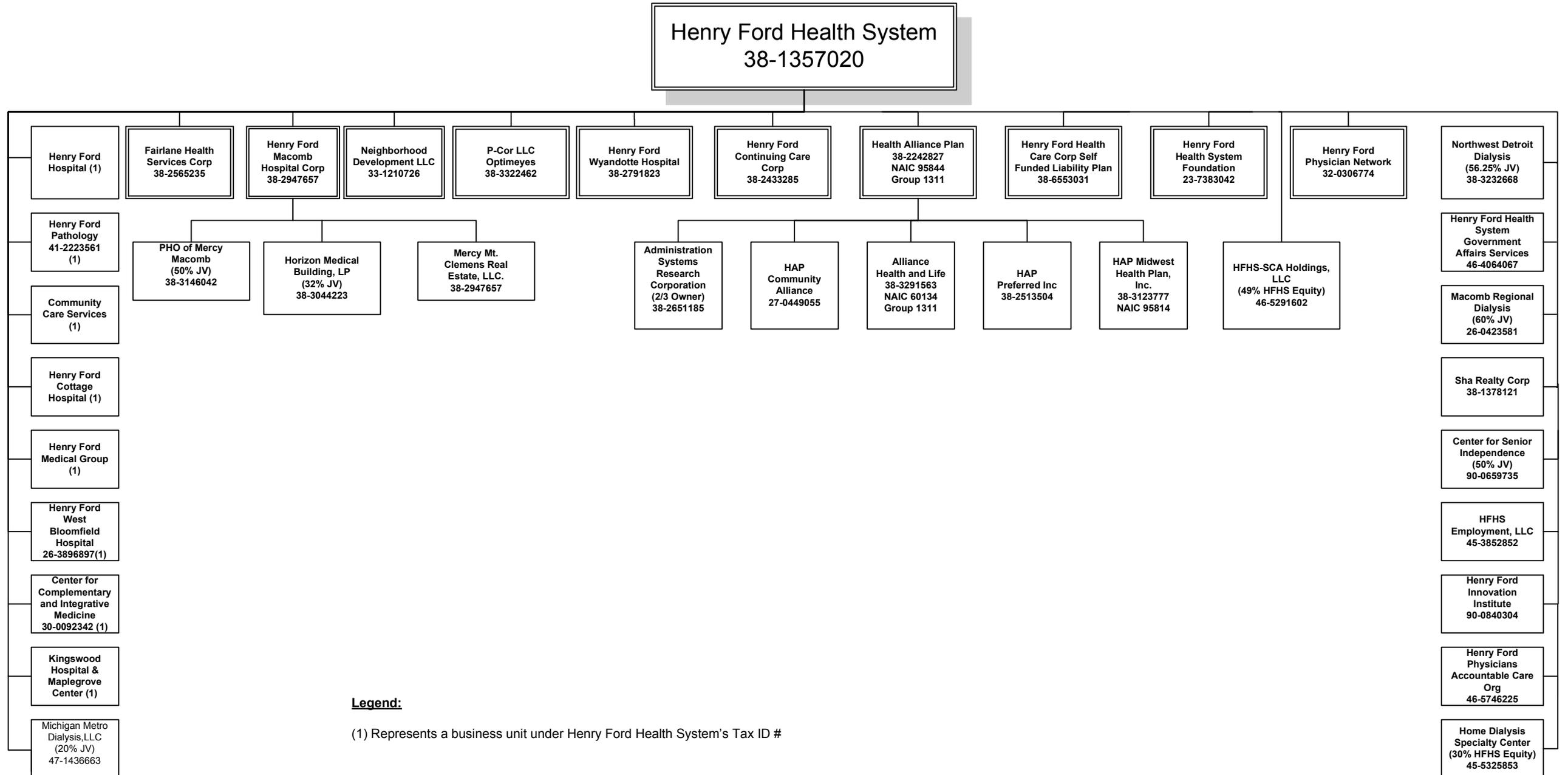
Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. Dist. Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	N							0	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	L	759,599,680	367,845,202		86,227,449			1,213,672,331	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	N							0	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	N							0	
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	N							0	
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	N							0	
48. Washington	WA	N							0	
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CAN	N							0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX		759,599,680	367,845,202	0	86,227,449	0	0	1,213,672,331	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	(a) 1		759,599,680	367,845,202	0	86,227,449	0	0	1,213,672,331	0
<b>DETAILS OF WRITE-INS</b>										
58001	XXX									
58002	XXX									
58003	XXX									
58998 Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	0
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and other Alien.

QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan  
 SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
 PART 1 – ORGANIZATIONAL CHART



**Legend:**

(1) Represents a business unit under Henry Ford Health System's Tax ID #

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
01311	Henry Ford Health Systems Group	95844	38-2242827				Health Alliance Plan of Michigan	MI	RE	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-2513504				HAP Preferred Inc		DS	Health Alliance Plan of Michigan	Ownership	100.0	Henry Ford Health System	0
01311	Henry Ford Health Systems Group	60134	38-3291563				Alliance Health and Life Insurance Company	MI	DS	Health Alliance Plan of Michigan	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-2651185				Administration System Research Corporation		DS	Health Alliance Plan of Michigan	Ownership	66.7	Henry Ford Health System	0
	Henry Ford Health Systems Group		27-0449055				HAP Community Alliance		DS	Health Alliance Plan of Michigan	Ownership	100.0	Henry Ford Health System	0
01311	Henry Ford Health Systems Group	95814	38-3123777				HAP Midwest Health Plan, Inc.	MI	DS	Health Alliance Plan of Michigan	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-1357020				Henry Ford Health System		UDP			0.0		0
	Henry Ford Health Systems Group		38-2791823				Henry Ford Wyandotte		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-2947657				Henry Ford Macomb Hospital		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-3146042				PHO of Mercy Macomb		NIA	Henry Ford Health System	Ownership	50.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-2947657				Mercy Mt. Clemens Real Estate, LLC		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-2565235				Fairlane Health Services Corp		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		33-1210726				Neighborhood Development LLC		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		45-3852852				Henry Ford Health System Employment, LLC		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		90-0840304				Henry Ford Innovation Institute		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-2433285				Henry Ford Continuing Care Corp		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-6553031				Henry Ford Health Care Corp Self Funded Liability Plan		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		23-7383042				Henry Ford Health System Foundation		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		32-0306774				Henry Ford Physician Network		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-3232668				Northwest Detroit Dialysis Centers		NIA	Henry Ford Health System	Ownership	56.3	Henry Ford Health System	0
	Henry Ford Health Systems Group		45-5325853				Home Dialysis Specialty Center		NIA	Henry Ford Health System	Ownership	30.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		26-0423581				Macomb Regional Dialysis Centers LLC		NIA	Henry Ford Health System	Ownership	60.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		38-1378121				Sha Realty Corp		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	0
	Henry Ford Health Systems Group		90-0659735				Center for Senior Independence		NIA	Henry Ford Health System	Ownership	50.0	Henry Ford Health System	0

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
	Henry Ford Health Systems Group		26-3896897				Henry Ford West Bloomfield		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		38-3322462				P Cor, LLC (d/b/a Optimeyes)		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		41-2223561				Henry Ford Pathology		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		46-5746225				Henry Ford Physicians Accountable Care Org LLC		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		30-0092342				Center for Complementary and Integrative Medicine		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		46-4064067				Henry Ford Health Sys Government Affairs Services		NIA	Henry Ford Health System	Ownership	100.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		38-3044223				Horizon Medical Building, LP		NIA	Henry Ford Health System	Ownership	32.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		46-5291602				HFHS-SCA Holdings, LLC		NIA	Henry Ford Health System	Ownership	49.0	Henry Ford Health System	.0
	Henry Ford Health Systems Group		47-1436663				Michigan Metro Dialysis, LLC		NIA	Henry Ford Health System	Ownership	20.0	Henry Ford Health System	.0
												.0		.0
												.0		.0
												.0		.0

16.1

Asterisk	Explanation

## 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 Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....SEE EXPLANATION.....

**Explanation:**

1. Health Alliance Plan offers Medicare Part D through a Medicare Advantage plan

**Bar Code:**

**OVERFLOW PAGE FOR WRITE-INS**

MQ002 Additional Aggregate Lines for Page 02 Line 25.

\*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2504. Other Receivables.....	28,133		28,133	30,200
2505. ....			0	0
2506. ....			0	0
2597. Summary of remaining write-ins for Line 25 from Page 02	28,133	0	28,133	30,200

MQ003 Additional Aggregate Lines for Page 03 Line 23.

\*LIAB

	1	2	3	4
	Covered	Uncovered	Total	Total
2304. Liability for CMS Coverage Gap Discount Program.....	722,136		722,136	861,752
2305. ....			0	0
2397. Summary of remaining write-ins for Line 23 from Page 03	722,136	0	722,136	861,752

## SCHEDULE A – VERIFICATION

### Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	9,310,106	7,126,719
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	948,501	3,411,072
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....	62,401	0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....	926,285	1,227,685
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8) .....	9,269,921	9,310,106
10. Deduct total nonadmitted amounts .....	8,307,954	8,649,778
11. Statement value at end of current period (Line 9 minus Line 10) .....	961,967	660,328

## SCHEDULE B – VERIFICATION

### Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....		0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

**NONE**

## SCHEDULE BA – VERIFICATION

### Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	10,715,151	19,607,498
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		11,000,000
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....	45,648	(893,325)
6. Total gain (loss) on disposals .....		981,433
7. Deduct amounts received on disposals .....		19,980,455
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	10,760,799	10,715,151
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	10,760,799	10,715,151

## SCHEDULE D – VERIFICATION

### Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	245,122,635	235,502,209
2. Cost of bonds and stocks acquired .....	28,684,784	490,977,164
3. Accrual of discount .....	57,416	73,789
4. Unrealized valuation increase (decrease) .....	11,686,490	11,057,111
5. Total gain (loss) on disposals .....	(65,409)	1,149,504
6. Deduct consideration for bonds and stocks disposed of .....	25,906,113	493,057,891
7. Deduct amortization of premium .....	480,296	579,253
8. Total foreign exchange change in book/adjusted carrying value .....		1
9. Deduct current year's other-than-temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	259,099,507	245,122,635
11. Deduct total nonadmitted amounts .....	26,258,736	30,788,368
12. Statement value at end of current period (Line 10 minus Line 11) .....	232,840,771	214,334,267

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	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
<b>BONDS</b>								
1. NAIC 1 (a).....	137,767,579	354,773,466	326,010,010	56,306	184,450,625	137,767,579	166,587,341	205,678,020
2. NAIC 2 (a).....	9,477,678	934,089	189,129	(466,690)	9,792,596	9,477,678	9,755,948	8,770,854
3. NAIC 3 (a).....	30,966		12,111	24,401	29,939	30,966	43,256	16,172
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	147,276,223	355,707,556	326,211,250	(385,983)	194,273,160	147,276,223	176,386,545	214,465,046
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	147,276,223	355,707,556	326,211,250	(385,983)	194,273,160	147,276,223	176,386,545	214,465,046

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ; NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

S102

## SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	116,180,495	XXX	116,180,495	25,895	0

## SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	155,391,431	169,630,884
2. Cost of short-term investments acquired .....	922,291,062	1,371,017,201
3. Accrual of discount .....		136
4. Unrealized valuation increase (decrease).....	4,208	0
5. Total gain (loss) on disposals .....	(2)	115
6. Deduct consideration received on disposals .....	961,502,521	1,385,250,392
7. Deduct amortization of premium.....	3,683	6,512
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	116,180,495	155,391,431
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	116,180,495	155,391,431

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan**

**SCHEDULE A - PART 2**

**Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter**

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Acquired by purchase Leaseholds.....	Detroit and Southfield.....	Michigan.....	07/06/2015.....	Various.....	543,103	0	540,084	0
0199999 - Acquired by purchase					543,103	0	540,084	0
<b>0399999 Totals</b>								

**SCHEDULE A - PART 3**

**Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"**

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Changes in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain(Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A. C.V. (11-9-10)	13 Total Foreign Exchange Change in B./A. C. V.							
Property disposed Leaseholds.....	Detroit and Southfield.....	Michigan.....	09/01/2015.....	Not Applicable.....	1,250,692	0	72,744	10,344	0	0	(10,344)	0	62,401	0	0	62,401	62,401	0	0
0199999 - Property disposed					1,250,692	0	72,744	10,344	0	0	(10,344)	0	62,401	0	0	62,401	62,401	0	0
<b>0399999 Totals</b>																			

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
912828-C7-3	US TREASURY N/B		07/29/2015	Dain Rauscher		396,760	395,000	1,039	1
912828-WD-8	US TREASURY N/B		09/29/2015	VARIOUS		2,488,412	2,477,000	9,619	1
912833-LR-9	STRIPS		07/02/2015	SALOMON BROTHERS INC		40,253	50,000		1
000000-00-0									
000000-00-0									
000000-00-0									
000000-00-0									
<b>0599999 - Bonds - U.S. Governments</b>						2,925,425	2,922,000	10,658	XXX
<b>Bonds - U.S. States, Territories and Possessions</b>									
000000-00-0									
000000-00-0									
000000-00-0									
000000-00-0									
<b>Bonds - U.S. Special Revenue</b>									
3138E0-GD-8	RMBS - FN AL7395		09/17/2015	BREAN CAPITAL, LLC		225,500	200,000	742	1
31393D-6J-5	CMO/RMBS - FNR 2003-76 EZ		09/01/2015	Direct		1,365	1,365		1
650035-YP-7	NY ST URBAN-B-TXBL		08/03/2015	FIRST TENNESSEE BANK BOND DIVI		190,416	190,000	1,005	1FE
000000-00-0									
000000-00-0									
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						417,281	391,365	1,747	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
00287Y-AP-4	ABBVIE INC		08/06/2015	Goldman Sachs		19,684	20,000	155	2FE
023135-AN-6	AMAZON.COM INC		09/24/2015	Morgan Stanley		16,437	16,000	193	1FE
02529B-AA-1	ABS - ACAR 2015-3 A		09/30/2015	FIRST UNION CAPITAL		67,995	68,000		1FE
026874-CY-1	AMERICAN INTL GROUP		07/27/2015	Keybank		6,222	6,000	113	2FE
06051G-FS-3	BANK OF AMERICA CORP		07/27/2015	Montgomery		57,895	58,000		1FE
09062X-AE-3	BIOGEN INC		09/10/2015	Montgomery		11,990	12,000		2FE
10112R-AS-3	BOSTON PROPERTIES LP		08/11/2015	Speer, Leeds & Kellogg		10,634	10,000	102	2FE
126650-CH-1	CVS HEALTH CORP		07/13/2015	Barclays Bank		446,687	447,000		2FE
126650-CK-4	CVS HEALTH CORP		07/13/2015	Barclays Bank		12,994	13,000		2FE
13974H-AC-1	ABS - AFIN 2015-3 A2		08/12/2015	SALOMON BROTHERS INC		51,991	52,000		1FE
14366X-AA-4	ABS - CNART 2015-1A A		09/11/2015	DEUTSCHE BANK ALEX BROWN		100,000	100,000		1FE
151020-AR-5	CELGENE CORP		08/03/2015	DEUTSCHE BANK ALEX BROWN		7,978	8,000		2FE
161175-AL-8	CCO SAFARI II LLC		07/09/2015	Goldman Sachs		28,000	28,000		2FE
172967-JW-2	CITIGROUP INC		07/23/2015	SALOMON BROTHERS INC		10,997	11,000		1FE
20047R-AE-3	CMBS - COMM 2007-C9 A4		08/12/2015	Wachovia Bank		74,613	70,000	186	1FM
20173Q-AE-1	CMBS - GCCFC 2007-G69 A4		08/21/2015	Morgan Stanley		195,706	187,321	708	1FM
22544Q-AE-9	CMBS - CSMC 2007-C3 A4		08/25/2015	Nomura International Trust Co		184,689	176,078	749	1FE
235851-AP-7	DANAHER CORP		09/10/2015	SALOMON BROTHERS INC		5,985	6,000		1FE
262074-AD-9	ABS - DRIVE 2015-AA A3		09/23/2015	JP Morgan Chase		100,078	100,000	52	1FE
26207W-AE-5	ABS - DRIVE 2015-DA B		09/23/2015	Dain Rauscher		99,998	100,000		1FE
29336U-AE-7	ENL INK MIDSTREAM PARTNER		08/12/2015	VARIOUS		7,487	8,000	88	2FE
36164F-AA-0	RMBS - GCAT 2015-2 A1		07/22/2015	First Boston Corp		99,898	100,000		
37045X-AY-2	GENERAL MOTORS FINL CO		07/08/2015	Barclays Bank		13,996	14,000		2FE
375558-BC-6	GILEAD SCIENCES INC		09/09/2015	Montgomery		7,989	8,000		1FE
38141G-VP-6	GOLDMAN SACHS GROUP INC		09/08/2015	Goldman Sachs		6,986	7,000		1FE
40428H-PQ-9	HSBC USA INC	R	07/07/2015	JP Morgan Chase		150,095	150,000	885	1FE
42824C-AC-3	HP ENTERPRISE CO		09/30/2015	SALOMON BROTHERS INC		151,805	152,000		2FE
437076-BE-1	HOME DEPOT INC		09/10/2015	JEFFERIES & CO. - BONDS DIRECT		25,124	25,000	125	1FE
46629G-AE-8	CMBS - JPMCC 2006-CB16 A4		09/09/2015	VARIOUS		70,834	69,199	88	1FM
49326E-EF-6	KEYCORP		09/08/2015	Keybank		5,999	6,000		2FE
548661-DH-7	LOWE'S COS INC		09/09/2015	Montgomery		11,931	12,000		1FE
55608P-AP-9	MACQUARIE BANK LTD	R	07/23/2015	Barclays Bank		14,979	15,000		1FE
57063A-AA-9	ABS - MPLT 2015-0D3 A		09/10/2015	JEFFERIES & CO. - BONDS DIRECT		99,686	100,000		
57063Q-AA-4	ABS - MPLT 2015-0D2 A		08/06/2015	JEFFERIES & CO. - BONDS DIRECT		99,815	100,000		
580645-AJ-8	MCGRAW HILL FINANCIAL IN		08/13/2015	Goldman Sachs		146,828	147,000		2FE
585055-BR-6	MEDTRONIC INC	R	09/02/2015	Unknown		14,971	15,000	219	1FE
59023B-AE-4	CMBS - MLMT 2006-C1 A4		09/09/2015	KGS-Alpha		101,109	100,000	212	1FM

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STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
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(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....









STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
928676-AD-5	ABS - VALET 2012-1 A4		09/21/2015	Direct		19,706	19,706	19,968	19,876		(137)		(137)		19,739		(32)	(32)	160	07/20/2018	1FE
92867L-AC-6	ABS - VALET 2012-2 A3		09/21/2015	Direct		13,407	13,407	13,406	13,406		0		0		13,406		0	0	41	01/20/2017	1FE
92867Q-AD-3	ABS - VWALT 2014-A A3		07/15/2015	Montgomery		171,940	172,000	171,852	171,851		59		59		171,910		29	29	787	04/20/2017	1FE
92870U-AF-4	RMBS - VOLT 2014-NPL5 A1		09/25/2015	Direct		17,919	17,919	17,891	17,891		5		5		17,896		23	23	355	09/25/2058	
92871F-AA-7	RMBS - VOLT 2015-NPL9 A1		09/25/2015	Direct		7,507	7,507	7,500	7,500		11		11		7,511		(3)	(3)	40	06/26/2045	
929766-7G-2	CMBS - WBCMT 2005-C21 A4		08/17/2015	Direct		60,561	60,561	63,747	63,730		(2,836)		(2,836)		60,894		(334)	(334)	1,973	10/15/2044	1FM
929766-OV-8	CMBS - WBCMT 2004-C11 A5		09/15/2015	Direct		742	742	796	793		(24)		(24)		769		(27)	(27)	26	01/15/2041	1FM
92976B-BN-1	CMBS - WBCMT 2005-C22 A4		09/18/2015	Direct		206,497	206,497	223,593	216,798		(7,644)		(7,644)		209,154		(2,658)	(2,658)	7,695	12/15/2044	1FM
92976B-FS-6	CMBS - WBCMT 2006-C24 A1A		09/15/2015	Direct		538	538	549	549		(3)		(3)		547		(8)	(8)	6	03/15/2045	1FE
92977Q-AD-0	CMBS - WBCMT 2006-C27 A3		09/15/2015	Direct		284	284	291	291		0		0		291		(6)	(6)	2	07/15/2045	1FM
92978M-AE-6	CMBS - WBCMT 2006-C28 A4		09/17/2015	Direct		1,832	1,832	1,966	877		(44)		(44)		1,922		(90)	(90)	57	10/15/2048	1FM
94974B-FE-5	WELLS FARGO & COMPANY		07/01/2015	Maturity		100,000	100,000	100,929	100,161		(161)		(161)		100,000				1,500	07/01/2015	1FE
94981R-AA-4	CMO/RMBS - WFMBS 2005-AR3 A1		09/25/2015	Direct		3,590	3,590	3,644	3,641		2		2		3,642		(52)	(52)	63	03/25/2035	2FM
94987L-AA-1	CMO/RMBS - WFMILT 2012-RR1 A1		09/28/2015	Direct		4,874	4,874	4,900	4,898		(12)		(12)		4,887		(13)	(13)	93	08/27/2037	1FM
96041U-AB-8	ABS - WLAKE 2013-1A A2		09/15/2015	Direct		13,149	13,149	13,160	13,160		(9)		(9)		13,152		(3)	(3)	73	01/15/2018	1FE
96041Y-AB-0	ABS - WLAKE 2014-2A A2		09/15/2015	Direct		13,111	13,111	13,111	13,111		0		0		13,111		0	0	84	10/16/2017	1FE
961214-BN-2	WESTPAC BANKING CORP		08/04/2015	Maturity		55,000	55,000	57,786	55,568		(568)		(568)		55,000				1,650	08/04/2015	1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						2,563,731	2,559,230	2,619,415	2,132,456	0	(27,761)	0	(27,761)	0	2,574,388	0	(10,658)	(10,658)	54,936	XXX	XXX
<b>8399997 - Subtotals - Bonds - Part 4</b>						7,187,595	7,159,534	7,293,671	5,707,629	0	(42,107)	0	(42,107)	0	7,206,532	0	(18,937)	(18,937)	104,770	XXX	XXX
<b>8399999 - Subtotals - Bonds</b>						7,187,595	7,159,534	7,293,671	5,707,629	0	(42,107)	0	(42,107)	0	7,206,532	0	(18,937)	(18,937)	104,770	XXX	XXX
<b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>																					
111994-90-1	JP MORGAN CORE BOND FUND		07/16/2015	Dir		343,860															
<b>9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>						3,617	XXX	3,471	3,648	(177)	0	0	(177)	0	3,471	0	146	146	56	XXX	XXX
<b>9799997 - Subtotals - Common Stocks - Part 4</b>						3,617	XXX	3,471	3,648	(177)	0	0	(177)	0	3,471	0	146	146	56	XXX	XXX
<b>9799999 - Subtotals - Common Stocks</b>						3,617	XXX	3,471	3,648	(177)	0	0	(177)	0	3,471	0	146	146	56	XXX	XXX
<b>9899999 - Subtotals - Preferred and Common Stocks</b>						3,617	XXX	3,471	3,648	(177)	0	0	(177)	0	3,471	0	146	146	56	XXX	XXX
<b>9999999 Totals</b>						7,191,213	XXX	7,297,142	5,711,277	(177)	(42,107)	0	(42,285)	0	7,210,003	0	(18,791)	(18,791)	104,826	XXX	XXX

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

E05.4

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



STATEMENT AS OF SEPTEMBER 30, 2015 OF THE Health Alliance Plan of Michigan

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0