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QUARTERLY STATEMENT

AS OF JUNE 30, 2010

OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc

NAIC Group Code 00000 (Current Period), 00000 (Prior Period) NAIC Company Code 52615 Employer's ID Number 38-3379956

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 [ ]
Other [ ] Is HMO, Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 10/14/1997 Commenced Business 08/01/1998

Statutory Home Office 228 West Washington St (Street and Number), Marquette, MI 49855 (City or Town, State and Zip Code)

Main Administrative Office 228 West Washington St (Street and Number) Marquette, MI 49855 (City or Town, State and Zip Code) 906-225-7500 (Area Code) (Telephone Number)

Mail Address 228 West Washington St (Street and Number or P.O. Box), Marquette, MI 49855 (City or Town, State and Zip Code)

Primary Location of Books and Records 228 West Washington St (Street and Number) Marquette, MI 49855 (City or Town, State and Zip Code) 906-225-7500 (Area Code) (Telephone Number)

Internet Web Site Address N/A

Statutory Statement Contact Kevin William Carlson (Name) 906-225-7500 (Area Code) (Telephone Number) (Extension)

kwcarlson@uphp.com (E-mail Address) 906-225-8687 (FAX Number)

OFFICERS

Name	Title	Name	Title
Dennis Smith	President	Greg Gustafson	Treasurer
Jerry Worden	Secretary		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Michelle Tavernier	David Jahn	John Schon	Jerry Worden
James Bogan	Kevin Calhoun #	Sherrice Perry	Scott Pillion #
Eric Jurgensen			

State of Michigan
ss
County of Marquette

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.

Dennis Smith	Greg Gustafson	Jerry Worden
President	Treasurer	Secretary

Subscribed and sworn to before me this 9 day of Aug, 2010

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

Tanya Jennings, Administrative Assistant
October 11, 2013

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			0	0
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 ($ 22,537,050), cash equivalents ($ 0) and short-term investments ($ 20,873,989)	43,411,039		43,411,039	35,118,483
6. Contract loans (including $ ..... premium notes)			0	0
7. Derivatives			0	
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	43,411,039	0	43,411,039	35,118,483
12. Title plants less $ ..... charged off (for Title insurers only)			0	0
13. Investment income due and accrued	731		731	159
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection			0	0
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
14.3 Accrued retrospective premiums			0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	0
15.2 Funds held by or deposited with reinsured companies			0	0
15.3 Other amounts receivable under reinsurance contracts			0	0
16. Amounts receivable relating to uninsured plans			0	0
17.1 Current federal and foreign income tax recoverable and interest thereon			0	0
17.2 Net deferred tax asset			0	0
18. Guaranty funds receivable or on deposit			0	0
19. Electronic data processing equipment and software	89,214	84,753	4,461	3,875
20. Furniture and equipment, including health care delivery assets ($ .....)	243,159	243,159	0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
22. Receivables from parent, subsidiaries and affiliates			0	0
23. Health care ($ 316,965) and other amounts receivable	666,965	350,000	316,965	582,025
24. Aggregate write-ins for other than invested assets	89,944	89,944	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	44,501,052	767,856	43,733,196	35,704,542
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
27. Total (Lines 25 and 26)	44,501,052	767,856	43,733,196	35,704,542
DETAILS OF WRITE-INS				
1001.			0	0
1002.			0	0
1003.			0	0
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)	0	0	0	0
2401. Prepaids	89,944	89,944	0	0
2402.			0	0
2403.			0	0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	89,944	89,944	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	14,185,403		14,185,403	11,336,080
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	239,000		239,000	239,000
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	1,530,264		1,530,264	183,760
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			0	0
16. Derivatives			0	
17. Payable for securities			0	0
18. Funds held under reinsurance treaties (with $ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
19. Reinsurance in unauthorized companies			0	0
20. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
21. Liability for amounts held under uninsured plans			0	0
22. Aggregate write-ins for other liabilities (including $ ..... current)	56,000	0	56,000	56,000
23. Total liabilities (Lines 1 to 22)	16,010,667	0	16,010,667	11,814,840
24. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
25. Common capital stock	XXX	XXX	3,592,171	3,592,171
26. Preferred capital stock	XXX	XXX		0
27. Gross paid in and contributed surplus	XXX	XXX		0
28. Surplus notes	XXX	XXX		0
29. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
30. Unassigned funds (surplus)	XXX	XXX	24,130,358	20,297,531
31. Less treasury stock, at cost:				
31.1 ..... shares common (value included in Line 25 $ .....)	XXX	XXX		0
31.2 ..... shares preferred (value included in Line 26 $ .....)	XXX	XXX		0
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	27,722,529	23,889,702
33. Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	43,733,196	35,704,542
DETAILS OF WRITE-INS				
2201. Reinsurance Loss Fund	56,000		56,000	56,000
2202.			0	0
2203.			0	0
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	56,000	0	56,000	56,000
2401.	XXX	XXX		0
2402.	XXX	XXX		0
2403.	XXX	XXX		0
2498. Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	XXX	XXX	0	0
2901.	XXX	XXX		0
2902.	XXX	XXX		0
2903.	XXX	XXX		0
2998. Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 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	174,494	158,267	323,793
2. Net premium income (including $ non-health premium income)	XXX	51,243,661	44,067,225	92,979,928
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	51,243,661	44,067,225	92,979,928
Hospital and Medical:				
9. Hospital/medical benefits		31,771,546	26,814,117	57,370,051
10. Other professional services		1,826,562	1,634,919	3,317,363
11. Outside referrals			0	0
12. Emergency room and out-of-area		1,495,657	1,338,591	2,722,777
13. Prescription drugs		5,846,746	5,960,568	11,456,964
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			0	0
16. Subtotal (Lines 9 to 15)	0	40,940,511	35,748,195	74,867,155
Less:				
17. Net reinsurance recoveries		73,241	0	41,325
18. Total hospital and medical (Lines 16 minus 17)	0	40,867,270	35,748,195	74,825,830
19. Non-health claims (net)			0	0
20. Claims adjustment expenses, including $ 45,349 cost containment expenses		503,886	602,160	1,250,126
21. General administrative expenses		6,160,062	5,351,929	11,120,720
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	47,531,218	41,702,284	87,196,676
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,712,443	2,364,941	5,783,252
25. Net investment income earned		11,798	36,432	44,936
26. Net realized capital gains (losses) less capital gains tax of $			0	0
27. Net investment gains (losses) (Lines 25 plus 26)	0	11,798	36,432	44,936
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	3,724,241	2,401,373	5,828,188
31. Federal and foreign income taxes incurred	XXX		0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	3,724,241	2,401,373	5,828,188
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.	XXX		0	0
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	0	0	0
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.			0	0
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	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL AND SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	23,889,702	18,125,336	18,125,336
34.	Net income or (loss) from Line 32	3,724,241	2,401,373	5,828,188
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		0	0
39.	Change in nonadmitted assets	108,586	(33,094)	(63,822)
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	0
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	3,832,827	2,368,279	5,764,366
49.	Capital and surplus end of reporting period (Line 33 plus 48)	27,722,529	20,493,615	23,889,702
	DETAILS OF WRITE-INS			
4701.	Audit Entry		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 To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	51,243,661	44,067,225	92,979,928
2. Net investment income	11,226	50,049	60,584
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	51,254,887	44,117,274	93,040,512
5. Benefit and loss related payments	37,552,888	35,074,499	73,102,207
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	5,317,444	6,367,453	12,537,045
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of $ tax on capital gains (losses)	0	0	0
10. Total (Lines 5 through 9)	42,870,332	41,441,952	85,639,252
11. Net cash from operations (Line 4 minus Line 10)	8,384,555	2,675,322	7,401,260
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	0
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	(91,999)	1,931,479	(65,139)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(91,999)	1,931,479	(65,139)
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)	8,292,556	4,606,801	7,336,121
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	35,118,483	27,782,362	27,782,362
19.2 End of period (Line 18 plus Line 19.1)	43,411,039	32,389,163	35,118,483

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	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	28,566	377	0	0	0	0	0	0	28,189	0
2 First Quarter	29,192	357	0	0	0	0	0	0	28,835	0
3 Second Quarter	29,365	404	0	0	0	0	0	0	28,961	0
4. Third Quarter	0									
5. Current Year	0									
6 Current Year Member Months	174,494	2,302							172,192	
Total Member Ambulatory Encounters for Period:										
7. Physician	88,164	1,163							87,001	
8. Non-Physician	48,276	637							47,639	
9. Total	136,440	1,800	0	0	0	0	0	0	134,640	0
10. Hospital Patient Days Incurred	3,743	3							3,740	
11. Number of Inpatient Admissions	1,392	2							1,390	
12. Health Premiums Written (a)	39,455,408	181,006							39,274,402	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	39,455,408	181,006							39,274,402	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	38,017,947	62,318							37,955,629	
18. Amount Incurred for Provision of Health Care Services	40,940,511	111,352							40,829,159	

(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)						
Aspirus Keweenaw Hospital	42,788					42,788
Aspirus Ontonagon Hospital	14,536					14,536
Baraga County Memorial Hospital	18,200					18,200
Bell Memorial Hospital	73,300					73,300
Children's Hospital of Michigan	14,100					14,100
Chippewa War Memorial Hospital	102,850	1,893				104,743
Dickinson County Memorial Hospital	75,050					75,050
Grand View Hospital	39,712					39,712
Harper University Hospital	55,175					55,175
Helen Newberry Joy Hospital	17,300					17,300
Henry Ford Hospital	12,000					12,000
Hurley Medical Center	13,200					13,200
Northstar Health System	31,650					31,650
Marquette General Hospital	399,050					399,050
Northern Michigan Regional Hospital	34,607					34,607
Portage Health Hospital	76,226					76,226
Schoolcraft Memorial Hospital	19,550					19,550
Sinai-Grace Hospital	11,300					11,300
Spectrum Health	17,911					17,911
St. Francis Hospital	99,650					99,650
St. John Hospital and Medical Center	12,200					12,200
University of Michigan Health System	50,950					50,950
4D Pharmacy Management Systems, Inc.	427,026					427,026
0199999 Individually listed claims unpaid	1,658,331	1,893	0	0	0	1,660,224
0299999 Aggregate accounts not individually listed-uncovered						0
0399999 Aggregate accounts not individually listed-covered						0
0499999 Subtotals	1,658,331	1,893	0	0	0	1,660,224
0599999 Unreported claims and other claim reserves	XXX	XXX	XXX	XXX	XXX	12,525,179
0699999 Total amounts withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid	XXX	XXX	XXX	XXX	XXX	14,185,403
0899999 Accrued medical incentive pool and bonus amounts	XXX	XXX	XXX	XXX	XXX	

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 and medical)	35,203	27,115	6,115	45,929	41,318	47,052
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					0	0
7. Title XIX - Medicaid	7,828,749	30,443,845	653,452	13,479,907	8,482,201	11,289,028
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	7,863,952	30,470,960	659,567	13,525,836	8,523,519	11,336,080
10. Health care receivables (a)		316,965			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals	7,863,952	30,153,995	659,567	13,525,836	8,523,519	11,336,080

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A) **Accounting Practices**
The Quarterly Statement as of June 30, 2010 has been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual, and the preparation of the financial statements are in conformity with the Annual Statement Instructions.

B) **Use of Estimates in the Preparation of the Financial Statements**
The estimates used in the preparation of the financial statements conformed to the Annual Statement Instructions and Accounting Practices and Procedures manual.

C) **Accounting Policy**
Reinsurance premiums were netted against premium revenue and pharmaceutical rebates and psychotropic drug reimbursements were netted against pharmacy expenses.

Note 2 - Accounting Changes and Corrections of Errors

Psychotropic drug reimbursements of $620,093 are being netted against pharmacy expenses. Use tax expense through June 30, 2010 is $3,103,243 and is included in administrative expenses. In addition, the State of Michigan implemented a hospital supplements payments protocol that assesses the hospitals operating revenue, uses those funds to generate matching dollars from CMS to increase funding for the state Medicaid program. These funds are paid directly to the hospitals for Graduate Medical Education (GME) or Hospital Rate Adjustments (HRA) and are reported as hospital payments. These supplemental payments included in the quarterly filing totaled $11,832,374.

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

As of June 30, 2010 the company is invested in money market accounts.

Note 6 - Joint Ventures, Partnerships, and Limited Liability Companies

NONE

Note 7 – Investment Income

As of June 30, 2010, the Company had $11,798 of admitted investment income due and accrued and included in the statement of revenue and expenses.

Note 8 - Derivative Instruments

NONE

Note 9 - Income Taxes

A) NONE
B) NONE
C) NONE
D) NONE
F) NONE
E) NONE

Note 10-Information Concerning Parent, Subsidiaries, and Affiliates

A) The Company is owned by fourteen 501(c)3 healthcare organizations with each owning various percentages. Only two hospitals control over 10% of the Plan. Marquette General Health System owns 56.27% and Portage Health System owns 10.02% of the Plan's outstanding common stock.
B) NONE
C) The Plan paid a management fee of $2,868,143 to its management company, the Upper Peninsula Managed Care, LLC through June 30, 2010. All transactions are covered under Note 10-Part F.
D) NONE
E) NONE
F) The Plan has a Management Service Agreement with its affiliate. This agreement spells out all administrative services provided by the company and includes methods of reimbursement for services performed.
G) There are no shares of voting common stock in the Company. All 100 voting shares were recalled as a result of a change in control effective April 1, 2004.
H) NONE
I) NONE
J) NONE

NOTES TO FINANCIAL STATEMENTS

Note 11-Debt

NONE

Note 12-Retirement Plans, Deferred Compensation, Postemployment Benefits & Compensated Absences, and other Postretirement Benefit Plans

NONE

Note 13-Capital, Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

As of June 30, 2010, the Plan has 29,935 shares of non-voting common stock issued and outstanding. The Plan has no preferred stock issued or outstanding.

Note 14-Contingencies

NONE

Note 15-Leases

NONE

Note 16-Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

NONE

Note 17-Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

NONE

Note 18-Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

NONE

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

NONE

Note 20 – Other Items

Financial Examination

The Plan underwent a financial examination in 2009 by Michigan's Office of Financial & Insurances Regulation as of December 31, 2008. A copy of this report was made available for public inspection as of November 24, 2009.

Note 21-Events Subsequent

NONE

Note 22-Reinsurance

NONE

Note 23-Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Plan's current book of business is the Michigan Managed Medicaid and MIChild contracts. The Plan has no retroactive features in its contracts.

Note 24-Change in Incurred Claims and Claim Adjustment Expense

NONE

Note 25-Intercompany Pooling Arrangements

NONE

NOTES TO FINANCIAL STATEMENTS

Note 26-Structured Settlement

NONE

Note 27-Health Care Receivables

The Plan's health care receivables as of June 30, 2010 totaled $316,965 of maternity case rates for children born to mothers in the Plan. Other receivables include a refundable deposit with the Plan's Pharmacy Benefit Manager of ($350,000). The refundable deposit is a prepaid expense and is considered a non-admitted asset for statutory accounting purposes.

Note 28-Participating Policies

NONE

Note 29-Premium Deficiency Reserves

NONE

Note 30-Anticipated Salvage and Subrogation

The Company signed a contract with the First Recovery Group of Southfield, Michigan in September 2001. This contract enables The First Recovery Group to investigate, identify, and collect subrogation recoveries on behalf of the Upper Peninsula Health Plan, Inc. As of June 30, 2010, First Recovery Group recovered $40,587 for the Company this year.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3. 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. 12/31/2008

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. 12/31/2008

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). 11/24/2009

6.4 By what department or departments?

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 [ ] No [X]

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

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 – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? ..... Yes [X] No [ ]

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
Wells Fargo Institutional Trust Services	101 W. Washington St. Marquette, MI 49855

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:

.....

GENERAL INTERROGATORIES

PART 2 - HEALTH

1 Operating Percentages

1.1 A&H loss percent	79.8 %
1.2 A&H cost containment percent	0.1 %
1.3 A&H expense percent excluding cost containment expenses	12.9 %
2.1 Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	$
2.3 Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

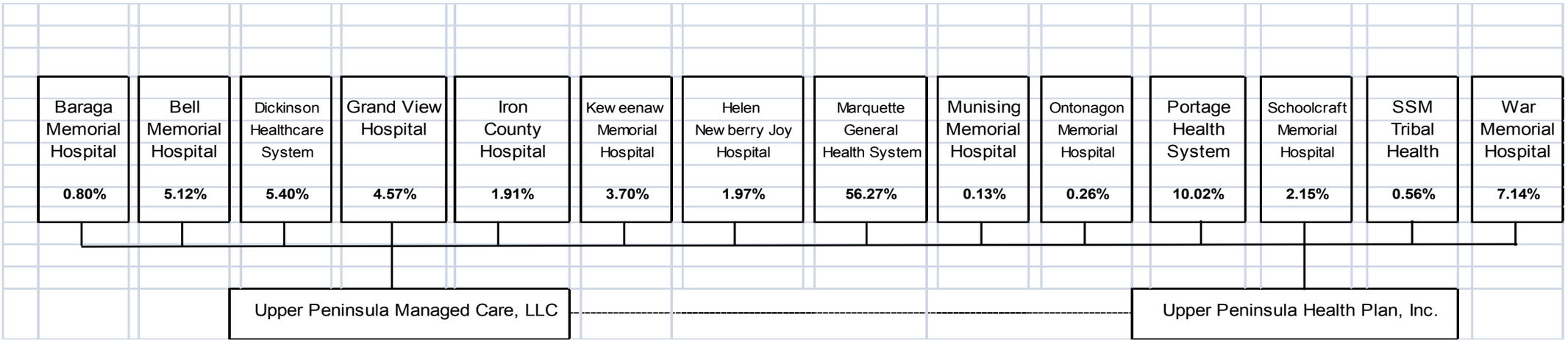
	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type 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. 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	181,006		39,274,402				39,455,408	
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	181,006	0	39,274,402	0	0	0	39,455,408	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	181,006	0	39,274,402	0	0	0	39,455,408	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

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

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

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?	NO

Explanation:

1.

Bar Code:

1. 5 2 6 1 5 2 0 1 0 3 6 5 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

Schedule A - Verification

NONE

Schedule B - Verification

NONE

Schedule BA - Verification

NONE

Schedule D - Verification

NONE

Schedule D - Part 1B

NONE

SCHEDULE DA - PART 1

Short-Term Investments

	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
9199999	20,873,989	XXX	20,873,989	1,348	305

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	20,872,743	1,032,722
2. Cost of short-term investments acquired	1,246	19,840,021
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals		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		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	20,873,989	20,872,743
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	20,873,989	20,872,743

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

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 D

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	*
Open Depositories								
Wells Fargo Bank of Michigan N.A. 101 W. Washington St. Marquette, MI 49855		0.000			(1,393,209)	(1,259,553)	(1,381,362)	XXX
Wells Fargo Bank of Michigan N.A. 101 W. Washington St. Marquette, MI 49855		0.001	5,414		22,710,744	23,492,776	23,918,412	XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	5,414	0	21,317,535	22,233,223	22,537,050	XXX
0299998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999 Total Cash on Deposit	XXX	XXX	5,414	0	21,317,535	22,233,223	22,537,050	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	XXX	5,414	0	21,317,535	22,233,223	22,537,050	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
NONE							
8699999 Total Cash Equivalents					0	0	0