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QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2006

OF THE CONDITION AND AFFAIRS OF THE

OmniCare Health Plan, Inc.

NAIC Group Code 1137 (Current Period) 1137 (Prior Period) NAIC Company Code 12193 Employer's ID Number 20-1052897

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Dental Service Corporation [ ]
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X]
Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 04/22/2004 Commenced Business 10/01/2004

Statutory Home Office 1333 Gratiot, Ste 400 (Street and Number), Detroit, MI 48207 (City or Town, State and Zip Code)

Main Administrative Office 1333 Gratiot, Ste 400 (Street and Number) Detroit, MI 48207 (City or Town, State and Zip Code) 313-465-1519 (Area Code) (Telephone Number)

Mail Address 1333 Gratiot, Ste 400 (Street and Number or P.O. Box), Detroit, MI 48207 (City or Town, State and Zip Code)

Primary Location of Books and Records 1333 Gratiot, Ste 400 (Street and Number) Detroit, MI 48207 (City or Town, State and Zip Code) 313-465-1519 (Area Code) (Telephone Number)

Internet Website Address www.omnicarehealthplan.com

Statutory Statement Contact Kenyata J. Rogers (Name) 313-465-1519 (Area Code) (Telephone Number) (Extension)

KJRogers@cvty.com (E-mail Address) 313-465-1604 (FAX Number)

Policyowner Relations Contact 1333 Gratiot, Ste 400 (Street and Number) Detroit, MI 48207 (City or Town, State and Zip Code) 313-465-1519 (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
Beverly Ann Allen	Chief Executive Officer	Kenyata Jamilea Rogers	Chief Financial Officer
John Joseph Ruhlmann	Corporate Controller	Francis Samuel Soistman Jr.	Executive Vice President

OTHER OFFICERS

John Joseph Stelben	Assistant Treasurer and Assistant Secretary	Claudia Bjerre	Treasurer
Jonathan David Weinberg	Assistant Secretary	Shirley Ann Roquemore	Secretary
Kenneth G. Robinson III	Assistant Treasurer		

DIRECTORS OR TRUSTEES

Francis Samuel Soistman Jr.	Bobby Lee Jones	Beverly Ann Allen	Claudia Bjerre
Doretha J. Wiley	Ernestine Romero #		

State of Michigan
County of Wayne ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Beverly Ann Allen Chief Executive Officer	Kenyata Jamilea Rogers Chief Financial Officer	John Joseph Ruhlmann Corporate Controller

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

, Rochelle e. Jenkins, Notary Public
12/25/2006

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	6,127,102		6,127,102	7,546,495
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ ..... encumbrances)			0	0
4.2 Properties held for the production of income (less $ ..... encumbrances)			0	0
4.3 Properties held for sale (less $ ..... encumbrances)			0	0
5. Cash ($ (2,435,592)), cash equivalents ($ 0) and short-term investments ($ 39,704,169)	37,268,577		37,268,577	35,281,443
6. Contract loans, (including $ ..... premium notes)			0	0
7. Other invested assets	0	0	0	0
8. Receivables for securities	1,050,000		1,050,000	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	44,445,679	0	44,445,679	42,827,938
11. Title plants less $ ..... charged off (for Title insurers only)			0	0
12. Investment income due and accrued	232,047		232,047	209,315
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	390,792		390,792	500,000
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	177,897
16.2 Net deferred tax asset	428,635	165,929	262,706	970,992
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets ($ .....)	110,572	110,572	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	73,303		73,303	0
22. Health care ($ 1,356,920) and other amounts receivable	1,390,041	33,121	1,356,920	1,423,944
23. Aggregate write-ins for other than invested assets	76,520	76,520	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	47,147,589	386,142	46,761,447	46,110,086
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	47,147,589	386,142	46,761,447	46,110,086
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Prepaid Expenses	27,110	27,110	0	0
2302. Leasehold Improvements	49,410	49,410	0	0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	76,520	76,520	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	16,143,343		16,143,343	21,796,463
2. Accrued medical incentive pool and bonus amounts	246,199		246,199	206,381
3. Unpaid claims adjustment expenses	349,657		349,657	473,119
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	28,417		28,417	0
9. General expenses due or accrued	611,938		611,938	1,443,307
10.1 Current federal and foreign income tax payable and interest thereon (including $ (1,985) on realized gains (losses))	147,799		147,799	(99)
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	(88,309)		(88,309)	1,741
13. Remittances and items not allocated			0	0
14. Borrowed money (including $ ..... current) and interest thereon $ ..... (including $ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	151,622
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with ($ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	17,439,044	0	17,439,044	24,072,534
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	10	10
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	16,600,990	16,600,990
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	12,721,403	5,436,552
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24) $ .....)	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25) $ .....)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	29,322,403	22,037,552
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	46,761,447	46,110,086
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	532,681	563,859
2. Net premium income (including $ ..... non-health premium income)	XXX	110,884,669	117,369,386
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of $ ..... medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(6,694,877)	(7,075,986)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	104,189,792	110,293,400
Hospital and Medical:			
9. Hospital/medical benefits		52,898,998	61,290,370
10. Other professional services		4,650,350	4,208,640
11. Outside referrals			0
12. Emergency room and out-of-area		8,623,911	10,489,843
13. Prescription drugs		13,836,175	14,146,417
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		304,077	154,243
16. Subtotal (Lines 9 to 15)	0	80,313,511	90,289,513
Less:			
17. Net reinsurance recoveries		527,761	322,512
18. Total hospital and medical (Lines 16 minus 17)	0	79,785,750	89,967,001
19. Non-health claims (net)			0
20. Claims adjustment expenses, including $ ..... cost containment expenses		1,749,922	1,926,075
21. General administrative expenses		7,677,768	8,598,515
22. Increase in reserves for life and accident and health contracts including $ ..... increase in reserves for life only)			0
23. Total underwriting deductions (Lines 18 through 22)	0	89,213,440	100,491,591
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	14,976,352	9,801,809
25. Net investment income earned		1,656,315	755,408
26. Net realized capital gains (losses) less capital gains tax of $		(5,672)	(283)
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,650,643	755,125
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ .....) (amount charged off $ .....)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	16,626,995	10,556,934
31. Federal and foreign income taxes incurred	XXX	5,462,754	3,181,346
32. Net income (loss) (Lines 30 minus 31)	XXX	11,164,241	7,375,588
DETAILS OF WRITE-INS			
0601. WIC Revenue - Monthly Admin Fees	XXX	6,583	0
0602. QAAP Assessment	XXX	(6,701,460)	(7,075,986)
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	(6,694,877)	(7,075,986)
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.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
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)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:			
33.	Capital and surplus prior reporting year	22,037,552	14,242,248	14,242,248
34.	Net income or (loss) from Line 32	11,164,241	7,375,588	8,122,054
35.	Change in valuation basis of aggregate policy and claim reserves		0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		0	0
37.	Change in net unrealized foreign exchange capital gain or (loss)		0	0
38.	Change in net deferred income tax	(720,536)	1,598,776	922,632
39.	Change in nonadmitted assets	1,841,146	(4,325,057)	(1,849,382)
40.	Change in unauthorized reinsurance	0	0	0
41.	Change in treasury stock		0	0
42.	Change in surplus notes	0	0	0
43.	Cumulative effect of changes in accounting principles		0	0
44.	Capital Changes:			
	44.1 Paid in		600,000	0
	44.2 Transferred from surplus (Stock Dividend)		0	0
	44.3 Transferred to surplus		0	0
45.	Surplus adjustments:			
	45.1 Paid in		0	600,000
	45.2 Transferred to capital (Stock Dividend)	0	0	0
	45.3 Transferred from capital		0	0
46.	Dividends to stockholders	(5,000,000)	0	0
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	7,284,851	5,249,307	7,795,304
49.	Capital and surplus end of reporting period (Line 33 plus 48)	29,322,403	19,491,555	22,037,552
	DETAILS OF WRITE-INS			
4701.				
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	110,913,086	155,685,077
2. Net investment income	1,634,306	1,046,620
3. Miscellaneous income	(6,685,329)	(9,597,335)
4. Total (Lines 1 to 3)	105,862,063	147,134,362
5. Benefits and loss related payments	83,443,942	112,943,895
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	10,382,521	13,519,198
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) $ ..... net of tax on capital gains (losses)	5,136,959	3,395,980
10. Total (Lines 5 through 9)	98,963,422	129,859,073
11. Net cash from operations (Line 4 minus Line 10)	6,898,641	17,275,289
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,699,470	13,523
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	659,231	244,814
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,358,701	258,337
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,280,799	5,255,927
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	1,714,903	245,097
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,995,702	5,501,024
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	362,999	(5,242,687)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	600,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	5,000,000	0
16.6 Other cash provided (applied)	(274,506)	116,209
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(5,274,506)	716,209
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17)	1,987,134	12,748,811
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	35,281,443	22,532,632
19.2 End of period (Line 18 plus Line 19.1)	37,268,577	35,281,443

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	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	60,965	0	0	0	0	0	0	0	60,965	0	0	0	0
2 First Quarter	59,912	0	0	0	0	0	0	0	59,912	0	0	0	0
3 Second Quarter	58,848	0	0	0	0	0	0	0	58,848	0	0	0	0
4. Third Quarter	57,686								57,686				
5. Current Year	0												
6 Current Year Member Months	532,681								532,681				
Total Member Ambulatory Encounters for Period:													
7. Physician	300,368								300,368				
8. Non-Physician	56,722								56,722				
9. Total	357,090	0	0	0	0	0	0	0	357,090	0	0	0	0
10. Hospital Patient Days Incurred	27,781								27,781				
11. Number of Inpatient Admissions	6,087								6,087				
12. Health Premiums Written	111,691,003								111,691,003				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	111,691,003								111,691,003				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	85,926,818								85,926,818				
18. Amount Incurred for Provision of Health Care Services	80,313,511								80,313,511				

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)						
CareMark Rx	808,617					808,617
0199999 Individually Listed Claims Unpaid	808,617	0	0	0	0	808,617
0299999 Aggregate Accounts Not Individually Listed-Uncovered						0
0399999 Aggregate Accounts Not Individually Listed-Covered	6,382					6,382
0499999 Subtotals	814,999	0	0	0	0	814,999
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	15,328,342
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	16,143,341
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	246,199

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 Dec. 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 Dec. 31 of Prior Year
1. Comprehensive (hospital & medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid	11,065,104	74,202,821	684,034	15,459,307	11,749,138	21,796,462
8. Other Health					0	0
9. Health Subtotal (Lines 1 to 8)	11,065,104	74,202,821	684,034	15,459,307	11,749,138	21,796,462
10. Healthcare receivables (a)		133,130			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	100,209	164,050	37,678	208,521	137,887	206,381
13. Totals	11,165,313	74,233,741	721,712	15,667,828	11,887,025	22,002,843

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

NOTES TO FINANCIAL STATEMENTS

1-8 No significant changes from 12/31/2005.

9. Income Taxes

a. The components of the net deferred tax asset are as follows:

	September 30, 2006	December 31, 2005
Total of gross deferred tax assets	478,216	1,198,752
Total of deferred tax liabilities	(49,581)	(49,580)
Net deferred tax asset	428,635	1,149,171
Deferred Tax Asset nonadmitted	165,929	178,179
Net admitted deferred tax asset	262,706	970,992
Increase (decrease) in DTAs nonadmitted	(12,250)	N/A

b. Deferred tax liabilities are not recognized for the following amounts:

None

c. The provisions for incurred taxes on earnings for the years ended December 31 are:

	September 30, 2006	December 31, 2005
Federal	5,462,754	3,483,835
Foreign	-	-
	5,462,754	3,483,835
Federal Income Tax on net capital gains		
Utilization of capital loss carry-forwards	-	-
Federal and foreign income taxes incurred	5,462,754	3,483,835

The tax effect of temporary difference that give rise to significant portions of deferred tax assets and deferred tax liabilities are:

Deferred Tax Assets:	September 30, 2006	December 31, 2005	Change
CY Discounted unpaid claims	125,886	169,029	(43,143)
CY Discounted unearned premiums	1,989	0	1,989
Bad debt expense reserve	53,703	88,387	(34,685)
Vacation pay accrual	32,169	36,752	(4,583)
Accrued bonuses	30,739	30,739	0
Stat to gaap adjustment	0	1	(1)
Retention bonus	156,655	156,655	0
Nonadmitted assets	77,075	717,187	(640,113)
Total deferred tax assets	478,216	1,198,752	(720,536)
Nonadmitted deferred tax assets	(165,929)	(178,179)	12,250
Admitted deferred tax assets	312,287	1,020,572	(708,285)
Deferred Tax Liabilities:			
Total deferred tax liabilities	49,582	49,581	0
Net admitted deferred tax asset	262,706	970,991	(708,285)

The change in net deferred income taxes is comprised of the following (exclusive of nonadmitted assets):

	September 30, 2006	December 31, 2005	Change
Total deferred tax assets	478,216	1,198,752	(720,535)
Total deferred tax liabilities	49,582	49,581	0
Net deferred tax asset	428,635	1,149,171	(720,535)
Tax effect of unrealized gains(losses)			0
Change in net deferred income tax			(720,535)

d. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	September 30, 2006
Provision computed at statutory rate	5,819,448
Tax-exempt interest	(9,084)
Meals and entertainment	609
Investment fees relating to tax-exempt income	287

NOTES TO FINANCIAL STATEMENTS

Stock options	(142,686)
CY Discounted unpaid claims	(43,143)
CY Discounted unearned premiums	1,989
Bad debt expense reserve	(34,685)
Vacation pay accrual	(4,583)
Stat to gaap adjustment	(1)
True-Up	80,423
Total Statutory income taxes	5,462,754

Federal income taxes incurred	6,102,867
True-Up	80,423
Change in net deferred income taxes	(720,535)
Total Statutory income taxes	5,462,754

e. Amount of net loss carryforwards available to offset future taxable income (from the current year):

None - The tax benefit of any current and prior operating losses has been realized as a result of the intercompany tax allocation agreement with the parent.

2. Amount of federal income taxes incurred in the current year and each preceding year that are available for recoupment in the event of future losses:

2006 5,462,754
2005 3,483,835

f. 1. The Company's taxable income or loss is included in the consolidated federal income tax return of its parent company, Coventry Health Care, Inc. The names of the entities with whom the Company's federal income tax return is currently consolidated are included on pages 19 and 19.1 of this Statement (Schedule Y).

2. The method of tax allocation between the companies is subject to written agreement approved by management of the respective companies. The tax allocation agreement with the Parent is based upon taxes incurred on net income. Intercompany tax balances are settled monthly.

10. **Information concerning Parent, Subsidiaries and Affliates**

On March 28, 2006, the Plan paid a $5.0 million dividend to its sole common stockholder and parent company, Coventry Healthcare, Inc.

11-31 No significant changes from 12/31/2005.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity 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: .....

If not previously filed, furnish herewith a certified copy of the instrument as amended.

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 the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

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 [ ] No [X] NA [ ]

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005

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. 12/31/2005

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). .....

6.4 By what department or departments?

Michigan 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 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

GENERAL INTERROGATORIES

FINANCIAL

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

9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 73,303

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

10.2 If yes, explain:

11.1 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]

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

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

13. Amount of real estate and mortgages held in short-term investments: $

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

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21	Bonds	$	$
14.22	Preferred Stock	$	$
14.23	Common Stock	$	$
14.24	Short-Term Investments	$	$
14.25	Mortgage Loans on Real Estate	$	$
14.26	All Other	$	$
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

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

15.2 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.

16. 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 [ ]

16.1 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
Wachovia Bank, N.A.	1300 1 Street, N.W. D.C. 1954 12th Floor, West Tower
Citibank, N.A.	3800 Citigroup Center, Building B 02/08, Tampa, FL 33610-9122

16.2 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)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [X] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
	Citigroup	09/29/2006	Change of banks

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
104594	Evergreen	200 Berkley Street, Boston, MA 02116
107423	Conning & Company	185 Asylum Street, City Place II, Hartford, CT 06103-4105
25995	Citigroup	3800 Citigroup Center, Building B 02/08, Tampa, FL 33610-9122

GENERAL INTERROGATORIES

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

17.2 If no, list exceptions:

.....

SCHEDULE A - VERIFICATION

Real Estate

NONE

	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		0
3. Cost of acquired		0
4. Cost of additions to and permanent improvements		0
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		0
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	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets

NONE

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

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	7,546,495	2,293,626
2. Cost of bonds and stocks acquired	1,280,800	5,255,927
3. Accrual of discount	11,940	17,892
4. Increase (decrease) by adjustment		0
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal		0
7. Consideration for bonds and stocks disposed of	2,699,470	13,523
8. Amortization of premium	12,664	7,427
9. Book/adjusted carrying value, current period	6,127,101	7,546,495
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	6,127,101	7,546,495
12. Total nonadmitted amounts		0
13. Statement value	6,127,101	7,546,495

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	43,414,101	74,073,679	72,216,407	259,899	43,082,810	43,414,101	45,531,272	40,659,940
2. Class 2	1,052,367		750,000	(2,367)	1,306,226	1,052,367	300,000	4,122,749
3. Class 3	0				0	0	0	0
4. Class 4	0				0	0	0	0
5. Class 5	0				0	0	0	0
6. Class 6	0				0	0	0	0
7. Total Bonds	44,466,468	74,073,679	72,966,407	257,532	44,389,036	44,466,468	45,831,272	44,782,689
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	44,466,468	74,073,679	72,966,407	257,532	44,389,036	44,466,468	45,831,272	44,782,689

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	39,704,169	XXX	39,664,844	78,712	6,250

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	32,061,607	13,328,568
2. Cost of short-term investments acquired	130,970,439	200,068,403
3. Increase (decrease) by adjustment	663,907	245,097
4. Increase (decrease) by foreign exchange adjustment		0
5. Total profit (loss) on disposal of short-term investments	(4,676)	(283)
6. Consideration received on disposal of short-term investments	123,987,108	181,580,178
7. Book/adjusted carrying value, current period	39,704,169	32,061,607
8. Total valuation allowance		0
9. Subtotal (Lines 7 plus 8)	39,704,169	32,061,607
10. Total nonadmitted amounts		0
11. Statement value (Lines 9 minus 10)	39,704,169	32,061,607
12. Income collected during period	1,268,089	843,815
13. Income earned during period	1,292,585	922,802

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

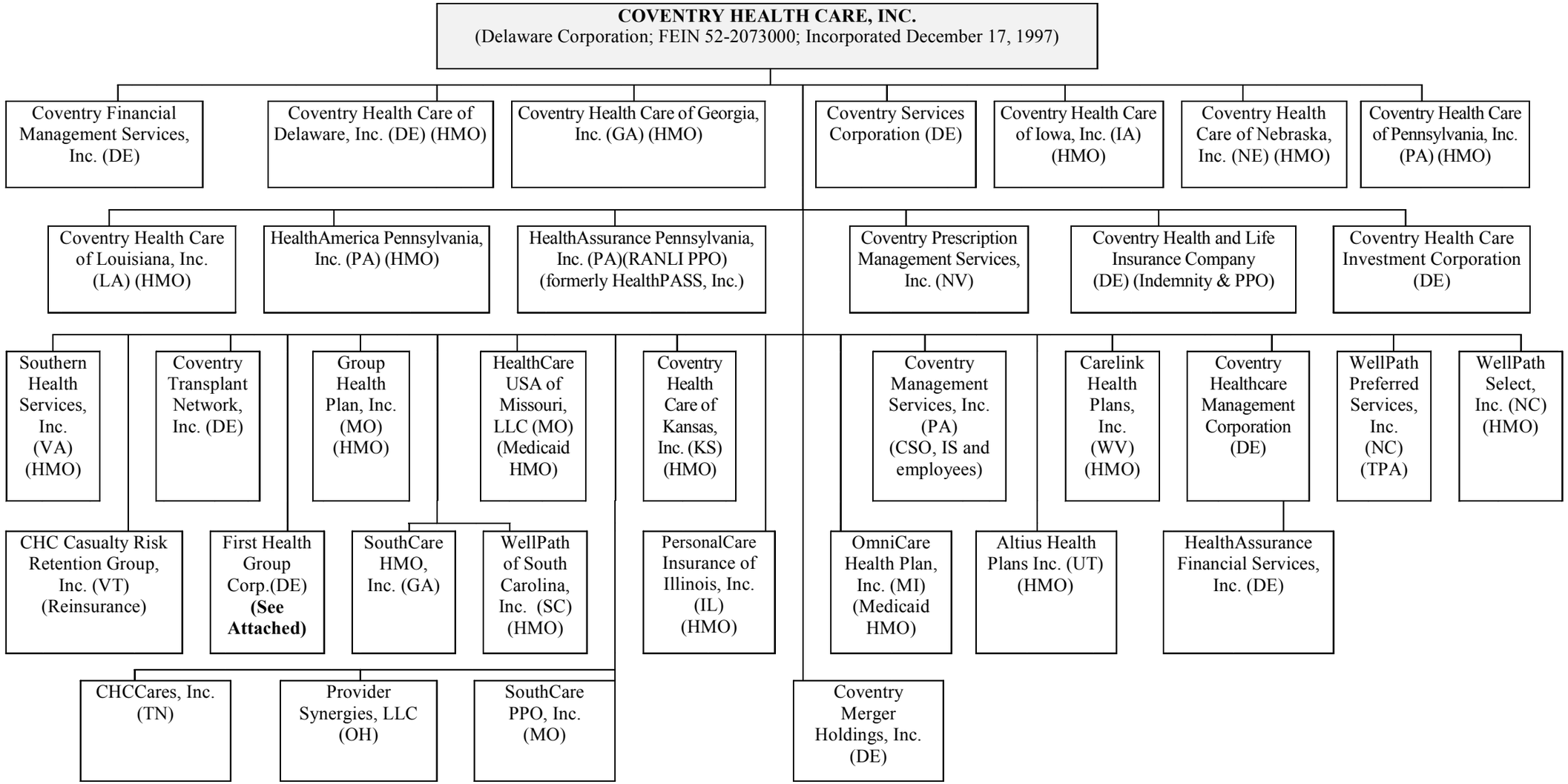
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

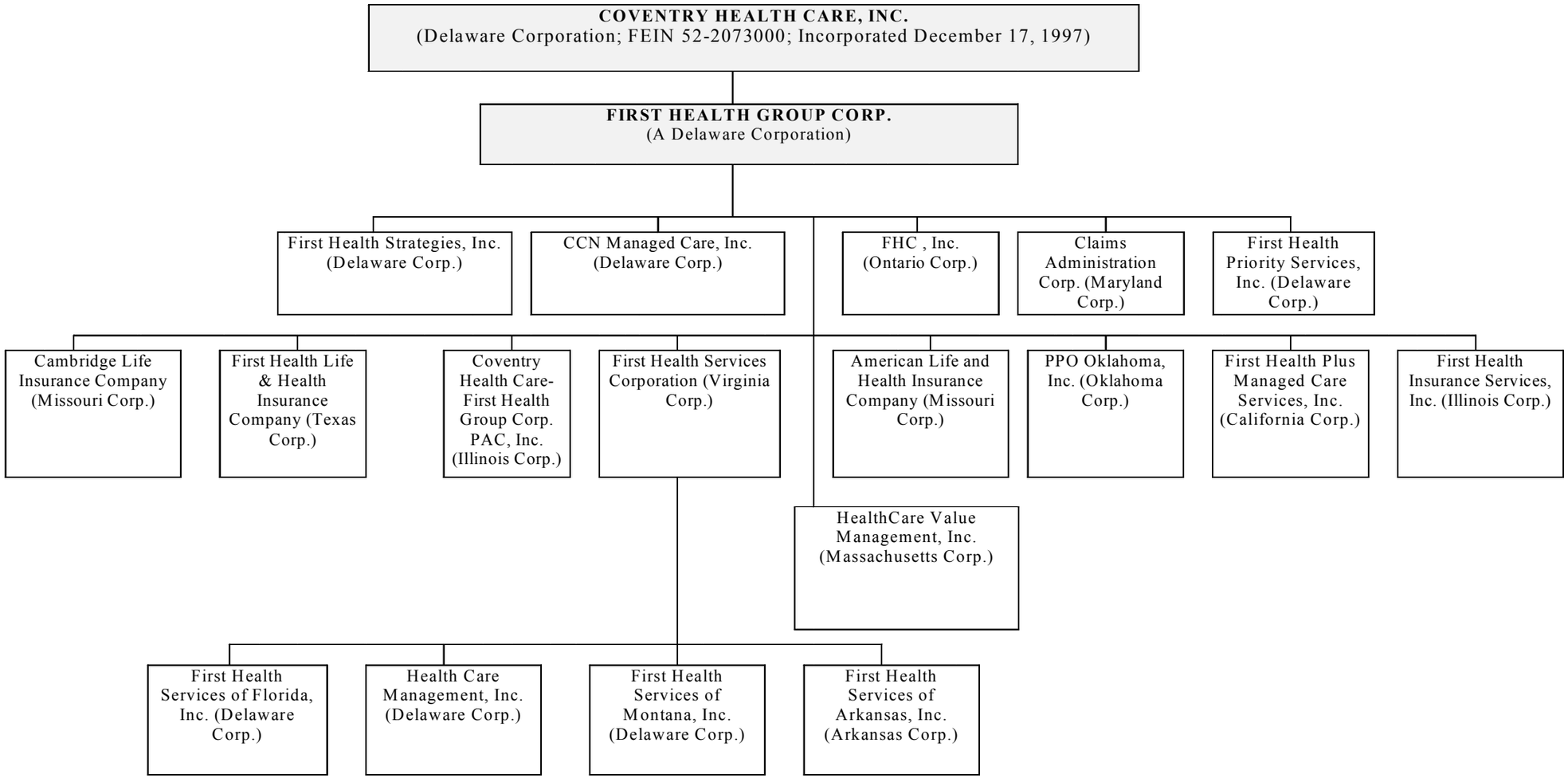
	1	2	Direct Business Only Year-to-Date					
			3	4	5	6	7	8
States, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI	No	Yes			111,691,003			
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56 Northern Mariana Islands MP								
57 Canada CN								
58. Aggregate Other Alien OT	XXX	XXX	0	0	0	0	0	0
59. Subtotal	XXX	XXX	0	0	111,691,003	0	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	XXX						
61. Total (Direct Business)	XXX	(a) 1	0	0	111,691,003	0	0	0
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page			0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)			0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule 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]
0399999 - Total - Bonds - U.S. Government						0	0	0	XXX
1099999 - Total - Bonds - All Other Government						0	0	0	XXX
1799999 - Total - Bonds - States, Territories and Possessions						0	0	0	XXX
072104-EV-0	BAY CITY SD-BLDG/SITE 05/01/2012 5.000		07/24/2006	UBS SECURITIES		263,788	250,000	972	1FE
2499999 - Total - Bonds - Political Subdivisions						263,788	250,000	972	XXX
251255-V2-8	DETROIT WTR-SR LIEN-A 07/01/2013 5.000		07/27/2006	RAYMOND JAMES		265,040	250,000	0	1FE
31407H-3F-1	FN 831598 05/01/2036 6.000		07/13/2006	MERRILL LYNCH		246,406	250,000	708	1
3199999 - Total - Bonds - Special Revenue						511,446	500,000	708	XXX
3899999 - Total - Bonds - Public Utilities						0	0	0	XXX
4599999 - Total - Bonds - Industrial, Misc.						0	0	0	XXX
4699999 - Total - Bonds - Credit Tenant Loans						0	0	0	XXX
5399999 - Total - Bonds - Parent, Subsidiaries, Affiliates						0	0	0	XXX
6099997 - Total - Bonds - Part 3						775,234	750,000	1,681	XXX
6099999 - Total - Bonds						775,234	750,000	1,681	XXX
6199999 - Total - Preferred Stocks - Public Utilities						0	XXX	0	XXX
6299999 - Total - Preferred Stocks - Banks, Trusts, Insurance						0	XXX	0	XXX
6399999 - Total - Preferred Stocks - Industrial, Misc.						0	XXX	0	XXX
6499999 - Total - Preferred Stocks - Parent, Subsidiaries, Affiliates						0	XXX	0	XXX
6599997 - Total - Preferred Stocks - Part 3						0	XXX	0	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	XXX
6699999 - Total - Common Stocks - Public Utilities						0	XXX	0	XXX
6799999 - Total - Common Stocks - Banks, Trusts, Insurance						0	XXX	0	XXX
6899999 - Total - Common Stocks - Industrial, Misc.						0	XXX	0	XXX
6999999 - Total - Common Stocks - Parent, Subsidiaries, Affiliates						0	XXX	0	XXX
7099999 - Total - Common Stocks - Mutual Fund						0	XXX	0	XXX
7199999 - Total - Common Stocks - Money Market Mutual Fund						0	XXX	0	XXX
7299997 - Total - Common Stocks - Part 3						0	XXX	0	XXX
7299999 - Total - Common Stocks						0	XXX	0	XXX
7399999 - Total - Preferred and Common Stocks						0	XXX	0	XXX
7499999 - Totals						775,234	XXX	1,681	XXX

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

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 Identi-fication	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 Desig-nation or Market Indicator (a)
912828-CU-2	US TREASURY N/B 2.375		08/31/2006	MATURITY		1,550,000	1,550,000	1,539,484	1,545,122	0	4,878	0	4,878	0	1,550,000	0	0	0	24,344	08/31/2006	1
0399999 - Bonds - U.S. Governments						1,550,000	1,550,000	1,539,484	1,545,122	0	4,878	0	4,878	0	1,550,000	0	0	0	24,344	XXX	XXX
1099999 - Bonds - All Other Governments						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799999 - Bonds - States, Territories and Possessions						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499999 - Bonds - Political Subdivisions						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
31297P-Z2-0	FG A34361 5.500		09/01/2006	MBS PAYDOWN		12,843	12,843	12,997	12,987	0	(143)	0	(143)	0	12,843	0	0	0	494	11/01/2034	1
3128K4-L2-9	FG A43945 6.500		09/01/2006	MBS PAYDOWN		26,118	26,118	26,700	0	0	(582)	0	(582)	0	26,118	0	0	0	660	01/01/2036	1
31371M-GA-9	FN 255893 5.500		09/01/2006	MBS PAYDOWN		7,852	7,852	7,811	7,812	0	40	0	40	0	7,852	0	0	0	291	06/01/2025	1
31407A-PZ-8	FN 824940 5.500		09/01/2006	MBS PAYDOWN		6,299	6,299	6,332	6,331	0	(32)	0	(32)	0	6,299	0	0	0	237	03/01/2035	1
31407H-3F-1	FN 831598 6.000		09/01/2006	MBS PAYDOWN		1,568	1,568	1,545	0	0	23	0	23	0	1,568	0	0	0	11	05/01/2036	1
31407T-JK-7	FN 840066 6.000		09/01/2006	MBS PAYDOWN		8,635	8,635	8,700	8,699	0	(64)	0	(64)	0	8,635	0	0	0	371	09/01/2035	1
3199999 - Bonds - Special Revenues						63,315	63,315	64,086	35,828	0	(758)	0	(758)	0	63,315	0	0	0	2,064	XXX	XXX
3899999 - Bonds - Public Utilities						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
4699999 - Bonds - Credit Tenant Loans						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
5399999 - Bonds - Parent, Subsidiaries and Affiliates						0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6099997 - Bonds - Part 4						1,613,315	1,613,315	1,603,570	1,580,950	0	4,120	0	4,120	0	1,613,315	0	0	0	26,408	XXX	XXX
6099999 - Total - Bonds						1,613,315	1,613,315	1,603,570	1,580,950	0	4,120	0	4,120	0	1,613,315	0	0	0	26,408	XXX	XXX
6199999 - Preferred Stocks - Public Utilities						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6299999 - Preferred Stocks - Banks, Trust and Insurance Companies						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6399999 - Preferred Stocks - Industrial and Miscellaneous						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6499999 - Preferred Stocks - Parent, Subsidiaries and Affiliates						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6599997 - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6699999 - Common Stocks - Public Utilities						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6799999 - Common Stocks - Banks, Trust and Insurance Companies						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6899999 - Common Stocks - Industrial and Miscellaneous						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6999999 - Common Stocks - Parent, Subsidiaries and Affiliates						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7099999 - Common Stocks - Mutual Fund						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7199999 - Common Stocks - Money Market Mutual Funds						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7299997 - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7299999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7399999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7499999 Totals						1,613,315	XXX	1,603,570	1,580,950	0	4,120	0	4,120	0	1,613,315	0	0	0	26,408	XXX	XXX

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule 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	*
Wachovia Bank, N.A. 1300 1 ST., WEST TOWER 12 FL WASHINGTON, DC 20005					(2,096,315)	(1,509,479)	(2,435,592)	XXX
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Totals - Open Depositories	XXX	XXX			(2,096,315)	(1,509,479)	(2,435,592)	XXX
0399999 Total Cash on Deposit	XXX	XXX			(2,096,315)	(1,509,479)	(2,435,592)	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX	0	0	0	XXX
0599999 Total Cash	XXX	XXX			(2,096,315)	(1,509,479)	(2,435,592)	XXX

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
0199999 Total Cash Equivalents								

NONE