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HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2004

OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc.

NAIC Group Code 0000 (Current Period) _____ (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 of America

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

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

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

Main Administrative Office 228 W. 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 W. 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 W. Washington St. (Street and Number)
Marquette, MI 49855 (City or Town, State and Zip Code) 906-225-7491 (Area Code) (Telephone Number)

Internet Website Address www.uphp.com

Statutory Statement Contact Patrick N. Thomson CPA (Name) 906-225-7491 (Area Code) (Telephone Number) (Extension)
pthomson@uphp.com (E-mail Address) 906-225-7690 (FAX Number)

Policyowner Relations Contact 228 W. Washington St. (Street and Number)
Marquette, MI 49855 (City or Town, State and Zip Code) 906-225-7500 (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
Dennis Smith	President	William Nemacheck	Secretary
Greg Gustafson	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

John Schon	James Bogan	William Nemacheck
Wayne Hellerstedt	Rick Wright	Robert Vairo
David Rencher	Michelle Tavernier	Jurgensen Eric

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 H. Smith	William Nemacheck	Greg Gustafson
President	Secretary	Treasurer

Subscribed and sworn to before me this
11 day of November, 2004

Tanya M. Jennings
Executive Assistant
October 11, 2007

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	25,176		25,176	45,257
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 ($ 11,783,074), cash equivalents ($ .....) and short-term investments ($ 977,431)	12,760,505		12,760,505	9,531,955
6. Contract loans, (including $ ..... premium notes)			0	0
7. Other invested assets	0	0	0	0
8. Receivable for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	12,785,681	0	12,785,681	9,577,212
11. Investment income due and accrued	16,526		16,526	6,522
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection			0	0
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
12.3 Accrued retrospective premiums			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	0
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	0
15.2 Net deferred tax asset			0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software			0	26,572
18. Furniture and equipment, including health care delivery assets ($ .....)			0	72,544
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates			0	0
21. Health care ($ .....) and other amounts receivable	1,090,982	550,000	540,982	2,001,935
22. Other assets nonadmitted			0	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	13,893,189	550,000	13,343,189	11,684,785
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	13,893,189	550,000	13,343,189	11,684,785
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	7,433,906		7,433,906	5,742,030
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	210,213		210,213	157,970
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	1,144,212		1,144,212	950,495
10.1 Current federal and foreign income tax payable and interest thereon (including $ ..... on realized capital gains (losses))	26,100		26,100	527,020
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. Payable for securities			0	0
17. Funds held under reinsurance treaties with ($ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured accident and health plans			0	0
21. Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	8,814,431	0	8,814,431	7,377,515
23. Common capital stock	XXX	XXX	3,261,670	3,261,670
24. Preferred capital stock	XXX	XXX		0
25. Gross paid in and contributed surplus	XXX	XXX		0
26. Surplus notes	XXX	XXX		0
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	1,267,088	1,045,600
29. Less treasury stock, at cost:				
29.1 ..... shares common (value included in Line 23) $ .....)	XXX	XXX		0
29.2 ..... shares preferred (value included in Line 24) $ .....)	XXX	XXX		0
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	4,528,758	4,307,270
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	13,343,189	11,684,785
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2701.	XXX	XXX		
2702.	XXX	XXX		
2703.	XXX	XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	236,993	233,180
2. Net premium income (including non-health premium income)	XXX	35,864,322	34,125,829
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	0	(1,184,830)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	35,864,322	32,940,999
Hospital and Medical:			
9. Hospital/medical benefits		17,717,837	16,570,685
10. Other professional services		3,071,496	3,033,068
11. Outside referrals			0
12. Emergency room and out-of-area		1,130,925	1,225,502
13. Prescription drugs		6,821,673	8,776,912
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	28,741,931	29,606,167
Less:			
17. Net reinsurance recoveries		87,395	0
18. Total hospital and medical (Lines 16 minus 17)	0	28,654,536	29,606,167
19. Non-health claims			0
20. Claims adjustment expenses, including $ cost containment expenses		1,262,553	1,805,682
21. General administrative expenses		4,962,471	1,015,320
22. Increase in reserves for life and accident and health contracts including $ increase in reserves for life only)			0
23. Total underwriting deductions (Lines 18 through 22)	0	34,879,560	32,427,169
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	984,762	513,830
25. Net investment income earned (Exhibit of Net Investment income, Line 17)		85,033	62,396
26. Net realized capital gains (losses)			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	85,033	62,396
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	1,069,795	576,226
31. Federal and foreign income taxes incurred	XXX	362,380	259,875
32. Net income (loss) (Lines 30 minus 31)	XXX	707,415	316,351
DETAILS OF WRITE-INS			
0601. QAAP Tax Assessment	XXX		(1,184,830)
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	(1,184,830)
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

		1 Current Year to Date	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:		
33.	Capital and surplus prior reporting year	4,307,270	3,007,287
	GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34.	Net income or (loss) from Line 32	707,415	814,801
35.	Change in valuation basis of aggregate policy and claim reserves		0
36.	Net unrealized capital gains and losses		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	(534,904)	(10,658)
40.	Change in unauthorized reinsurance	0	0
41.	Change in treasury stock		0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles	49,068	(4,438)
44.	Capital Changes:		
	44.1 Paid in		500,000
	44.2 Transferred from surplus (Stock Dividend)		0
	44.3 Transferred to surplus		0
45.	Surplus adjustments:		
	45.1 Paid in		0
	45.2 Transferred to capital (Stock Dividend)	0	0
	45.3 Transferred from capital		0
46.	Dividends to stockholders		0
47.	Aggregate write-ins for gains or (losses) in surplus	(91)	278
48.	Net change in capital & surplus (Lines 34 to 47)	221,488	1,299,983
49.	Capital and surplus end of reporting period (Line 33 plus 48)	4,528,758	4,307,270
	DETAILS OF WRITE-INS		
4701.	Bond Amortized Cost Adjustment	(91)	278
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	(91)	278

CASH FLOW

	1 Current Year To Date	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	37,297,742	46,955,758
2. Net investment income	82,068	79,411
3. Miscellaneous income	0	0
4. Total (Lines 1 to 3)	37,379,810	47,035,169
5. Benefits and loss related payments	28,725,474	39,045,489
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	4,893,416	4,658,168
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) $ ..... net of tax on capital gains (losses)	766,280	0
10. Total (Lines 5 through 9)	34,385,170	43,703,657
11. Net cash from operations (Line 4 minus Line 10)	2,994,640	3,331,512
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	470,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	233,910	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	484,639
12.7 Miscellaneous proceeds	0	91
12.8 Total investment proceeds (Lines 12.1 to 12.7)	233,910	954,730
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	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	484,730
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	484,730
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	233,910	470,000
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	500,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	0	(4,749)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	0	495,251
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Lines 15 and 17)	3,228,550	4,296,763
19. Cash and short-term investments:		
19.1 Beginning of period	9,531,955	5,235,192
19.2 End of period (Line 18 plus Line 19.1)	12,760,505	9,531,955

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	26,195	0	0	0	0	0	0	0	25,898	0	0	0	297
2 First Quarter	26,523	0	0	0	0	0	0	0	26,225	0	0	0	298
3 Second Quarter	26,527	0	0	0	0	0	0	0	26,240	0	0	0	287
4. Third Quarter	25,914								25,631				283
5. Current Year	0												
6 Current Year Member Months	236,993								234,379				2,614
Total Member Ambulatory Encounters for Period:													
7. Physician	187,938								186,636				1,302
8. Non-Physician	265,178								263,753				1,425
9. Total	453,116	0	0	0	0	0	0	0	450,389	0	0	0	2,727
10. Hospital Patient Days Incurred	3,383								3,383				
11. Number of Inpatient Admissions	763								763				
12. Health Premiums Written	36,069,579								35,864,040				205,539
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	35,864,322								35,658,783				205,539
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	26,962,660								26,918,272				44,388
18. Amount Incurred for Provision of Health Care Services	28,741,931								28,566,627				175,304

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)						
Bay Area Medical Center		11,365				11,365
Chippewa War Memorial Hospital		33,085				33,085
Dickinson County Hospital		19,679				19,679
Marquette General Health System		36,217	5,407			41,624
Northern Michigan Hospital		15,833				15,833
Portage Health Systems		15,398	30			15,428
Schoolcraft Memorial Hospital		20,023				20,023
St. Francis Hospital		13,627	613			14,240
4D Pharmacy Manangement Systems, Inc.	1,123,973					1,123,973
0199999 Individually Listed Claims Unpaid	1,123,973	165,227	6,050	0	0	1,295,250
0299999 Aggregate Accounts Not Individually Listed-Uncovered						0
0399999 Aggregate Accounts Not Individually Listed-Covered						0
0499999 Subtotals	1,123,973	165,227	6,050	0	0	1,295,250
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	6,138,656
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	7,433,906
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 & medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid	5,119,923	21,798,349	7,407,527	26,379	12,527,450	5,730,558
8. Other Health	12,548	31,840	0	0	12,548	11,472
9. Health Subtotal (Lines 1 to 8)	5,132,471	21,830,189	7,407,527	26,379	12,539,998	5,742,030
10. Other non-health					0	0
11. Medical incentive pools and bonus amounts					0	0
12. Totals	5,132,471	21,830,189	7,407,527	26,379	12,539,998	5,742,030

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A) **Accounting Practices**
The Quarterly Statement as of September 30, 2004 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 and experience refunds 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 $3,328,059 are being netted against pharmacy expenses.

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

NONE

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

NONE

Note 7 – Investment Income

As of September 30, 2004, the Plan has $85,033 of admitted investment income due and accrued and included in the statement of revenue and expenses. The sources of this income are included in the Exhibit of Net Investment Income.

Note 8 - Derivative Instruments

NONE

Note 9 - Income Taxes

Tax liabilities are reflected in the reported company earnings. The Plan had a tax liability of $26,100 as of the September 30, 2004.

Note 10-Information Concerning Parent, Subsidiaries, and Affiliates

A) The Plan 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 57.71% and Portage Health System owns 10.03% of the Plan's outstanding common stock.
B) The Company sold the net book value of its fixed assets to the Affiliate Company, Upper Peninsula Managed Care, LLC, on September 30, 2004, totaling $159,608.
C) $2,434,217 is the total amount of the management fee. All transactions are covered under Note 10-Part F.
D) NONE
E) NONE
F) The Plan has a Management Service Agreement with its parent. 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

The Plan has a $1,000,000 long-term line of credit (LOC) with Wells Fargo Bank. This LOC has a variable rate of .25% over prime rate. The Plan has a $0.00 balance outstanding as of September 30, 2004.

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

The Plan raised $500,000 in 2003 from a capital call that helped the Plan improve its RBC percentage from 2002. All capital was contributed by the Plan's affiliated hospitals. As of September 30, 2004, our capital and surplus is $4,528,758. The Plan is concentrating on increasing its capital surplus and RBC.

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

NONE

Note 21-Events Subsequent

The Plan changed Pharmacy Benefits Managers (PBM) effective January 1, 2004. This change is expected to decrease the Plan's pharmacy cost by 6% through pricing alone. The Plan has also implemented several formulary changes that are expected to reduce pharmacy costs even further. The amount depends on the timing and the appropriateness of therapeutic interchanges, but they could be significant. As of September 30, 2004 the Company has realized a 23.58% reduction in pharmacy costs for the first nine months of fiscal year 2004.

The Plan changed Third Party Administrators (TPA) effective July 1, 2004. The change was involuntary because of the claims processing system the Plan was using prior to July 1, 2004 was no longer supported by the Company's prior TPA. The Plan has contracted with TMG, Inc. out of King of Prussia, PA. Due to this claims processing conversion, a backlog of claims payments has been created which is reflected in the Plan's claims payable balance. This backlog of claims payments should be settled as of November 1, 2004.

The Plan has reorganized to become a not-for-profit entity. The reorganization plan was approved by the Commissioner of the Michigan Office of Financial and Insurance Services (OFIS) in February 2004 with a change in control effective April 1, 2004. This process consisted of eliminating the U.P. Network, LLC and U.P. Physicians, LLC and dissolving the affiliation with the parent company by recalling the 100 shares of voting common stock. After the reorganization, the Plan is now a Medicaid only HMO owned by 14 not-for-profit community hospitals. The hospital ownership ranges from less than 1% to 57.71% with two hospitals owning more than 10% of the Plan. The IRS has been petitioned for not-for-profit status. This status will be a major factor in improving the financial strength of the Plan and is expected prior to the end of 2004.

NOTES TO FINANCIAL STATEMENTS

Note 22-Reinsurance

The Plan recovered $87,395 in reinsurance claims in 2004 for an incident with dates of service from August through October 2003.

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

Note 26-Structured Settlement

NONE

Note 27-Health Care Receivables

The Plan’s health care receivables as of September 30, 2004 totaled $1,090,982 and consisted of psychotropic drug reimbursements from the State of Michigan Medicaid Program carve-out ($269,675), maternity case rates ($244,371) for children born to mothers in Plan, a refundable PBM deposit ($550,000) and general receivables ($26,936).

Note 28-Participating Policies

NONE

Note 29-Premium Deficiency Reserves

NONE

Note 30-Anticipated Salvage and Subrogation

The Plan 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. In the 3rd Quarter 2004, First Recovery Group recovered $5,954 for the Plan.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? ..... Yes [ ] No [X]

1.2 If yes, explain:

.....

2.1 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]

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

3.1 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 [X] No [ ]

3.2 If yes, date of change: 04/01/2004

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

4. 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.

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 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. 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 [X] No [ ] NA [ ]

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/2001

7.2 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. 06/30/2001

7.3 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). 08/19/2002

7.4 By what department or departments?

Office of Financial & Insurance Services

.....

8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]

8.2 If yes, give full information:

.....

9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.

.....

9.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]

9.4 If response to 9.3 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
INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

10.2 If yes, explain:

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: $

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

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

14.2 If yes, please complete the following:

		1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21	Bonds	$	$
14.22	Preferred Stock	$	$
14.23	Common Stock	$	$
14.24	Short-term Investments	$	$
14.25	Mortgages, Loans or 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	$	$
14.29	Receivable from Parent not 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.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - 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
421093006	Joe Huss	101 W. Washington St., Marquette, MI 49855

SCHEDULE A - VERIFICATION

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Increase (decrease) by adjustment		0
3. Cost of acquired		0
4. Cost of additions to and permanent improvements		0
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0	0

SCHEDULE B – VERIFICATION

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets Included in Schedule BA

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	0	0

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	45,257	514,447
2. Cost of bonds and stocks acquired		0
3. Accrual of discount		0
4. Increase (decrease) by adjustment	(81)	719
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal	0	91
7. Consideration for bonds and stocks disposed of	20,000	470,000
8. Amortization of premium		0
9. Book/adjusted carrying value, current period	25,176	45,257
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	25,176	45,257
12. Total nonadmitted amounts		0
13. Statement value	25,176	45,257

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	25,205			(29)	25,232	25,205	25,176	45,257
2. Class 2	0				0	0	0	0
3. Class 3	0				0	0	0	0
4. Class 4	0				0	0	0	0
5. Class 5	0				0	0	0	0
6. Class 6	0				0	0	0	0
7. Total Bonds	25,205	0	0	(29)	25,232	25,205	25,176	45,257
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	25,205	0	0	(29)	25,232	25,205	25,176	45,257

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999 Totals	977,431	XXX	977,431	8,047	

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	954,479	0
2. Cost of short-term investments acquired	31,169	492,656
3. Increase (decrease) by adjustment	(8,217)	484,639
4. Increase (decrease) by foreign exchange adjustment		0
5. Total profit (loss) on disposal of short-term investments		0
6. Consideration received on disposal of short-term investments		22,816
7. Book/adjusted carrying value, current period	977,431	954,479
8. Total valuation allowance		0
9. Subtotal (Lines 7 plus 8)	977,431	954,479
10. Total nonadmitted amounts		0
11. Statement value (Lines 9 minus 10)	977,431	954,479
12. Income collected during period	8,047	4,675
13. Income earned during period	9,319	5,568

SCHEDULE DB - PART F- SECTION 1

Summary of Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
					Derivative Instruments Open		Cash Instrument(s) Held				
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description
					NONE						
9999999 Totals					XXX		XXX	XXX			XXX

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

NONE

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-to-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory	0	0	0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE S—CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
		LIFE AND ANNUITY AFFILIATES		
		LIFE AND ANNUITY NON-AFFILIATES		
		ACCIDENT AND HEALTH AFFILIATES		
		ACCIDENT AND HEALTH NON-AFFILIATES		

NONE

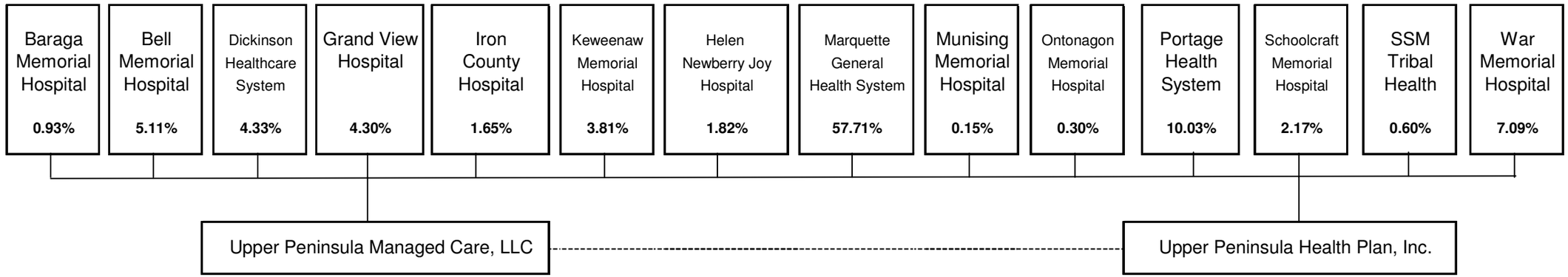
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only Year-to-Date 3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefit Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
1. Alabama	AL								
2. Alaska	AK								
3. Arizona	AZ								
4. Arkansas	AR								
5. California	CA								
6. Colorado	CO								
7. Connecticut	CT								
8. Delaware	DE								
9. District of Columbia	DC								
10. Florida	FL								
11. Georgia	GA								
12. Hawaii	HI								
13. Idaho	ID								
14. Illinois	IL								
15. Indiana	IN								
16. Iowa	IA								
17. Kansas	KS								
18. Kentucky	KY								
19. Louisiana	LA								
20. Maine	ME								
21. Maryland	MD								
22. Massachusetts	MA								
23. Michigan	MI	No	Yes	205,539		35,887,152			
24. Minnesota	MN								
25. Mississippi	MS								
26. Missouri	MO								
27. Montana	MT								
28. Nebraska	NE								
29. Nevada	NV								
30. New Hampshire	NH								
31. New Jersey	NJ								
32. New Mexico	NM								
33. New York	NY								
34. North Carolina	NC								
35. North Dakota	ND								
36. Ohio	OH								
37. Oklahoma	OK								
38. Oregon	OR								
39. Pennsylvania	PA								
40. Rhode Island	RI								
41. South Carolina	SC								
42. South Dakota	SD								
43. Tennessee	TN								
44. Texas	TX								
45. Utah	UT								
46. Vermont	VT								
47. Virginia	VA								
48. Washington	WA								
49. West Virginia	WV								
50. Wisconsin	WI								
51. Wyoming	WY								
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56 Canada	CN								
57. Aggregate Other Alien	OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)		XXX	(a) 1	205,539	0	35,887,152	0	0	0
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798. Summary of remaining write-ins for Line 57 from overflow page				0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)				0	0	0	0	0	0

(a) Insert the number of yes 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 on "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 question.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	Yes

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements
9999999 - Totals								

NONE

SCHEDULE A - PART 3

Showing All Real Estate SOLD during the Current Quarter, including Payments during the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16
	2	3													
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Expended for Additions, Permanent Improvements and Changes in Encum-brances	Book/ Adjusted Carrying Value Less Encum-brances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encum-brances	Taxes, Repairs and Expenses Incurred
9999999 Totals															

NONE

SCHEDULE B - PART 1

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9	10	11
	2	3								
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation
			NONE							
9999999 Totals										XXX

SCHEDULE B - PART 2

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Loan Number	City	State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
				NONE								
9999999 Totals												

SCHEDULE BA - PART 1

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

1	Location		4	5	6	7	8	9	10
	2	3							
Number of Units and Description	City	State	Name of Vendor	Date Acquired	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment
NONE									
9999999 Totals									

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Number of Units and Description	City	State	Name of Purchaser or Nature of Disposition	Date Acquired	Book/ Adjusted Carrying Value Less Encum-brances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encum-brances at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
NONE												
9999999 Totals												

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator [a]
				NONE					
7499999 - Totals						0	XXX	0	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A. C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig-nation or Market Indicator (a)
7499999 Totals						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX

NONE

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
NONE													
2599999 - Subtotal - Hedging Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
NONE													
2599999 - Subtotal - Hedging Transactions								XXX					
2699999 - Subtotal - Income Generation Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income	15 Potential Exposure
NONE														
2599999 - Subtotal - Hedging Transactions								XXX						
2799999 - Subtotal - Other Derivative Transactions								XXX						
9999999 - Totals								XXX						

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts Open at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
NONE												
2599999 - Subtotal - Hedging Transactions						XXX	XXX					
2799999 - Subtotal - Other Derivative Transactions						XXX	XXX					
9999999 - Totals						XXX	XXX					

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	*
Wells Fargo Bank Michigan, N.A. 101 W. Washington St., Marquette, MI 49855		0.000	0	0	(809,420)	(460,480)	(769,680)	XXX
Wells Fargo Bank Michigan, N.A. 101 W. Washington St., Marquette, MI 49855		0.900	17,165	22,573	5,989,461	7,920,890	8,501,779	XXX
Wells Fargo Bank Michigan, N.A. 101 W. Washington St., Marquette, MI 49855		0.900	11,186	12,855	4,042,850	4,046,680	4,050,975	XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Totals - Open Depositories	XXX	XXX	28,351	35,428	9,222,891	11,507,090	11,783,074	XXX
0399999 Total Cash on Deposit	XXX	XXX	28,351	35,428	9,222,891	11,507,090	11,783,074	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	XXX	28,351	35,428	9,222,891	11,507,090	11,783,074	XXX