AMENDED FILING EXPLANATION

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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

of the Condition and Affairs of the

Physicians Health Plan of South Michigan

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 52564 Employer's ID Number..... 38-3311905

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 [ ] No [X]

Date Incorporated or Organized..... April 17, 1996 Date Commenced Business..... May 1, 2000

Statutory Home Office	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	800-428-7163 *(Area Code) (Telephone Number)*
Mail Address	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	800-428-7163 *(Area Code) (Telephone Number)*
Internet Website Address	N/A	
Statutory Statement Contact	David Spring *(Name)*	517-841-6973 *(Area Code) (Telephone Number) (Extension)*
	david_w_spring@uhc.com *(E-Mail Address)*	*517-782-4512* *(Fax Number)*
Policyowner Relations Contact	One Jackson Square ..... Jackson ..... MI ..... 49201 *(Street and Number) (City or Town, State and Zip Code)*	800-428-7163 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Greg Gieseman Chief Financial Officer ..... David Spring Secretary/ Treasurer ..... Charles Johnson

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Dave Corravo	Brian Admaczyk M.D.	Georgia Fojtasek	Rick Warren
Carl English	K. V. Rao M.D.	Charles Johnson	Phil Miller
Mark Browne M.D.	Phil Milhoan	Carolyn Bradley	

State of.....Michigan
County of.....Jackson

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	Signature	Signature
Greg Gieseman	Charles Johnson	David Spring
(Printed Name)	(Printed Name)	(Printed Name)

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.....

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	344,559	354,225
2. Net premium income (including $.....0 non-health premium income)	XXX	73,781,470	67,336,600
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	73,781,470	67,336,600
Hospital and Medical:			
9. Hospital/medical benefits	5,209,458	41,246,696	44,999,494
10. Other professional services	641,061	5,075,701	26,529
11. Outside referrals			
12. Emergency room and out-of-area	308,943	2,446,103	
13. Prescription drugs	1,210,346	9,583,102	10,556,884
14. Aggregate write-ins for other hospital and medical	(2,249)	(17,810)	3,768
15. Incentive pool, withhold adjustments and bonus amounts		2,236,736	2,313,578
16. Subtotal (Lines 9 to 15)	7,367,558	60,570,528	57,900,253
Less:			
17. Net reinsurance recoveries		175,681	243,008
18. Total hospital and medical (Lines 16 minus 17)	7,367,558	60,394,847	57,657,245
19. Non-health claims			
20. Claims adjustment expenses		3,100,125	2,588,611
21. General administrative expenses		6,191,541	5,871,979
22. Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)	7,367,558	69,686,513	66,117,835
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	4,094,957	1,218,765
25. Net investment income earned		322,693	397,601
26. Net realized capital gains or (losses)		46,882	150,160
27. Net investment gains or (losses) (Lines 25 plus 26)	0	369,576	547,761
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (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	4,464,533	1,766,526
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	4,464,533	1,766,526

DETAILS OF WRITE-INS

0601.	XXX		
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	0
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. Other Medical Costs	(2,249)	(17,810)	3,768
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)	(2,249)	(17,810)	3,768
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

ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Net premium income	73,781,470	73,772,160						9,310					
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of $.....0 medical expenses)	0												XXX
4. Risk revenue	0												XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	73,781,470	73,772,160	0	0	0	0	0	9,310	0	0	0	0	0
8. Hospital/medical benefits	41,246,696	41,246,696											XXX
9. Other professional services	5,075,701	5,075,701											XXX
10. Outside referrals	0												XXX
11. Emergency room and out-of-area	2,446,103	2,446,103											XXX
12. Prescription drugs	9,583,102	9,583,102											XXX
13. Aggregate write-ins for other hospital and medical	(17,810)	(17,810)	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	2,236,736	2,236,736											XXX
15. Subtotal (Lines 8 to 14)	60,570,528	60,570,528	0	0	0	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	175,681	175,681											XXX
17. Total hospital and medical (Lines 15 minus 16)	60,394,847	60,394,847	0	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses	3,100,125	3,100,125											
20. General administrative expenses	6,191,541	6,191,541											
21. Increase in reserves for accident and health contracts	0												XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	69,686,513	69,686,513	0	0	0	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	4,094,957	4,085,647	0	0	0	0	0	9,310	0	0	0	0	0

DETAILS OF WRITE-INS

0501.	0												XXX
0502.	0												XXX
0503.	0												XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Other Medical Costs	(17,810)	(17,810)											XXX
1302.	0												XXX
1303.	0												XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	(17,810)	(17,810)	0	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Payments during the year:													
1.1 Direct	56,199,620	56,199,620											
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	(37,811)	(37,811)											
1.4 Net	56,237,431	56,237,431	0	0	0	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	2,695,724	2,695,724											
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	9,748,774	9,748,774											
3.2 Reinsurance assumed	0												
3.3 Reinsurance ceded	124,323	124,323											
3.4 Net	9,624,451	9,624,451	0	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct	0												
4.2 Reinsurance assumed	0												
4.3 Reinsurance ceded	0												
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	2,181,251	2,181,251											
6. Amounts recoverable from reinsurers December 31, current year	89,170	89,170											
7. Claim liability December 31, prior year from Part 2A:													
7.1 Direct	7,614,603	7,614,603											
7.2 Reinsurance assumed	0												
7.3 Reinsurance ceded	0												
7.4 Net	7,614,603	7,614,603	0	0	0	0	0	0	0	0	0	0	0
8. Claim reserve December 31, prior year from Part 2D:													
8.1 Direct	0												
8.2 Reinsurance assumed	0												
8.3 Reinsurance ceded	0												
8.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year	2,640,238	2,640,238											
10. Amounts recoverable from reinsurers December 31, prior year	0												
11. Incurred benefits:													
11.1 Direct	58,333,791	58,333,791	0	0	0	0	0	0	0	0	0	0	0
11.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded	175,682	175,682	0	0	0	0	0	0	0	0	0	0	0
11.4 Net	58,158,109	58,158,109	0	0	0	0	0	0	0	0	0	0	0
12. Incurred medical incentive pools and bonuses	2,236,737	2,236,737	0	0	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	3,698,428	52,539,003	214,854	9,320,427	3,913,282	7,614,603
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	3,698,428	52,539,003	214,854	9,320,427	3,913,282	7,614,603
10. Other non-health					0	
11. Medical incentive pools, accruals and disbursements	2,548,346	147,378	305,006	1,876,245	2,853,352	2,640,238
12. Totals (Lines 9 to 11)	6,246,774	52,686,381	519,860	11,196,672	6,766,634	10,254,841

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Services (OFIS) and the National Association of Insurance Commissioners (the NAIC). These practices differ in some respects from generally accepted accounting principles (GAAP). Certain assets are considered non-admitted for statutory purposes and are excluded from the balance sheet. These non-admitted assets have been allocated to retained earnings (deficit) in the financial statements.

Cash and Cash Equivalents – Cash and cash equivalents include operating cash and short-term investments with original maturities of one year or less at the time of purchase. These amounts are reported at cost, which approximates fair value.

Investments – Debt securities consist of bonds that are carried at amortized cost. The cost of bonds is adjusted for amortization of premiums and discounts to maturity using a level-yield method. Realized gains and losses are determined using the specific identification method and are included in operations. The fair value of investments is determined based upon quoted market prices.

Property and Equipment - Property and equipment are carried at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

Health Care Costs – Health care costs include claims paid, claims in process and pending and estimated unreported claims and charges by physicians, hospitals and other health care providers for services rendered to members during the year. Adjustments to prior period estimates are reported in the current period, and changes in these estimates may be significant. Given the nature of these expenses, amounts accrued at year-end are paid predominantly in the following year.

Claims payable are determined using statistical analyses and represent estimates of the ultimate net cost of all reported and unreported claims that are unpaid at the end of each accounting period. Although it is not possible to measure the degree of variability inherent in such estimates, management believes the liabilities for claims are adequate.

Premiums – Premiums are billed monthly for coverage for the following month and are recognized as revenue in the month for which insurance protection is provided. Premiums collected in advance of services rendered are reflected as unearned premiums.

Use of Estimates – The preparation of financial statements in conformity with accounting practices prescribed and permitted by OFIS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

All income due and accrued has been included in the filing.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

PHPSM is not subject to income taxes.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

PHPSM is a wholly owned subsidiary of Foote Health System, which has contributed capital to PHPSM of $2,303,193 since its inception in 2000.

PHPSM has a provider agreement with W. A. Foote Memorial Hospital (Foote), an affiliated entity. Foote provides inpatient and outpatient hospital services to PHPSM members under the terms of this annually renewable contract. Total payments to Foote for hospital and physician services were $13,362,000 in 2003.

NOTES TO FINANCIAL STATEMENTS

PHPSM is a member of PHP Shared Services, LLC (Shared Services), which was formed to provide services for the benefit of the member entities under the common trade identification of "Physicians Health Plan", including statewide marketing, contracting and other services. In addition to the recorded investment in Shared Services, LLC, PHSPM pays Shared Services a monthly fee for licensing and reimbursement of operating expenses.

11. DEBT

Not applicable.

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

Not applicable

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

Not applicable.

14. CONTINGENCIES

Not applicable.

15. LEASES

PHPSM leases office space and telephone equipment from Foote, with a lease agreement in effect through May 2008. During 2003, the Company made rental payments of $164,000. Pursuant to the lease agreement, the rent is adjusted annually based upon changes in the Consumer Price Index.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

There are no gains and losses from uninsured accident and health plans or partially insured plans.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

Not applicable.

20. OTHER ITEMS

PHPSM elected to use rounding in reporting amounts in the statement.

21. EVENTS SUBSEQUENT

No events occurred subsequent to December 31, 2003 that require disclosure.

22. REINSURANCE

Not applicable.

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

24. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Reserves for incurred claims attributable to insured events of prior years have decreased by $9,734,000 million from $10,254,000 million in 2002 to $520,000 million in 2003. Claims payments accounted for $6,707,000 of this change while $3,027,000 is due to changes in estimates, which are included in medical services expense in the accompanying statutory statements of operations.

25. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

NOTES TO FINANCIAL STATEMENTS

26. STRUCTURED SETTLEMENTS

Not applicable.

27. HEALTH CARE RECEIVABLES

A.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2003	231	-	-		
9/30/2003	173	165	160		
6/30/2003	203	163	149		
3/30/2003	142	175	160		
12/31/2002	182	175	122		52
9/30/2002	168	181	116		65
6/30/2002	180	218	175		43
3/30/2002	160	210	203		7
12/31/2001	203	181	172		9
9/30/2001	207	152	147		5
6/30/2001	262	151	150		0
3/30/2001	-	-	-		

B.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received All Other
2003	2003	-	232	-	232	-	-	-	-
2002	2002	-	236	206	-	-	206	-	-
2001	2001	-	-	-	-	-	-	-	-

28. PARTICIPATING POLICIES

Not applicable.

29. PREMIUM DEFICIENCY RESERVES

PHP of South Michigan is not required to have a premium deficiency reserve.

30. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written with this license, the Company has no salvage. As of December 31, 2003 and 2002, the company had no specific accruals established for outstanding subrogation, as it is considered as a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

FIVE-YEAR HISTORICAL DATA

	1 2003	2 2002	3 2001	4 2000	5 1999
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	31,421,620	24,811,047	21,721,808	18,144,979	
2. Total liabilities (Page 3, Line 22)	15,941,316	13,868,494	14,692,803	13,738,880	
3. Statutory surplus	5,743,112	5,480,962	5,159,986		
4. Total capital and surplus (Page 3, Line 30)	15,480,304	10,942,553	7,029,005	4,406,099	
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	73,781,470	67,336,600	62,063,789	40,457,182	
6. Total medical and hospital expenses (Line 18)	60,394,847	57,657,245	54,200,570	38,108,228	
7. Total administrative expenses (Line 21)	6,191,541	5,871,979	4,213,455	5,600,653	
8. Net underwriting gain (loss) (Line 24)	4,094,957	1,218,765	931,748		
9. Net investment gain (loss) (Line 27)	369,576	547,761	763,955		
10. Total other income (Lines 28 plus 29)					
11. Net income or (loss) (Line 32)	4,464,533	1,766,526	1,695,704	(3,251,699)	
Risk-Based Capital Analysis					
12. Total adjusted capital	15,480,304	10,942,553	7,029,005	4,406,099	
13. Authorized control level risk-based capital	2,871,556	2,758,205	2,579,993	3,204,724	
Enrollment (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	29,222	28,062	31,494	30,910	
15. Total member months (Column 6, Line 7)	344,559	354,225	363,370	258,404	
Operating Percentage (Page 4) **(Item divided by Page 4, sum of Lines 2, 3, and 5)**					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total hospital and medical (Line 18)	81.9	85.6	87.3		
18. Total underwriting deductions (Line 23)	94.4	98.2	98.5		
19. Total underwriting gain (loss) (Line 24)	5.6	1.8	1.5		
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	6,766,634	11,294,012	8,567,201		
21. Estimated liability of unpaid claims - [prior year (Line 12, Col. 6)]	10,254,841	12,380,313	10,655,175		
Investments in Parent, Subsidiaries and Affiliates					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch D. Summary, Line 53, Col. 2)					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated	315,759	302,679			
28. Total of above Lines 22 to 27	315,759	302,679	0	0	0