



# QUARTERLY STATEMENT

AS OF MARCH 31, 2005  
OF THE CONDITION AND AFFAIRS OF THE

## Grand Valley Health Plan

NAIC Group Code	<u>0000</u>	<u>0000</u>	NAIC Company Code	<u>95453</u>	Employer's ID Number	<u>38-2396958</u>
	(Current Period)	(Prior Period)				
Organized under the Laws of	<u>Michigan</u>			State of Domicile or Port of Entry	<u>Michigan</u>	
Country of Domicile	<u>United States of America</u>					
Licensed as business type:	Life, Accident & Health [ ]	Property/Casualty [ ]	Dental Service Corporation [ ]			
	Vision Service Corporation [ ]	Other [ ]	Health Maintenance Organization [ X ]			
	Hospital, Medical & Dental Service or Indemnity [ ]	Is HMO, Federally Qualified? Yes [ X ] No [ ]				
Incorporated/Organized	<u>12/03/1981</u>	Commenced Business	<u>02/05/1982</u>			
Statutory Home Office	<u>829 Forest Hills Ave SE</u>		<u>Grand Rapids, MI 49546</u>			
	(Street and Number)		(City or Town, State and Zip Code)			
Main Administrative Office	<u>829 Forest Hills Ave</u>	<u>Grand Rapids, MI 49546</u>	<u>616-949-2410-119</u>			
	(Street and Number)	(City or Town, State and Zip Code)	(Area Code) (Telephone Number)			
Mail Address	<u>829 Forest Hills Ave SE</u>		<u>Grand Rapids, MI 49546</u>			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	<u>829 Forest Hills Ave</u>	<u>Grand Rapids, MI 49546</u>	<u>616-949-2410-116</u>			
	(Street and Number)	(City or Town, State and Zip Code)	(Area Code) (Telephone Number)			
Internet Website Address	<u>gvhp.com</u>					
Statutory Statement Contact	<u>LYNN FEHRLER</u>		<u>616-949-2410-116</u>			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	<u>fehrler@gvhp.com</u>		<u>616-949-9948</u>			
	(E-mail Address)		(FAX Number)			
Policyowner Relations Contact	<u>829 Forest Hills Ave SE</u>	<u>Grand Rapids, MI 49546</u>	<u>616-949-2410</u>			
	(Street and Number)	(City or Town, State and Zip Code)	(Area Code) (Telephone Number) (Extension)			

### OFFICERS

Name	Title	Name	Title
<u>Roland E. Palmer</u>	<u>President</u>	<u>Thomas W Schouten</u>	<u>Secretary</u>
<u>Craig D Thompson</u>	<u>Treasurer</u>		

### OTHER OFFICERS

### DIRECTORS OR TRUSTEES

<u>Roland E Palmer</u>	<u>Thomas W Schouten</u>	<u>James T Kerby</u>	<u>Lucille I Grimm</u>
<u>Margaret Sudekum</u>	<u>Pamela L Silva</u>	<u>John B Miller</u>	<u>Herbert A Start</u>
<u>Kathy L Lentz</u>	<u>Craig D Thompson</u>		

State of Michigan  
County of Kent **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.

Roland Palmer

President

Thomas Schouten

Secretary

Craig Thompson

Treasurer

Treasurer

Subscribed and sworn to before me this  
15 day of 5, 2005

- a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number \_\_\_\_\_  
2. Date filed 05/15/2005  
3. Number of pages attached \_\_\_\_\_

Ruth Klinger, Notary  
05/08/2008

STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....			0	0
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	1,244,597	82,892	1,161,705	1,213,201
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 (\$ .....6,823,865 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....1,049,016 ) .....	6,823,865		6,823,865	6,143,134
6. Contract loans, (including \$ ..... premium notes)			0	0
7. Other invested assets .....	756,931	0	756,931	758,649
8. Receivables 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) .....	8,825,393	82,892	8,742,501	8,114,984
11. Title plants less \$ ..... charged off (for Title insurers only)			0	0
12. Investment income due and accrued .....			0	0
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	201,610		201,610	510,446
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	694,034		694,034	563,316
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....	238,992		238,992	281,000
16.2 Net deferred tax asset .....	517,000	103,000	414,000	414,000
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....	121,271	28,676	92,595	111,075
19. Furniture and equipment, including health care delivery assets (\$ .....457,835 ) .....	648,563	85,828	562,735	511,050
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....	28,749		28,749	552,459
22. Health care (\$ ..... ) and other amounts receivable .....	28,623	26,806	1,817	44,986
23. Aggregate write-ins for other than invested assets .....	43,945	43,945	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	11,348,180	371,147	10,977,033	11,103,316
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	11,348,180	371,147	10,977,033	11,103,316
<b>DETAILS OF WRITE-INS</b>				
0901. ....			0	0
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. Pharmacy Inventory .....			0	0
2302. A/R Other .....			0	0
2303. Prepaid Insurance & Other .....	43,945	43,945	0	0
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)	43,945	43,945	0	0

STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	2,893,594		2,893,594	3,979,382
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	82,749		82,749	135,162
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	830,423		830,423	725,843
9. General expenses due or accrued	1,764,786		1,764,786	1,105,320
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	86,788		86,788	36,075
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)	5,000	0	5,000	5,000
22. Total liabilities (Lines 1 to 21)	5,663,340	0	5,663,340	5,986,782
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	312,996	312,996
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	1,212,873	1,212,872
27. Surplus notes	XXX	XXX	500,000	500,000
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	3,287,822	3,090,666
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24) \$ ..... )	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25) \$ ..... )	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	5,313,691	5,116,534
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	10,977,031	11,103,316
<b>DETAILS OF WRITE-INS</b>				
2101. Accrued Malpractice Tail	5,000		5,000	5,000
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)	5,000	0	5,000	5,000
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801. ....	XXX	XXX	0	0
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	50,634	53,843
2. Net premium income (including ..... non-health premium income).....	XXX	11,308,811	11,445,748
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	96,419	130,973
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	340,664
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	11,405,230	11,917,385
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	793,113	7,481,705	7,693,950
10. Other professional services .....	147,659	851,915	581,984
11. Outside referrals .....			0
12. Emergency room and out-of-area .....	118,983	189,665	133,225
13. Prescription drugs .....		1,713,502	1,889,534
14. Aggregate write-ins for other hospital and medical.....	954	59,679	58,980
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15) .....	1,060,709	10,296,466	10,357,673
<b>Less:</b>			
17. Net reinsurance recoveries .....		130,718	1,749
18. Total hospital and medical (Lines 16 minus 17) .....	1,060,709	10,165,748	10,355,924
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ ..... cost containment expenses.....		117,100	72,853
21. General administrative expenses.....		1,063,784	1,431,952
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) .....	1,060,709	11,346,632	11,860,729
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	58,598	56,656
25. Net investment income earned .....		63,925	119,778
26. Net realized capital gains (losses) less capital gains tax of \$ .....			0
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	63,925	119,778
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) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	122,523	176,434
31. Federal and foreign income taxes incurred .....	XXX	42,008	59,988
32. Net income (loss) (Lines 30 minus 31) .....	XXX	80,515	116,446
<b>DETAILS OF WRITE-INS</b>			
0601. Co-payments.....	XXX		340,664
0602. ....	XXX		0
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	340,664
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 Expenses.....	954	59,679	58,980
1402. ....			0
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) .....	954	59,679	58,980
2901. Leonard Street LLC income.....			0
2902. Credit Card activity awaiting reclassification.....			0
2903. Intercompany Interest.....			0
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

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>			
33. Capital and surplus prior reporting year.....	5,116,532	3,758,752	3,758,752
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>			
34. Net income or (loss) from Line 32 .....	80,515	116,446	953,643
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	0	0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0	0
38. Change in net deferred income tax .....	0	318,187	0
39. Change in nonadmitted assets .....	116,643	21,127	404,137
40. Change in unauthorized reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....	0	0	0
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend) .....	0	0	0
44.3 Transferred to surplus .....	0	0	0
45. Surplus adjustments:			
45.1 Paid in .....	0	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....	0	0	0
46. Dividends to stockholders .....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	0
48. Net change in capital & surplus (Lines 34 to 47) .....	197,158	455,760	1,357,780
49. Capital and surplus end of reporting period (Line 33 plus 48)	5,313,690	4,214,512	5,116,532
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	11,617,647	45,039,840
2. Net investment income .....	63,925	369,119
3. Miscellaneous income .....	96,419	440,257
4. Total (Lines 1 to 3) .....	11,777,991	45,849,216
5. Benefits and loss related payments .....	11,434,668	39,846,136
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	416,839	4,270,838
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) \$ ..... net of tax on capital gains (losses)	0	960,644
10. Total (Lines 5 through 9) .....	11,851,507	45,077,618
11. Net cash from operations (Line 4 minus Line 10) .....	(73,516)	771,598
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	0
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	53,214	58,391
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	53,214	58,391
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	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	0
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	53,214	58,391
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	1	(1)
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	701,031	361,063
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	701,032	361,062
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17) .....	680,730	1,191,051
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	6,143,132	4,952,081
19.2 End of period (Line 18 plus Line 19.1) .....	6,823,862	6,143,132

**STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan**

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
<b>Total Members at end of:</b>													
1. Prior Year .....	17,946	229	15,924	.0	.0	.0	1,793	.0	.0	.0	.0	.0	.0
2. First Quarter .....	16,333	223	14,425				1,685						
3. Second Quarter .....	.0												
4. Third Quarter .....	.0												
5. Current Year	0												
6. Current Year Member Months	50,634	680	44,072				5,882						
<b>Total Member Ambulatory Encounters for Period:</b>													
7. Physician .....	4,780	.77	4,141				562						
8. Non-Physician .....	19,176	309	16,614				2,253						
9. Total	23,956	386	20,755	0	0	0	2,815	0	0	0	0	0	0
10. Hospital Patient Days Incurred	969	16	839				114						
11. Number of Inpatient Admissions	256	4	222				30						
12. Health Premiums Written .....	11,782,259	184,347	10,234,263				1,363,649						
13. Life Premiums Direct .....	.0												
14. Property/Casualty Premiums Written .....	.0												
15. Health Premiums Earned .....	11,308,811	184,347	9,776,734				1,347,730						
16. Property/Casualty Premiums Earned .....	.0												
17. Amount Paid for Provision of Health Care Services .....	10,165,747	136,523	8,848,300				1,180,924						
18. Amount Incurred for Provision of Health Care Services	10,296,466	165,832	8,920,961				1,209,673						

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STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

**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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	2,556,847	7,372,810	226,458	2,327,185	2,783,305	3,487,349
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....	340,379	981,500	30,147	309,804	370,526	492,033
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid .....					.0	.0
8. Other Health .....					.0	.0
9. Health Subtotal (Lines 1 to 8).....	2,897,226	8,354,310	256,605	2,636,989	3,153,831	3,979,382
10. Healthcare receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals	2,897,226	8,354,310	256,605	2,636,989	3,153,831	3,979,382

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

## NOTES TO FINANCIAL STATEMENTS

### First Quarter Statement for the Year 2005 – Grand Valley Health Plan

#### NOTES TO FINANCIAL STATEMENTS

##### 1. Summary of Significant Accounting Policies

**Basis of Presentation** – The accompanying financial statements have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual (SSAP's) for health organizations except to the extent that state requirements differ.

**Use of Estimates** – In conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual (SSAP's), the preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may change in the near future resulting in different actual results. Estimates that are most susceptible to change in the near term are accounts receivable and the liability for unpaid and unreported claims.

**Investments (Contingency Reserve)** – Pursuant to requirements of the Commissioner of Insurance for the State of Michigan, Grand Valley Health Plan executed a trust indenture. The trust is established to provide for the payment of medical services in the event Grand Valley Health Plan is unable to make payment. The agreement requires trust assets to be a minimum of \$1,000,000. The trust account met or exceeded funding requirements, as specified in the agreement. The trust invests principally in money market funds, is stated at fair market value, and is included in cash and cash equivalents.

**Investment in Affiliates** – Other Invested Assets consists of a 30% interest in Leonard Street, LLC. Leonard Street, LLC operates and maintains the building used by Grand Valley Health Plan Radiology, Grand Valley Health Plan Pharmacy, Grand Valley Health Plan Beckwith Health Center, Grand Valley Surgical Center, LLC, and Orthopaedic Associates of Grand Rapids, PC. The Company accounts for its investment using the equity method of accounting.

**Investments in Subsidiaries** – None to report.

**Bonds** – None to report.

**Common Stock and Additional Paid in Capital** – stated at cost.

**Preferred Stock** – None to report.

**Mortgage Loans (Valuation Basis)** – None to report.

**Securities (Loan-Backed)** – None to report.

**Derivatives** – None to report.

**Liabilities for Claims and Claim Adjustment Expenses** – Health care costs are accrued as services are rendered, and include fees to physicians, hospitals, pharmacies and other providers for continuing medical care, and payments made on individual claims for which services have been performed including estimates of services performed which have not yet been reported. The reserves for incurred but not reported claims are to cover this estimated medical cost. Claims unpaid and unpaid adjustment expenses include amounts determined from individual case estimates, claim reports, and an amount for claims incurred but not reported based on past experience. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual member utilization of health care services, the amount of charges, and other factors. While management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount estimated in these financial statements. The Company limits a portion of their liability through stop-loss insurance. The methods for making estimates and for establishing the claims adjustment expense reserve are continually reviewed and any adjustments are reflected as determined in the periodic financial statements.

**Capitalization policy** – The Company has not modified its capitalization policy from the prior year.

## NOTES TO FINANCIAL STATEMENTS

Cash and Short-Term Investments – This category includes deposits in financial institutions and short-term investments with maturities of 90 days or less from the date of acquisition.

Accounts Receivable – This category represents charges to employer groups, primarily on open account. Adjustments to customer accounts are made to estimate net realizable amounts with appropriate charges to premium revenues.

Inventories – Inventories consist of pharmaceuticals and are stated at cost (first-in, first-out method).

Property and Equipment – Depreciable assets are stated at cost. Depreciation is generally computed using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Building and land improvements	5 - 40 years
Medical equipment	5 - 7 years
Office furniture and equipment	5 - 7 years
Electronic data processing equipment	3 - 5 years

These assets are reviewed for impairment when events indicate that the carrying amount may not be recoverable.

Premiums – member premiums are recorded as revenues in the month that members are entitled to services. Premiums collected in advance are recorded as Premiums Received in Advance.

Related Party Transactions – The Company is related with other entities through common ownership and management (see note 10).

Employee Benefit Plans –The Company participates in the parent company’s Employee Stock Ownership Plan (ESOP) and has a 401(k) plan (see note 12). The Company maintains a profit sharing plan and there were no profit sharing contributions to the plan in the period.

Income Taxes – The Company records income tax expense based on the amount of current taxes plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities, using enacted tax rates. Under the statutory basis of accounting some of these deferred assets are considered non-admitted assets and therefore are excluded. The Company is included in the Grand Valley Health Corporation parent company consolidated tax return (see note 9).

2. Accounting Changes and Corrections of Errors – None to report.
3. Business Combinations and Goodwill – None to report.
4. Discontinued Operations – None to report.
5. Investments (Other) – The Company continues to own one of its seven health centers located in Wyoming, Michigan a suburb of Grand Rapids, Michigan. There is no impairment loss, and the Company does not engage in retail land sales operations. During the period there were no mortgage or real estate loans, no debt restructuring, no reverse mortgages, no loan-backed securities, and no repurchase agreements.
6. Joint Ventures, Partnerships and Limited Liability Companies – There are no investments that exceeded 10% of the admitted assets of the Company and there are no impaired investments.
7. Investment Income – None to report.
8. Derivatives – None to report.
9. Income Taxes – The total of all deferred tax assets is \$517,000. There is no deferred tax liability. The non-admitted deferred tax asset, as the result of the application of SSAP 10 is \$103,000, leaving an admitted deferred tax asset of \$414,000. The net change during the quarter in the total non-admitted deferred tax assets is \$0. The significant component of current income tax expense is tax expense of \$42,008 at the statutory rate of 34% plus other minor differences. The net change during the quarter in admitted deferred tax assets is \$0. The Company had accumulated net operating losses from prior years of approximately \$2,257,000 available to offset income. All

## NOTES TO FINANCIAL STATEMENTS

of the net operating losses were used to offset taxable income generated by other members in the consolidated tax returns during 2004. There were no significant adjustments to deferred tax assets for enacted changes in tax laws or rates or a change in the tax status of the Company. The entities that are consolidated for federal income tax purposes are Grand Valley Health Plan, Inc., Grand Valley Health Management Inc., Grand Valley Health Facilities Inc., Grand Valley Technology Services, LLC, and Grand Valley Health Corporation. These entities have agreed that the amount of a consolidated NOL that is attributable to a Member is determined by a fraction, the numerator of which is the separate NOL of the Member and the denominator of which is the sum of the separate NOL's of all other Members. For this purpose, the separate NOL of a Member is determined by computing the consolidated NOL by taking into account only the Member's items of income, gain, deduction, and loss, including the Member's losses and deductions actually absorbed by the group in the taxable year.

10. Information Concerning Parent, Subsidiaries, and Affiliates – Grand Valley Health Plan, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation and under agreement pays Grand Valley Health Corporation for management services primarily for the Chief Executive Officer and staff, the Chief Financial Officer and staff, and the Corporate Human Resources department. Grand Valley Health Facilities, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation, and primarily manages buildings utilized by Grand Valley Health Plan. Grand Valley Health Plan pays Grand Valley Health Facilities for rental and other facility related expense reimbursements. Grand Valley Health Management is a wholly owned subsidiary of Grand Valley Health Corporation. Grand Valley Health Plan under agreement charged Grand Valley Health Management for administrative and pharmacy services, which are concurrently charged to the Grand Valley Surgical Center, LLC which is partially owned by Grand Valley Health Management (54%) and Grand Valley Health Corporation (1%). Grand Valley Technology Services, LLC is 52% owned by Grand Valley Health Corporation and 48% owned by other investors. Grand Valley Technology Services provides technology solutions to Grand Valley Health Plan for its insurance and medical management practices. All of the above relationships are based upon arms length transactions. In addition, any above mentioned Grand Valley Company may occasionally pay general accounts payable where a portion of the expense is appropriately charged to one of the other members of the holding company, and any above-mentioned Grand Valley company (except the Grand Valley Surgical Center) may be subject to the effect of the tax allocation agreement described in footnote 9. All charges are generally approved and settled by the corresponding entity typically within 30 days. The total recurring charges due from Grand Valley Health Plan in 2005 for the above transactions were \$1,077,689 and the total charges due to Grand Valley Health Corporation were \$341,148 – Grand Valley Health Management \$0 – Grand Valley Health Facilities \$485,091 – Grand Valley Technology Services LLC \$251,400. At March 31, 2005 net receivables from affiliates totaled \$28,749 as follows: Grand Valley Health Corporation - \$0, Grand Valley Health Management - \$0, Grand Valley Health Facilities - \$13,091, and Grand Valley Technology Services – \$15,658. At March 31, 2005 net liabilities from affiliates totaled \$86,788 as follows: Grand Valley Health Corporation - \$24,310 and Grand Valley Health Management - \$62,477.
11. Debt – None to report.
12. Retirement Plans, Deferred Compensation, Post-retirement Benefits, and Compensated Absences and Other Post-retirement Benefits Plans - The Company participates in an Employee Stock Ownership Plan (ESOP) covering substantially all full-time employees of the Company. The Plan invests primarily in the common stock of its parent company, Grand Valley Health Corporation. The Company made contributions to the ESOP of \$67,929 during 2005 year to date. The Company maintains a 401(k) plan that does not provide for matching contributions. There were no discretionary contributions to the 401(k) plan during the year. There are no deferred compensation plans and no other post-retirement plans. Compensated absences are accrued to cover unused vested vacation days.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations - Common Stock of \$312,996 is stated at its par value of \$1.00. There are 400,000 shares authorized of which 312,996 have been issued, coupled with Additional Paid-in-Capital of \$1,212,873. There were neither dividends nor dividend restrictions during the year. There are no restrictions placed on surplus funds except for the Surplus Note. There is no stock of the Company held for special purposes. There are no special surplus funds other than the Surplus Note. There is no portion of the unassigned surplus funds that has been represented by or reduced for any purpose. On February 28, 2001 the Company received an additional \$500,000 in capital from its parent.

## NOTES TO FINANCIAL STATEMENTS

Principal and interest payments on this Surplus Note shall only be repaid out of the surplus earnings of the Company and with prior written approval of the State of Michigan Department of Consumer and Industry Services, Office of Financial and Insurance Services, Division of Insurance. Interest is at the rate of eight and one-half percent per annum, computed annually and not compounded. Subject to the prior written approval of the Board of Directors of Grand Valley Health Plan and the prior written approval of the Michigan Insurance Division, interest shall be paid annually from earned surplus until the entire principal amount is paid in full. If Grand Valley Health Plan does not pay interest in any year, the interest shall be non-cumulative and will neither be paid nor accrued for future payment. The surplus note does not have a stated maturity or repayment date. There were no principal and/or interest payments during the period. The surplus note is expressly subordinated to claims of creditors and members of Grand Valley Health Plan and any other priority claims provided by Chapter 81 of the Insurance Code, which provides that surplus notes are at the eighth level of priority. There has not been a quasi-reorganization of the Company.

14. Contingencies - The Company is periodically involved in professional liability claims arising from its medical practice, which are defended and handled in the ordinary course of business. Management believes there is no liability outstanding. The Company is not under investigatory controls of the Michigan Office of Financial and Insurance Services. The Company is in full compliance with prior agreements and orders of the Michigan Office of Financial and Insurance Services.
15. Leases - The Company has operating leases for health centers, medical facilities, and an administrative office from various entities, which are considered related parties. These non-cancelable leases contain various renewal options subject to increases in the monthly rental payments. Lease terms expire at various dates through 2008. These leases require the Company to pay all utilities, maintenance and taxes. Future minimum lease payments are as follows: 2005- \$492,488, 2006 - \$340,043, 2007 - \$340,043, 2008 \$340,043. The grand total for 2005-2008 minimum lease payments - \$1,512,617. Total expense, including but not limited to utilities, maintenance and taxes, amounted to \$485,091 during the quarter.
16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk – None to report.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – None to report.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – None to report.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – None to report.
20. September 11 Events – None to report.
21. Other Items – None to report.
22. Events Subsequent – There was one disputed out of area hospitalization case during 2003 that was fully reserved at year-end. There were no other Type I or Type II subsequent events.
23. Reinsurance – The Company limits a portion of its medical claims liability through stop-loss insurance. Under the terms of this agreement, the insurance company will reimburse approximately 90% of the cost of each member's annual services in excess of \$150,000, up to a specific annual stop-loss benefit per member of \$1,000,000. At March 31, 2005, the Company has recorded a receivable under this agreement in the amount of \$694,034. There was no uncollectible reinsurance written off during the quarter.
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – None to report.
25. Change in Incurred Claims and Claim Adjustment Expenses – None to report.
26. Inter-company Pooling Arrangements – None to report.

## NOTES TO FINANCIAL STATEMENTS

- 27. Structured Settlements – None to report.
- 28. Health Care Receivables – None to report.
- 29. Participating Policies – None to report.
- 30. Premium Deficiency Reserves – None to report.
- 31. Anticipated Salvage and Subrogation – None to report.

**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 that 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 [ ] No [X]
- 3.2 If yes, date of change: ..... 01/01/3000  
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 [ ] No [X] 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. .... 12/31/2001
- 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. .... 12/31/2001
- 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). .... 06/16/2003
- 7.4 By what department or departments?  
Michigan Office of Financial and 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

## FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]  
 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$ .....

## INVESTMENT

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]  
 11.2 If yes, explain:  
 .....

- 12.1 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]  
 12.2 If yes, give full and complete information relating thereto:  
 .....

13. Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0

14. Amount of real estate and mortgages held in short-term investments: .....\$ .....0

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

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Statement Value
15.21 Bonds .....	\$ .....	\$ .....
15.22 Preferred Stock .....	\$ .....	\$ .....
15.23 Common Stock .....	\$ .....	\$ .....
15.24 Short-Term Investments .....	\$ .....	\$ .....
15.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
15.26 All Other .....	\$ 758,649	\$ 756,931
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$ 758,649	\$ 756,931
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above .....	\$ .....	\$ .....

- 16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

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

17. 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 [ ]

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

1	2
Name of Custodian(s)	Custodian Address
Fifth Third Bank.....	Grand Rapids, Michigan.....

17.2 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	2	3
Name(s)	Location(s)	Complete Explanation(s)

- 17.3 Have there been any changes, including name changes in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

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

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

17.5 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	2	3
Central Registration Depository	Name(s)	Address

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

18.2 If no, list exceptions:  
 .....

**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	1,296,093	1,317,872
2. Increase (decrease) by adjustment .....	(51,496)	(21,779)
3. Cost of acquired .....	0	0
4. Cost of additions to and permanent improvements .....	0	0
5. Total profit (loss) on sales .....	0	0
6. Increase (decrease) by foreign exchange adjustment .....	0	0
7. Amount received on sales .....	0	0
8. Book/adjusted carrying value at end of current period .....	1,244,597	1,296,093
9. Total valuation allowance .....	0	0
10. Subtotal (Lines 8 plus 9) .....	1,244,597	1,296,093
11. Total nonadmitted amounts .....	82,892	82,892
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	1,161,705	1,213,201

**SCHEDULE B – VERIFICATION****Mortgage Loans**

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

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	758,649	762,387
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions .....	0	0
2.2. Additional investment made after acquisitions .....	0	0
3. Accrual of discount .....	0	0
4. Increase (decrease) by adjustment .....	(1,718)	(3,738)
5. Total profit (loss) on sale .....	0	0
6. Amounts paid on account or in full during the period .....	0	0
7. Amortization of premium .....	0	0
8. Increase (decrease) by foreign exchange adjustment .....	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	756,931	758,649
10. Total valuation allowance .....	0	0
11. Subtotal (Lines 9 plus 10) .....	756,931	758,649
12. Total nonadmitted amounts .....	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	756,931	758,649

**SCHEDULE D – VERIFICATION****Bonds and Stocks**

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

STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

**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
<b>BONDS</b>								
1. Class 1 .....	.0				.0	.0	.0	.0
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	0	0	0	0	0	0	0	0
<b>PREFERRED STOCK</b>								
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	0	0	0	0	0	0	0	0

## SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

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

## SCHEDULE DA - PART 2- VERIFICATION

Short-Term Investments Owned

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,043,133	1,028,940
2. Cost of short-term investments acquired .....		.0
3. Increase (decrease) by adjustment .....	5,883	14,193
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 .....		.0
7. Book/adjusted carrying value, current period .....	1,049,016	1,043,133
8. Total valuation allowance .....		.0
9. Subtotal (Lines 7 plus 8) .....	1,049,016	1,043,133
10. Total nonadmitted amounts .....		.0
11. Statement value (Lines 9 minus 10) .....	1,049,016	1,043,133
12. Income collected during period .....		.0
13. Income earned during period .....		0



STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

**SCHEDULE DB - PART F - SECTION 2**

Reconciliation of Replicated (Synthetic) Assets Open

	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 T PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - 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	10,125,693			1,347,730		
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. Subtotal		XXX	XXX	10,125,693	0	0	1,347,730	0	0
59. Reporting entity contributions for Employee Benefit Plans		XXX	XXX						
60. Total (Direct Business)		XXX	(a) 1	10,125,693	0	0	1,347,730	0	0
<b>DETAILS OF WRITE-INS</b>									
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**

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF MARCH 31, 2005 OF THE Grand Valley Health Plan

**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 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)			
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B/A. C.V.										
6099999	Total - Bonds					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
6599999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7299999	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7399999	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7499999 Totals						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	

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

E05







