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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

of the Condition and Affairs of the

Blue Care Network of Michigan

NAIC Group Code..... 0572, 0572 (Current Period) (Prior Period) NAIC Company Code..... 95610 Employer's ID Number..... 38-2359234

Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan Country of Domicile US

Licensed as Business Type Health Maintenance Organization

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

Date Incorporated or Organized..... May 6, 1981 Date Commenced Business..... May 13, 1981

Statutory Home Office	25925 Telegraph ..... Southfield ..... MI ..... 48086 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	25925 Telegraph ..... Southfield ..... MI ..... 48086 *(Street and Number) (City or Town, State and Zip Code)*	248-354-7450 *(Area Code) (Telephone Number)*
Mail Address	25925 Telegraph MC BF355 ..... Southfield ..... MI ..... 48086 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	25925 Telegraph ..... Southfield ..... MI ..... 48086 *(Street and Number) (City or Town, State and Zip Code)*	248-593-3771 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsm.com/bcn	
Statutory Statement Contact	Joseph Andraska *(Name)*	248-593-3775 *(Area Code) (Telephone Number) (Extension)*
	jandraska@bcbsm.com *(E-Mail Address)*	*248-593-3961* *(Fax Number)*
Policyowner Relations Contact	25925 Telegraph ..... Southfield ..... MI ..... 48086 *(Street and Number) (City or Town, State and Zip Code)*	800-662-6667 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Kevin Seitz Treasurer ..... Susan A. Kluge Secretary ..... Julie Swantek

VICE PRESIDENTS

David R. Nelson Douglas R. Woll MD Jeanne Carlson

DIRECTORS OR TRUSTEES

Julie Angott	Mark R. Bartlett	William Black	Charles Burkett
Shauna Ryder Diggs MD	Frank Garrison	D. Bonta Hiscoe MD	Valeriah Ann Holmon
Gloria Klinge	Donald Oetman	Carmone Owens	Kevin Seitz
Gregory A. Sudderth	Diana L. Watson	Richard E. Whitmer	

State of..... Michigan
County of..... Oakland

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.

Signature Kevin Seitz (Printed Name) President & Chief Executive Officer	Signature Julie Swantek (Printed Name) Secretary	Signature Susan A. Kluge (Printed Name) Senior Vice President & Chief Financial Officer

Subscribed and sworn to before me this

.....day of ....., 2004

.....

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.....

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
0299998. Premiums due and unpaid not individually listed	3,197,481	330,774	147,010			3,675,265
0299999. Total group	3,197,481	330,774	147,010	0	0	3,675,265
0599999. Accident and health premiums due and unpaid (Page 2, Line 12)	3,197,481	330,774	147,010	0	0	3,675,265

EXHIBIT 4 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Health Care Receivables						
Pharmacy Rebates	484,916	484,916	484,917	2,667,682		4,122,431
Medicare	84,125	197,515	199,227	381,472		862,339
Medicaid	15,905	25,509	18,794	40,099		100,307
0499999. Receivables not individually listed	141,389	90,874	127,034	299,918	299,918	359,297
0599999. Gross health care receivables	726,335	798,814	829,972	3,389,171	299,918	5,444,374

EXHIBIT 5 - 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)						
0399999. Aggregate accounts not individually listed - covered	10,913,580	3,289,150	1,565,859	703,994	6,037,974	22,510,557
0499999. Subtotals	10,913,580	3,289,150	1,565,859	703,994	6,037,974	22,510,557
0599999. Unreported claim and other claim reserves						170,968,827
0699999. Total amounts withheld						13,189,148
0799999. Total claims unpaid						206,668,532
0899999. Accrued medical incentive pool and bonus amounts						40,229,789

EXHIBIT 6 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Blue Cross Blue Shield of Michigan	8,726,819	239,596	256,720	429,105	429,105	9,223,134	
Blue Care of Michigan, Inc.	7,683					7,683	
BCN Service Company	1,175					1,175	
0199999. Individually listed receivables	8,735,677	239,596	256,720	429,105	429,105	9,231,992	0
0399999. Total gross amounts receivable	8,735,677	239,596	256,720	429,105	429,105	9,231,992	0

EXHIBIT 7 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
Blue Cross Blue Shield of Michigan		20,507,390	20,507,390	
Blue Care Network Stop-Loss and Casualty Sefl-Isurance Trust		396,286	396,286	
Blue Care of Michigan, Inc		32,363	32,363	
0199999. Individually listed payables		20,936,039	20,936,039	0
0399999. Total gross payables		20,936,039	20,936,039	0

EXHIBIT 8 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	157,062,073	14.6	457,427	48.9		157,062,073
2. Intermediaries		0.0		0.0		
3. All other providers	63,509,020	5.9	478,043	51.1		63,509,020
4. Total capitation payments	220,571,093	20.5	935,470	100.0	0	220,571,093
Other Payments:						
5. Fee-for-service		0.0	XXX	XXX		
6. Contractual fee payments	820,223,636	76.3	XXX	XXX		820,223,636
7. Bonus/withhold arrangements - fee-for-service		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	13,903,708	1.3	XXX	XXX		13,903,708
9. Non-contingent salaries	20,193,219	1.9	XXX	XXX		20,193,219
10. Aggregate cost arrangements		0.0	XXX	XXX		
11. All other payments		0.0	XXX	XXX		
12. Total other payments	854,320,563	79.5	XXX	XXX	0	854,320,563
13. Total (Line 4 plus Line 12)	1,074,891,656	100.0	XXX	XXX	0	1,074,891,656

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 9 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	1,163,790		10,716,968	446,822	67,023	379,799
2. Medical furniture, equipment and fixtures	2,395,686		2,042,101	353,584		353,584
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment	9,834		8,765	1,069		1,069
5. Other property and equipment						0
6. Total	3,569,310	0	12,767,834	801,475	67,023	734,452

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION.....Blue Care Network of Michigan 2. Southfield, MI

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0572 NAIC Company Code.....95610

	1	Comprehensive (Hospital & Medical) 2	3	4	5	6	7	8	9	10	11	12	13
	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	518,946	3,381	477,032	20,831			17,702						
2. First quarter	505,187	3,363	465,834	20,389			15,601						
3. Second quarter	499,444	3,448	459,740	20,661			15,595						
4. Third quarter	489,348	3,596	449,467	20,775			15,510						
5. Current year	478,043	3,547	438,462	20,648			15,386						
6. Current year member months	5,898,716	42,114	5,421,208	249,118			186,276						
Total Member Ambulatory Encounters for Year:													
7. Physician	1,596,083	10,106	1,424,846	112,172			48,959						
8. Non-physician	563,558	3,347	484,295	59,275			16,641						
9. Totals	2,159,641	13,453	1,909,141	171,447	0	0	65,600	0	0	0	0	0	0
10. Hospital patient days incurred	153,724	378	112,102	37,392			3,852						
11. Number of inpatient admissions	35,508	111	28,062	6,371			964						
12. Health premiums collected	1,350,086,337	8,423,319	1,222,142,517	73,480,784			46,039,717						
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	1,359,511,772	8,471,524	1,231,556,574	73,775,318			45,708,356						
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	1,074,891,656		973,009,433	61,874,266			39,470,915	377,803	93,608				65,631
18. Amount incurred for provision of health care services	1,098,493,074		995,715,323	64,360,099			38,352,021						65,631

(a) For health business on indiciated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION.....Blue Care Network of Michigan 2. Michigan

BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR (Location)

NAIC Group Code.....0572 NAIC Company Code.....95610

	1	Comprehensive (Hospital & Medical) 2	3	4	5	6	7	8	9	10	11	12	13
	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	518,946	3,381	477,032	20,831			17,702						
2. First quarter	505,187	3,363	465,834	20,389			15,601						
3. Second quarter	499,444	3,448	459,740	20,661			15,595						
4. Third quarter	489,348	3,596	449,467	20,775			15,510						
5. Current year	478,043	3,547	438,462	20,648			15,386						
6. Current year member months	5,898,716	42,114	5,421,208	249,118			186,276						
Total Member Ambulatory Encounters for Year:													
7. Physician	1,596,083	10,106	1,424,846	112,172			48,959						
8. Non-physician	563,558	3,347	484,295	59,275			16,641						
9. Totals	2,159,641	13,453	1,909,141	171,447	0	0	65,600	0	0	0	0	0	0
10. Hospital patient days incurred	153,724	378	112,102	37,392			3,852						
11. Number of inpatient admissions	35,508	111	28,062	6,371			964						
12. Health premiums collected	1,350,086,337	8,423,319	1,222,142,517	73,480,784			46,039,717						
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	1,359,511,772	8,471,524	1,231,556,574	73,775,318			45,708,356						
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	1,074,891,656		973,009,433	61,874,266			39,470,915	377,803	93,608				65,631
18. Amount incurred for provision of health care services	1,098,493,074		995,715,323	64,360,099			38,352,021						65,631

(a) For health business on indiciated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

SCHEDULE A - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	903,727
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 10	(312,985)
	2.2 Totals, Part 3, Column 7	
3.	Cost of acquired (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	125,230
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 13	
	4.2 Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 11	
	6.2 Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	
8.	Book/adjusted carrying value at end of current period	715,971
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	715,971
11.	Total nonadmitted amounts	34,388
12.	Statement value, current period (Page 2, real estate lines, current period)	681,583

SCHEDULE B - VERIFICATION BETWEEN YEARS

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

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		47,813,064
2.	Cost of acquisitions during year:		
	2.1 Actual cost at time of acquisitions		
	2.2 Additional investment made after acquisitions		0
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		2,788,619
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		50,601,683
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		50,601,683
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period		50,601,683

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Class 1	192,713					192,713	0.0	180,664	0.1	192,713	
1.2 Class 2						0	0.0				
1.3 Class 3						0	0.0				
1.4 Class 4						0	0.0				
1.5 Class 5						0	0.0				
1.6 Class 6						0	0.0				
1.7 Totals	192,713	0	0	0	0	192,713	0.0	180,664	0.1	192,713	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Class 1						0	0.0				
2.2 Class 2						0	0.0				
2.3 Class 3						0	0.0				
2.4 Class 4						0	0.0				
2.5 Class 5						0	0.0				
2.6 Class 6						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0	0		0	0
3. **States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)**											
3.1 Class 1						0	0.0				
3.2 Class 2						0	0.0				
3.3 Class 3						0	0.0				
3.4 Class 4						0	0.0				
3.5 Class 5						0	0.0				
3.6 Class 6						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0	0		0	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Class 1						0	0.0				
4.2 Class 2						0	0.0				
4.3 Class 3						0	0.0				
4.4 Class 4						0	0.0				
4.5 Class 5						0	0.0				
4.6 Class 6						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	0		0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Class 1	96,124,469		11,967,260	28,715,785		136,807,514	33.1	62,284,981	18.3	136,807,514	
5.2 Class 2						0	0.0				
5.3 Class 3						0	0.0				
5.4 Class 4						0	0.0				
5.5 Class 5						0	0.0				
5.6 Class 6						0	0.0				
5.7 Totals	96,124,469	0	11,967,260	28,715,785	0	136,807,514	33.1	62,284,981	18.3	136,807,514	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Class 1						0	0.0				
6.2 Class 2						0	0.0				
6.3 Class 3						0	0.0				
6.4 Class 4						0	0.0				
6.5 Class 5						0	0.0				
6.6 Class 6						0	0.0				
6.7 Totals	0	0	0	0	0	0	0.0	0		0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Class 1	276,190,178					276,190,178	66.8	278,617,300	81.7	276,190,178	
7.2 Class 2						0	0.0				
7.3 Class 3						0	0.0				
7.4 Class 4						0	0.0				
7.5 Class 5						0	0.0				
7.6 Class 6						0	0.0				
7.7 Totals	276,190,178	0	0	0	0	276,190,178	66.8	278,617,300	81.7	276,190,178	0
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Class 1						0	0.0				
8.2 Class 2						0	0.0				
8.3 Class 3						0	0.0				
8.4 Class 4						0	0.0				
8.5 Class 5						0	0.0				
8.6 Class 6						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0	0		0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Class 1						0	0.0				
9.2 Class 2						0	0.0				
9.3 Class 3						0	0.0				
9.4 Class 4						0	0.0				
9.5 Class 5						0	0.0				
9.6 Class 6						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0	0		0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. **Total Bonds Current Year**											
10.1 Class 1	372,507,360	0	11,967,260	28,715,785	0	413,190,405	100.0	XXX	XXX	413,190,405	0
10.2 Class 2	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 Class 3	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	372,507,360	0	11,967,260	28,715,785	0	(b) 413,190,405	100.0	XXX	XXX	413,190,405	0
10.8 Line 10.7 as a % of Col. 6	90.2	0.0	2.9	6.9	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Class 1	337,946,748		2,108,827	1,027,370		XXX	XXX	341,082,945	100.0	341,082,945	
11.2 Class 2						XXX	XXX	0	0.0		
11.3 Class 3						XXX	XXX	0	0.0		
11.4 Class 4						XXX	XXX	0	0.0		
11.5 Class 5						XXX	XXX	(c) 0	0.0		
11.6 Class 6						XXX	XXX	(c) 0	0.0		
11.7 Totals	337,946,748	0	2,108,827	1,027,370	0	XXX	XXX	(b) 341,082,945	100.0	341,082,945	0
11.8 Line 11.7 as a % of Col. 8	99.1	0.0	0.6	0.3	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	372,507,360		11,967,260	28,715,785		413,190,405	100.0	341,082,945	100.0	413,190,405	XXX
12.2 Class 2						0	0.0	0	0.0	0	XXX
12.3 Class 3						0	0.0	0	0.0	0	XXX
12.4 Class 4						0	0.0	0	0.0	0	XXX
12.5 Class 5						0	0.0	0	0.0	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	372,507,360	0	11,967,260	28,715,785	0	413,190,405	100.0	341,082,945	100.0	413,190,405	XXX
12.8 Line 12.7 as a % of Col. 6	90.2	0.0	2.9	6.9	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	90.2	0.0	2.9	6.9	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**											
13.1 Class 1						0	0.0	0	0.0	XXX	0
13.2 Class 2						0	0.0	0	0.0	XXX	0
13.3 Class 3						0	0.0	0	0.0	XXX	0
13.4 Class 4						0	0.0	0	0.0	XXX	0
13.5 Class 5						0	0.0	0	0.0	XXX	0
13.6 Class 6						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designation. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designation. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Issuer Obligations	192,713					192,713	0.0	180,664	0.1	192,713	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
1.7 Totals	192,713	0	0	0	0	192,713	0.0	180,664	0.1	192,713	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Issuer Obligations						0	0.0				
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined						0	0.0				
2.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined						0	0.0				
2.6 Other						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0	0		0	0
3. **States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)**											
3.1 Issuer Obligations						0	0.0				
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined						0	0.0				
3.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined						0	0.0				
3.6 Other						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0	0		0	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Issuer Obligations						0	0.0				
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined						0	0.0				
4.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined						0	0.0				
4.6 Other						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	0		0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Issuer Obligations	96,124,469		10,957,057	29,725,988		136,807,514	33.1	62,284,981	18.3	136,807,514	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined						0	0.0				
5.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined						0	0.0				
5.6 Other						0	0.0				
5.7 Totals	96,124,469	0	10,957,057	29,725,988	0	136,807,514	33.1	62,284,981	18.3	136,807,514	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Issuer Obligations						0	0.0				
6.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined						0	0.0				
6.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined						0	0.0				
6.6 Other						0	0.0				
6.7 Totals	0	0	0	0	0	0	0.0	0		0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Issuer Obligations	276,190,178					276,190,178	66.8	278,617,300	81.7	276,190,178	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined						0	0.0				
7.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
7.5 Defined						0	0.0				
7.6 Other						0	0.0				
7.7 Totals	276,190,178	0	0	0	0	276,190,178	66.8	278,617,300	81.7	276,190,178	0
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Issuer Obligations						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0	0		0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Issuer Obligations						0	0.0				
9.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined						0	0.0				
9.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined						0	0.0				
9.6 Other						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0	0		0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. **Total Bonds Current Year**											
10.1 Issuer Obligations	372,507,360	0	10,957,057	29,725,988	0	413,190,405	100.0	XXX	XXX	413,190,405	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	372,507,360	0	10,957,057	29,725,988	0	413,190,405	100.0	XXX	XXX	413,190,405	0
10.8 Line 10.7 as a % of Col. 6	90.2	0.0	2.7	7.2	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	337,946,748		2,108,827	1,027,370		XXX	XXX	341,082,945	100.0	341,082,945	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						XXX	XXX	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX	0	0.0		
11.4 Other						XXX	XXX	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX	0	0.0		
11.6 Other						XXX	XXX	0	0.0		
11.7 Totals	337,946,748	0	2,108,827	1,027,370	0	XXX	XXX	341,082,945	100.0	341,082,945	0
11.8 Line 11.7 as a % of Col. 8	99.1	0.0	0.6	0.3	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	372,507,360		10,957,057	29,725,988		413,190,405	100.0	341,082,945	100.0	413,190,405	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined						0	0.0	0	0.0	0	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined						0	0.0	0	0.0	0	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	372,507,360	0	10,957,057	29,725,988	0	413,190,405	100.0	341,082,945	100.0	413,190,405	XXX
12.8 Line 12.7 as a % of Col. 6	90.2	0.0	2.7	7.2	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	90.2	0.0	2.7	7.2	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**											
13.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined						0	0.0	0	0.0	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	337,946,748	337,946,748			
2. Cost of short-term investments acquired	879,529,674	879,529,674			
3. Increase (decrease) by adjustment	(57,630,708)	(57,630,708)			
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	(141)	(141)			
6. Consideration received on disposal of short-term investments	787,338,213	787,338,213			
7. Book/adjusted carrying value, current year	372,507,360	372,507,360	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	372,507,360	372,507,360	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	372,507,360	372,507,360	0	0	0
12. Income collected during year	3,811,417	3,811,417			
13. Income earned during year	5,070,461	5,070,461			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Sch. DB-Pt.A-Verification Between Years
NONE

Sch. DB-Pt.B-Verification Between Years
NONE

Sch. DB-Pt.C-Verification Between Years
NONE

Sch. DB-Pt.D-Verification Between Years
NONE

Sch. DB-Pt.E-Verification
NONE

Sch. DB-Pt. F-Sn. 1
NONE

Sch. DB-Pt. F-Sn. 2
NONE

Sch. S-Pt. 1-Sn. 2
NONE

Sch. S-Pt. 2
NONE

Sch. S-Pt. 3-Sn. 2
NONE

Sch. S-Pt. 4
NONE

Sch. S-Pt.5
NONE

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	528,035,155		528,035,155
2.	Accident and health premiums due and unpaid (Line 12)	3,675,265		3,675,265
3.	Amounts recoverable from reinsurers (Line 13.1)			0
4.	Net credit for ceded reinsurance	XXX		0
5.	All other admitted assets (balance)	23,140,911		23,140,911
6.	Totals assets (Line 26)	554,851,331	0	554,851,331
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	206,668,533		206,668,533
8.	Accrued medical incentive pool and bonus payments (Line 2)	40,229,789		40,229,789
9.	Premiums received in advance (Line 8)	19,010,020		19,010,020
10.	Reinsurance in unauthorized companies (Line 18)			0
11.	All other liabilities (balance)	147,435,818		147,435,818
12.	Total liabilities (Line 22)	413,344,160	0	413,344,160
13.	Total capital and surplus (Line 30)	141,507,171	XXX	141,507,171
14.	Total liabilities, capital and surplus (Line 31)	554,851,331	0	554,851,331
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	0		
16.	Accrued medical incentive pool	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	0		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	0		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	0		
24.	Total ceded reinsurance payables/offsets	0		
25.	Total net credit for ceded reinsurance	0		

SCHEDULE Y (Continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
54291	38-2069753	Blue Cross Blue Shield of Michigan	19,000,000				406,336,884				425,336,884	
95455	38-2359234	Blue Care Network of Michigan					(374,334,450)	2,328,387			(372,006,063)	14,758,738
52037	38-2536979	Blue Care of Michigan, Inc.					(3,401,335)	(997)			(3,402,332)	
10166	38-3207001	Accident Fund Insurance Company of America					(24,139,586)				(24,139,586)	
	38-3357687	PPOM, LLC	(19,000,000)				(4,044,833)				(23,044,833)	
	38-6561861	BCN Medical Malpractice Self-Insurance Trust									0	
	38-6561862	BCN Stop-Loss Self-Insurance Trust						(2,327,390)			(2,327,390)	(14,758,738)
	38-2612298	DenteMax					(416,680)				(416,680)	
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	RESPONSES
1.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	NO
3.	Will an actuarial certification be filed with this statement by March 1?	YES
4.	Will the Risk-Based Capital Report be filed with the NAIC by March 1?	YES
5.	Will the Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
6.	Will the SVO Compliance Certification be filed by March 1?	SEE EXPLANATION
7.	Will the Life Supplement be filed with the state of domicile and the NAIC by March 1?	NO
8.	Will the Property/Casualty Supplement be filed with the state of domicile and the NAIC by March 1?	NO
	APRIL FILING	
9.	Will Management's Discussion and Analysis be filed by April 1?	YES
10.	Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?	NO
11.	Will the Investment Risk Interrogatories be filed by April 1?	YES
	JUNE FILING	
12.	Will an audited financial report be filed by June 1 with the state of domicile?	YES

EXPLANATIONS:

6. Not required by the State of MIchigan

BAR CODE:

9561020033600000

9561020034600000

9561020032050000

9561020032070000

9561020033300000

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
2304. Other Accounts Receivable	1,227	1,227	0	230,157
2397. Summary of remaining write-ins for Line 23	1,227	1,227	0	230,157

Additional Write-ins for Liabilities:

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
2104. Receivable overpayments	4,406,294		4,406,294	
2105. Physician Incentive payable for POS	3,407,040		3,407,040	3,962,854
2106. Escheats	1,645,346		1,645,346	749,671
2107. Other miscellaneous payables	61,479		61,479	1,497,563
2197. Summary of remaining write-ins for Line 21	9,520,159	0	9,520,159	6,210,088

Additional Write-ins for Statement of Revenue:

	Current Year 1 Uncovered	2 Total	Prior Year 3 Total
1404. Medical Malpractice Insurance			
1497. Summary of remaining write-ins for Line 14	0	0	0

Additional Write-ins for Exhibit 1:

	1 End of Current Year	2 End of Prior Year	3 Change for Year (Increase) Decrease
0404. Other receivables	1,227		(1,227)
0497. Summary of remaining write-ins for Line 4	1,227	0	(1,227)

Overflow Page for Write-Ins

Supplement for the year 2003 of the **Blue Care Network of Michigan**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF.....Michigar

NAIC Group Code.....0572
Address (City, State and Zip Code).....
Person Completing This Exhibit.....
Title.....

NAIC Company Code.....95610

Telephone Number.....

NONE

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2000				Policies Issued in 2001, 2002 & 2003			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives

MED360

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address.....
   2.2 Contact person and phone number.....
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address.....
   3.2 Contact person and phone number.....
4. Explain any policies identified as policy type "O".

NONE

9561020032050000000

LIFE SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2003

Of the.....Blue Care Network of Michigan

ADDRESS .....Southfield MI 48086

NAIC Group Code.....0572 NAIC Company Code.....95610 Employer's ID Number.....38-2359234

Ex. 5-Aggregate Reserve for Life Contracts
NONE

Ex. 5-Interrogatories
NONE

Ex. 7-Deposit-Type Contracts
NONE

Sch. S-Pt. 1-Sn. 1
NONE

Sch. S-Pt. 3-Sn. 1
NONE

Supplement for the year 2003 of the **Blue Care Network of Michigan**

* 9 5 6 1 0 2 0 0 3 2 0 6 5 8 1 0 0 *

DIRECT BUSINESS IN GRAND TOTAL DURING THE YEAR

NAIC Group Code.....0572 NAIC Company Code.....95610

LIFE INSURANCE

	1 Ordinary	2 Credit Life (Group and Individual)	3 Group	4 Industrial	5 Total
DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS					
1. Life insurance					0
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	0	0	0	0	0
DIRECT DIVIDENDS TO POLICYHOLDERS					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of Lines 6.1 to 6.4)		0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 + 7.4)	0	0	0	0	0
DIRECT CLAIMS AND BENEFITS PAID					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
DETAILS OF WRITE-INS					
1301.					0
1302.					0
1303.					0
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0
1399. Total (Lines 1301 thru 1303 plus 1398)(Line 13 above)	0	0	0	0	0

NONE

	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1 No.	2 Amount	3 No. of Ind. Pols. & Gr. Certifs.	4 Amount	5 No. of Certifs.	6 Amount	7 No.	8 Amount	9 No.	10 Amount
DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED										
16. Unpaid December 31, prior year									0	0
17. Incurred during current year									0	0
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0			0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)	0	0	0	0	0	0	0	0	0	0
POLICY EXHIBIT					No. of Pol.					
20. In force December 31, prior year				(a)					0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	0	(a) 0	0	0	0	0	0	0

NONE

(a) Includes Individual Credit Life Insurance, prior year $.....0 current year $.....0.
Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year $.....0 current year $.....0.
Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year $.....0 current year $.....0.

ACCIDENT AND HEALTH INSURANCE

	1 Direct Premiums	2 Direct Premiums Earned	3 Dividends Paid Or Credited on Direct Business	4 Direct Losses Paid	5 Direct Losses Incurred
24. Group policies (b)					
24.1 Federal Employee Health Benefits Program premium (b)					
24.2 Credit (group and individual)					
24.3 Collectively renewable policies (b)					
Other Individual Policies:					
25.1 Non-cancelable (b)					
25.2 Guaranteed renewable (b)					
25.3 Non-renewable for stated reasons only (b)					
25.4 Other accident only					
25.5 All other (b)					
25.6 Totals (Sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0

NONE

(b) For health business on indicated lines report: Number of persons insured under PPO managed products.....0 and number of persons insured under indemnity only products.....0.

Overflow Page for Write-Ins

95610200320700000

PROPERTY/CASUALTY SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2003

Of the.....Blue Care Network of Michigan

ADDRESS .....Southfield MI 48086

NAIC Group Code.....0572 NAIC Company Code.....95610 Employer's ID Number.....38-2359234

Sch. F-Pt. 1
NONE

Sch. F-Pt. 3
NONE

Sch. P-Pt. 1-Summary
NONE

Sch. P-Pt. 1A
NONE

Sch. P-Pt. 1B
NONE

Sch. P-Pt. 1C
NONE

Sch. P-Pt. 1D
NONE

Sch. P-Pt. 1E
NONE

Sch. P-Pt. 1F-Sn. 1
NONE

Sch. P-Pt. 1F-Sn. 2
NONE

Sch. P-Pt. 1G
NONE

Sch. P-Pt. 1H-Sn. 1
NONE

Sch. P-Pt. 1H-Sn. 2
NONE

Sch. P-Pt. 1I
NONE

Sch. P-Pt. 1J
NONE

Sch. P-Pt. 1K
NONE

Sch. P-Pt. 1L
NONE

Sch. P-Pt. 1M
NONE

Sch. P-Pt. 1N
NONE

Sch. P-Pt. 1O
NONE

Sch. P-Pt. 1P
NONE

Sch. P-Pt. 1R-Sn. 1
NONE

Sch. P-Pt. 1R-Sn. 2
NONE

Sch. P-Pt. 1S
NONE

Sch. P-Pt. 2-Summary
NONE

Sch. P-Pt. 2A
NONE

Sch. P-Pt. 2B
NONE

Sch. P-Pt. 2C
NONE

Sch. P-Pt. 2D
NONE

Sch. P-Pt. 2E
NONE

Sch. P-Pt. 2F-Sn. 1
NONE

Sch. P-Pt. 2F-Sn. 2
NONE

Sch. P-Pt. 2G
NONE

Sch. P-Pt. 2H-Sn. 1
NONE

Sch. P-Pt. 2H-Sn. 2
NONE

Sch. P-Pt. 2I
NONE

Sch. P-Pt. 2J
NONE

Sch. P-Pt. 2K
NONE

Sch. P-Pt. 2L
NONE

Sch. P-Pt. 2M
NONE

Sch. P-Pt. 2N
NONE

Sch. P-Pt. 2O
NONE

Sch. P-Pt. 2P
NONE

Sch. P-Pt. 2R-Sn. 1
NONE

Sch. P-Pt. 2R-Sn. 2
NONE

Sch. P-Pt. 2S
NONE

Supplement for the year 2003 of the **Blue Care Network of Michigan**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14

NAIC Group Code.....0572 NAIC Company Code....95610

BUSINESS IN GRAND TOTAL DURING THE YEAR

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A&H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A & H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0
34. TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0

NONE

DETAILS OF WRITE-INS

3301.												
3302.												
3303.												
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 34 $.....0.

(b) For health business on indiciated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

Overflow Page for Write-Ins