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ANNUAL STATEMENT

For the Year Ending December 31, 2005

of the Condition and Affairs of the

Molina Healthcare of Michigan, Inc.

NAIC Group Code.....1531, 1531 (Current Period) (Prior Period) NAIC Company Code..... 52630 Employer's ID Number..... 38-3341599

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]

Incorporated/Organized..... February 10, 1997 Commenced Business..... January 1, 1998

Statutory Home Office	100 West Big Beaver, Suite 600… .Troy ..... MI ..... 48084-5209 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	100 West Big Beaver, Suite 600… .Troy ..... MI ..... 48084-5209 *(Street and Number) (City, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Mail Address	100 West Big Beaver, Suite 600… .Troy ..... MI ..... 48084-5209 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	100 West Big Beaver, Suite 600… .Troy ..... MI ..... 48084-5209 *(Street and Number) (City, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Internet Website Address	www.molinahealthcare.com	
Statutory Statement Contact	Michael Tegler *(Name)*	248-925-1700 *(Area Code) (Telephone Number) (Extension)*
	mike.tegler@molinahealthcare.com *(E-Mail Address)*	248-925-1722 *(Fax Number)*
Policyowner Relations Contact	100 West Big Beaver, Suite 600… .Troy ..... MI ..... 48084-5209 *(Street and Number) (City, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Roman T Kulich	President	2. Mark L Andrews	Secretary
3. Michael Tegler	Treasurer	4. Terry B Bayer	Chairperson

OTHER

DIRECTORS OR TRUSTEES

Terry B Bayer #	John Jamian	Dean G Smith	Kathryn F Crawford
Sharon Marzicola	Roman T Kulich	Ron Nelson	Vernice D Anthony
Walter C Watkins, Jr.	Anna Marie Lang	William Anderson	

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. 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.

(Signature)	(Signature)	(Signature)
Roman T Kulich	Mark L Andrews	Michael Tegler
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

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 2 - 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

NONE

EXHIBIT 3 - 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
Pharmaceutical Rebate Receivables						
Stae of Michigan, Department of Community Health	856,784					856,784
Rx America	90,379	87,691	93,926	96,928	368,924	0
0199999. Total Pharmaceutical Rebate Receivables	947,163	87,691	93,926	96,928	368,924	856,784
Capitation Arrangement Receivables						
Stae of Michigan, Department of Community Health	1,356,750	171,979	82,891	1,201,755		2,813,375
0499999. Total Capital Arrangement Receivables	1,356,750	171,979	82,891	1,201,755	0	2,813,375
0799999. Total Health Care Receivables	2,303,913	259,670	176,817	1,298,683	368,924	3,670,159

EXHIBIT 4 - 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	2,844,254					2,844,254
0499999. Subtotals	2,844,254	0	0	0	0	2,844,254
0599999. Unreported claim and other claim reserves						46,102,024
0799999. Total claims unpaid						48,946,278

EXHIBIT 5 - 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

NONE

EXHIBIT 6 - 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				
Molina Healthcare, Inc.	Administrative Expenses	3,839,168	3,839,168	
Molina Healthcare of California	Administrative Expenses	1,730	1,730	
0199999. Individually listed payables		3,840,898	3,840,898	0
0399999. Total gross payables		3,840,898	3,840,898	0

EXHIBIT 7 - 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	17,596,591	6.9	144,366	100.0		17,596,591
2. Intermediaries		0.0				
3. All other providers	9,954,327	3.9				9,954,327
4. Total capitation payments	27,550,918	10.9	144,366	100.0	0	27,550,918
Other Payments:						
5. Fee-for-service	60,118,345	23.7	XXX	XXX		60,118,345
6. Contractual fee payments	165,774,690	65.4	XXX	XXX		165,774,690
7. Bonus/withhold arrangements - fee-for-service		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	150,583	0.1	XXX	XXX		150,583
9. Non-contingent salaries		0.0	XXX	XXX		
10. Aggregate cost arrangements		0.0	XXX	XXX		
11. All other payments		0.0	XXX	XXX		
12. Total other payments	226,043,618	89.1	XXX	XXX	0	226,043,618
13. Total (Line 4 plus Line 12)	253,594,536	100.0	XXX	XXX	0	253,594,536

EXHIBIT 7 - 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 8 - 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	1,283,150		425,507	857,644	857,644	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment						0
6. Total	1,283,150	0	425,507	857,644	857,644	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Molina Healthcare of Michigan, Inc. 2. Troy, MI

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

NAIC Group Code.....1531 NAIC Company Code.....52630

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 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	157,998								157,998				
2. First quarter	156,733								156,733				
3. Second quarter	152,192								152,192				
4. Third quarter	145,176								145,176				
5. Current year	144,366								144,366				
6. Current year member months	1,811,177								1,811,177				
Total Member Ambulatory Encounters for Year:													
7. Physician	1,068,594								1,068,594				
8. Non-physician	77,881								77,881				
9. Totals	1,146,475	0	0	0	0	0	0	0	1,146,475	0	0	0	0
10. Hospital patient days incurred	68,608								68,608				
11. Number of inpatient admissions	12,969								12,969				
12. Health premiums written	325,650,660								325,650,660				
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	325,650,660								325,650,660				
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	253,594,536								253,594,536				
18. Amount incurred for provision of health care services	262,753,050								262,753,050				

(a) For health business: 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 (a)

REPORT FOR: 1. CORPORATION.....Molina Healthcare of Michigan, Inc. 2. Troy, MI

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

NAIC Group Code.....1531 NAIC Company Code.....52630

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior year	157,998								157,998				
2. First quarter	156,733								156,733				
3. Second quarter	152,192								152,192				
4. Third quarter	145,176								145,176				
5. Current year	144,366								144,366				
6. Current year member months	1,811,177								1,811,177				
Total Member Ambulatory Encounters for Year:													
7. Physician	1,068,594								1,068,594				
8. Non-physician	77,881								77,881				
9. Totals	1,146,475	0	0	0	0	0	0	0	1,146,475	0	0	0	0
10. Hospital patient days incurred	68,608								68,608				
11. Number of inpatient admissions	12,969								12,969				
12. Health premiums written	325,650,660								325,650,660				
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	325,650,660								325,650,660				
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	253,594,536								253,594,536				
18. Amount incurred for provision of health care services	262,753,050								262,753,050				

(a) For health business: 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

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year	
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 11	
	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))	
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 14	
	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 12	
	6.2 Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	
8.	Book/adjusted carrying value at end of current period	0
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	0
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

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 (Page 2, mortgage lines, Net Admitted Assets column)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
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		
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		0
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		0
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		0

NONE

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	1,319,940					1,319,940	1.9	1,286,325	100.0	1,319,940	
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	1,319,940	0	0	0	0	1,319,940	1.9	1,286,325	100.0	1,319,940	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						0	0.0				
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	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/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	66,665,928					66,665,928	98.1			66,665,928	
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	66,665,928	0	0	0	0	66,665,928	98.1	0		66,665,928	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	67,985,868	0	0	0	0	67,985,868	100.0	XXX	XXX	67,985,868	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	67,985,868	0	0	0	0	(b) 67,985,868	100.0	XXX	XXX	67,985,868	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Class 1	1,286,325					XXX	XXX	1,286,325	100.0	1,286,325	
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	1,286,325	0	0	0	0	XXX	XXX	(b) 1,286,325	100.0	1,286,325	0
11.8 Line 11.7 as a % of Col. 8	100.0	0.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	67,985,868					67,985,868	100.0	1,286,325	100.0	67,985,868	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	67,985,868	0	0	0	0	67,985,868	100.0	1,286,325	100.0	67,985,868	XXX
12.8 Line 12.7 as a % of Col. 6	100.0	0.0	0.0	0.0	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	100.0	0.0	0.0	0.0	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* designations. 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* designations. "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	1,319,940					1,319,940	1.9	1,286,325	100.0	1,319,940	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
1.7 Totals	1,319,940	0	0	0	0	1,319,940	1.9	1,286,325	100.0	1,319,940	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						0	0.0				
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	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
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	66,665,928					66,665,928	98.1			66,665,928	
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	66,665,928	0	0	0	0	66,665,928	98.1	0		66,665,928	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	67,985,868	0	0	0	0	67,985,868	100.0	XXX	XXX	67,985,868	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	67,985,868	0	0	0	0	67,985,868	100.0	XXX	XXX	67,985,868	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	1,286,325					XXX	XXX	1,286,325	100.0	1,286,325	
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	1,286,325	0	0	0	0	XXX	XXX	1,286,325	100.0	1,286,325	0
11.8 Line 11.7 as a % of Col. 8	100.0	0.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	67,985,868					67,985,868	100.0	1,286,325	100.0	67,985,868	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	67,985,868	0	0	0	0	67,985,868	100.0	1,286,325	100.0	67,985,868	XXX
12.8 Line 12.7 as a % of Col. 6	100.0	0.0	0.0	0.0	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	100.0	0.0	0.0	0.0	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 BETWEEN YEARS

Short-Term Investments

	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 December 31 of prior year	1,286,325			1,286,325	
2. Cost of short-term investments acquired	66,699,543			66,699,543	
3. Increase (decrease) by adjustment	0				
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 year	67,985,868	0	0	67,985,868	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	67,985,868	0	0	67,985,868	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	67,985,868	0	0	67,985,868	0
12. Income collected during year	480,766			480,766	
13. Income earned during year	484,857			484,857	

(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

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Non-Affiliates												
21970	23-1502700	08/01/2005	Onebeacon Ins Co.	Pennsyvania	SSL/L/G	973,906						
0299999.	Total - Non-Affiliates					973,906	0	0	0	0	0	0
0399999.	Totals					973,906	0	0	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5 + 6 + 7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols. 9 + 10 + 11 + 12 + 13 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2005	2 2004	3 2003	4 2002	5 2001
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII - Medicare					
3. Title XIX - Medicaid	974	695	333	282	271
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

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)	91,852,759		91,852,759
2.	Accident and health premiums due and unpaid (Line 13)			0
3.	Amounts recoverable from reinsurers (Line 14.1)			0
4.	Net credit for ceded reinsurance	XXX		0
5.	All other admitted assets (balance)	7,084,709		7,084,709
6.	Totals assets (Line 26)	98,937,468	0	98,937,468
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	48,946,278		48,946,278
8.	Accrued medical incentive pool and bonus payments (Line 2)			0
9.	Premiums received in advance (Line 8)			0
10.	Reinsurance in unauthorized companies (Line 18)			0
11.	All other liabilities (balance)	12,940,015		12,940,015
12.	Total liabilities (Line 22)	61,886,293	0	61,886,293
13.	Total capital and surplus (Line 31)	37,051,175	XXX	37,051,175
14.	Total liabilities, capital and surplus (Line 32)	98,937,468	0	98,937,468
	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												
	13-4204626	Molina Healthcare, Inc.	29,000,000	(38,695,900)			81,220,153				71,524,253	
	33-0342719	Molina Healthcare of California		14,000,000			70,250,001				84,250,001	
	33-0342719	Molina Healthcare of California Partnership Plan					(96,630,822)				(96,630,822)	
52630	38-3341599	Molina Healthcare of Michigan, Inc.		2,000,000			(15,529,404)				(13,529,404)	
95502	33-0617992	Molina Healthcare of Utah, Inc.	(3,000,000)				(6,070,880)				(9,070,880)	
96270	91-1284790	Molina Healthcare of Washington, Inc.	(17,000,000)				(28,207,200)				(45,207,200)	
	87-0641493	Molina Advantage, Inc.									0	
	38-2623350	Health Care Horizons, Inc.		450,000			14,761,506				15,211,506	
95739	85-0408506	Molina Healthcare of New Mexico, Inc.	(9,000,000)	1,000,000			(19,128,362)				(27,128,362)	
12249	20-1494455	Molina Healthcare of Indiana, Inc.		4,500,000			(664,992)				3,835,008	
10757	20-1494502	Molina Healthcare of Texas, Inc.		1,600,000							1,600,000	
12334	20-0750134	Molina Healthcare of Ohio, Inc.		4,340,000							4,340,000	
69647	31-0628424	Phoenix National Insurance Company		10,805,900							10,805,900	
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 unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be acepted 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.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Investment Risk Interrogatories be filed by April 1?	YES
	JUNE FILING	
7.	Will an audited financial report be filed by June 1?	YES

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	
8.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
9.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
10.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
11.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	SEE EXPLANATION
	APRIL FILING	
12.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
13.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
14.	Will the Supplemental Property/Casuatly data due April 1 be filed with the state of domicile and the NAIC?	NO

EXPLANATIONS:

11. Less than 100 stockholders

BAR CODE:

5263020053600000

5263020052050000

5263020052070000

5263020054200000

5263020053300000

5263020052110000

5263020052130000

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NONE

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NONE

Supplement for the year 2005 of the **Molina Healthcare of Michigan, Inc.**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2005

(To Be Filed by March 1)

FOR THE STATE OF.....Michigan

NAIC Group Code.....1531

NAIC Company Code.....52630

Address (City, State and Zip Code).....

Person Completing This Exhibit.....

Telephone Number.....

Title.....

NONE

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2002				Policies Issued in 2003, 2004 & 2005			
										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

Overflow Page for Write-Ins

NONE