



ANNUAL STATEMENT

For the Year Ending December 31, 2006

OF THE CONDITION AND AFFAIRS OF THE

TOTAL HEALTH CARE, INC.

NAIC Group Code 1238 , 1238 NAIC Company Code 95644 Employer's ID Number 38-2018957
(Current Period) (Prior Period)

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[] Hospital, Medical & Dental Service or Indemnity[]
 Dental Service Corporation[] Vision Service Corporation[] Health Maintenance Organization[X]
 Other[] Is HMO Federally Qualified? Yes[X] No[] N/A[]

Incorporated/Organized 07/01/1973 Commenced Business 05/01/1976

Statutory Home Office 3011 W. GRAND BLVD. SUITE 1600 , DETROIT, MI 48202
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 3011 W. GRAND BLVD. SUITE 1600
(Street and Number)

DETROIT, MI 48202 (313)871-2000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 3011 W. GRAND BLVD. SUITE 1600 , DETROIT, MI 48202
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 3011 W. GRAND BLVD. SUITE 1600
(Street and Number)

DETROIT, MI 48202 (313)871-2000
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address TOTALHEALTHCAREONLINE.COM

Statutory Statement Contact BRIAN EFRUSY, CFO (313)871-7879
(Name) (Area Code)(Telephone Number)(Extension)

BEFRUSY@THC-ONLINE.COM (313)871-7406
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 3011 W. GRAND BLVD., STE. 1600
(Street and Number)

DETROIT, MI 48202 (313)871-2000
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)(Extension)

OFFICERS

Name	Title
LYLE EDWARD ALGATE	EXECUTIVE DIRECTOR
GERTRUDE HELEN MINKIEWICZ	SECRETARY
MARY JANE CLAY	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
JEANETTE ABBOTT	CO-TREASURER
KATHLEEN THERESA KATHER	VICE CHAIRPERSON

OTHERS

DIRECTORS OR TRUSTEES

FRANCES LYNCH
 RUBY OCTAVIA COLE
 MARY JANE CLAY
 JEANETTE ABBOTT

DOUGLAS PAUL BAKER
 KATHLEEN THERESA KATHER
 GERTRUDE HELEN MINKIEWICZ

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 the 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)
 LYLE EDWARD ALGATE

(Printed Name)
 1.
 EXECUTIVE DIRECTOR

(Title)

(Signature)
 GERTRUDE HELEN MINKIEWICZ

(Printed Name)
 2.
 SECRETARY

(Title)

(Signature)
 MARY JANE CLAY

(Printed Name)
 3.
 TREASURER

(Title)

Subscribed and sworn to before me this _____ day of _____, 2007

a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1. Bonds (Schedule D)	1,000,000		1,000,000	1,000,000
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks	9,555,711		9,555,711	7,360,398
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....9,384,535 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....14,252,706 Schedule DA)	23,637,241		23,637,241	16,602,737
6. Contract loans (including \$.....0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	34,192,952		34,192,952	24,963,135
11. Title plants less \$.....0 charged off (for Title insurers only)				
12. Investment income due and accrued	45,088		45,088	51,017
13. Premiums and considerations				
13.1 Uncollected premiums and agents' balances in the course of collection	127,311		127,311	240,623
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$.....0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$.....2,077,791) and other amounts receivable	2,581,558		2,581,558	2,636,035
23. Aggregate write-ins for other than invested assets	769,814	769,814		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	37,716,723	769,814	36,946,909	27,890,810
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	37,716,723	769,814	36,946,909	27,890,810
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Intangible Assets	558,814	558,814		
2302. Refunds Due from Providers > 90 days	211,000	211,000		
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	769,814	769,814		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	14,910,279		14,910,279	11,305,331
2. Accrued medical incentive pool and bonus amounts	308,485		308,485	292,105
3. Unpaid claims adjustment expenses	329,022		329,022	172,670
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	6,871		6,871	4,108
9. General expenses due or accrued				
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	146,236		146,236	
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$.....0 current)	532,013		532,013	2,509,941
22. Total liabilities (Lines 1 to 21)	16,232,906		16,232,906	14,284,155
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	20,714,003	13,606,655
30. Less treasury stock, at cost:				
30.10 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.20 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	20,714,003	13,606,655
32. Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	36,946,909	27,890,810
DETAILS OF WRITE-INS				
2101. Accrued Other	532,013		532,013	2,509,941
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	532,013		532,013	2,509,941
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	636,790	736,201
2. Net premium income (including \$.....0 non-health premium income)	X X X	122,692,216	139,744,577
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	(7,458,414)	(8,520,696)
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	115,233,802	131,223,881
Hospital and Medical:			
9. Hospital/medical benefits		66,954,191	78,375,962
10. Other professional services		5,110,457	4,776,157
11. Outside referrals			
12. Emergency room and out-of-area		7,759,384	9,797,731
13. Prescription drugs		13,005,433	16,270,160
14. Aggregate write-ins for other hospital and medical		2,423,258	3,737,198
15. Incentive pool, withhold adjustments and bonus amounts		272,661	408,718
16. Subtotal (Lines 9 to 15)		95,525,384	113,365,926
Less:			
17. Net reinsurance recoveries		(98,153)	262,830
18. Total hospital and medical (Lines 16 minus 17)		95,623,537	113,103,096
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....0 cost containment expenses		336,519	401,676
21. General administrative expenses		16,439,868	19,961,583
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)		112,399,924	133,466,355
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	2,833,878	(2,242,474)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,193,675	738,859
26. Net realized capital gains (losses) less capital gains tax of \$.....0		1,022	
27. Net investment gains (losses) (Lines 25 plus 26)		1,194,697	738,859
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			81,217
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	4,028,575	(1,422,398)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	4,028,575	(1,422,398)
DETAILS OF WRITE-INS			
0601. QUALITY ASSESSMENT ASSURANCE FEE	X X X	(7,458,414)	(8,520,696)
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(7,458,414)	(8,520,696)
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401. Other Expense		2,423,258	3,737,198
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		2,423,258	3,737,198
2901. MISCELLANEOUS REVENUES			16,867
2902. SALE OF MEMBERSHIP			64,350
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			81,217

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	13,606,655	13,538,741
34.	Net income or (loss) from Line 32	4,028,575	(1,422,398)
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	1,473,164	898,144
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	1,605,609	592,168
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		
48.	Net change in capital and surplus (Lines 34 to 47)	7,107,348	67,914
49.	Capital and surplus end of reporting year (Line 33 plus 48)	20,714,003	13,606,655
DETAILS OF WRITE-INS			
4701.	THE DIFFERENCE BETWEEN REPORTED ON LINE 39 AND ACTUAL IS DUE TO OFIS' REQUEST DURING 2006 THAT WE REPORT INVESTMENTS IN COMMON STOCK NET OF NON ADMITTED ASSETS. IN PRIOR YEARS WE REPORTED GROSS AS WELL AS NON ADMITTED ASSETS. THIS IS A ONE TIME DIFF.		
4702.		
4703.		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	123,504,152	142,065,979
2. Net investment income	1,200,626	771,388
3. Miscellaneous income	(6,907,421)	(7,911,724)
4. Total (Lines 1 through 3)	117,797,357	134,925,643
5. Benefit and loss related payments	92,002,209	118,095,545
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	16,620,035	20,441,464
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$.....0 net of tax on capital gains (losses)		
10. Total (Lines 5 through 9)	108,622,244	138,537,009
11. Net cash from operations (Line 4 minus 10)	9,175,113	(3,611,366)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,053,015	7,100,000
12.2 Stocks		
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		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,053,015	7,100,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,053,015	7,100,000
13.2 Stocks		1,500,000
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	(187,599)	
13.7 Total investments acquired (Lines 13.1 to 13.6)	865,416	8,600,000
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	187,599	(1,500,000)
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)	(2,328,208)	2,334,728
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(2,328,208)	2,334,728
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)	7,034,504	(2,776,638)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	16,602,737	19,379,375
19.2 End of year (Line 18 plus Line 19.1)	23,637,241	16,602,737

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
1. Net premium income	122,692,216	(20,067)						122,712,283					
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$.....0 medical expenses)													XXX
4. Risk revenue													XXX
5. Aggregate write-ins for other health care related revenues	(7,458,414)	(67,425)						(7,390,989)					XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6)	115,233,802	(87,492)						115,321,294					
8. Hospital/medical benefits	66,954,191	(38,230)						66,992,421					XXX
9. Other professional services	5,110,457	69,124						5,041,333					XXX
10. Outside referrals													XXX
11. Emergency room and out-of-area	7,759,384	94,073						7,665,311					XXX
12. Prescription drugs	13,005,433	4,264						13,001,169					XXX
13. Aggregate write-ins for other hospital and medical	2,423,258	32,117						2,391,141					XXX
14. Incentive pool, withhold adjustments and bonus amounts	272,661	70						272,591					XXX
15. Subtotal (Lines 8 to 14)	95,525,384	161,418						95,363,966					XXX
16. Net reinsurance recoveries	(98,153)	38,469						(136,622)					XXX
17. Total hospital and medical (Lines 15 minus 16)	95,623,537	122,949						95,500,588					XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....0 cost containment expenses	336,519	129						336,390					
20. General administrative expenses	16,439,868	6,339						16,433,529					
21. Increase in reserves for accident and health contracts													XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	112,399,924	129,417						112,270,507					
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	2,833,878	(216,909)						3,050,787					
DETAILS OF WRITE-INS													
0501. QUALITY ASSESSMENT ASSURANCE FEE	(7,458,414)	(67,425)						(7,390,989)					XXX
0502.													XXX
0503.													XXX
0598. Summary of remaining write-ins for Line 5 from overflow page													XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(7,458,414)	(67,425)						(7,390,989)					XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. Other Expense	2,423,258	32,117						2,391,141					XXX
1302.													XXX
1303.													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page													XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	2,423,258	32,117						2,391,141					XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)	(13,173)		6,894	(20,067)
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	122,920,611		208,328	122,712,283
8. Stop loss				
9. Disability income				
10. Long-term care				
11. Other health				
12. Health subtotal (Lines 1 through 11)	122,907,438		215,222	122,692,216
13. Life				
14. Property/casualty				
15. TOTALS (Lines 12 to 14)	122,907,438		215,222	122,692,216

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct	91,293,087	430,761						90,862,326					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded	98,153	(38,469)						136,622					
1.4 Net	91,194,934	469,230						90,725,704					
2. Paid medical incentive pools and bonuses	256,282							256,282					
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	14,910,279	174,103						14,736,176					
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net	14,910,279	174,103						14,736,176					
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													
5. Accrued medical incentive pools and bonuses, current year	308,485							308,485					
6. Net healthcare receivables (a)	(550,993)	(2,838)						(548,155)					
7. Amounts recoverable from reinsurers December 31, current year													
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	11,305,331	301,216				31,111		10,973,004					
8.2 Reinsurance assumed													
8.3 Reinsurance ceded													
8.4 Net	11,305,331	301,216				31,111		10,973,004					
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct													
9.2 Reinsurance assumed													
9.3 Reinsurance ceded													
9.4 Net													
10. Accrued medical incentive pools and bonuses, prior year	292,105	37,974				2,921		251,210					
11. Amounts recoverable from reinsurers December 31, prior year													
12. Incurred benefits:													
12.1 Direct	95,449,028	306,486				(31,111)		95,173,653					
12.2 Reinsurance assumed													
12.3 Reinsurance ceded	98,153	(38,469)						136,622					
12.4 Net	95,350,875	344,955				(31,111)		95,037,031					
13. Incurred medical incentive pools and bonuses	272,662	(37,974)				(2,921)		313,557					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1 Direct	1,716,362	20,041						1,696,321					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net	1,716,362	20,041						1,696,321					
2. Incurred but Unreported:													
2.1 Direct	11,643,842	135,962						11,507,880					
2.2 Reinsurance assumed													
2.3 Reinsurance ceded													
2.4 Net	11,643,842	135,962						11,507,880					
3. Amounts Withheld from Paid Claims and Capitulations:													
3.1 Direct	1,550,075	18,100						1,531,975					
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net	1,550,075	18,100						1,531,975					
4. TOTALS													
4.1 Direct	14,910,279	174,103						14,736,176					
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net	14,910,279	174,103						14,736,176					

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		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)	400,747	71,321	30,000	144,103	430,747	301,216
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						31,111
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	9,023,178	82,250,681	470,000	14,266,176	9,493,178	10,973,004
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	9,423,925	82,322,002	500,000	14,410,279	9,923,925	11,305,331
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	256,282			308,485	256,282	292,105
13.	TOTALS (Lines 9 - 10 + 11 + 12)	9,680,207	82,322,002	500,000	14,718,764	10,180,207	11,597,436

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2002	2 2003	3 2004	4 2005	5 2006
1.	Prior	13,386	13,958	13,925	13,953	13,959
2.	2002	67,744	83,638	83,913	83,916	83,971
3.	2003	X X X	71,648	89,895	90,071	90,330
4.	2004	X X X	X X X	94,084	108,764	109,207
5.	2005	X X X	X X X	X X X	102,550	111,210
6.	2006	X X X	X X X	X X X	X X X	82,322

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2002	2 2003	3 2004	4 2005	5 2006
1.	Prior	(1,220)	(1,290)	(1,242)	(1,214)	13,959
2.	2002	87,023	86,290	83,914	83,916	83,971
3.	2003	X X X	91,905	93,471	90,071	90,330
4.	2004	X X X	X X X	106,889	109,925	109,207
5.	2005	X X X	X X X	X X X	112,986	111,710
6.	2006	X X X	X X X	X X X	X X X	97,041

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2002	102,765	83,971	264	0.314	84,235	81.969	15		84,250	81.983
2. 2003	114,857	90,330	288	0.319	90,618	78.896	25		90,643	78.918
3. 2004	133,878	109,207	331	0.303	109,538	81.819	50	1	109,589	81.857
4. 2005	139,744	111,710	389	0.348	112,099	80.217	400	8	112,507	80.509
5. 2006	122,692	97,041	303	0.312	97,344	79.340	14,719	320	112,383	91.598

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	1,031	1,089	1,088	1,091	1,091
2. 2002	4,732	6,321	6,362	6,362	6,366
3. 2003	XXX	5,131	7,868	7,887	7,898
4. 2004	XXX	XXX	10,434	11,990	12,009
5. 2005	XXX	XXX	XXX	16,140	16,508
6. 2006	XXX	XXX	XXX	XXX	71

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	(1,347)	(1,341)	(1,334)	(1,331)	1,091
2. 2002	6,275	6,587	6,363	6,363	6,366
3. 2003	XXX	7,057	8,405	7,887	7,898
4. 2004	XXX	XXX	12,354	12,130	12,009
5. 2005	XXX	XXX	XXX	16,339	16,538
6. 2006	XXX	XXX	XXX	XXX	216

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2002	7,627	6,366	19	0.298	6,385	83.716			6,385	83.716
2. 2003	11,360	7,898	29	0.367	7,927	69.780			7,927	69.780
3. 2004	21,322	12,009	49	0.408	12,058	56.552			12,058	56.552
4. 2005	20,300	16,538	47	0.284	16,585	81.700			16,585	81.700
5. 2006	(20)	215			215	(1,075.000)			215	(1,075.000)

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE

- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE

- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE

- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	134	140	139	139	139
2. 2002	563	722	725	725	725
3. 2003	XXX	564	746	748	748
4. 2004	XXX	XXX	1,430	1,577	1,577
5. 2005	XXX	XXX	XXX	1,112	1,112
6. 2006	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	(4)	(5)	(4)	(4)	139
2. 2002	756	749	725	725	725
3. 2003	XXX	767	783	749	748
4. 2004	XXX	XXX	1,558	1,588	1,577
5. 2005	XXX	XXX	XXX	1,135	1,112
6. 2006	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2002	1,012	725	3	0.414	728	71.937			728	71.937
2. 2003	1,250	748	3	0.401	751	60.080			751	60.080
3. 2004	1,865	1,577	3	0.190	1,580	84.718			1,580	84.718
4. 2005	831	1,112	4	0.360	1,116	134.296			1,116	134.296
5. 2006										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior					
2. 2002					
3. 2003					
4. 2004					
5. 2005			XXX		
6. 2006	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior					
2. 2002					
3. 2003					
4. 2004					
5. 2005			XXX		
6. 2006	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2002										
2. 2003										
3. 2004										
4. 2005										
5. 2006										

12 Title XVIII-Medicare

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2002	2 2003	3 2004	4 2005	5 2006
1.	Prior	12,221	12,729	12,698	12,723	12,729
2.	2002	62,449	76,595	76,826	76,829	76,880
3.	2003	X X X	65,953	81,281	81,436	81,684
4.	2004	X X X	X X X	82,220	95,197	95,621
5.	2005	X X X	X X X	X X X	85,298	93,590
6.	2006	X X X	X X X	X X X	X X X	82,251

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2002	2 2003	3 2004	4 2005	5 2006
1.	Prior	131	56	96	121	12,729
2.	2002	79,992	78,954	76,826	76,828	76,880
3.	2003	X X X	84,081	84,283	81,435	81,684
4.	2004	X X X	X X X	92,977	96,207	95,621
5.	2005	X X X	X X X	X X X	95,512	94,060
6.	2006	X X X	X X X	X X X	X X X	96,825

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2002	94,126	76,880	242	0.315	77,122	81.935	15		77,137	81.951
2. 2003	102,247	81,684	257	0.315	81,941	80.140	25		81,966	80.165
3. 2004	110,691	95,621	278	0.291	95,899	86.637	50	1	95,950	86.683
4. 2005	118,613	94,060	338	0.359	94,398	79.585	400	8	94,806	79.929
5. 2006	122,712	96,825	303	0.313	97,128	79.151	14,719	320	112,167	91.407

12 Title XIX-Medicaid

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			205,753		205,753
2. Salaries, wages and other benefits	336,519		7,391,047		7,727,566
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			11,227		11,227
4. Legal fees and expenses			30,968		30,968
5. Certifications and accreditation fees			685,768		685,768
6. Auditing, actuarial and other consulting services			685,767		685,767
7. Traveling expenses			609,571		609,571
8. Marketing and advertising			16,440		16,440
9. Postage, express and telephone			1,142,945		1,142,945
10. Printing and office supplies			685,767		685,767
11. Occupancy, depreciation and amortization			1,371,535		1,371,535
12. Equipment			380,982		380,982
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services			581,113		581,113
15. Boards, bureaus and association fees			152,393		152,393
16. Insurance, except on real estate			1,117,058		1,117,058
17. Collection and bank service charges			152,393		152,393
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes			304,785		304,785
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses			914,356		914,356
26. Total expenses incurred (Lines 1 to 25)	336,519		16,439,868		(a) 16,776,387
27. Less expenses unpaid December 31, current year					
28. Add expenses unpaid December 31, prior year					
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	336,519		16,439,868		16,776,387
DETAILS OF WRITE-INS					
2501. Office Supplies			914,356		914,356
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Lines 2501 through 2503 + 2598) (Line 25 above)			914,356		914,356

(a) Includes management fees of \$.....0 to affiliates and \$.....16,007,021 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	42,659	57,887
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	1,156,945	1,135,788
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,199,604	1,193,675
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net Investment income (Line 10 minus Line 16)		1,193,675
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Unrealized Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds				
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)				
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)				
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments	1,022			1,022
7. Derivative instruments				
8. Other invested assets				
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)	1,022			1,022
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)				

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks		953,007	953,007
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties occupied for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)		953,007	953,007
11. Title plants (for Title insurers only)			
12. Invested income due and accrued			
13. Premium and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection		695,861	695,861
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset			
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	769,814	957,412	187,598
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	769,814	2,606,280	1,836,466
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	769,814	2,606,280	1,836,466
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301. Intangible Assets	558,814	957,412	398,598
2302. Refunds Due from Providers > 90 days	211,000		(211,000)
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	769,814	957,412	187,598

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6 Current Year Member Months
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1.	Health Maintenance Organizations	51,654	52,489	52,213	53,535	54,270	636,790
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	51,654	52,489	52,213	53,535	54,270	636,790
DETAILS OF WRITE-INS							
0601.						
0602.						
0603.						
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

Note 1 – Nature of Business and Significant Accounting Policies

Total Health Care, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). Total Health Care, Inc. provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of state or federal health benefits, as part of an employer group, or as individuals. Effective November 1, 2005, the Company no longer provides medical services to employer groups. Employer group contracts formerly serviced by the Company were transferred to Total Health Care USA, Inc. in 2005.

Total Health Care, Inc., and its wholly owned subsidiaries, Total Health Choice, Inc. and Total Health Care USA, Inc., have common officers on their respective governing boards.

Statutory Basis of Accounting – The financial statements have been prepared in accordance with the NAIC Accounting Practices and Procedures manual and the statutory accounting principles as prescribed by Section 1007 of the Michigan statutes. Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as intangible assets and receivables greater than 90 days) are excluded from the statutory basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$700,000 and \$2,300,000 at December 31, 2006 and 2005, respectively. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Company.

Cash and Short-term Investments – The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles.

Investments – Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investments in health care subsidiaries are reported at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.

Revenue Recognition and Accounts Receivable – Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A portion of health care

Notes to Financial Statement

receivable is due from third-party payors for subscribers located within southeastern Michigan. No allowance for doubtful accounts is recorded in 2006 or 2005. Receivables greater than 90 days old are treated as

nonadmitted for statutory accounting purposes. Approximately \$211,000 and \$418,000 of receivables greater than 90 days old were nonadmitted in 2006 and 2005, respectively. The Company also pays quality assurance assessment fees based on a percentage of revenue. Revenue for 2006 and 2005 is reported net of the fees, which totaled \$7,458,414 and \$8,520,696, respectively.

Recognition of Medical and Hospital Expenses – Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Unpaid claims represent management's estimate of the ultimate cost to settle all claims incurred prior to year end. Capitation retained for the settlement of risk-sharing is included in the accrued medical incentive pool liability at December 31, 2006 and 2005.

Physician Group Contracts – The Company contracts with physician groups for the provision of medical care and compensates the groups on a capitation basis. A portion of the capitation payments is retained for payment of specialty claims, pharmacy incentives, hospital incentives, and settlement of risk-sharing agreements with each of the physician groups. These retentions are included in the accrued medical incentive pool liability at December 31, 2006 and 2005. Any specialty claims paid in excess of withheld amounts are included in accounts receivable to the extent deemed collectible by management. During 2006 and 2005, a health care receivable has been recorded from providers in an amount that specialty claims exceeded withheld capitation.

Hospital Group Contracts – The Company contracts with several hospital and other groups. These contracts are paid under capitated fees or various other charge arrangements.

Malpractice Claims – The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

Employee Staffing and Purchased Services Agreement – The Company has an employee staffing and purchased services agreement with a limited liability company which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care, Inc.

Income Taxes – Total Health Care, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

Notes to Financial Statement

Funds Maintained Under Statutory Requirements – The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. These funds are classified according to the nature of the investment. At December 31, 2006 and 2005, \$1,000,000 was held in bonds to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

Use of Estimates – The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

Note 2 – Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Michigan. Effective January 1, 2003, the State of Michigan required that health maintenance organizations domiciled in the state of Michigan prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual in effect on January 1, 2003 subject to any deviations prescribed or permitted by the State of Michigan insurance commissioner. There was no impact on the statutory financial statements as a result of the accounting changes.

Note 3 – Business Combinations and Goodwill

This note is not applicable to the Company.

Note 4 – Discontinued Operations

This note is not applicable to the Company.

Note 5 – Investments

The Company does not have investments relating to mortgage loans, debt restructuring, reverse mortgages, loan-backed securities, repurchase agreement, or real estate.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

Notes to Financial Statement

Note 7 – Investment Income

The Company has no investment income due and accrued over 90 days past due.

Note 8 – Derivative Instruments

The Company does not invest in derivatives.

Note 9 – Income Taxes

This note is not applicable to the Company.

Note 10 – Information Concerning Parent, Subsidiaries, and Affiliates

The Company owns 100 percent of two subsidiaries: Total Health Care USA, Inc. and Total Health Choice, Inc. During 2005, the Company made a capital contribution of \$1,500,000 to Total Health Care USA, Inc. During 2005, the Company entered into an employee, office space, and equipment leasing agreement with Total Health Care USA, Inc. (USA). The agreement calls for the Company to provide personnel, office space, and supplies necessary to USA in order for USA to carry out its HMO business operations. The agreement calls for USA to pay the Company 14 percent of USA's gross revenue from the second preceding month after certain deductions. During 2006 and 2005, the Company received \$3,431,485 and \$18,461, respectively, from this agreement.

Total Health Care USA, Inc. has a statutory statement value of \$4,200,819 and \$2,608,228 at December 31, 2006 and 2005, respectively. Total Health Choice, Inc. has a statutory statement value of \$5,354,892 and \$4,752,170 at December 31, 2006 and 2005, respectively. The value of investments in Total Health Care USA, Inc. has been reduced by nonadmitted assets totaling \$72,283 and \$102,897 at December 31, 2006 and 2005, respectively. The value of investments in Total Health Choice, Inc. has been reduced by nonadmitted assets totaling \$158,574 and \$850,110 at December 31, 2006 and 2005, respectively.

Note 11 – Debt

This note is not applicable to the Company.

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

This note is not applicable to the Company.

Note 13 – Capital and Surplus, Stockholders' Divided Restrictions, and Quasi-reorganizations

The portion of unassigned funds (surplus) represented or reduced by unrealized gains and the change in nonadmitted asset value is \$3,078,773 and \$1,490,312 at December 31, 2006 and 2005, respectively.

Note 14 – Contingencies

Notes to Financial Statement

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

Note 15 – Leases

The Company leases office space and computer software services under various noncancelable operating lease agreements that expire through December 2009. Rent payments are the responsibility of the management company and are included in the monthly payment under the employee staffing and purchased services agreement. Rent expense for 2006 and 2005 was approximately \$764,440 and \$494,000, respectively. The future minimum rental payments under the operating lease as of December 31, 2006 are as follows:

2007	\$ 799,440
2008	749,440
2009	<u>749,440</u>
Total	<u>\$ 2,298,320</u>

Note 16 – Information about Financial Instruments with Off-balance-sheet Risk and Financial Instruments with Concentrations of Credit Risk

This note is not applicable to the Company.

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

This note is not applicable to the Company.

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

This note is not applicable to the Company.

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

This note is not applicable to the Company.

Note 20 – September 11 Events

This note is not applicable to the Company.

Note 21 – Other Items

Notes to Financial Statement

At December 31, 2006 and 2005, the Company had admitted assets of \$1,205,102 and \$2,869,407, respectively, in accounts receivable for amounts due from subscribers, governmental entities, and other health care providers. During 2006 and 2005, the Company routinely assessed the collectibility of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables not expected to be collected within 90 days were considered nonadmitted.

The Company did not have activity relating to extraordinary items, troubled debt restructuring, multiple peril crop insurance, or mezzanine real estate loans during 2006 and 2005.

Note 22 – Events Subsequent

No unusual or material events have occurred subsequent to year end.

Note 23 – Reinsurance

Total Health Care, Inc. maintains a reinsurance policy to provide coverage on an annual per member basis after a \$220,000 deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member. The Company has reported premiums net of reinsurance ceded of \$215,222 and \$269,015 as of December 31, 2006 and 2005, respectively. Losses recovered by the Company totaled \$(98,153) and \$262,830 during 2006 and 2005, respectively. There is no reinsurance recoverable recorded at December 31, 2006 and 2005.

The Company does not have reinsurance assumed, uncollectible reinsurance, or retroactive reinsurance.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

This note is not applicable to the Company.

Note 25 – Change in Incurred Losses

The estimated reserve for claims payable, including known and unsettled claims, is determined by the Company. The method of making such estimates and for establishing the resulting reserves is continually reviewed and updated and any adjustments resulting therefrom are reflected in expense currently. The estimated reserve for claims incurred but not reported has been determined by an enrolled actuary.

Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

Activity in the liability for medical claims, accrued medical incentive pools, and unpaid claims adjustment expense is summarized as follows:

	2006	2005
--	------	------

Notes to Financial Statement

Balance – Beginning of year	\$ 11,770,106	\$ 16,630,745
Incurred (Recovered) Related to		
Current year	97,040,766	112,957,208
Prior years	<u>(260,877)</u>	<u>348,636</u>
Total incurred	96,779,889	113,305,844
Paid Related to		
Current year	83,322,002	102,311,802
Prior years	<u>9,680,207</u>	<u>15,854,681</u>
Total paid	<u>93,002,209</u>	<u>118,166,483</u>
Reserve for Claims – End of year	<u>\$ 15,547,786</u> <u>\$ 11,770,106</u>	

The 2006 and 2005 amounts incurred relating to prior years increased (decreased) due to claims settling for more or less than originally estimated.

Note 26 – Intercompany Pooling Arrangements

This note is not applicable to the Company.

Note 27 – Structured Settlements

This note is not applicable to the Company.

Note 28 – Health Care Receivables

The Company reports risk-sharing receivables and payables related to global capitation and specialty withholding arrangements based upon the terms of its contracts.

The Company recorded \$11,646 of pharmaceutical rebate receivables at December 31, 2005. There is no pharmaceutical rebate receivable recorded at December 31, 2006. Rebates are netted with pharmacy expense. During 2006 and 2005, pharmacy rebates in the amount of \$13,708 and \$134,734, respectively, were collected.

Health care receivables include the following amounts related to specialty pool receivables:

<u>Calendar</u> <u>Year</u>	<u>Evaluation</u> <u>Period</u> <u>Year</u> <u>Ending</u>	<u>Risk-sharing</u> <u>Receivable as</u> <u>Estimated in</u> <u>the Prior Year</u>	<u>Risk-sharing</u> <u>Receivable as</u> <u>Estimated in</u> <u>the Current</u> <u>Year</u>	<u>Risk-sharing</u> <u>Receivable</u> <u>Billed</u>	<u>Risk-sharing</u> <u>Receivable</u> <u>Not Yet Billed</u>	<u>Actual</u> <u>Risk-sharing</u> <u>Amounts</u> <u>Received in</u> <u>Year Billed</u>	<u>Actual</u> <u>Risk-sharing</u> <u>Amounts</u> <u>Received First</u> <u>Year</u> <u>Subsequent</u>
2006	2006	\$ -	\$ 418,832	\$ -	\$ 418,832	\$ -	\$ -
	2007	-	-	-	-	-	-
2005	2005	702,667	-	-	-	-	-
	2006	-	-	702,667	-	702,667	-
2004	2004	1,259,862	-	-	-	-	-
	2005	-	-	995,729	-	995,72	-

Note 29 – Participating Policies

This note is not applicable to the Company.

Notes to Financial Statement

Note 30 – Premium Deficiency Reserves

This note is not applicable to the Company.

Note 31 – Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2006 and 2005, the Company received subrogation totaling \$40,457 and \$45,137, respectively.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	1,000,000	2.925	1,000,000	2.925
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA				
1.512 Issued or Guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated	9,555,711	27.946	9,555,711	27.946
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	23,637,241	69.129	23,637,241	69.129
9. Other invested assets				
10. Total invested assets	34,192,952	100.000	34,192,952	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Michigan
- 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: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 3.2 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. 12/31/2002
- 3.3 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). 03/17/2004
- 3.4 By what department or departments?
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the 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]
- 6.2 If yes, give full information: _____
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
N/A

- 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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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
N/A Yes[] No[X] ..				

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PLANTE & MORAN, PLLC 2601 CAMBRIDGE COURT, SUITE 500, AUBURN HILLS, MI 48326
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
STEVEN P. ZOLDOS, WAKELY CONSULTING GROUP, 19321 US HIGHWAY 19 N, SUITE 515, CLEARWATER, FL 33764
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[] No[X] N/A[]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[]
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[]
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[]

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.11 To directors or other officers \$ 0
- 16.12 To stockholders not officers \$ 0
- 16.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.21 To directors or other officers \$ 0
- 16.22 To stockholders not officers \$ 0
- 16.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[] No[X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others \$ 0
- 17.22 Borrowed from others \$ 0
- 17.23 Leased from others \$ 0
- 17.24 Other \$ 0
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[] No[X]
- 18.2 If answer is yes:
- 18.21 Amount paid as losses or risk adjustment \$ 0
- 18.22 Amount paid as expenses \$ 0
- 18.23 Other amounts paid \$ 0
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
- 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes[X] No[]
- 20.2 If no, give full and complete information, relating thereto:
- 21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1). Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Loaned to others \$ 0
- 21.22 Subject to repurchase agreements \$ 0
- 21.23 Subject to reverse repurchase agreements \$ 0
- 21.24 Subject to dollar repurchase agreements \$ 0
- 21.25 Subject to reverse dollar repurchase agreements \$ 0
- 21.26 Pledged as collateral \$ 0
- 21.27 Placed under option agreements \$ 0
- 21.28 Letter stock or securities restricted as to sale \$ 0
- 21.29 Other \$ 0
- 21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

24. 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[]
- 24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BANK ONE - MICHAEL M. BARRY	611 WOODWARD AVE., DETROIT, MI 48226
COMERICA BANK - PETER KENNEDY	P.O. BOX 75000, DETROIT, MI 48275-3462

- 24.02 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)
N/A		

- 24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes[] No[X]
- 24.04 If yes, give full and complete information relating thereto:

GENERAL INTERROGATORIES (Continued)

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

24.05 Identify all investment advisers, 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 Number(s)	2 Name	3 Address
N/A		

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes [] No [X]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
	N/A	
25.2999 Total		

25.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
N/A			

26. Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds	1,000,000	1,000,000	
26.2 Preferred stocks			
26.3 Totals	1,000,000	1,000,000	

26.4 Describe the sources of methods utilized in determining the fair values
BANK STATEMENTS

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

27.2 If no, list exceptions:
N/A

OTHER

28.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

29.1 Amount of payments for legal expenses, if any? \$ 30,968

29.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NUYEN, TOMTISHEN AND AOUN, P.C.	26,626

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0

30.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	122,692,216	139,744,577
2.2 Premium Denominator	122,692,216	139,744,577
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	15,218,764	11,316,483
2.5 Reserve Denominator	15,218,764	11,316,483
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 273,000
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
CATASTROPHIC INSURANCE, LOOK SOLEY LANGUAGE IN CONTRACTS, INSOLVENCY INSURANCE
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 1,202
- 8.2 Number of providers at end of reporting year 1,267
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 308,485
- 10.22 Amount actually paid for year bonuses \$ 0
- 10.23 Maximum amount payable withholds \$ 1,266,297
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
MICHIGAN
- 11.4 If yes, show the amount required. \$ 12,614,586
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.
Calculation is based on 200% RBC. See RBC calculation.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
WAYNE COUNTY
OAKLAND COUNTY
MACOMB COUNTY
GENESEE COUNTY

FIVE-YEAR HISTORICAL DATA

	1 2006	2 2005	3 2004	4 2003	5 2002
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	36,946,909	27,890,810	30,832,079	39,060,603	29,236,699
2. Total liabilities (Page 3, Line 22)	16,232,906	14,284,155	17,293,338	25,460,186	21,377,820
3. Statutory surplus	20,714,003	13,908,098	9,865,664	8,814,136	9,272,932
4. Total capital and surplus (Page 3, Line 31)	20,714,003	13,606,655	13,538,741	13,600,417	7,858,879
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	115,233,802	131,223,881	126,545,395	110,350,801	102,765,342
6. Total medical and hospital expenses (Line 18)	95,623,537	113,103,096	106,445,068	91,145,022	86,075,176
7. Claims adjustment expenses (Line 20)	336,519	401,676	364,346	318,230	291,856
8. Total administrative expenses (Line 21)	16,439,868	19,961,583	17,775,959	15,861,139	14,300,927
9. Net underwriting gain (loss) (Line 24)	2,833,878	(2,242,474)	1,960,022	3,026,410	2,097,383
10. Net investment gain (loss) (Line 27)	1,194,697	738,859	364,019	273,137	326,652
11. Total other income (Lines 28 plus 29)	81,217	116,073	9,776	1,504	1,504
12. Net income or (loss) (Line 32)	4,028,575	(1,422,398)	2,440,114	3,309,323	2,425,539
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	20,714,003	13,606,655	13,538,741	13,600,417	7,858,879
14. Authorized control level risk-based capital	6,307,293	6,954,049	4,932,832	4,407,068	4,636,466
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	54,270	51,654	63,584	55,867	53,327
16. Total members months (Column 6, Line 7)	636,790	736,201	722,027	654,777	623,466
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	78	81	80	79	84
19. Cost containment expenses	0	0	0	X X X	X X X
20. Other claims adjustment expenses					
21. Total underwriting deductions (Line 23)	92	96	93	93	98
22. Total underwriting gain (loss) (Line 24)	2	(2)	1	3	2
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Column 5)	10,180,207	16,496,483	22,461,053	19,596,117	14,919,884
24. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	11,597,436	16,379,870	22,905,399	20,355,603	16,345,261
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2)	9,555,711	8,313,405	5,915,261	7,149,062	5,756,600
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30	9,555,711	8,313,405	5,915,261	7,149,062	5,756,600

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1.	United States			
	2.	Canada			
	3.	Other Countries			
	4.	Totals			
States, Territories and Possessions (Direct and Guaranteed)	5.	United States			
	6.	Canada			
	7.	Other Countries			
	8.	Totals			
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States			
	10.	Canada			
	11.	Other Countries			
	12.	Totals			
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States			
	14.	Canada			
	15.	Other Countries			
	16.	Totals			
Public Utilities (unaffiliated)	17.	United States			
	18.	Canada			
	19.	Other Countries			
	20.	Totals			
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States	1,000,000	1,000,000	1,000,000
	22.	Canada			
	23.	Other Countries			
	24.	Totals	1,000,000	1,000,000	1,000,000
Parent, Subsidiaries and Affiliates	25.	Totals			
	26.	Total Bonds	1,000,000	1,000,000	1,000,000
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27.	United States			
	28.	Canada			
	29.	Other Countries			
	30.	Totals			
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States			
	32.	Canada			
	33.	Other Countries			
	34.	Totals			
Industrial and Miscellaneous (unaffiliated)	35.	United States			
	36.	Canada			
	37.	Other Countries			
	38.	Totals			
Parent, Subsidiaries and Affiliates	39.	Totals			
	40.	Total Preferred Stocks			
COMMON STOCKS					
Public Utilities (unaffiliated)	41.	United States			
	42.	Canada			
	43.	Other Countries			
	44.	Totals			
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States			
	46.	Canada			
	47.	Other Countries			
	48.	Totals			
Industrial and Miscellaneous (unaffiliated)	49.	United States			
	50.	Canada			
	51.	Other Countries			
	52.	Totals			
Parent, Subsidiaries and Affiliates	53.	Totals	9,555,711	9,555,711	9,555,711
	54.	Total Common Stocks	9,555,711	9,555,711	9,555,711
	55.	Total Stocks	9,555,711	9,555,711	9,555,711
	56.	Total Bonds and Stocks	10,555,711	10,555,711	10,555,711

SCHEDULE D - Verification Between Years

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	9,313,405	7. Amortization of premium	
2. Cost of bonds and stocks acquired, Column 7, Part 3	1,053,015	8. Foreign Exchange Adjustment:	
3. Accrual of discount		8.1 Column 15, Part 1	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1	
4.1 Columns 12 - 14, Part 1		8.3 Column 16, Part 2, Section 2	
4.2 Column 15 - 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2	1,242,306	9. Book/adjusted carrying value at end of current period	10,555,711
4.4 Column 11 - 13, Part 4	1,242,306	10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4		11. Subtotal (Lines 9 plus 10)	10,555,711
6. Deduct consideration for bonds and stocks disposed of		12. Total nonadmitted assets	
Column 7, Part 4	1,053,015	13. Statement value of bonds and stocks, current period	10,555,711

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

	1	2	Direct Business Only					7	8
			3	4	5	6			
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/Casualty Premiums	
1. Alabama (AL)	No	No							
2. Alaska (AK)	No	No							
3. Arizona (AZ)	No	No							
4. Arkansas (AR)	No	No							
5. California (CA)	No	No							
6. Colorado (CO)	No	No							
7. Connecticut (CT)	No	No							
8. Delaware (DE)	No	No							
9. District of Columbia (DC)	No	No							
10. Florida (FL)	No	No							
11. Georgia (GA)	No	No							
12. Hawaii (HI)	No	No							
13. Idaho (ID)	No	No							
14. Illinois (IL)	No	No							
15. Indiana (IN)	No	No							
16. Iowa (IA)	No	No							
17. Kansas (KS)	No	No							
18. Kentucky (KY)	No	No							
19. Louisiana (LA)	No	No							
20. Maine (ME)	No	No							
21. Maryland (MD)	No	No							
22. Massachusetts (MA)	No	No							
23. Michigan (MI)	No	Yes	(20,067)		122,712,283				
24. Minnesota (MN)	No	No							
25. Mississippi (MS)	No	No							
26. Missouri (MO)	No	No							
27. Montana (MT)	No	No							
28. Nebraska (NE)	No	No							
29. Nevada (NV)	No	No							
30. New Hampshire (NH)	No	No							
31. New Jersey (NJ)	No	No							
32. New Mexico (NM)	No	No							
33. New York (NY)	No	No							
34. North Carolina (NC)	No	No							
35. North Dakota (ND)	No	No							
36. Ohio (OH)	No	No							
37. Oklahoma (OK)	No	No							
38. Oregon (OR)	No	No							
39. Pennsylvania (PA)	No	No							
40. Rhode Island (RI)	No	No							
41. South Carolina (SC)	No	No							
42. South Dakota (SD)	No	No							
43. Tennessee (TN)	No	No							
44. Texas (TX)	No	No							
45. Utah (UT)	No	No							
46. Vermont (VT)	No	No							
47. Virginia (VA)	No	No							
48. Washington (WA)	No	No							
49. West Virginia (WV)	No	No							
50. Wisconsin (WI)	No	No							
51. Wyoming (WY)	No	No							
52. American Samoa (AS)	No	No							
53. Guam (GU)	No	No							
54. Puerto Rico (PR)	No	No							
55. U.S. Virgin Islands (VI)	No	No							
56. Northern Marianas Islands (MP)	No	No							
57. Canada (CN)	No	No							
58. Aggregate other alien (OT)	X X X	X X X							
59. Subtotal	X X X	X X X	(20,067)		122,712,283				
60. Reporting entity contributions for Employee Benefit Plans	X X X	X X X							
61. TOTAL (Direct Business)	X X X	(a) 1	(20,067)		122,712,283				
DETAILS OF WRITE-INS									
5801.	X X X	X X X							
5802.	X X X	X X X							
5803.	X X X	X X X							
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X							
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X							

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

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

TOTAL HEALTH CARE, INC. - PARENT

38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. - WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.

38-3240485, NAIC #12326, STATE OF MICHIGAN

TOTAL HEALTH CHOICE, INC. - WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.

33-0603319, NAIC #95134, STATE OF FLORIDA