



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2009
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 [] Dental Service Corporation []
 Vision Service Corporation [] Other [] Health Maintenance Organization [X]
 Hospital, Medical & Dental Service or Indemnity [] 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 48202
(Street and Number) (City or Town, State and Zip Code)

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

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

Primary Location of Books and Records 2850 West Grand Boulevard Detroit, MI 48202 248-443-1093
(Street and Number) (City or Town, State 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>William R Alvin #</u>	<u>President and CEO</u>	<u>Ronald W Berry</u>	<u>Treasurer</u>
<u>Maurice E McMurray</u>	<u>Secretary</u>		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

<u>William R Alvin #</u>	<u>Nicholas C Anderson</u>	<u>Marvin Beatty</u>	<u>MaryBeth Bolton MD</u>
<u>William A Conway MD</u>	<u>Linda Ewing #</u>	<u>John T Gargaro</u>	<u>Jethro Joseph</u>
<u>Jackie Martin</u>	<u>William L Peirce</u>	<u>Richard Popp</u>	<u>Carol Quigley IHM</u>
<u>Catherine A Roberts</u>	<u>Robin Scales-Wooten</u>	<u>Nancy Schlichting</u>	<u>Rebecca R Smith</u>
<u>Susie Wells</u>	<u>Karen Wezner</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.

William R Alvin
President and CEO

Ronald W Berry
Treasurer

Maurice E McMurray
Secretary

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

b. If no:

1. State the amendment number 0

2. Date filed _____

3. Number of pages attached 0

Subscribed and sworn to before me this _____ day of _____,

Roderick Irwin Curry, Notary
August 14 2013

STATEMENT AS OF SEPTEMBER 30, 2009 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			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	104,629,771	16,522,447	88,107,324	77,313,915
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).....	2,407,081	1,603,662	803,419	825,258
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 (\$ (6,651,722)), cash equivalents (\$31,199,372) and short-term investments (\$236,209,920).....	260,757,570		260,757,570	199,356,634
6. Contract loans (including \$premium notes).....			0	0
7. Other invested assets	25,966,884		25,966,884	23,121,921
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	805,829	0	805,829	1,189,862
10. Subtotals, cash and invested assets (Lines 1 to 9)	394,567,135	18,126,108	376,441,027	301,807,589
11. Title plants less \$charged off (for Title insurers only).....			0	0
12. Investment income due and accrued	950,902		950,902	414,047
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	21,695,188		21,695,188	15,155,726
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	180,407		180,407	95,363
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.....	13,759,902	13,397,809	362,092	814,465
19. Furniture and equipment, including health care delivery assets (\$)	794,564	794,564	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	1,441,153		1,441,153	1,194,302
22. Health care (\$3,109,049) and other amounts receivable.....	3,109,049		3,109,049	3,068,721
23. Aggregate write-ins for other than invested assets	6,049,221	5,081,264	967,957	678,940
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	442,547,521	37,399,746	405,147,776	323,229,153
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	442,547,521	37,399,746	405,147,776	323,229,153
DETAILS OF WRITE-INS				
0901. Rabbi Trust.....	805,829		805,829	1,189,862
0902.			0	0
0903.			0	0
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)	805,829	0	805,829	1,189,862
2301. Goodwill.....	3,395,400	3,395,400	0	0
2302. Prepaid Expense.....	1,622,883	1,622,883	0	0
2303. Deferred Compensation.....	906,578		906,578	618,244
2398. Summary of remaining write-ins for Line 23 from overflow page	124,360	62,981	61,380	60,695
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	6,049,221	5,081,264	967,957	678,940

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded).....	138,144,709	5,226,524	143,371,233	109,955,307
2. Accrued medical incentive pool and bonus amounts	1,075,881		1,075,881	2,494,950
3. Unpaid claims adjustment expenses	934,871		934,871	777,711
4. Aggregate health policy reserves	1,448,639		1,448,639	1,237,757
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	16,088,569		16,088,569	12,945,144
9. General expenses due or accrued	15,554,742		15,554,742	14,476,971
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	496,917		496,917	378,709
16. Payable for securities	345,394		345,394	284,161
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			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	1,888,418	0	1,888,418	4,454,471
22. Total liabilities (Lines 1 to 21).....	175,978,140	5,226,524	181,204,664	147,005,180
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	0	0
25. Preferred capital stock	XXX	XXX	0	0
26. Gross paid in and contributed surplus	XXX	XXX	0	0
27. Surplus notes	XXX	XXX	0	0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	223,943,112	176,223,972
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	223,943,112	176,223,972
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	405,147,776	323,229,153
DETAILS OF WRITE-INS				
2101. Pension Liability - Long Term.....			0	2,861,776
2102. Retiree Health Benefits.....	981,841		981,841	974,450
2103. Deferred Compensation.....	906,578		906,578	618,244
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,888,418	0	1,888,418	4,454,471
2301.	XXX	XXX		0
2302.	XXX	XXX		0
2303.	XXX	XXX		0
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		0
2802.	XXX	XXX		0
2803.	XXX	XXX		0
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 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	3,292,854	3,534,900	4,689,473
2. Net premium income (including \$ non-health premium income).....	XXX	1,289,931,904	1,238,472,836	1,655,116,487
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	(10,222)	(10,492)	(15,619)
8. Total revenues (Lines 2 to 7).....	XXX	1,289,921,682	1,238,462,344	1,655,100,868
Hospital and Medical:				
9. Hospital/medical benefits.....		870,563,218	812,809,069	1,086,863,068
10. Other professional services.....			0	0
11. Outside referrals.....		40,490,700	34,501,221	46,282,444
12. Emergency room and out-of-area.....		106,183,447	110,896,782	147,816,797
13. Prescription drugs.....		176,656,494	178,043,652	233,339,216
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		31,071	1,214,204	2,494,950
16. Subtotal (Lines 9 to 15).....	0	1,193,924,930	1,137,464,928	1,516,796,475
Less:				
17. Net reinsurance recoveries.....			0	0
18. Total hospital and medical (Lines 16 minus 17).....	0	1,193,924,930	1,137,464,928	1,516,796,475
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 5,497,073 cost containment expenses.....		11,541,469	11,296,401	15,319,452
21. General administrative expenses.....		74,535,841	73,655,915	100,529,482
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	1,280,002,240	1,222,417,244	1,632,645,409
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	9,919,442	16,045,100	22,455,460
25. Net investment income earned.....		4,296,545	2,401,574	1,402,036
26. Net realized capital gains (losses) less capital gains tax of \$.....		(27,182)	(4,281,892)	(4,530,460)
27. Net investment gains (losses) (Lines 25 plus 26).....	0	4,269,363	(1,880,318)	(3,128,424)
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	36,972	51,530	148,929
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	14,225,776	14,216,312	19,475,964
31. Federal and foreign income taxes incurred.....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX	14,225,776	14,216,312	19,475,964
DETAILS OF WRITE-INS				
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	(10,222)	(10,492)	(15,619)
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	(10,222)	(10,492)	(15,619)
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. CIGNA Miscellaneous Revenues.....		36,972	51,530	148,929
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	36,972	51,530	148,929

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	176,223,972	238,900,600	238,900,600
34. Net income or (loss) from Line 32	14,225,776	14,216,312	19,475,964
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 \$	9,622,608	(4,999,848)	(10,929,190)
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	23,870,755	(35,957)	(35,423,402)
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
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	(35,800,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	47,719,139	9,180,507	(62,676,628)
49. Capital and surplus end of reporting period (Line 33 plus 48)	223,943,112	248,081,107	176,223,972
DETAILS OF WRITE-INS			
4701.		0	0
4702.		0	0
4703.		0	0
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.....	1,286,535,867	1,651,408,432
2. Net investment income	2,898,054	9,944,443
3. Miscellaneous income	36,398	276,211
4. Total (Lines 1 to 3)	1,289,470,319	1,661,629,086
5. Benefit and loss related payments	1,161,928,073	1,516,163,811
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	81,017,717	113,887,043
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0
10. Total (Lines 5 through 9)	1,242,945,790	1,630,050,855
11. Net cash from operations (Line 4 minus Line 10)	46,524,528	31,578,231
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	21,648,273	241,432,348
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	340,077	34,254,706
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	530,563	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	22,518,913	275,687,054
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	3,168,680	199,503,890
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	636,003
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,168,680	200,139,893
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)	19,350,233	75,547,162
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.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	35,800,000
16.6 Other cash provided (applied).....	(4,473,825)	(49,679,279)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(4,473,825)	(85,479,279)
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)	61,400,936	21,646,114
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	199,356,634	177,710,520
19.2 End of period (Line 18 plus Line 19.1)	260,757,570	199,356,634

STATEMENT AS OF SEPTEMBER 30, 2009 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 Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	383,405	3,128	331,714	.0	.0	.0	22,148	26,415	.0	.0
2. First Quarter	368,180	2,922	312,547	.0	.0	.0	22,219	30,492	.0	.0
3. Second Quarter	364,561	2,837	308,651	.0	.0	.0	22,294	30,779	.0	.0
4. Third Quarter	360,846	2,785	304,582				22,427	31,052		
5. Current Year	0									
6. Current Year Member Months	3,292,854	25,940	2,792,353				200,604	273,957		
Total Member Ambulatory Encounters for Period:										
7. Physician	1,038,327	8,680	822,008				54,731	152,908		
8. Non-Physician	56,503	543	38,907				2,985	14,068		
9. Total	1,094,830	9,223	860,915	0	0	0	57,716	166,976	0	0
10. Hospital Patient Days Incurred	131,827		84,110				4,732	42,985		
11. Number of Inpatient Admissions	28,774		19,666				1,147	7,961		
12. Health Premiums Written (a).....	1,289,931,904	7,934,343	919,832,952				72,330,788	289,833,821		
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	1,289,931,904	7,934,343	919,832,952				72,330,788	289,833,821		
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	1,161,928,073	7,049,978	817,308,047				70,281,319	267,288,729		
18. Amount Incurred for Provision of Health Care Services	1,193,924,930	7,197,237	834,379,840				72,236,758	280,111,095		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 289,833,821

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Health Alliance Plan of Michigan

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)	63,139,647	759,768,236	25,222,415	91,942,500	88,362,062	98,526,794
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan	4,499,136	65,782,183	1,146,833	4,800,063	5,645,969	3,991,457
6. Title XVIII - Medicare	5,293,186	261,995,543	441,948	19,817,474	5,735,134	7,437,056
7. Title XIX - Medicaid .....					.0	.0
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	72,931,969	1,087,545,962	26,811,196	116,560,037	99,743,165	109,955,307
10. Health care receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts	1,450,142		1,044,810	31,071	2,494,952	2,494,950
13. Totals	74,382,111	1,087,545,962	27,856,006	116,591,108	102,238,117	112,450,257

(a) Excludes \$0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

No significant change.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

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.

D. Loan-Backed Securities - Not applicable.

E. Repurchase agreements - Not applicable.

F. Real Estate - No significant change.

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

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. The Company has no new investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. Impaired investments in Joint Ventures, Partnerships and Limited Liability Companies - Not applicable.

7. INVESTMENT INCOME

Not applicable.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

CuraNet LLC and HAP Preferred, Inc merged on April 1, 2009 with HAP Preferred, Inc being the surviving entity.

11. DEBT

Not applicable.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

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 balances of any special surplus funds from the prior year - not applicable.
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. CONTINGENCIES

No significant change.

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 ADMINISTRATION

Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. OTHER ITEMS

- A. Extraordinary Items - Not applicable.
- B. Troubled Debt Restructuring - Not applicable.
- C. Other Disclosures

As of December 31, 2008, HAP had \$38,137,774 invested in the Reserve Primary Fund. This fund remains under SEC supervision and is continuing to make distributions to its investors as funds become available. Subsequent to December 31, 2008, the Reserve Primary Fund has made additional distributions to HAP in the amounts of \$12,892,029 in February 2009, \$8,723,298 in April 2009 and \$3,792,526 in October 2009. This brings HAP's total distributions to \$178,625,654 or 91.9% of the original funds invested.

This fund remains downgraded from its former Class 1 status by the Securities Valuation Office and the Company continues to classify this investment as common stock as well as to non admit it.

- D. Uncollectible Premium Balances, Bills Receivable for Premiums, Amounts Due From Agents and Brokers, Uninsured Plans or Restropectively Rated Contracts - No significant change.
- E. Business Interruption Insurance Recoveries - Not applicable.

21. EVENTS SUBSEQUENT

Not applicable.

22. REINSURANCE

Not applicable.

23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

No significant change.

24. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Claims and claims adjustment expense reserves as of December 31, 2008 were \$110,733,000. As of September 30, 2009 \$74,948,000 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 \$28,068,000. 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.

25. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

26. STRUCTURED SETTLEMENTS

Not applicable.

27. HEALTHCARE RECEIVABLES

- A. Pharmaceutical Rebate Receivables - No significant change.
- B. Risk Sharing Receivables - Not applicable

28. PARTICIPATING POLICIES

Not applicable.

29. PREMIUM DEFICIENCY RESERVES

Not applicable.

30. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable.

GENERAL INTERROGATORIES

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

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity 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. 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 [] 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. 12/31/2006
- 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). 06/24/2008
- 6.4 By what department or departments?
The Michigan Office of Financial and Insurance Regulation.....
- 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 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: \$ 42,317

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 [X] No []

11.2 If yes, give full and complete information relating thereto:
 During the year the Company has entered into Repurchase Agreements but does not have any Repurchase Agreements outstanding as of the end of the third quarter.....

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

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

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

14.2 If yes, please complete the following:

	1	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	\$ 14,708,107	\$ 18,954,056
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).....	\$ 14,708,107	\$ 18,954,056
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 – 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 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes No

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

1 Name of Custodian(s)	2 Custodian Address
Comerica Bank NA.....	Detroit Michigan.....
Western Assets.....	Wilmington Delaware.....
JP Morgan Chase.....	New York New York.....
The Reserve.....	New York New York.....

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)
Not applicable.....		

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Not applicable.....			

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
Not applicable.....	Brian Gamble.....	Detroit Michigan.....
2405849.....	Kyle Logan.....	Charlotte North Carolina.....
70923.....	Lesla McKnight.....	Chicago Illinois.....
7691.....	Susan Renaud.....	Detroit Michigan.....
110441.....	Sandy Goodman.....	Pasadena California.....
1723878.....	Joe Gaskey.....	Charlotte North Carolina.....
7691.....	Paul Youngblood.....	Detroit Michigan.....
7691.....	Brian Kerber.....	Detroit Michigan.....
Not applicable.....	Janet Kosciuk.....	Columbus Ohio.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes No

17.2 If no, list exceptions:

.....

STATEMENT AS OF SEPTEMBER 30, 2009 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								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 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. Dist. 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	923,466,444	289,833,821		72,330,788			1,285,631,053	
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		923,466,444	289,833,821	0	72,330,788	0	0	1,285,631,053	0
60. Reporting entity contributions for Employee Benefit Plans	XXX		4,300,851						4,300,851	
61. Total (Direct Business)	(a)	1	927,767,295	289,833,821	0	72,330,788	0	0	1,289,931,904	0
DETAILS OF WRITE-INS										
5801.	XXX								0	
5802.	XXX								0	
5803.	XXX								0	
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

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 23.

*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Prior Year Net Admitted Assets
2304. Other Receivables.....	3,536		3,536	2,852
2305. Other Assets.....	57,843		57,843	57,843
2306. Intangible Assets.....	62,981	62,981	0	0
2397. Summary of remaining write-ins for Line 23 from Page 02	124,360	62,981	61,380	60,695

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	2,374,378	2,644,264
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	339,063	159,456
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		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	306,360	429,342
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	2,407,081	2,374,378
10. Deduct total nonadmitted amounts	1,603,662	1,549,121
11. Statement value at end of current period (Line 9 minus Line 10)	803,419	825,258

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 accounts	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.....	23,121,921	64,591,503
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).....	3,187,003	(8,351,577)
6. Total gain (loss) on disposals.....	(1,963)	1,136,702
7. Deduct amounts received on disposals.....	340,077	34,254,706
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).....	25,966,884	23,121,921
12. Deduct total nonadmitted amounts.....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	25,966,884	23,121,921

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	115,451,688	134,484,719
2. Cost of bonds and stocks acquired	3,168,680	199,503,890
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....	7,658,123	(10,705,355)
5. Total gain (loss) on disposals.....	(448)	(1,562,235)
6. Deduct consideration for bonds and stocks disposed of.....	21,648,273	203,294,574
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.....		2,974,757
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	104,629,771	115,451,688
11. Deduct total nonadmitted amounts.....	16,522,447	38,137,774
12. Statement value at end of current period (Line 10 minus Line 11)	88,107,324	77,313,915

STATEMENT AS OF SEPTEMBER 30, 2009 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 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).....	250,461,216	551,314,598	534,063,148	(303,373)	238,931,491	250,461,216	267,409,292	209,919,221
2. Class 2 (a).....	0				0	0	0	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	250,461,216	551,314,598	534,063,148	(303,373)	238,931,491	250,461,216	267,409,292	209,919,221
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 & Preferred Stock	250,461,216	551,314,598	534,063,148	(303,373)	238,931,491	250,461,216	267,409,292	209,919,221

(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 \$

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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	236,209,920	XXX	236,209,920	802,141	1,215,540

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.....	145,419,221	126,478,053
2. Cost of short-term investments acquired	1,503,231,712	1,690,001,176
3. Accrual of discount .....		.0
4. Unrealized valuation increase (decrease).....	(524,815)	.0
5. Total gain (loss) on disposals	5,582	.0
6. Deduct consideration received on disposals	1,411,921,779	1,671,060,008
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.....		.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	236,209,920	145,419,221
11. Deduct total nonadmitted amounts.....		.0
12. Statement value at end of current period (Line 10 minus Line 11)	236,209,920	145,419,221

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E - VERIFICATION
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	64,500,000	59,431,150
2. Cost of cash equivalents acquired	790,419,646	69,466,117
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)	49,247	0
5. Total gain (loss) on disposals.....	(30,308)	0
6. Deduct consideration received on disposals	823,739,213	64,397,267
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		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	31,199,372	64,500,000
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	31,199,372	64,500,000

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Health Alliance Plan of Michigan

SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		City	State									
NONE												
3999999 - Subtotal Unaffiliated								0	0	0	0	XXX
4099999 - Subtotal Affiliated								0	0	0	0	XXX
4199999 Totals								0	0	0	0	XXX

E03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/ Adjusted Carrying Value Less Encumbrance s Prior Year	9 Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income		
		City	State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10- 11+12)	14 Total Foreign Exchange Change in B./A.C.V.								
Joint Venture Interests - Common Stock - Unaffiliated																					
000000-00-0	WESTERN ASSETS US LIMITED DURATION FD LLC	Wilmington	Delaware	REDEEMED SHARES	02/15/2005	07/22/2009	15,541	1,332					1,332		16,873	16,925		53	53	0	
1599999 - Joint Venture Interests - Common Stocks - Unaffiliated							15,541	1,332	0	0	0	0	1,332	0	16,873	16,925	0	53	53	0	
3999999 - Total Affiliated							15,541	1,332	0	0	0	0	1,332	0	16,873	16,925	0	53	53	0	
4099999 - Total Unaffiliated							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4199999 Totals							15,541	1,332	0	0	0	0	1,332	0	16,873	16,925	0	53	53	0	

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

