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ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2011

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

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

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

Main Administrative Office 228 West Washington St (Street and Number)
Marquette, MI 49855 (City, 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, State and Zip Code)

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

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	Kevin Carlson	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
County of Marquette
ss

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

Dennis Smith	Kevin Carlson	Jerry Worden
President	Treasurer	Secretary

Subscribed and sworn to before me this 27th day of February, 2012

Patricia Goldsworthy Transportation Coordinator
April 2, 2012

a. Is this an original filing? Yes [X] No [ ]
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	5,000,000		5,000,000	0
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
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 ($ 8,534,431 , Schedule E-Part 1), cash equivalents ($ 0 , Schedule E-Part 2) and short-term investments ($ 15,951,491 , Schedule DA)	24,485,921		24,485,921	37,455,809
6. Contract loans (including $ ..... premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	29,485,921	0	29,485,921	37,455,809
13. Title plants less $ ..... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	41,045		41,045	312
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	175,170	166,412	8,758	11,476
21. Furniture and equipment, including health care delivery assets ($ .....)	323,628	323,628	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care ($ 1,711,693) and other amounts receivable	1,711,693		1,711,693	542,344
25. Aggregate write-ins for other than invested assets	117,456	117,456	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	31,854,913	607,496	31,247,417	38,009,941
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	31,854,913	607,496	31,247,417	38,009,941
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaids	117,456	117,456	0	0
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	117,456	117,456	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	11,783,138		11,783,138	10,297,542
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	153,000		153,000	322,000
4. Aggregate health policy reserves, including the liability of $ ..... for medical loss ratio rebate per the Public Health Service Act	96,082		96,082	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	775,495		775,495	162,591
10.1 Current federal and foreign income tax payable and interest thereon (including $ ..... on realized capital 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	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	13,021		13,021	0
23. Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	0
24 Total liabilities (Lines 1 to 23)	12,820,736	0	12,820,736	10,782,133
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		3,592,171
27 Preferred capital stock	XXX	XXX	3,592,171	0
28. Gross paid in and contributed surplus	XXX	XXX		0
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	14,834,510	23,635,637
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 $ .....)	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 $ .....)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	18,426,681	27,227,808
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	31,247,417	38,009,941
DETAILS OF WRITE-INS				
2301. Reinsurance Loss Fund			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member Months	XXX	359,085	352,033
2. Net premium income (including $ 0 non-health premium income)	XXX	95,387,255	99,122,845
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of $ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	77,142	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	95,464,397	99,122,845
Hospital and Medical:			
9. Hospital/medical benefits		64,894,397	60,944,578
10. Other professional services		3,835,887	3,422,408
11. Outside referrals			0
12. Emergency room and out-of-area		3,102,038	2,811,177
13. Prescription drugs		11,642,097	11,182,680
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			0
16. Subtotal (Lines 9 to 15)	0	83,474,419	78,360,843
Less:			
17. Net reinsurance recoveries		114,305	73,243
18. Total hospital and medical (Lines 16 minus 17)	0	83,360,114	78,287,600
19. Non-health claims (net)			0
20. Claims adjustment expenses, including $ 60,029 cost containment expenses		909,054	1,098,308
21. General administrative expenses		11,195,647	11,599,729
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	95,464,815	90,985,637
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(418)	8,137,208
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		138,781	28,180
26. Net realized capital gains (losses) less capital gains tax of $			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	138,781	28,180
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
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	138,363	8,165,388
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	138,363	8,165,388
DETAILS OF WRITE-INS			
0601. Miscellaneous Revenue	XXX	77,142	
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	77,142	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	27,227,808	23,889,702
34.	Net income or (loss) from Line 32	138,363	8,165,388
35.	Change in valuation basis of aggregate policy and claim reserves		0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		0
37.	Change in net unrealized foreign exchange capital gain or (loss)		0
38.	Change in net deferred income tax		0
39.	Change in nonadmitted assets	109,177	159,770
40.	Change in unauthorized reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		0
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)		0
	44.3 Transferred to surplus		0
45.	Surplus adjustments:		
	45.1 Paid in	0	0
	45.2 Transferred to capital (Stock Dividend)	0	0
	45.3 Transferred from capital		0
46.	Dividends to stockholders	(9,048,667)	(4,987,052)
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	(8,801,127)	3,338,106
49.	Capital and surplus end of reporting year (Line 33 plus 48)	18,426,681	27,227,808
DETAILS OF WRITE-INS			
4701.	Audit Entry		0
4702.			0
4703.			0
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	95,483,337	99,122,845
2. Net investment income	98,048	28,027
3. Miscellaneous income	77,142	0
4. Total (Lines 1 through 3)	95,658,527	99,150,872
5. Benefit and loss related payments	83,043,864	78,736,457
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	11,647,776	12,636,206
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	94,691,640	91,372,663
11. Net cash from operations (Line 4 minus Line 10)	966,887	7,778,209
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,000,000	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,000,000	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	10,000,000	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,000,000	0
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(5,000,000)	0
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
16.5 Dividends to stockholders	9,048,667	4,987,052
16.6 Other cash provided (applied)	111,892	(453,831)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(8,936,775)	(5,440,883)
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)	(12,969,888)	2,337,326
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	37,455,809	35,118,483
19.2 End of year (Line 18 plus Line 19.1)	24,485,921	37,455,809

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	95,387,255	379,867	0	0	0	0	358,534	94,648,854	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $ ..... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	77,142	0	0	0	0	0	0	77,142	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	95,464,397	379,867	0	0	0	0	358,534	94,725,996	0	0
8. Hospital/medical benefits	64,894,397	264,725					516,953	64,112,719		XXX
9. Other professional services	3,835,887	15,648					30,557	3,789,682		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	3,102,038	12,655					24,712	3,064,671		XXX
12. Prescription drugs	11,642,097	169,077	0				222,686	11,250,334		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	83,474,419	462,105	0	0	0	0	794,908	82,217,406	0	XXX
16. Net reinsurance recoveries	114,305							114,305		XXX
17. Total hospital and medical (Lines 15 minus 16)	83,360,114	462,105	0	0	0	0	794,908	82,103,101	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 60,029 cost containment expenses	909,054	3,620					3,417	902,017		
20. General administrative expenses	11,195,647	44,585					273,031	10,878,031		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	95,464,815	510,310	0	0	0	0	1,071,356	93,883,149	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(418)	(130,443)	0	0	0	0	(712,822)	842,847	0	0
DETAILS OF WRITE-INS										
0501. Misc Revenue	77,142							77,142		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	77,142	0	0	0	0	0	0	77,142	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	379,867			379,867
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare	358,534			358,534
7. Title XIX - Medicaid	94,908,905		260,051	94,648,854
8. Other health				0
9. Health subtotal (Lines 1 through 8)	95,647,306	0	260,051	95,387,255
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	95,647,306	0	260,051	95,387,255

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	83,700,516	414,608					388,908	82,897,000		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	114,305							114,305		
1.4 Net	83,586,211	414,608	0	0	0	0	388,908	82,782,695	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	11,783,138	102,341	0	0	0	0	406,000	11,274,797	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	11,783,138	102,341	0	0	0	0	406,000	11,274,797	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	1,711,693							1,711,693		
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	10,297,542	54,844	0	0	0	0	0	10,242,698	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	10,297,542	54,844	0	0	0	0	0	10,242,698	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	83,474,419	462,105	0	0	0	0	794,908	82,217,406	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	114,305	0	0	0	0	0	0	114,305	0	0
12.4 Net	83,360,114	462,105	0	0	0	0	794,908	82,103,101	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	8,545							8,545		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	8,545	0	0	0	0	0	0	8,545	0	0
2. Incurred but Unreported:										
2.1. Direct	11,774,593	102,341					406,000	11,266,252		
2.2. Reinsurance assumed	0							0		
2.3. Reinsurance ceded	0									
2.4. Net	11,774,593	102,341	0	0	0	0	406,000	11,266,252	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	11,783,138	102,341	0	0	0	0	406,000	11,274,797	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	11,783,138	102,341	0	0	0	0	406,000	11,274,797	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	58,351	356,257	1,429	100,912	59,780	54,844
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	388,908	0	406,000	0	0
7. Title XIX - Medicaid	9,631,813	73,150,882	505,000	10,769,797	10,136,813	10,242,698
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	9,690,164	73,896,047	506,429	11,276,709	10,196,593	10,297,542
10. Healthcare receivables (a)		1,711,693			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	9,690,164	72,184,354	506,429	11,276,709	10,196,593	10,297,542

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	730	730	730	730	730
2. 2007	70	94	94	94	94
3. 2008	XXX	173	211	211	211
4. 2009	XXX	XXX	214	246	246
5. 2010	XXX	XXX	XXX	73	131
6. 2011	XXX	XXX	XXX	XXX	356

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	898	898	898	898	898
2. 2007	90	114	114	114	114
3. 2008	XXX	214	252	252	252
4. 2009	XXX	XXX	261	293	293
5. 2010	XXX	XXX	XXX	97	156
6. 2011	XXX	XXX	XXX	XXX	457

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	237	94	5	5.3	99	41.8			99	41.8
2. 2008	236	211	4	1.9	215	91.1			215	91.1
3. 2009	398	246	5	2.0	251	63.1			251	63.1
4. 2010	386	131	4	3.1	135	35.0			135	35.0
5. 2011	379	356	4	1.1	360	95.0	102		462	121.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	
2. 2007	0	0	0	0	
3. 2008	XXX	0	0	0	
4. 2009	XXX	XXX	0	0	
5. 2010	XXX	XXX	XXX	0	
6. 2011	XXX	XXX	XXX	XXX	388

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior					
2. 2007					
3. 2008	XXX				
4. 2009	XXX	XXX			
5. 2010	XXX	XXX	XXX		
6. 2011	XXX	XXX	XXX	XXX	78

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	0	0		0.0	0	0.0			0	0.0
2. 2008	0	0		0.0	0	0.0			0	0.0
3. 2009	0	0		0.0	0	0.0			0	0.0
4. 2010	0	0		0.0	0	0.0			0	0.0
5. 2011	358	388	3	0.8	391	109.2	310		701	195.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	241,106	241,106	241,106	241,106	241,106
2. 2007	47,064	55,871	55,871	55,871	55,871
3. 2008	XXX	57,994	67,437	67,437	67,437
4. 2009	XXX	XXX	64,024	70,796	70,796
5. 2010	XXX	XXX	XXX	37,031	46,662
6. 2011	XXX	XXX	XXX	XXX	73,293

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	241,106	241,106	241,106	241,106	241,106
2. 2007	47,064	55,871	55,871	55,871	55,871
3. 2008	XXX	57,994	67,437	67,437	67,437
4. 2009	XXX	XXX	64,024	70,797	70,797
5. 2010	XXX	XXX	XXX	42,334	50,668
6. 2011	XXX	XXX	XXX	XXX	86,266

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	66,561	55,871		0.0	55,871	83.9			55,871	83.9
2. 2008	82,653	67,437		0.0	67,437	81.6			67,437	81.6
3. 2009	92,581	70,796		0.0	70,796	76.5			70,796	76.5
4. 2010	98,796	46,662		0.0	46,662	47.2			46,662	47.2
5. 2011	94,388	73,293	902	1.2	74,195	78.6	11,371	153	85,719	90.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	241,836	241,836	241,836	241,836	241,836
2. 2007	47,134	55,965	55,965	55,965	55,965
3. 2008	XXX	58,167	67,648	67,648	67,648
4. 2009	XXX	XXX	64,238	71,042	71,042
5. 2010	XXX	XXX	XXX	37,104	46,793
6. 2011	XXX	XXX	XXX	XXX	74,037

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	242,004	242,004	242,004	242,004	242,004
2. 2007	47,154	55,985	55,985	55,985	55,985
3. 2008	XXX	58,208	67,689	67,689	67,689
4. 2009	XXX	XXX	64,285	71,090	71,090
5. 2010	XXX	XXX	XXX	42,431	50,824
6. 2011	XXX	XXX	XXX	XXX	86,801

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	66,798	55,965	5	0.0	55,970	83.8	0	0	55,970	83.8
2. 2008	82,889	67,648	4	0.0	67,652	81.6	0	0	67,652	81.6
3. 2009	92,979	71,042	5	0.0	71,047	76.4	0	0	71,047	76.4
4. 2010	99,182	46,793	4	0.0	46,797	47.2	0	0	46,797	47.2
5. 2011	95,125	74,037	909	1.2	74,946	78.8	11,783	153	86,882	91.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	96,082						96,082		
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ..... for investment income)	0								
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	96,082	0	0	0	0	0	96,082	0	0
7. Reinsurance ceded	0								
8. Totals (Net) (Page 3, Line 4)	96,082	0	0	0	0	0	96,082	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ 86,000 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ ..... for occupancy of own building)	2,089	28,414	141,071		171,574
2. Salaries, wages and other benefits	48,743	662,904	3,291,224		4,002,871
3. Commissions (less $ ..... ceded plus $ ..... assumed)					0
4. Legal fees and expenses	353	4,803	31,890		37,046
5. Certifications and accreditation fees			55,215		55,215
6. Auditing, actuarial and other consulting services	307	4,177	131,956		136,440
7. Traveling expenses	27	364	79,375		79,766
8. Marketing and advertising	75	1,014	113,864		114,953
9. Postage, express and telephone	211	2,869	104,025		107,105
10. Printing and office supplies	183	2,486	96,035		98,704
11. Occupancy, depreciation and amortization	96	1,311	31,131		32,538
12. Equipment					0
13. Cost or depreciation of EDP equipment and software	713	9,696	166,287		176,696
14. Outsourced services including EDP, claims, and other services	2,744	37,325	544,710		584,779
15. Boards, bureaus and association fees	736	10,014	105,944		116,694
16. Insurance, except on real estate	730	9,929	49,296		59,955
17. Collection and bank service charges		16	28,333		28,349
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes		32,607	150,801		183,408
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes	3,022	41,096	204,035		248,153
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	5,870,455	0	5,870,455
26. Total expenses incurred (Lines 1 to 25)	60,029	849,025	11,195,647	0	(a) 12,104,701
27. Less expenses unpaid December 31, current year		153,000	775,495		928,495
28. Add expenses unpaid December 31, prior year	0	322,000	162,591	0	484,591
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	60,029	1,018,025	10,582,743	0	11,660,797
DETAILS OF WRITE-INS					
2501. MPCA - Outreach Program			478,866		478,866
2502. Use Tax			5,391,589		5,391,589
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	0	5,870,455	0	5,870,455

(a) Includes management fees of $ 5,113,246 to affiliates and $ ..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 38,750	38,750
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	0	
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 100,157	100,031
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	138,907	138,781
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		0
17.	Net investment income (Line 10 minus Line 16)		138,781
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ 0 paid for accrued interest on purchases.
(b) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ ..... paid for accrued interest on purchases.
(d) Includes $ ..... for company's occupancy of its own buildings; and excludes $ ..... interest on encumbrances.
(e) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.
(f) Includes $ ..... accrual of discount less $ ..... amortization of premium.
(g) Includes $ ..... investment expenses and $ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ ..... interest on surplus notes and $ ..... interest on capital notes.
(i) Includes $ ..... depreciation on real estate and $ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds			0		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)			0		
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	166,412	218,036	51,624
21. Furniture and equipment, including health care delivery assets	323,628	251,735	(71,893)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	0	0	0
25. Aggregate write-ins for other than invested assets	117,456	246,902	129,446
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	607,496	716,673	109,177
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	607,496	716,673	109,177
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses	117,456	246,902	129,446
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	117,456	246,902	129,446

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	29,774	29,977	30,044	29,638	29,483	359,085
2. Provider Service Organizations	0					
3. Preferred Provider Organizations	0					
4. Point of Service	0					
5. Indemnity Only	0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	29,774	29,977	30,044	29,638	29,483	359,085
DETAILS OF WRITE-INS						
0601.	0					
0602.	0					
0603.	0					
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A) **Accounting Practices**
The 2011 Annual Statement as of December 31, 2011 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

Use tax expense through December 31, 2011 is $5,391,589 and is included in administrative expenses. In addition, the State of Michigan implemented a hospital supplemental 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 Annual filing totaled $22,743,590.

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

During the 1st quarter of 2011 the company purchased original issue bonds in the Agency which are summarized below. Two of the four bonds were called during the 3rd quarter:

Name of Bond	CUSIP	Date Purchased	Interest Rate	Due Date	Actual Price	Par Value	Amortized Cost
Fed Farm Credit Bk	31331KAA8	1/24/2011	1.390%	1/24/2014	2,500,000	2,500,000	2,500,000
Fed Natl Mtg Assn	3136FP3W5	1/27/2011	2.400%	1/27/2016	2,500,000	2,500,000	2,500,000
						Total	$5,000,000

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

NONE

Note 7 – Investment Income

As of December 31, 2011, the Company had $138,781 of admitted investment income received 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

NOTES TO FINANCIAL STATEMENTS

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) The Upper Peninsula Health Plan paid common stock dividends to stockholders on March 16, 2011, totaling $4,524,334 and paid dividends on May 2, 2011, totaling $4,524,333.
C) The Plan paid a management fee of $5,113,246 to its management company, the Upper Peninsula Managed Care, LLC through December 31, 2011. 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

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 December 31, 2011, the Plan has 29,935 shares of non-voting common stock issued and outstanding. The Plan has no preferred stock issued or outstanding. The Plan has adopted a policy where Dividend distribution is restricted to a level of 600% of the authorized control level.

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

NOTES TO FINANCIAL STATEMENTS

Note 23-Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Plan's current book of business is the Michigan Managed Medicaid, MIChild, and Medicare SNP for dual eligible's 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

Note 26-Structured Settlement

NONE

Note 27-Health Care Receivables

The Plan's health care receivables as of December 31, 2011 totaled $1,711,693 of which $265,869 is for maternity case rates for children born to mothers in the Plan. Also, there is $1,445,824 included in receivables for a claims paid on a retro disenrollment.

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 December 31, 2011, First Recovery Group recovered $28,782 for the Company this year.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Michigan

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

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008

3.2 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

3.3 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

3.4 By what department or departments? Michigan Office of Financial & Insurance Regulation

3.5 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 [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the 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

6.1 Has the 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]

6.2 If yes, give full information

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Thomson & Paquette, PC, 1901 W. Ridge St, Marquette, MI 49855

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ ] No [X] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain
The financials and audits are presented to teh entire board of directors for review. The entire board constitutes the audit committee in accordance with Section 1001(b) of the Insurance Code.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman, 15800 Bluemound Road, Suite 400, Brookfield, WI 53005

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company .....

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value $.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 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.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $.....
- 20.12 To stockholders not officers $.....
- 20.13 Trustees, supreme or grand (Fraternal only) $.....

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $.....
- 20.22 To stockholders not officers $.....
- 20.23 Trustees, supreme or grand (Fraternal only) $.....

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $.....
- 21.22 Borrowed from others $.....
- 21.23 Leased from others $.....
- 21.24 Other $.....

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $.....
- 22.22 Amount paid as expenses $.....
- 22.23 Other amounts paid $.....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

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

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No [ ]

24.2 If no, give full and complete information, relating thereto

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] NA [X]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. $.....

24.6 If answer to 24.4 is no, report amount of collateral for other programs. $.....

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] NA [X]

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [X]

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] NA [X]

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$
25.22	Subject to reverse repurchase agreements	$
25.23	Subject to dollar repurchase agreements	$
25.24	Subject to reverse dollar repurchase agreements	$
25.25	Pledged as collateral	$
25.26	Placed under option agreements	$
25.27	Letter stock or securities restricted as to sale	$
25.28	On deposit with state or other regulatory body	$ 1,032,722
25.29	Other	$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ ]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

28. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Wells Fargo Institutional Trust Services	101 West Washington St Marquette, MI 49855

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

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

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

28.05 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 Number(s)	2 Name	3 Address

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	5,000,000	5,000,000	0
30.2 Preferred Stocks	0		0
30.3 Totals	5,000,000	5,000,000	0

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? $ 45,000

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$

34.1 Amount of payments for legal expenses, if any? $ 8,046

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foster, Swift, Collins & Smith PC	$ 8,046

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U. S. business only $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$	$ 99,122,845
2.2	Premium Denominator	$ 95,387,255	$ 99,122,845
2.3	Premium Ratio (2.1/2.2)	0.000	1.000
2.4	Reserve Numerator	$	$ 10,297,542
2.5	Reserve Denominator	$ 11,879,220	$ 10,297,542
2.6	Reserve Ratio (2.4/2.5)	0.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $ 100,000

5.32 Medical Only $

5.33 Medicare Supplement $

5.34 Dental and Vision $

5.35 Other Limited Benefit Plan $

5.36 Other $

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 891

8.2 Number of providers at end of reporting year 953

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses	$
10.22 Amount actually paid for year bonuses	$
10.23 Maximum amount payable withholds	$ 200,000
10.24 Amount actually paid for year withholds	$

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [X] No [ ]
11.14 A Mixed Model (combination of above) ?	Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. Michigan

11.4 If yes, show the amount required. $ 7,549,756

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation.

200% of 100% Authorized Control Level is required (3,774,878 * 2=7,549,756)

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Region 8 Which includes all counties in Michigan's Upper Peninsula

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. $

FIVE - YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	31,247,417	38,009,941	35,704,542	28,417,295	22,630,343
2. Total liabilities (Page 3, Line 24)	12,820,736	10,782,133	11,814,840	10,291,959	9,412,538
3. Statutory surplus	7,549,756	6,051,884	5,824,830	5,463,164	4,499,842
4. Total capital and surplus (Page 3, Line 33)	18,426,681	27,227,808	23,889,702	18,125,336	13,217,805
Income Statement (Page 4)					
5. Total revenues (Line 8)	95,464,397	99,122,845	92,979,928	82,890,022	66,797,874
6. Total medical and hospital expenses (Line 18)	83,360,114	78,287,600	74,825,830	67,157,125	52,572,708
7. Claims adjustment expenses (Line 20)	909,054	1,098,308	1,250,126	1,540,043	1,437,986
8. Total administrative expenses (Line 21)	11,195,647	11,599,729	11,120,720	9,770,567	7,677,833
9. Net underwriting gain (loss) (Line 24)	(418)	8,137,208	5,783,252	4,422,287	5,109,347
10. Net investment gain (loss) (Line 27)	138,781	28,180	44,936	496,455	833,839
11. Total other income (Lines 28 plus 29)	0	0	0	0	15,771
12. Net income or (loss) (Line 32)	138,363	8,165,388	5,828,188	4,918,742	5,958,957
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	966,887	7,778,209	7,401,260	6,713,479	6,841,006
Risk-Based Capital Analysis					
14. Total adjusted capital	18,426,681	27,227,808	23,889,702	18,125,336	13,217,805
15. Authorized control level risk-based capital	3,257,260	3,025,942	2,912,415	2,731,582	2,249,921
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	29,483	29,774	28,566	25,777	25,447
17. Total members months (Column 6, Line 7)	359,085	352,033	323,793	308,290	304,379
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	87.4	79.0	80.5	81.0	78.7
20. Cost containment expenses	0.1	0.1	0.1	0.2	0.2
21. Other claims adjustment expenses	0.9	1.0	1.2	1.7	1.9
22. Total underwriting deductions (Line 23)	100.1	91.8	93.8	94.7	92.4
23. Total underwriting gain (loss) (Line 24)	0.0	8.2	6.2	5.3	7.6
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	10,196,593	8,769,870	9,592,560	8,417,766	4,593,731
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	10,297,542	11,336,080	9,647,000	8,771,000	6,418,000
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	0
2. Alaska AK	N							0	0
3. Arizona AZ	N							0	0
4. Arkansas AR	N							0	0
5. California CA	N							0	0
6. Colorado CO	N							0	0
7. Connecticut CT	N							0	0
8. Delaware DE	N							0	0
9. District of Columbia DC	N							0	0
10. Florida FL	N							0	0
11. Georgia GA	N							0	0
12. Hawaii HI	N							0	0
13. Idaho ID	N							0	0
14. Illinois IL	N							0	0
15. Indiana IN	N							0	0
16. Iowa IA	N							0	0
17. Kansas KS	N							0	0
18. Kentucky KY	N							0	0
19. Louisiana LA	N							0	0
20. Maine ME	N							0	0
21. Maryland MD	N							0	0
22. Massachusetts MA	N							0	0
23. Michigan MI	L	379,867	358,534	94,908,905				95,647,306	0
24. Minnesota MN	N							0	0
25. Mississippi MS	N							0	0
26. Missouri MO	N							0	0
27. Montana MT	N							0	0
28. Nebraska NE	N							0	0
29. Nevada NV	N							0	0
30. New Hampshire NH	N							0	0
31. New Jersey NJ	N							0	0
32. New Mexico NM	N							0	0
33. New York NY	N							0	0
34. North Carolina NC	N							0	0
35. North Dakota ND	N							0	0
36. Ohio OH	N							0	0
37. Oklahoma OK	N							0	0
38. Oregon OR	N							0	0
39. Pennsylvania PA	N							0	0
40. Rhode Island RI	N							0	0
41. South Carolina SC	N							0	0
42. South Dakota SD	N							0	0
43. Tennessee TN	N							0	0
44. Texas TX	N							0	0
45. Utah UT	N							0	0
46. Vermont VT	N							0	0
47. Virginia VA	N							0	0
48. Washington WA	N							0	0
49. West Virginia WV	N							0	0
50. Wisconsin WI	N							0	0
51. Wyoming WY	N							0	0
52. American Samoa AS	N							0	0
53. Guam GU	N							0	0
54. Puerto Rico PR	N							0	0
55. U.S. Virgin Islands VI	N							0	0
56. Northern Mariana Islands MP	N							0	0
57. Canada CN	N							0	0
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	379,867	358,534	94,908,905	0	0	0	95,647,306	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	379,867	358,534	94,908,905	0	0	0	95,647,306	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	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	

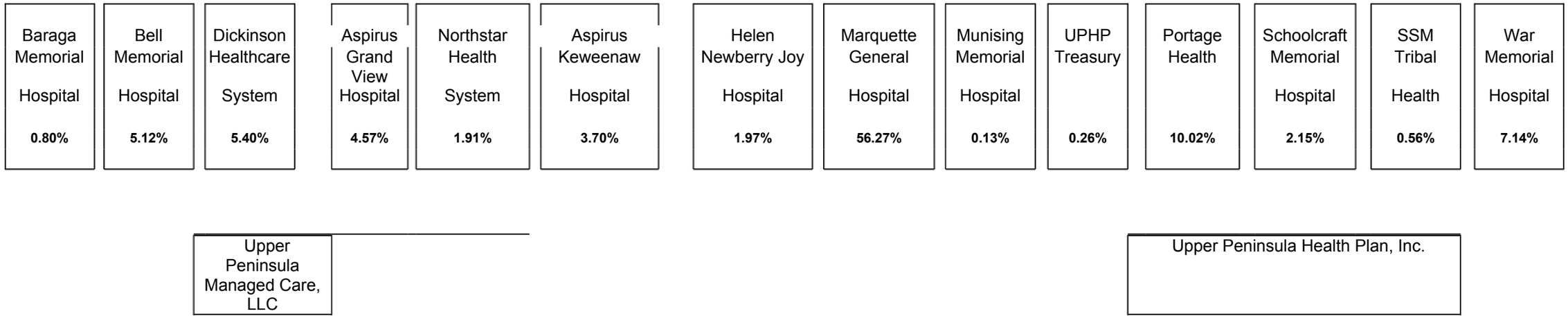
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

Explanation of basis of allocation by states, premiums by state, etc.: Only licensed in Michigan

(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



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