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ANNUAL STATEMENT

For the Year Ending December 31, 2005

of the Condition and Affairs of the

Physicians Health Plan of South Michigan

NAIC Group Code.....3594 (Current Period) (Prior Period) NAIC Company Code..... 52564 Employer's ID Number..... 38-3311905

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

Licensed as Business Type.....Health Maintenance Organization Is HMO Federally Qualified? Yes [ ] No [X]

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

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

OFFICERS

Name	Title	Name	Title
1. Greg Gieseman	President	2. Jeanne' Wickens	Secretary / Treasurer
3. David Spring	Chief Financial Officer	4.	

OTHER

DIRECTORS OR TRUSTEES

Dave Corravo	Brian Adamczyk M.D.	Georgia Fojtasek	Rick Warren
Edward Woods	K. V. Rao M.D.	Jeanne' Wickens	Phil Miller
Michael Shore	Carolyn Bradley	Jan Blair	Beth Smith

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

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. 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)
Greg Gieseman	Jeanne' Wickens	David Spring
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary / Treasurer	Chief Financial Officer
(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
A&H Premiums Due and Unpaid						
Melling Tool	109,111			11,005	11,005	109,111
0299997. Group subscribers subtotal	109,111	0	0	11,005	11,005	109,111
0299998. Premiums due and unpaid not individually listed	598,685	18,034	16,615	39,655	92,780	580,209
0299999. Total group	707,796	18,034	16,615	50,660	103,786	689,319
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	707,796	18,034	16,615	50,660	103,786	689,319

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						
Merck Medco	417,945	35,220		66,046	66,046	453,164
0199999. Total Pharmaceutical Rebate Receivables	417,945	35,220	0	66,046	66,046	453,164
Risk Sharing Receivables						
United Reinsurance Company	210,946					210,946
0599999. Total Risk Sharing Receivables	210,946	0	0	0	0	210,946
Other Receivables						
Reciprocity Lansing Receivable	383,967					383,967
0699998. Other Receivables Not Listed Individually	296					296
0699999. Total Other Receivables	384,263	0	0	0	0	384,263
0799999. Total Health Care Receivables	1,013,154	35,220	0	66,046	66,046	1,048,373

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)						
0299999. Aggregate accounts not individually listed - uncovered	86,360	1,342	9	(275)	(818)	86,617
0399999. Aggregate accounts not individually listed - covered	1,027,960	15,972	107	(3,274)	(9,738)	1,031,027
0499999. Subtotals	1,114,320	17,314	116	(3,549)	(10,556)	1,117,644
0599999. Unreported claim and other claim reserves						9,576,408
0799999. Total claims unpaid						10,694,052
0899999. Accrued medical incentive pool and bonus amounts						2,871,270

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
Amounts Due From Parent, Subsidiaries and Affiliates							
0299999. Receivables not individually listed	6,973					6,973	
0399999. Total gross amounts receivable	6,973	0	0	0	0	6,973	0

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				
W.A. Foote Memorial Hospital	Payroll & Misc. Services	547,392	547,392	
Shared Services Organization	Services Performed on Behalf of PHP of South Michigan	171,500	171,500	
0199999. Individually listed payables		718,892	718,892	0
0399999. Total gross payables		718,892	718,892	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		0.0				
2. Intermediaries	556,331	0.7			490,412	65,918
3. All other providers		0.0				
4. Total capitation payments	556,331	0.7	0		490,412	65,918
Other Payments:						
5. Fee-for-service	6,640,937	8.7	XXX	XXX		6,640,937
6. Contractual fee payments	69,265,207	90.6	XXX	XXX	25,524,074	43,741,133
7. Bonus/withhold arrangements - fee-for-service		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments		0.0	XXX	XXX		
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	75,906,144	99.3	XXX	XXX	25,524,074	50,382,070
13. Total (Line 4 plus Line 12)	76,462,475	100.0	XXX	XXX	26,014,486	50,447,988

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
Transactions with Intermediaries					
	Foote Behavioral Health	490,412	40,868		
	Huron Valley Ambulance	32,081	2,673		
	United Resource Network	33,837	2,820		
9999999. Totals		556,331	XXX	XXX	XXX

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	200,598		110,664	98,934	74,200	24,733
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	200,598	0	110,664	98,934	74,200	24,733

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Physicians Health Plan of South Michigan 2. Jackson, MI

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

NAIC Group Code.....3594 NAIC Company Code.....52564

	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	29,310	136	29,174										
2. First quarter	28,709	142	28,567										
3. Second quarter	28,159	141	28,018										
4. Third quarter	27,917	126	27,791										
5. Current year	28,156	152	28,004										
6. Current year member months	338,321	1,631	336,690										
Total Member Ambulatory Encounters for Year:													
7. Physician	287,077	1,522	285,556										
8. Non-physician	94,884	503	94,381										
9. Totals	381,961	2,024	379,937	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred	7,434	145	7,289										
11. Number of inpatient admissions	2,013	18	1,995										
12. Health premiums written	86,658,056	482,391	86,175,665										
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	86,658,056	482,391	86,175,665										
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	76,462,475	405,251	76,057,224										
18. Amount incurred for provision of health care services	76,870,957	407,416	76,463,541										

(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.....Physicians Health Plan of South Michigan 2. Jackson, MI

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

NAIC Group Code.....3594 NAIC Company Code.....52564

	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	29,310	136	29,174										
2. First quarter	28,709	142	28,567										
3. Second quarter	28,159	141	28,018										
4. Third quarter	27,917	126	27,791										
5. Current year	28,156	152	28,004										
6. Current year member months	338,321	1,631	336,690										
Total Member Ambulatory Encounters for Year:													
7. Physician	287,077	1,522	285,556										
8. Non-physician	94,884	503	94,381										
9. Totals	381,961	2,024	379,937	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred	7,434	145	7,289										
11. Number of inpatient admissions	2,013	18	1,995										
12. Health premiums written	86,658,056	482,391	86,175,665										
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	86,658,056	482,391	86,175,665										
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	76,462,475	405,251	76,057,224										
18. Amount incurred for provision of health care services	76,870,957	407,416	76,463,541										

(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

NONE

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

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

NONE

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

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		2,177,649
2.	Cost of acquisitions during year:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions	340,000	340,000
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		(195,230)
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		2,322,420
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		2,322,420
12.	Total nonadmitted amounts		214,239
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		2,108,181

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	833,286	4,370,603				5,203,889	15.8	4,847,127	15.4	5,203,889	
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	833,286	4,370,603	0	0	0	5,203,889	15.8	4,847,127	15.4	5,203,889	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	25,379,350	2,035,336	254,807			27,669,493	84.2	26,611,466	84.6	27,669,493	
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	25,379,350	2,035,336	254,807	0	0	27,669,493	84.2	26,611,466	84.6	27,669,493	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	26,212,636	6,405,939	254,807	0	0	32,873,382	100.0	XXX	XXX	32,873,382	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	26,212,636	6,405,939	254,807	0	0	(b) 32,873,382	100.0	XXX	XXX	32,873,382	0
10.8 Line 10.7 as a % of Col. 6	79.7	19.5	0.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Class 1	25,480,113	5,978,480				XXX	XXX	31,458,593	100.0	31,458,593	
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	25,480,113	5,978,480	0	0	0	XXX	XXX	(b) 31,458,593	100.0	31,458,593	0
11.8 Line 11.7 as a % of Col. 8	81.0	19.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	26,212,636	6,405,939	254,807			32,873,382	100.0	31,458,593	100.0	32,873,382	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	26,212,636	6,405,939	254,807	0	0	32,873,382	100.0	31,458,593	100.0	32,873,382	XXX
12.8 Line 12.7 as a % of Col. 6	79.7	19.5	0.8	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	79.7	19.5	0.8	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	833,286	4,370,603				5,203,889	15.8	4,847,127	15.4	5,203,889	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
1.7 Totals	833,286	4,370,603	0	0	0	5,203,889	15.8	4,847,127	15.4	5,203,889	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	24,978,117	1,637,939				26,616,056	81.0	26,455,309	84.1	26,616,056	
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	401,233	397,397	254,807			1,053,437	3.2	156,157	1.0	1,053,437	
7.6 Other						0	0.0				
7.7 Totals	25,379,350	2,035,336	254,807	0	0	27,669,493	84.2	26,611,466	84.6	27,669,493	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	25,811,403	6,008,542	0	0	0	31,819,945	96.8	XXX	XXX	31,819,945	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	401,233	397,397	254,807	0	0	1,053,437	3.2	XXX	XXX	1,053,437	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	26,212,636	6,405,939	254,807	0	0	32,873,382	100.0	XXX	XXX	32,873,382	0
10.8 Line 10.7 as a % of Col. 6	79.7	19.5	0.8	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	25,480,113	5,822,323				XXX	XXX	31,302,436	99.5	31,302,436	
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		156,157				XXX	XXX	156,157	0.5	156,157	
11.6 Other						XXX	XXX	0	0.0		
11.7 Totals	25,480,113	5,978,480	0	0	0	XXX	XXX	31,458,593	100.0	31,458,593	0
11.8 Line 11.7 as a % of Col. 8	81.0	19.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	25,811,403	6,008,542				31,819,945	96.8	31,302,436	99.5	31,819,945	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	401,233	397,397	254,807			1,053,437	3.2	156,157	0.5	1,053,437	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	26,212,636	6,405,939	254,807	0	0	32,873,382	100.0	31,458,593	100.0	32,873,382	XXX
12.8 Line 12.7 as a % of Col. 6	79.7	19.5	0.8	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	79.7	19.5	0.8	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	24,042,419	24,042,419			
2. Cost of short-term investments acquired	52,544,998	52,544,998			
3. Increase (decrease) by adjustment	410	410			
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	(42)	(42)			
6. Consideration received on disposal of short-term investments	51,888,646	51,888,646			
7. Book/adjusted carrying value, current year	24,699,139	24,699,139	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	24,699,139	24,699,139	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	24,699,139	24,699,139	0	0	0
12. Income collected during year	667,061	667,061			
13. Income earned during year	699,071	699,071			

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

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Owned

1.	Book value, December 31, prior year (Line 8, prior year)		
2.	Cost/option premium (Section 2, Column 7)		
3.	Increase/(decrease) by adjustment (Section 1, Column 12) plus (Section 3, Column 13)		
4.	Gain/(loss) on termination:		
	4.1 Recognized (Section 3, Column 14)		
	4.2 Used to adjust basis of hedged item (Section 3, Column 15)		0
5.	Consideration received on terminations (Section 3, Column 12)		
6.	Used to adjust basis on open contracts (Section 1, Column 13)		
7.	Disposition of deferred amount on contracts terminated in prior year:		
	7.1 Recognized		
	7.2 Used to adjust basis of hedged item		0
8.	Book value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)		0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Written

1.	Book value, December 31, prior year (Line 8, prior year)		
2.	Consideration received (Section 2, Column 7)		
3.	Increase/(decrease) by adjustment (Section 1, Column 12) plus (Section 3, Column 13)		
4.	Gain/(loss) on termination:		
	4.1 Recognized (Section 3, Column 14)		
	4.2 Used to adjust basis (Section 3, Column 15)		0
5.	Consideration paid on terminations (Section 3, Column 12)		
6.	Used to adjust basis on open contracts (Section 1, Column 13)		
7.	Disposition of deferred amount on contracts terminated in prior year:		
	7.1 Recognized		
	7.2 Used to adjust basis		0
8.	Book value, December 31, current year		0

NONE

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Swaps and Forwards

1.	Book value, December 31, prior year (Line 8, prior year)		
2.	Cost or (consideration received) (Section 2, Column 7)		
3.	Increase/(decrease) by adjustment (Section 1, Column 12) plus (Section 3, Column 13)		
4.	Gain/(loss) on termination:		
	4.1 Recognized (Section 3, Column 14)		
	4.2 Used to adjust basis of hedged item (Section 3, Column 15)		0
5.	Consideration received (or paid) on terminations (Section 3, Column 12)		
6.	Used to adjust basis of hedged item on open contracts (Section 1, Column 13)		
7.	Disposition of deferred amount on contracts terminated in prior year:		
	7.1 Recognized		
	7.2 Used to adjust basis of hedged item		0
8.	Book value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)		0

NONE

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Futures Contracts and Insurance Futures Contracts

1.	Book value, December 31, prior year (Line 8, prior year)		
2.	Change in total variation margin on open contracts (difference between years - Section 1, Column 6)		
3.1	Change in variation margin on open contracts used to adjust basis of hedged item (Section 1, Column 11)		
3.2	Change in variation margin on open contracts recognized (difference between years - Section 1, Column 10)		
4.1	Variation margin on contracts terminated during the year (Section 3, Column 6)		
4.2	Less:		
	4.21 Gain/(loss) recognized in current year (Section 3, Column 11)		
	4.22 Gain/(loss) used to adjust basis of hedge (Section 3, Column 12)	0	
4.3	Subtotal (Line 4.1 minus Line 4.2)		0
5.1	Net additions to cash deposits (Section 2, Column 7)		
5.2	Less: Net reductions to cash deposits (Section 3, Column 9)		0
6.	Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2)		0
7.	Disposition of gain/(loss) on contracts terminated in prior year:		
	7.1 Recognized		
	7.2 Used to adjust basis of hedged item		0
8.	Book value, December 31, current year (Lines 6 + 7.1 + 7.2)		0

NONE

SCHEDULE DB - PART E - VERIFICATION

Statement Value and Fair Value of Open Contracts

		Statement Value
1.	Part A, Section 1, Column 10	
2.	Part B, Section 1, Column 10	
3.	Part C, Section 1, Column 10	
4.	Part D, Section 1, Column 9 - 12	
5.	Lines (1) - (2) + (3) + (4)	0
6.	Part E, Section 1, Column 4	
7.	Part E, Section 1, Column 5	
8.	Lines (5) - (6) - (7)	0

		Fair Value
9.	Part A, Section 1, Column 11	
10.	Part B, Section 1, Column 11	
11.	Part C, Section 1, Column 11	
12.	Part D, Section 1, Column 9	
13.	Lines (9) - (10) + (11) + (12)	0
14.	Part E, Section 1, Column 7	
15.	Part E, Section 1, Column 8	
16.	Lines (13) - (14) - (15)	0

NONE

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
					Derivative Instruments Open		Cash Instrument(s) Held				
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description

NONE

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
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

NONE

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates						
79413	36-2739571	01/01/2005	United Reinsurance Company	Hartford, CT	35,177	
0599999.	Total - Non-Affiliates				35,177	0
0699999.	Total - Accident and Health				35,177	0
0799999.	Totals - Life, Annuity and Accident and Health				35,177	0

SCHEDULE S - PART 3 - SECTION 2

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

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other Than for Unearned Premiums	Outstanding Surplus Relief 10 Current Year	 11 Prior Year	12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
Non-Affiliates												
79413	36-2739571	01/01/2005	United Reinsurance Company	Hartford, CT	SSL/L/G	649,112						
0299999.	Total - Non-Affiliates					649,112	0	0	0	0	0	0
0399999.	Totals					649,112	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	649	714	726	629	683
2. Title XVIII - Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable		69	124	18	
8. Reinsurance recoverable on paid losses	35	142	89	39	760
9. Experience rating refunds due or unpaid	211	6	232	236	
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)	34,126,117		34,126,117
2.	Accident and health premiums due and unpaid (Line 13)	689,319		689,319
3.	Amounts recoverable from reinsurers (Line 14.1)	35,177	(35,177)	0
4.	Net credit for ceded reinsurance	XXX	35,177	35,177
5.	All other admitted assets (balance)	1,296,513		1,296,513
6.	Totals assets (Line 26)	36,147,127	0	36,147,127
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	10,694,053		10,694,053
8.	Accrued medical incentive pool and bonus payments (Line 2)	2,871,270		2,871,270
9.	Premiums received in advance (Line 8)	679,635		679,635
10.	Reinsurance in unauthorized companies (Line 18)			0
11.	All other liabilities (balance)	3,934,846		3,934,846
12.	Total liabilities (Line 22)	18,179,804	0	18,179,804
13.	Total capital and surplus (Line 31)	17,967,323	XXX	17,967,323
14.	Total liabilities, capital and surplus (Line 32)	36,147,127	0	36,147,127
	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	35,177		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	35,177		
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	35,177		

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												
	38-2027689	W.A.Foote Memorial Hospital				3,213,955					3,213,955	
	38-2594857	Physicians Choice Network				(87,508)					(87,508)	
	38-3361367	Physician Health Plan Shared Savings Network		340,000		352,431					692,431	
	20-1183339	Physician Health Plan South Michigan - FamilyCare									0	
	38-3311905	Physician Health Plan South Michigan		(340,000)		(3,478,878)					(3,818,878)	
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?	NO
	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:

BAR CODE:

52564200536000000

52564200520500000

52564200520700000

52564200542000000

52564200533000000

52564200521100000

52564200521300000

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NONE

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NONE

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.....3594
Address (City, State and Zip Code).....
Person Completing This Exhibit.....
Title.....

NAIC Company Code.....52564

Telephone Number.....

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

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NONE