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HEALTH QUARTERLY STATEMENT

As of March 31, 2007

of the Condition and Affairs of the

Blue Care Network of Michigan

NAIC Group Code.....572, 572 (Current Period) (Prior Period) NAIC Company Code..... 95610 Employer's ID Number..... 38-2359234

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

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

Incorporated/Organized..... May 6, 1981 Commenced Business..... May 13, 1981

Statutory Home Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	248-799-6400 *(Area Code) (Telephone Number)*
Mail Address	20500 Civic Center Drive MC C455….. Southfield ..... MI ..... 48076 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	248-455-3410 *(Area Code) (Telephone Number)*
Internet Website Address	www.mibcn.com	
Statutory Statement Contact	Joseph John Andraska *(Name)*	248-455-3428 *(Area Code) (Telephone Number) (Extension)*
	jandraska@bcbsm.com *(E-Mail Address)*	248-455-3639 *(Fax Number)*
Policyowner Relations Contact	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	800-662-6667 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Jeanne Helen Carlson	President & Chief Executive Officer	2. Julie Concetta Swantek	Secretary
3. Susan Anne Kluge	Chief Financial Officer & Treasurer	4. David Robert Nelson	Chief Actuarial Officer

OTHER

Douglas Robert Woll MD	Chief Medical Officer	Laurie Lowe Westfall	Chief Operating Officer

DIRECTORS OR TRUSTEES

Julie Anne Angott	Mark Robert Bartlett	William Harrison Black	Charles Lee Burkett
Jeanne Helen Carlson	James Robert Dietz #	Shauna Ryder Diggs MD	Franklin Delano Garrison
Janet Louise Harden	DeMerritte Bonta Hiscoe MD	Valeriah Ann Holmon	Robert Paul Kelch MD #
Karen Marie Knapp	Daniel Joseph Loepp	Donald Glenn Oetman	Kevin Lewis Seitz #
Gregory Alan Sudderth	Diana Lynn Watson		

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)
Jeanne Helen Carlson	Julie Concetta Swantek	Susan Anne Kluge
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	Secretary	Chief Financial Officer & 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 _____

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	41,533,034		41,533,034	43,222,522
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	232,066,241	128,309,496	103,756,745	113,125,299
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....5,102,641), cash equivalents ($.....0) and short-term investments ($.....381,596,216)	386,698,857		386,698,857	396,766,165
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets	66,854,864		66,854,864	65,954,840
8. Receivables for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	727,152,996	128,309,496	598,843,500	619,068,826
11. Title Plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	5,675,603		5,675,603	6,079,343
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	41,142,770	226,288	40,916,482	6,820,192
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	
16.1 Current federal and foreign income tax recoverable and interest thereon			0	
16.2 Net deferred tax asset			0	
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software	5,560,735	3,846,109	1,714,626	1,531,345
19. Furniture and equipment, including health care delivery assets ($.....0)	6,337,640	4,860,152	1,477,488	1,457,130
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates	6,136,318	20,520	6,115,798	9,196,053
22. Health care ($.....6,475,991) and other amounts receivable	8,440,666	1,741,988	6,698,678	6,732,554
23. Aggregate write-ins for other than invested assets	4,629,432	4,629,432	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	805,076,160	143,633,985	661,442,175	650,885,443
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	805,076,160	143,633,985	661,442,175	650,885,443

DETAILS OF WRITE-INS

0901.			0	
0902.			0	
0903.			0	
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. Miscelleanous Receivables	1,936,917	1,936,917	0	
2302. Prepaid expenses	2,692,515	2,692,515	0	
2303.			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)	4,629,432	4,629,432	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....8,144,735 reinsurance ceded)	224,598,879	7,183,985	231,782,864	222,495,615
2. Accrued medical incentive pool and bonus amounts	47,161,701		47,161,701	48,913,134
3. Unpaid claims adjustment expenses	6,110,832		6,110,832	5,778,670
4. Aggregate health policy reserves	4,792,872		4,792,872	4,955,936
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	37,292,473		37,292,473	31,838,588
9. General expenses due or accrued	31,806,978		31,806,978	35,091,127
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable	785,893		785,893	
12. Amounts withheld or retained for the account of others	2,923,610		2,923,610	2,611,350
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	18,683,545		18,683,545	13,316,305
16. Payable for securities			0	
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured plans	792,573		792,573	178,146
21. Aggregate write-ins for other liabilities (including $.....2,112,846 current)	59,961,954	0	59,961,954	57,420,047
22. Total liabilities (Lines 1 to 21)	434,911,310	7,183,985	442,095,295	422,598,918
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	10,000	10,000
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	15,643,045	15,643,045
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	203,693,835	212,633,480
30. Less treasury stock, at cost:				
30.1 .....0.000 shares common (value included in Line 24 $.....0)	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	219,346,880	228,286,525
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	661,442,175	650,885,443

DETAILS OF WRITE-INS

2101. Accrued Post Retirement Benefits	45,349,711		45,349,711	44,098,896
2102. Accrued Pension	12,212,570		12,212,570	10,996,699
2103. Employee Health Insurance	2,109,803		2,109,803	2,023,039
2198. Summary of remaining write-ins for Line 21 from overflow page	289,870	0	289,870	301,413
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	59,961,954	0	59,961,954	57,420,047
2301.				
2302.				
2303.				
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.				
2802.				
2803.				
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 OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	1,454,741	1,371,475
2. Net premium income (including $.....0 non-health premium income)	XXX	420,864,028	378,051,168
3. Change in unearned premium reserves and reserve for rate credits	XXX	163,064	(45,428)
4. Fee-for-service (net of $.....2,404,320 medical expenses)	XXX	(245,523)	(757,812)
5. Risk revenue	XXX	966,055	930,501
6. Aggregate write-ins for other health care related revenues	XXX	19,384	16,167
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	421,767,008	378,194,596
Hospital and Medical:			
9. Hospital/medical benefits	1,853,547	249,507,109	205,872,804
10. Other professional services		10,023,111	8,737,363
11. Outside referrals	15,708,209	15,708,209	16,165,633
12. Emergency room and out-of-area	352,625	26,072,175	23,045,547
13. Prescription drugs		64,483,747	60,459,575
14. Aggregate write-ins for other hospital and medical	0	535,054	545,289
15. Incentive pool, withhold adjustments and bonus amounts		5,400,700	9,577,215
16. Subtotal (Lines 9 to 15)	17,914,381	371,730,105	324,403,426
Less:			
17. Net reinsurance recoveries		2,594,676	2,114,924
18. Total hospital and medical (Lines 16 minus 17)	17,914,381	369,135,429	322,288,502
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....13,373,796 cost containment expenses		18,414,971	19,045,298
21. General administrative expenses		39,915,099	37,116,109
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)	17,914,381	427,465,499	378,449,909
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(5,698,491)	(255,313)
25. Net investment income earned		6,116,583	7,270,219
26. Net realized capital gains (losses) less capital gains tax of $.....0		178,171	(488,690)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	6,294,754	6,781,529
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....37,173)]		(37,173)	116,078
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	559,090	6,642,294
31. Federal and foreign income taxes incurred	XXX	7,700	7,025
32. Net income (loss) (Lines 30 minus 31)	XXX	551,390	6,635,269

DETAILS OF WRITE-INS

0601. Pharmacy Over the Counter Revenue	XXX	8,912	7,783
0602. Other Revenue	XXX	10,472	8,384
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	19,384	16,167
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 Expense		339,534	339,310
1402. Occupancy, Depreciation and Amortization		195,520	205,979
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)	0	535,054	545,289
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year	228,286,525	313,022,914	313,022,914
34. Net income or (loss) from Line 32	551,390	6,635,269	28,389,203
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of $.....0	2,055,990	884,710	9,922,067
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(11,539,061)	(3,363,282)	(123,047,659)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	(7,964)	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(8,939,645)	4,156,697	(84,736,389)
49. Capital and surplus end of reporting period (Line 33 plus 48)	219,346,880	317,179,611	228,286,525

DETAILS OF WRITE-INS

4701. Adjustment to Additional Minimum Pension Liability	(7,964)		
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)	(7,964)	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	392,976,445	1,578,155,450
2.	Net investment income	6,532,087	33,303,884
3.	Miscellaneous income	739,916	1,588,706
4.	Total (Lines 1 through 3)	400,248,448	1,613,048,040
5.	Benefit and loss related payments	361,599,613	1,320,491,544
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	58,162,896	214,240,513
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	7,700	31,541
10.	Total (Lines 5 through 9)	419,770,209	1,534,763,598
11.	Net cash from operations (Line 4 minus Line 10)	(19,521,761)	78,284,442
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	36,808,245	612,160,137
	12.2 Stocks	81,625	1,078,944
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	10,655	(662,349)
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	36,900,525	612,576,732
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	34,963,009	495,189,002
	13.2 Stocks	2,172	229,994,901
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications		300,000
	13.7 Total investments acquired (Lines 13.1 to 13.6)	34,965,181	725,483,903
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	1,935,344	(112,907,171)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	7,519,109	(3,477,159)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	7,519,109	(3,477,159)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(10,067,308)	(38,099,888)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	396,766,165	434,866,053
	19.2 End of period (Line 18 plus Line 19.1)	386,698,857	396,766,165

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	482,998	1,598	444,396	18,781			13,169	5,054		
2. First Quarter	488,901	1,493	447,918	17,065			13,470	8,955		
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	1,454,741	4,514	1,333,614	51,623			40,285	24,705		
Total Member Ambulatory Encounters for Period:										
7. Physician	741,846	6,456	645,038	48,115			21,945	20,292		
8. Non-Physician	110,200	820	73,125	29,704			4,046	2,505		
9. Total	852,046	7,276	718,163	77,819	0	0	25,991	22,797	0	0
10. Hospital Patient Days Incurred	38,011	89	26,297	7,953			794	2,878		
11. Number of Inpatient Admissions	8,877	22	6,621	1,553			200	481		
12. Health Premiums Written (a)	423,210,086	1,558,211	369,670,234	20,769,955			11,709,736	19,501,950		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	423,373,150	1,558,211	369,501,855	20,769,955			12,041,179	19,501,950		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	363,449,485	2,282,289	313,383,633	21,156,960			11,849,605	14,764,332		12,666
18. Amount Incurred for Provision of Health Care Services	371,730,105	2,282,289	320,031,580	20,233,410			10,776,856	18,393,304		12,666

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....19,501,950

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	23,223,949	1,592,638	413,344	23,403	71,729	25,325,063
0499999. Subtotals	23,223,949	1,592,638	413,344	23,403	71,729	25,325,063
0599999. Unreported Claims and Other Claim Reserves						205,111,197
0699999. Total Amounts Withheld						9,491,339
0799999. Total Claims Unpaid						239,927,599
0899999. Accrued Medical Incentive Pool and Bonus Amounts						47,161,701

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	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	137,784,912	168,801,391	55,056,915	148,785,898	192,841,827	195,965,558
2. Medicare Supplement	8,263,132	12,893,828	2,613,062	8,676,927	10,876,194	12,213,540
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums	3,592,551	7,887,850	1,910,300	4,728,288	5,502,851	7,620,925
6. Title XVIII - Medicare	4,662,710	10,090,919	1,716,392	8,295,082	6,379,102	6,695,592
7. Title XIX - Medicaid					0	
8. Other health		12,666			0	
9. Health subtotal (Lines 1 to 8)	154,303,305	199,686,654	61,296,669	170,486,195	215,599,974	222,495,615
10. Healthcare receivables (a)	4,767,874	3,292,334			4,767,874	8,517,728
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	6,826,392	325,742	42,086,743	5,074,958	48,913,135	48,913,134
13. Totals	156,361,823	196,720,062	103,383,412	175,561,153	259,745,235	262,891,021

(a) Excludes $.....0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No wash sales. No significant change.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No significant change.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

NOTES TO FINANCIAL STATEMENTS

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 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]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 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]

2.2 If yes, date of change: .....

3. 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.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide 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

5. 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 [X] No [ ] N/A [ ]
If yes, attach an explanation.

Management agreements between BCN and M-CARE have not yet been finalized, as the parties are working to clarify required services to be provided and the appropriate charges for those services. It is anticipated that these will be filed with a Form D by June 30, 2007.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003.....

6.2 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. 12/31/2003.....

6.3 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). 06/30/2005.....

6.4 By what department or departments?

Dept of Labor & Economic Growth - Office of Financial and Insurance Services

7.1 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? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers: Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $.....4,952,829

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 [X] No [ ]

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	$.....0	$.....0
15.22 Preferred Stock	$.....0	$.....0
15.23 Common Stock	$.....0	$.....0
15.24 Short-Term Investments	$.....0	$.....0
15.25 Mortgages, Loans or Real Estate	$.....0	$.....0
15.26 All Other	$.....65,954,840	$.....66,854,864
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	$.....65,954,840	$.....66,854,864
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	$.....0	$.....0

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 [ ]
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 Name of Custodian(s)	2 Custodian Address
State Street Bank	801 Pennsylvania, Kansas City, MO 64105
Comerica Bank	P.O. Box 75000 Detroit Mi 48275-3462
Fidelity Investments Institutional Operations Compa	100 Magellan Way KW2B Covington, KY 41015

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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Identify all investment advisors, broker/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 Central Registration Depository	2 Name(s)	3 Address
	Blue Cross Blue Shield of Michigan	600 E. Lafayette Blvd. Detroit, MI 48226

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	0	0
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
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 period		
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	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	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	0

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	65,954,840	56,008,811
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	900,024	9,946,029
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
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	66,854,864	65,954,840
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	66,854,864	65,954,840
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	66,854,864	65,954,840

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	274,212,245	162,501,589
2. Cost of bonds and stocks acquired	34,965,181	725,183,903
3. Accrual of discount	3,542	121,483
4. Increase (decrease) by adjustment	1,155,966	229,517
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	167,517	(334,514)
7. Consideration for bonds and stocks disposed of	36,889,870	613,239,081
8. Amortization of premium	15,306	250,651
9. Book/adjusted carrying value, current period	273,599,275	274,212,245
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	273,599,275	274,212,245
12. Total nonadmitted amounts	128,309,496	117,864,424
13. Statement value	145,289,779	156,347,821

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
BONDS								
1. Class 1	246,216,947	173,045,259	149,995,751	(17,610,502)	251,655,953			246,216,947
2. Class 2	169,483,677	18,955,476	35,057,692	18,091,836	171,473,297			169,483,677
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	415,700,624	192,000,735	185,053,443	481,334	423,129,250	0	0	415,700,624
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	415,700,624	192,000,735	185,053,443	481,334	423,129,250	0	0	415,700,624

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals	381,596,216	XXX	380,725,248	5,484,479	122,573

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	372,478,102	424,337,804
2. Cost of short-term investments acquired	157,037,727	803,081,308
3. Increase (decrease) by adjustment	314,931	92,239
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments	10,655	(662,349)
6. Consideration received on disposal of short-term investments	148,245,199	854,370,900
7. Book/adjusted carrying value, current period	381,596,216	372,478,102
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	381,596,216	372,478,102
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	381,596,216	372,478,102
12. Income collected during period	5,676,837	22,689,053
13. Income earned during period	5,314,639	23,318,668

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	NO							0	
2. Alaska AK	NO							0	
3. Arizona AZ	NO							0	
4. Arkansas AR	NO							0	
5. California CA	NO							0	
6. Colorado CO	NO							0	
7. Connecticut CT	NO							0	
8. Delaware DE	NO							0	
9. District of Columbia DC	NO							0	
10. Florida FL	NO							0	
11. Georgia GA	NO							0	
12. Hawaii HI	NO							0	
13. Idaho ID	NO							0	
14. Illinois IL	NO							0	
15. Indiana IN	NO							0	
16. Iowa IA	NO							0	
17. Kansas KS	NO							0	
18. Kentucky KY	NO							0	
19. Louisiana LA	NO							0	
20. Maine ME	NO							0	
21. Maryland MD	NO							0	
22. Massachusetts MA	NO							0	
23. Michigan MI	YES	389,722,176	19,501,950		11,709,736			420,933,862	
24. Minnesota MN	NO							0	
25. Mississippi MS	NO							0	
26. Missouri MO	NO							0	
27. Montana MT	NO							0	
28. Nebraska NE	NO							0	
29. Nevada NV	NO							0	
30. New Hampshire NH	NO							0	
31. New Jersey NJ	NO							0	
32. New Mexico NM	NO							0	
33. New York NY	NO							0	
34. North Carolina NC	NO							0	
35. North Dakota ND	NO							0	
36. Ohio OH	NO							0	
37. Oklahoma OK	NO							0	
38. Oregon OR	NO							0	
39. Pennsylvania PA	NO							0	
40. Rhode Island RI	NO							0	
41. South Carolina SC	NO							0	
42. South Dakota SD	NO							0	
43. Tennessee TN	NO							0	
44. Texas TX	NO							0	
45. Utah UT	NO							0	
46. Vermont VT	NO							0	
47. Virginia VA	NO							0	
48. Washington WA	NO							0	
49. West Virginia WV	NO							0	
50. Wisconsin WI	NO							0	
51. Wyoming WY	NO							0	
52. American Samoa AS	NO							0	
53. Guam GU	NO							0	
54. Puerto Rico PR	NO							0	
55. U.S. Virgin Islands VI	NO							0	
56. Northern Mariana Islands MP	NO							0	
57. Canada CN	NO							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	389,722,176	19,501,950	0	11,709,736	0	0	420,933,862	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	2,276,224						2,276,224	
61. Total (Direct Business)	(a) 1	391,998,400	19,501,950	0	11,709,736	0	0	423,210,086	0

DETAILS OF WRITE-INS

5801.								0	
5802.								0	
5803.								0	
5898. nary of remaining write-ins for line 58 from overflow		0	0	0	0	0	0	0	0
5899. otal (Lines 5801 thru 5803 plus 5898) (Line 58 abov		0	0	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

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

Bar Code:

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2104. Escheats	286,827		286,827	300,271
2105. Other Payables	3,043		3,043	1,142
2197. Summary of remaining write-ins for Line 21	289,870	0	289,870	301,413

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Special Revenue and Special Assessment									
3128MJ FJ 4	FHLMC FGG08168		01/03/2007	MERRILL LYNCH CAPITAL MARKETS		33,006,610	32,755,823	54,593	1FE
31397E UZ 6	FHRR R010		02/14/2007	STATE STREET BANK		996,719	1,000,000	2,292	1FE
3199999.	Total - Bonds - Special Revenue & Special Assessments					34,003,329	33,755,823	56,885	XXX
Bonds - Industrial and Miscellaneous									
460146 BY 8	INTER PAPER CO		01/11/2007	BANK OF AMERICA		959,680	1,000,000	11,778	2FE
4599999.	Total - Bonds - Industrial & Miscellaneous					959,680	1,000,000	11,778	XXX
6099997.	Total - Bonds - Part 3					34,963,009	34,755,823	68,663	XXX
6099999.	Total - Bonds					34,963,009	34,755,823	68,663	XXX
Common Stocks - Mutual Funds									
316146 10 9	Fid Inv Gr Bond		03/31/2007	FIDELITY	38.120	281	XXX		L
31617R 30 8	Freedom Income		03/31/2007	FIDELITY	63.744	740	XXX		L
7099999.	Total - Common Stocks - Mutual Funds					1,021	XXX	0	XXX
Common Stocks - Money Market Mutual Funds									
316191 60 0	Fid Retire MMKT		03/31/2007	FIDELITY	1,150.910	1,151	XXX		L
7199999.	Total - Common Stocks - Money Market Mutual Funds					1,151	XXX	0	XXX
7299997.	Total - Common Stocks - Part 3					2,172	XXX	0	XXX
7299999.	Total - Common Stocks					2,172	XXX	0	XXX
7399999.	Total - Preferred and Common Stocks					2,172	XXX	0	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					34,965,181	XXX	68,663	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
912828 FJ 4	U.S. TREASURY NOTES		.01/11/2007	A.G. EDWARDS		1,002,266	1,000,000	1,001,719	1,001,372		(37)		(37)		1,001,335		930	930	27,890	06/30/2008	1
0399999.	Total - Bonds - U.S. Government					1,002,266	1,000,000	1,001,719	1,001,372	0	(37)	0	(37)	0	1,001,335	0	930	930	27,890	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
3128KE VR 1	FHLMC FGA52424		.01/16/2007	VARIOUS		34,269,325	34,017,265	34,117,589	34,109,253		(1,162)		(1,162)		34,108,091		161,234	161,234	226,102	08/01/2036	1FE
3128MJ FJ 4	FHLMC FGG08168		.03/01/2007	MBS PAYDOWN		396,186	396,186	399,220			(66)		(66)		399,154			0	2,860	10/01/2036	1FE
31396U 3A 6	FHLMC FHRR R008 FK		.03/15/2007	MBS PAYDOWN		101,036	101,036	101,162	101,039		(3)		(3)		101,153			0	964	02/15/2020	1FE
31397B MQ 1	FHLMC FHRR R009		.02/14/2007	STATE STREET BANK		981,740	979,914	976,392	976,392				0		376,392		5,348	5,348	11,610	12/15/2018	1FE
3199999.	Total - Bonds - Special Revenue & Assessment					35,748,287	35,494,401	35,594,363	35,186,684	0	(1,231)	0	(1,231)	0	34,984,790	0	166,582	166,582	241,536	XXX	XXX
Bonds - Industrial and Miscellaneous																					
970628 AA 1	WESTF 2005 1A A1		.03/15/2007	MBS PAYDOWN		57,692	57,692	56,827	57,538		155		155		57,014			0	647	06/15/2030	2FE
4599999.	Total - Bonds - Industrial & Miscellaneous					57,692	57,692	56,827	57,538	0	155	0	155	0	57,014	0	0	0	647	XXX	XXX
6099997.	Total - Bonds - Part 4					36,808,245	36,552,093	36,652,909	36,245,594	0	(1,113)	0	(1,113)	0	36,043,139	0	167,512	167,512	270,073	XXX	XXX
6099999.	Total - Bonds					36,808,245	36,552,093	36,652,909	36,245,594	0	(1,113)	0	(1,113)	0	36,043,139	0	167,512	167,512	270,073	XXX	XXX
Common Stocks - Mutual Funds																					
015570 20 3	Alger Midcap Growth		.03/31/2007	FIDELITY	2,932.966	51,004	XXX	50,999	50,999				0		50,999		5	5		XXX	L
7099999.	Total - Common Stocks - Mutual Funds					51,004	XXX	50,999	50,999	0	0	0	0	0	50,999	0	5	5	0	XXX	XXX
Common Stocks - Money Market Mutual Funds																					
316191 60 0	Fid Retire MMKT		.03/31/2007	FIDELITY	30,621.070	30,621	XXX	30,621	30,621				0		30,621			0	1,151	XXX	L
7199999.	Total - Common Stocks - Money Market Mutual Funds					30,621	XXX	30,621	30,621	0	0	0	0	0	30,621	0	0	0	1,151	XXX	XXX
7299997.	Total - Common Stocks - Part 4					81,625	XXX	81,620	81,620	0	0	0	0	0	81,620	0	5	5	1,151	XXX	XXX
7299999.	Total - Common Stocks					81,625	XXX	81,620	81,620	0	0	0	0	0	81,620	0	5	5	1,151	XXX	XXX
7399999.	Total - Preferred and Common Stocks					81,625	XXX	81,620	81,620	0	0	0	0	0	81,620	0	5	5	1,151	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					36,889,870	XXX	36,734,529	36,327,214	0	(1,113)	0	(1,113)	0	36,124,759	0	167,517	167,517	271,224	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
JP Morgan Chase Bank, N.A..... 9000 Haggerty Road Belleville, MI 48111	.....	.....	.....	.....	.....(9,173,590)	.....(8,936,180)	.....(6,398,337)	XXX
Fifth Third Bank..... 1000 Town Cntr Southfield, MI 48075.....	.....	.....5.250	189,566	.....	11,403,906	11,448,707	11,498,568	XXX
0199999. Total Open Depositories.....	....XXX....	.....XXX....	189,566	0	2,230,316	2,512,527	5,100,231	XXX
0399999. Total Cash on Deposit.....	....XXX....	.....XXX....	189,566	0	2,230,316	2,512,527	5,100,231	XXX
0499999. Cash in Company's Office.....	....XXX....	.....XXX....	.....XXX.....	.....XXX.....	2,410	2,410	2,410	XXX
0599999. Total Cash.....	....XXX....	.....XXX....	189,566	0	2,232,726	2,514,937	5,102,641	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income

NONE