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QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2008

OF THE CONDITION AND AFFAIRS OF THE

Fidelis SecureCare of Michigan Inc.

NAIC Group Code 3744 (Current Period), 3744 (Prior Period) NAIC Company Code 10769 Employer's ID Number 30-0312489

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 12/09/2004 Commenced Business 07/15/2005

Statutory Home Office 38777 West Six Mile Road, Suite 207 (Street and Number), Livonia, MI 48152 (City, State and Zip Code)

Main Administrative Office 1700 East Golf Road, Suite 1115 (Street and Number) Schaumburg, IL 60173 (City or Town, State and Zip Code) 847-605-0501 (Area Code) (Telephone Number)

Mail Address 1700 East Golf Road, Suite 1115 (Street and Number or P.O. Box), Schaumburg, IL 60173 (City or Town, State and Zip Code)

Primary Location of Books and Records 1700 East Golf Road, Suite 1115 (Street and Number) Schaumburg, IL 60173 (City, State and Zip Code) 847-592-9160 (Area Code) (Telephone Number)

Internet Website Address www.fidelissc.com

Statutory Statement Contact Dawn Gilbert (Name) 847-592-9160 (Area Code) (Telephone Number) (Extension)

dawn.gilbert@fidelissc.com (E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
Catherine Kiley	President	Willcoxon Samuel	Secretary
Goltz David	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of Illinois
County of Cook ss

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.

Catherine Kiley	Samuel Willcoxon	David Goltz
President	Secretary	Treasurer

Subscribed and sworn to before me this
day of ,

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	1,051,546		1,051,546	1,045,340
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
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)			0	0
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 ($ 7,132,270), cash equivalents ($ 0) and short-term investments ($ 69,189)	7,201,459		7,201,459	5,549,101
6. Contract loans, (including $ ..... premium notes)			0	0
7. Other invested assets	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	8,253,005	0	8,253,005	6,594,441
11. Title plants less $ ..... charged off (for Title insurers only)			0	0
12. Investment income due and accrued	18,227		18,227	27,154
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	55,424		55,424	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets ($ .....)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	110,053		110,053	0
22. Health care ($ .....) and other amounts receivable	117,484	117,484	0	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 to 23)	8,554,193	117,484	8,436,709	6,621,595
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	8,554,193	117,484	8,436,709	6,621,595
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 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 $ ..... reinsurance ceded)	4,596,380		4,596,380	4,078,543
2. Accrued medical incentive pool and bonus amounts	114,660		114,660	103,396
3. Unpaid claims adjustment expenses	62,621		62,621	47,121
4. Aggregate health policy reserves			0	0
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			0	0
9. General expenses due or accrued			0	0
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 $ ..... current) and interest thereon $ ..... (including $ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	560,968		560,968	148,676
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with ($ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	515,128		515,128	515,128
21. Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	10,532
22. Total liabilities (Lines 1 to 21)	5,849,757	0	5,849,757	4,903,396
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1	1
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	2,624,999	1,599,999
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(38,048)	118,200
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24) $ .....)	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25) $ .....)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	2,586,952	1,718,200
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	8,436,709	6,621,596
DETAILS OF WRITE-INS				
2101. Due to CMS - overpayment (2007) LICS (2006)			0	10,532
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	10,532
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

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	10,157	7,108	9,777
2. Net premium income (including $ ..... non-health premium income)	XXX	19,136,450	13,720,860	19,289,952
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	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	19,136,450	13,720,860	19,289,952
Hospital and Medical:				
9. Hospital/medical benefits		10,413,647	7,064,955	8,536,363
10. Other professional services		3,236,510	1,698,737	4,428,254
11. Outside referrals			0	0
12. Emergency room and out-of-area		108,353	72,362	110,959
13. Prescription drugs		3,865,476	3,103,526	3,585,706
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		202,698	224,884	410,676
16. Subtotal (Lines 9 to 15)	0	17,826,684	12,164,464	17,071,958
Less:				
17. Net reinsurance recoveries			0	0
18. Total hospital and medical (Lines 16 minus 17)	0	17,826,684	12,164,464	17,071,958
19. Non-health claims (net)			0	0
20. Claims adjustment expenses, including $ ..... cost containment expenses		15,500	24,860	34,860
21. General administrative expenses		1,636,487	1,415,993	2,094,299
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	19,478,671	13,605,317	19,201,117
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(342,221)	115,543	88,835
25. Net investment income earned		95,063	120,770	165,464
26. Net realized capital gains (losses) less capital gains tax of $			0	0
27. Net investment gains (losses) (Lines 25 plus 26)	0	95,063	120,770	165,464
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	0	0	0
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	(247,158)	236,313	254,299
31. Federal and foreign income taxes incurred	XXX	(84,034)	47,054	47,089
32. Net income (loss) (Lines 30 minus 31)	XXX	(163,124)	189,259	207,210
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
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	0	0	0
1401.				
1402.				
1403.				
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.				
2902.				
2903.				
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	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:			
33.	Capital and surplus prior reporting year	1,718,201	1,557,800	1,557,800
34.	Net income or (loss) from Line 32	(163,124)	189,259	207,210
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 $		0	0
37.	Change in net unrealized foreign exchange capital gain or (loss)		0	0
38.	Change in net deferred income tax		(4,886)	0
39.	Change in nonadmitted assets	6,875	(89,569)	(46,809)
40.	Change in unauthorized 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	0
	44.2 Transferred from surplus (Stock Dividend)		0	0
	44.3 Transferred to surplus		0	0
45.	Surplus adjustments:			
	45.1 Paid in	1,025,000	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	0
48.	Net change in capital & surplus (Lines 34 to 47)	868,751	94,804	160,401
49.	Capital and surplus end of reporting period (Line 33 plus 48)	2,586,952	1,652,604	1,718,201
	DETAILS OF WRITE-INS			
4701.				
4702.				
4703.				
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	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	19,081,026	19,768,498
2. Net investment income	60,074	156,984
3. Miscellaneous income	0	0
4. Total (Lines 1 to 3)	19,141,100	19,925,482
5. Benefits and loss related payments	17,297,583	15,770,274
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	(210,305)	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,636,487	2,216,391
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	23,027	42,203
10. Total (Lines 5 through 9)	18,746,792	18,028,868
11. Net cash from operations (Line 4 minus Line 10)	394,308	1,896,614
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	69,189	493,354
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	69,189	493,354
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(69,189)	(493,354)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	1,025,000	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	302,239	(19,636)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,327,239	(19,636)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,652,358	1,383,624
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,549,101	4,165,477
19.2 End of period (Line 18 plus Line 19.1)	7,201,459	5,549,101

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	925	0	0	0	0	0	0	925	0	0
2 First Quarter	1,145	0	0	0	0	0	0	1,145	0	0
3 Second Quarter	1,146	0	0	0	0	0	0	1,146	0	0
4. Third Quarter	1,145							1,145		
5. Current Year	0									
6 Current Year Member Months	10,157							10,157		
Total Member Ambulatory Encounters for Period:										
7. Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	2,294							2,294		
11. Number of Inpatient Admissions	309							309		
12. Health Premiums Written	19,136,450							19,136,450		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	19,136,450							19,136,450		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	17,683,920							17,683,920		
18. Amount Incurred for Provision of Health Care Services	17,826,684							17,826,684		

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

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (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 Unpaid (Reported)						
0199999 Individually Listed Claims Unpaid	0	0	0	0	0	0
0299999 Aggregate Accounts Not Individually Listed-Uncovered	71,199	893				72,092
0399999 Aggregate Accounts Not Individually Listed-Covered						0
0499999 Subtotals	71,199	893	0	0	0	72,092
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	4,524,288
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	4,596,380
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	114,660

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 Dec. 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 Dec. 31 of Prior Year
1. Comprehensive (hospital & medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	3,619,062	13,355,401	459,481	4,136,899	4,078,543	4,078,543
7. Title XIX - Medicaid					0	0
8. Other Health					0	0
9. Health Subtotal (Lines 1 to 8)	3,619,062	13,355,401	459,481	4,136,899	4,078,543	4,078,543
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	84,333	238,787	19,063	95,597	103,396	103,396
13. Totals	3,703,395	13,594,188	478,544	4,232,496	4,181,939	4,181,939

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

NOTES TO FINANCIAL STATEMENTS

1.Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Fidelis SecureCare of Michigan Inc. are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance.

Fidelis SecureCare of Michigan Inc is licensed and domiciled as a Health Maintenance Organization in the State of Michigan. The company is authorized to write Medicare business as a Medicare Advantage plan. The State of Michigan Department of Insurance 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 a Health Maintenance Organization, for determining its solvency under the Michigan Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan. In NAIC SAP, some assets, such as prepaid expenses are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

Cash and Cash Equivalents – Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, and certificates of deposits with original maturities of three months or less.

Short Term Investments – Short term investments include investments with remaining maturities of one year or less at the time of acquisition.

Bonds – Investments in bonds are carried at amortized cost. The fair value below is based upon market values provided by an external investment value provider. The amortized cost and estimated fair value of bonds as of September 30, 2008 are as follows:

	Amortized Cost	Unrealized Gain(Loss)	Fair Value
U.S. Gov't. obligations	$1,051,546	$35,642	$1,087,188

The statutory carrying value and the fair value of the bonds at September 30, 2008, by stated maturity, are shown below. These bonds are held in trust as required to be deposited in restricted accounts for member's protection pursuant to federal and state regulatory requirements.

	Amortized Cost	Unrealized Gain(Loss)	Fair Value
Due in One Year or less	$0	$0	$0
Due in one through five yrs	$1,051,546	$35,642	$1,087,188
Due in over five years	$0	$0	$0

In December 2003, the Emerging Issues Task Force ("EITF") issued EITF 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. EITF 03-1 specifies certain quantitative and qualitative disclosures for debt and marketable equity securities classified as available for sale or held-to maturity and where costs exceeds market value at the balance sheet date but for which an other-than-temporary impairment has not been recognized. As of September 30, 2008 the fair value of securities, $1,087,188 exceeded its book value (amortized cost) by $35,642 for US governments due to mature between one and five years from balance sheet date. The book value (amortized cost) of these instruments as of September 30, 2008 is $1,051,546. Given the characteristics of the security, management believes that the carrying amount of the security is recoverable as of September 30, 2008.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned monthly over the terms of the related insurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

NOTES TO FINANCIAL STATEMENTS

In addition, the company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.
(2) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 10 % or more (per SSAP 88) are carried on the equity basis.
Bonds not backed by other loans are stated at amortized cost using the constant yield interest method.
(3) The Company anticipates investment income as a factor in the premium deficiency calculation,.
(4) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
(5) The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

Not Applicable

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

See Note 1

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

Investment income includes interest and dividend income due and unpaid on bonds and short term investments. All amounts have been admitted at 9/30/2008.

8. Derivative Instruments

Not applicable

9. Income Taxes

Fidelis SecureCare of Michigan Inc files consolidated Federal Tax returns with its parent, Fidelis SenioreCare Inc. Two affiliated companies, Fidelis SecureCare of North Carolina Inc and Fidelis SecureCare of Texas Inc also file in that consolidated tax return. Subsidiary federal tax liability shall be paid to the parent company and filed as part of a consolidated federal tax return. The group's consolidated federal tax liability shall be apportioned for purposes of computing earnings and profits in accordance with the method provided in Section 1552(a)(1) of the Code and Regulations Section 1.1552-1(a)(1). The group's unitary tax liability shall be apportioned for tax purposes in accordance with the requirements of applicable state law, or, if none, as reasonably determined by Fidelis.

A. There is no Deferred Tax Asset as of September 30, 2008.
B. There are no deferred tax liabilities reported as of September 30, 2008.
C. Current income taxes incurred consist of the following components:

Total estimated current Federal taxes receivable as of 9/30/2008 is $84,034.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company paid no dividends to the Parent Company through September 30, 2008.

NOTES TO FINANCIAL STATEMENTS

B. At September 30, 2008, Fidelis SecureCare of Michigan reported $560,968 as amounts due to affiliates. $60,968 are amounts due to Fidelis HealthCare Services for the provision of healthcare services to the Company. Also at 9/30/2008 $500,000 was owed to the Parent Company, Fidelis SeniorCare Inc. for the Administrative Services. The parent entity, Fidelis SeniorCare Inc. provides administrative services to the health plan, Fidelis SecureCare of Michigan Inc. Fidelis SecureCare of Michigan settles all intercompany transactions with the parent entity within 31 days of the end of fiscal periods.

C All outstanding shares of Fidelis SecureCare of Michigan are owned by the Parent Company, Fidelis SeniorCare Inc, an insurance holding company domiciled in the State of Delaware.

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 100 shares authorized (.01 par), 100 shares issued and 100 shares outstanding. All shares are Common shares.
(2) The Company has no preferred stock outstanding.
(3) All shareholder dividends are paid out of Earned Surplus.

(4) No extraordinary dividends or other extraordinary distributions to its shareholder until 30 days after the commissioner has received notice of the declaration thereof and has not within such period disapproved such payment within such thirty day period. For purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of ten percent of such insurer's surplus as regards policyholders as of December 31 next preceding, or the net gain from operations of such insurer, not including realized capital gains, for the twelve-month period ending December 31. Any other provision of law to the contrary notwithstanding, an insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, and such a declaration confers no rights upon shareholders until the commissioner has approved the payment of such dividend or distribution or the commissioner has not disapproved such payment within the thirty-day period

(5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(6) The total amount of advances to surplus not repaid is $0.

14. Contingencies

Not applicable

15. Leases

A. Lessee Operating Lease

(1) There is no commitment for the Company.

(2) The company is not involved in any material sales – leaseback transactions.

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 Insured Plans

Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

NOTES TO FINANCIAL STATEMENTS

20. September 11 Events

Not applicable

21. Other Items

A. Other Disclosures

Assets with a market value of $1,156,377 at September 30, 2008, were on deposit with JP Morgan as custodian in compliance with the Michigan Department of Insurance requirements. This consisted of a Treasury Notes, with an amortized cost of $1,051,546 and a market value of $1,087,188 and $69,189 in JP Morgan Federal Money Market.

22. Events Subsequent

Not Applicable.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No (X)

If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other that the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate $_____.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? $_____.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium colleted under the reinsured polices?

Yes ( ) No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

(1) What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other

NOTES TO FINANCIAL STATEMENTS

similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. $_0_____

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? $_____

-

B. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: $_0_____, which is reflected as:

(1)	Losses incurred	$ 0_____
(2)	Loss adjustment expenses incurred	$ 0_____
(3)	Premiums earned	$ 0_____
(4)	Other	$ 0_____

C. Commutation of Ceded Reinsurance

The Company has reported $0 in its operations in the current year as a result of commutation of reinsurance.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

Not applicable

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

The Company paid dividends in the amount of $0 to policyholders and did not allocate any additional income to such policyholders.

30. Premium Deficiency Reserves

As of September 30, 2008 the Company had liabilities of $0 related to premium deficiency reserves. The Company does consider anticipated investment income when calculating its premium deficiency reserves.

31. Anticipated Salvage and Subrogation

Not applicable

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity 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: .....

If not previously filed, furnish herewith a certified copy of the instrument as amended.

3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.

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 [X] NA [ ]

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. 12/31/2006

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. 12/31/2006

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). 04/08/2008

6.4 By what department or departments?

.....

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 [ ] No [ ] NA [X]

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 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

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 [X] 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 [X]

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 [X]

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 [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 110,053

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 [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 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 [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$	$
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)	$ 0	$ 0
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 [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.

GENERAL INTERROGATORIES

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 Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [X] No [ ]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address

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

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

17.2 If no, list exceptions:

.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			ACCIDENT AND HEALTH AFFILIATES			
			ACCIDENT AND HEALTH NON-AFFILIATES			
			LIFE AND ANNUITY AFFILIATES			
			LIFE AND ANNUITY NON-AFFILIATES			
			PROPERTY/CASUALTY AFFILIATES			
			PROPERTY/CASUALTY NON-AFFILIATES			

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
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. District of 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		19,136,450					19,136,450	
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 CN	N							0	
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	19,136,450	0	0	0	0	19,136,450	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	0	19,136,450	0	0	0	0	19,136,450	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Versant Ventures FEIN 94-3410103 23.15 % owner of Fidelis SeniorCare Inc.	Collinson Howe and Lennox FEIN 06-16236012 25.35% owner of Fidelis SeniorCare Inc.	Highland Capital Partners FEIN 04-3545784 28.8% owner of Fidelis SeniorCare Inc.	Arcapita 14.97 % owner of Fidelis SeniorCare Inc.
	Fidelis SeniorCare Inc. Group Code 3744		
Fidelis SecureCare of North Carolina Inc Company Code 12288	Fidelis SecureCare of Michigan Inc Company Code 10769	Fidelis SecureCare of Texas Inc Company Code 12597	Fidelis HealthCare Services

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 supplemental 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 Statement be filed with the state of domicile and the NAIC with this statement?	.....SEE EXPLANATION.....

Explanation:

1.Medicare Advantage Plans are not required to file this supplement.

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amount		0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

NONE

	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 acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
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		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
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. Deduct total nonadmitted accounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE BA – VERIFICATION

Other Long Term Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
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		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

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	1,045,341	544,763
2. Cost of bonds and stocks acquired	6,205	493,354
3. Accrual of discount		7,224
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration for bonds and stocks disposed of		0
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,051,546	1,045,341
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,051,546	1,045,341

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 (a)	1,049,455			2,091	1,047,387	1,049,455	1,051,546	1,082,263
2. Class 2 (a)	58,956			10,233	0	58,956	69,189	0
3. Class 3 (a)	0				0	0	0	0
4. Class 4 (a)	0				0	0	0	0
5. Class 5 (a)	0				0	0	0	0
6. Class 6 (a)	0				0	0	0	0
7. Total Bonds	1,108,411	0	0	12,324	1,047,387	1,108,411	1,120,735	1,082,263
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	1,108,411	0	0	12,324	1,047,387	1,108,411	1,120,735	1,082,263

(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 $ 69,189 ; NAIC 2 $; NAIC 3 $; NAIC 4 $; NAIC 5 $; NAIC 6 $

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999 Totals	69,189	XXX		504	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	36,922	300,220
2. Cost of short-term investments acquired	32,267	36,702
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals		300,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	69,189	36,922
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	69,189	36,922

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX			7,037,833	8,376,954	7,132,270	XXX
0199999 Totals - Open Depositories	XXX	XXX			7,037,833	8,376,954	7,132,270	XXX
0399999 Total Cash on Deposit	XXX	XXX			7,037,833	8,376,954	7,132,270	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	XXX			7,037,833	8,376,954	7,132,270	XXX

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
8799999 Totals							

NONE