* 9 5 4 4 9 2 0 0 7 2 0 1 0 0 1 0 3 *

HEALTH QUARTERLY STATEMENT

As of September 30, 2007

of the Condition and Affairs of the

M-CARE

NAIC Group Code.....572, 572 (Current Period) (Prior Period) NAIC Company Code..... 95449 Employer's ID Number..... 38-2649504

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

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

Incorporated/Organized..... February 13, 1986 Commenced Business..... October 28, 1986

Statutory Home Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	248-799-6400 *(Area Code) (Telephone Number)*
Mail Address	20500 Civic Center Drive MC C455….. Southfield ..... MI ..... 48076 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	248-455-3410 *(Area Code) (Telephone Number)*
Internet Website Address	www.mcare.org	
Statutory Statement Contact	Joseph John Andraska *(Name)*	248-455-3428 *(Area Code) (Telephone Number) (Extension)*
	jandraska@bcbsm.com *(E-Mail Address)*	248-455-3639 *(Fax Number)*
Policyowner Relations Contact	2311 Green Road….. Ann Arbor ..... MI ..... 48105 *(Street and Number) (City or Town, State and Zip Code)*	734-913-2211 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

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

OTHER

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

DIRECTORS OR TRUSTEES

Jeanne Helen Carlson # James Robert Dietz Kevin Lewis Seitz #

State of..... Michigan
County of..... Oakland

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

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

Subscribed and sworn to before me

This _____ day of _____

_____

a. Is this an original filing? Yes [X] No [ ]

b. If no: 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	40,477,692		40,477,692	1,180,040
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	3,700,105		3,700,105	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(5,661,717)), cash equivalents ($.....49,199,641) and short-term investments ($.....53,057,175)	96,595,099		96,595,099	128,450,838
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	1,873,928
8. Receivables for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	140,772,896	0	140,772,896	131,504,806
11. Title Plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	981,318		981,318	601,037
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	5,226,168	51,457	5,174,711	1,726,421
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	65,993
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	
16.1 Current federal and foreign income tax recoverable and interest thereon			0	
16.2 Net deferred tax asset			0	
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software	1,691,013	1,384,289	306,724	641,349
19. Furniture and equipment, including health care delivery assets ($.....0)	784,751	784,751	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates	2,071,674		2,071,674	
22. Health care ($.....1,540,506) and other amounts receivable	3,558,599	2,018,093	1,540,506	1,092,464
23. Aggregate write-ins for other than invested assets	248,054	248,054	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	155,334,473	4,486,644	150,847,829	135,632,070
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	155,334,473	4,486,644	150,847,829	135,632,070

DETAILS OF WRITE-INS

0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. PREPAID EXPENSES	248,054	248,054	0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	248,054	248,054	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....1,501,123 reinsurance ceded)	29,734,506		29,734,506	33,799,651
2. Accrued medical incentive pool and bonus amounts	17,117,849		17,117,849	15,564,269
3. Unpaid claims adjustment expenses	1,241,468		1,241,468	970,208
4. Aggregate health policy reserves	92,852		92,852	48,768
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	5,303,196		5,303,196	7,354,847
9. General expenses due or accrued	1,420,251		1,420,251	328,197
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))			0	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable	197,608		197,608	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	2,866,780		2,866,780	96,800
16. Payable for securities	4,031,460		4,031,460	
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured plans			0	
21. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	62,005,970	0	62,005,970	58,162,740
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX		
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	88,841,859	77,469,330
30. Less treasury stock, at cost:				
30.1 .....0.000 shares common (value included in Line 24 $.....0)	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	88,841,859	77,469,330
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	150,847,829	135,632,070

DETAILS OF WRITE-INS

2101.			0	
2102.			0	
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.				
2802.				
2803.				
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	1,263,740	1,509,576
2. Net premium income (including $.....0 non-health premium income)	XXX	310,028,787	345,643,411
3. Change in unearned premium reserves and reserve for rate credits	XXX	(44,084)	
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	309,984,703	345,643,411
Hospital and Medical:			
9. Hospital/medical benefits		232,926,410	245,598,396
10. Other professional services		10,318,382	
11. Outside referrals			
12. Emergency room and out-of-area		1,120,773	624,333
13. Prescription drugs		29,981,324	36,930,480
14. Aggregate write-ins for other hospital and medical	0	0	19,595,453
15. Incentive pool, withhold adjustments and bonus amounts		6,494,931	5,188,366
16. Subtotal (Lines 9 to 15)	0	280,841,820	307,937,028
Less:			
17. Net reinsurance recoveries		2,337,919	
18. Total hospital and medical (Lines 16 minus 17)	0	278,503,901	307,937,028
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....5,942,451 cost containment expenses		9,069,476	2,570,980
21. General administrative expenses		20,298,552	23,051,938
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)	0	307,871,929	333,559,946
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	2,112,774	12,083,465
25. Net investment income earned		5,748,272	3,852,426
26. Net realized capital gains (losses) less capital gains tax of $.....0		18,675	(5,533)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	5,766,947	3,846,893
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	0	0	(347,649)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	7,879,721	15,582,709
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	7,879,721	15,582,709

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. DURABLE MEDICAL EQUIPMENT AND OTHER			12,440,855
1402. MENTAL HEALTH			7,154,598
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	19,595,453
2901. INTEREST PMT NOTE PAYABLE			(347,649)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	(347,649)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year	77,469,330	67,134,717	67,134,717
34. Net income or (loss) from Line 32	7,879,721	15,582,709	52,652,970
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	326,178	4,058,737	(9,168,209)
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	3,166,630	(269,946)	2,828,696
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes		(2,831,446)	(2,831,446)
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			(33,608,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	460,602
48. Net change in capital and surplus (Lines 34 to 47)	11,372,529	16,540,054	10,334,613
49. Capital and surplus end of reporting period (Line 33 plus 48)	88,841,859	83,674,771	77,469,330

DETAILS OF WRITE-INS

4701. PRIOR PERIOD ADJUSTMENT, ALLOWANCE FOR BAD DEBT			460,602
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	460,602

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	304,894,615	468,201,804
2. Net investment income	5,382,167	5,357,436
3. Miscellaneous income		
4. Total (Lines 1 through 3)	310,276,782	473,559,240
5. Benefit and loss related payments	280,949,473	402,813,951
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	28,004,714	54,533,671
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	308,954,187	457,347,622
11. Net cash from operations (Line 4 minus Line 10)	1,322,595	16,211,618
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	10,417,443	5,857
12.2 Stocks		87,635,358
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	4,031,460	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	14,448,903	87,641,215
13. Cost of investments acquired (long-term only):		
13.1 Bonds	49,710,596	38,521
13.2 Stocks		5,205,618
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	49,710,596	5,244,139
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(35,261,693)	82,397,076
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		(2,831,446)
16.2 Capital and paid in surplus, less treasury stock	(1,500,000)	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		33,608,000
16.6 Other cash provided (applied)	3,583,359	2,730,311
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,083,359	(33,709,135)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(31,855,739)	64,899,559
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	128,450,838	63,551,279
19.2 End of period (Line 18 plus Line 19.1)	96,595,099	128,450,838

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

20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	163,701	424	155,724				7,553			
2. First Quarter	151,468	278	144,657				6,533			
3. Second Quarter	135,867	261	129,109				6,497			
4. Third Quarter	121,307		114,843				6,464			
5. Current Year	0									
6. Current Year Member Months	1,263,740	1,663	1,203,470				58,607			
Total Member Ambulatory Encounters for Period:										
7. Physician	504,132	610	482,022				21,500			
8. Non-Physician	384,394	466	367,535				16,393			
9. Total	888,526	1,076	849,557	0	0	0	37,893	0	0	0
10. Hospital Patient Days Incurred	23,458	31	22,339				1,088			
11. Number of Inpatient Admissions	5,943	8	5,659				276			
12. Health Premiums Written (a)	312,088,683	408,695	295,762,071				15,917,917			
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	312,044,599	408,695	295,762,071				15,873,833			
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	282,009,743	368,183	266,444,837				15,196,723			
18. Amount Incurred for Provision of Health Care Services	280,841,819	367,918	266,252,795				14,221,106			

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....0

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate Accounts Not Individually Listed-Covered	5,022,974	891,215	399,289	231,828	323,121	6,868,427
0499999. Subtotals	5,022,974	891,215	399,289	231,828	323,121	6,868,427
0599999. Unreported Claims and Other Claim Reserves						24,367,202
0799999. Total Claims Unpaid						31,235,629
0899999. Accrued Medical Incentive Pool and Bonus Amounts						17,117,849

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	29,849,881	231,184,992	409,638	26,928,237	30,259,519	30,219,933
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums	2,573,985	12,622,739	112,669	2,283,962	2,686,654	3,579,718
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	32,423,866	243,807,731	522,307	29,212,199	32,946,173	33,799,651
10. Healthcare receivables (a)	429,158	2,146,585			429,158	2,418,260
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	4,941,351		10,622,918	6,494,931	15,564,269	15,564,268
13. Totals	36,936,059	241,661,146	11,145,225	35,707,130	48,081,284	46,945,659

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

Two capital infusions totalling $1.5 million, were made by M-CARE into BlueCaid of Michigan during the quarter. On August 9, 2007, a $1 million intercompany loan from M-CARE to BlueCaid of Michigan, originated in January 2007, was forgiven and reclassified by BlueCaid of Michigan as Contributed Capital. On September 7, 2007, additional capital infusion from M-CARE in the amount of $500,000 took place in the form of cash.

On September 25, 2007, the wholly-owned subsidiary name M-CAID was changed to BlueCaid of Michigan.

BlueCaid of Michigan's organizational basis was changed from being non-stock member corporation to stock corporation. This change is reflected in this Blank as a non-cash transaction to migrate the M-CARE's investment in BlueCaid of Michigan from Schedule BA to Schedule D. As of September 30, 2007, BlueCaid of Michigan has 10,000 shares authorized, 100 shares issued and 100 shares outstanding. All shares are one class – all common stock and have no par value.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

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

. No significant change. No wash sales.

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

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

Type II. On October 01, 2007, BlueCaid of Michigan became wholly owned by Blue Care Network of Michigan, via an extraordinary dividend from M-CARE to Blue Care Network of Michigan. Prior to October 01, 2007, BlueCaid of Michigan was wholly owned by M-CARE, which in turn is wholly owned by Blue Care Network of Michigan.

Type II. On October 18, 2007, the M-CARE Board of Directors approved the merger of the corporation with and into its current Parent, Blue Care Network of Michigan, effective December 31, 2007. Also on October 18, 2007, Blue Cross Blue Shield of Michigan, the sole shareholder of Blue Care Network of Michigan, signed a consent resolution to approve the merger of M-CARE with and into Blue Care Network of Michigan, effective December 31, 2007. The merger is subject to the regulatory review and approval process.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [X] No [ ]

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

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No [ ]

2.2 If yes, date of change: 09/10/2007

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No [ ]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [X] No [ ] N/A [ ]
If yes, attach an explanation.

Draft contract under which Blue Care Network of Michigan provides administrative services to M-CARE was filed together with Form D dated August 31, 2007.

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

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2003

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/30/2005

6.4 By what department or departments?

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

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

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

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

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

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

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

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

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

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

The corporate ethics and compliance program was amended for the following: Clarifies that the Compliance Committee meets at least quarterly, requires that the director of corporate ethics & compliance will report suspected violations of state or federal law to the VP of Corporate Administration.

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $ 1,053,752

INVESTMENT

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

11.2 If yes, explain:

12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

13. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

14. Amount of real estate and mortgages held in short-term investments: $ 0

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

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	$ 0	$ 0
15.22 Preferred Stock	$ 0	$ 0
15.23 Common Stock	$ 0	$ 3,700,105
15.24 Short-Term Investments	$ 0	$ 0
15.25 Mortgages, Loans or Real Estate	$ 0	$ 0
15.26 All Other	$ 1,873,928	$ 0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	$ 1,873,928	$ 3,700,105
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	$ 0	$ 0

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

16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Bank	801 Pennsylvania, Kansas City, MO 64105
Comerica Bank	P.O. Box 75000 Detroit MI 48275-3462

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
	Blue Cross Blue Shield of Michigan	600 E. Lafayette Blvd. Detroit, MI 48226

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

18.2 If no, list exceptions:

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column)	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	1,873,928	2,036,712
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	1,826,177	(162,784)
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period	3,700,105	
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book adjusted/carrying value of long-term invested assets at end of current period	0	1,873,928
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	1,873,928
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	0	1,873,928

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,180,040	55,497,910
2. Cost of bonds and stocks acquired	53,410,701	5,244,139
3. Accrual of discount	2,686	(188)
4. Increase (decrease) by adjustment		(9,009,075)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	18,675	37,084,628
7. Consideration for bonds and stocks disposed of	10,417,444	87,641,215
8. Amortization of premium	16,862	(3,841)
9. Book/adjusted carrying value, current period	44,177,796	1,180,040
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	44,177,796	1,180,040
12. Total nonadmitted amounts		
13. Statement value	44,177,796	1,180,040

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	138,511,683	644,575,374	650,395,627	1,085,434	131,157,955	138,511,683	133,776,863	133,011,585
2. Class 2		8,957,570		73			8,957,643	
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	138,511,683	653,532,944	650,395,627	1,085,507	131,157,955	138,511,683	142,734,506	133,011,585
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	138,511,683	653,532,944	650,395,627	1,085,507	131,157,955	138,511,683	142,734,506	133,011,585

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals	53,057,175	XXX	53,012,104	2,815,976	238,952

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	131,831,546	55,552,511
2. Cost of short-term investments acquired	472,165,470	541,924,431
3. Increase (decrease) by adjustment	45,070	(8,676,992)
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments	550,984,911	456,968,404
7. Book/adjusted carrying value, current period	53,057,175	131,831,546
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	53,057,175	131,831,546
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	53,057,175	131,831,546
12. Income collected during period	2,622,094	3,343,490
13. Income earned during period	2,515,531	3,326,494

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	NO							0	
2. Alaska AK	NO							0	
3. Arizona AZ	NO							0	
4. Arkansas AR	NO							0	
5. California CA	NO							0	
6. Colorado CO	NO							0	
7. Connecticut CT	NO							0	
8. Delaware DE	NO							0	
9. District of Columbia DC	NO							0	
10. Florida FL	NO							0	
11. Georgia GA	NO							0	
12. Hawaii HI	NO							0	
13. Idaho ID	NO							0	
14. Illinois IL	NO							0	
15. Indiana IN	NO							0	
16. Iowa IA	NO							0	
17. Kansas KS	NO							0	
18. Kentucky KY	NO							0	
19. Louisiana LA	NO							0	
20. Maine ME	NO							0	
21. Maryland MD	NO							0	
22. Massachusetts MA	NO							0	
23. Michigan MI	YES	296,170,766			15,917,917			312,088,683	
24. Minnesota MN	NO							0	
25. Mississippi MS	NO							0	
26. Missouri MO	NO							0	
27. Montana MT	NO							0	
28. Nebraska NE	NO							0	
29. Nevada NV	NO							0	
30. New Hampshire NH	NO							0	
31. New Jersey NJ	NO							0	
32. New Mexico NM	NO							0	
33. New York NY	NO							0	
34. North Carolina NC	NO							0	
35. North Dakota ND	NO							0	
36. Ohio OH	NO							0	
37. Oklahoma OK	NO							0	
38. Oregon OR	NO							0	
39. Pennsylvania PA	NO							0	
40. Rhode Island RI	NO							0	
41. South Carolina SC	NO							0	
42. South Dakota SD	NO							0	
43. Tennessee TN	NO							0	
44. Texas TX	NO							0	
45. Utah UT	NO							0	
46. Vermont VT	NO							0	
47. Virginia VA	NO							0	
48. Washington WA	NO							0	
49. West Virginia WV	NO							0	
50. Wisconsin WI	NO							0	
51. Wyoming WY	NO							0	
52. American Samoa AS	NO							0	
53. Guam GU	NO							0	
54. Puerto Rico PR	NO							0	
55. U.S. Virgin Islands VI	NO							0	
56. Northern Mariana Islands MP	NO							0	
57. Canada CN	NO							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	296,170,766	0	0	15,917,917	0	0	312,088,683	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	296,170,766	0	0	15,917,917	0	0	312,088,683	0

DETAILS OF WRITE-INS

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

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

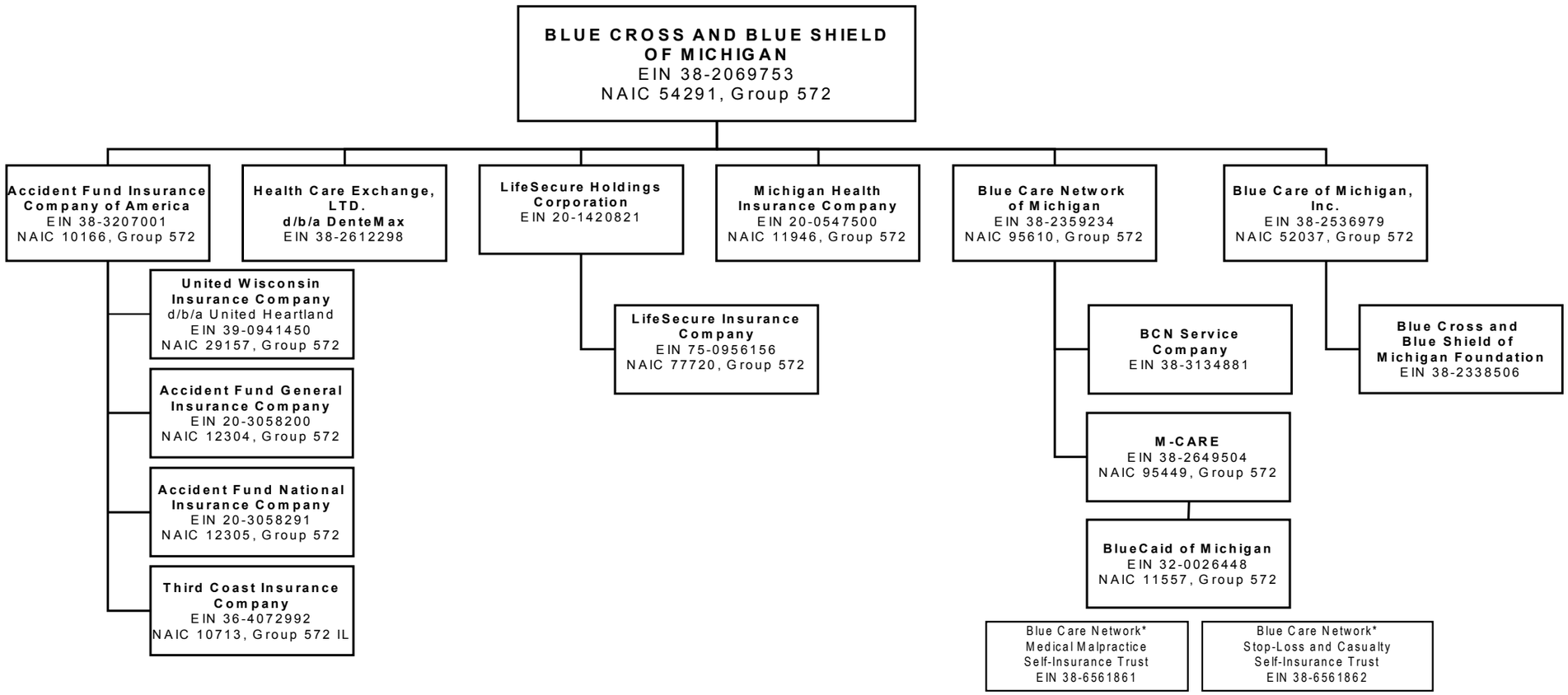
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

Blue Cross Blue Shield of Michigan

A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

SUBSIDIARY & AFFILIATE ORGANIZATION CHART



Subchart Schedule Y as of 9/30/07 rev.

* Blue Care Network of Michigan participates in these Trusts for self-insurance purposes.

Supplemental Exhibit & Sch. Interrogatories
NONE

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13	14	15	16
		3	4												
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Commitment for Additional Investment	Percentage of Ownership

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13	14	15
		3	4											
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration Received	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Any Other Class of Admitted Asset - Affiliated														
000000 00 0	Investment in BlueCaid of Mich (formerly M-CAID) HMO.	Southfield	MI...	Org. Basis changed from Nonstock to Stock.	09/25/2002	1,873,928	1,826,177		3,700,105	non-cash transact.			0	
3899999.	Total - Any Other Class of Admitted Asset - Affiliated					1,873,928	1,826,177	0	3,700,105	0	0	0	0	0
4099999.	Subtotal - Affiliated					1,873,928	1,826,177	0	3,700,105	0	0	0	0	0
4199999.	Totals					1,873,928	1,826,177	0	3,700,105	0	0	0	0	0

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
3137EA AJ 8	FHLMC		08/22/2007	J.P.MORGAN		4,959,680	5,000,000	88,976	1FE
3137EA AS 8	FHLMC		09/19/2007	BANK OF AMERICA		6,524,245	6,500,000	148,958	1FE
912810 PU 6	U.S. TREASURY NOTES		09/18/2007	CITIGROUP GLOBAL		1,557,422	1,500,000	26,087	1FE
0399999.	Total - Bonds - U.S. Government					13,041,347	13,000,000	264,021	XXX
Bonds - Special Revenue and Special Assessment									
31397E UZ 6	FHLMC FHRR R010		08/21/2007	BANK OF AMERICA		9,152,737	9,269,328	32,571	1FE
31397G V3 1	FHLMC FHRR R012		09/11/2007	VARIOUS		17,328,552	17,447,858	59,924	1FE
3199999.	Total - Bonds - Special Revenue & Special Assessments					26,481,289	26,717,186	92,495	XXX
Bonds - Industrial and Miscellaneous									
060505 DH 4	BANK OF AMERICA CORP.		08/20/2007	BANK OF AMERICA		2,993,250	3,000,000		1FE
12626P AG 8	CRH AMERICA, INC.		08/22/2007	CITIGROUP GLOBAL		1,987,860	2,000,000	49,000	2FE
20030N AR 2	COMCAST CORP.		09/14/2007	JPM		984,140	1,000,000	5,549	2FE
694032 AT 0	PACIFIC BELL		09/10/2007	BEAR STEARNS		3,228,810	3,000,000	105,688	1FE
806605 AH 4	SCHERING PLOUGH CORPORATION CORPORATE		09/13/2007	GOLDMAN SACHS AND COMPANY		993,900	1,000,000		2FE
4599999.	Total - Bonds - Industrial & Miscellaneous					10,187,960	10,000,000	160,237	XXX
6099997.	Total - Bonds - Part 3					49,710,596	49,717,186	516,753	XXX
6099999.	Total - Bonds					49,710,596	49,717,186	516,753	XXX
Common Stocks - Parent, Subsidiaries and Affiliates									
	Investment in BlueCaid of Michigan (formerly M-CAID) HMO		09/30/2007	M-CARE (non-cash transaction - please refer to Note 10 & Sch.BA Part 2)	100.000	3,700,105	XXX		
6999999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					3,700,105	XXX	0	XXX
7299997.	Total - Common Stocks - Part 3					3,700,105	XXX	0	XXX
7299999.	Total - Common Stocks					3,700,105	XXX	0	XXX
7399999.	Total - Preferred and Common Stocks					3,700,105	XXX	0	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					53,410,701	XXX	516,753	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - Special Revenue and Special Assessment																					
31397E UZ 6	FHLMC FHRR R010		.08/29/2007	JPM		9,160,341	9,269,328	9,152,737					0		9,152,737		7,604	7,604	42,484	04/01/2019	1FE
31397G V3 1	FHLMC FHRR R012		.09/01/2007	MBS PAYDOWN		82,056	82,056	81,236					0		82,056			0	376	03/01/2018	1FE
3199999.	Total - Bonds - Special Revenue & Assessment					9,242,397	9,351,384	9,233,973	0	0	0	0	0	0	9,234,793	0	7,604	7,604	42,860	XXX	XXX
6099997.	Total - Bonds - Part 4					9,242,397	9,351,384	9,233,973	0	0	0	0	0	0	9,234,793	0	7,604	7,604	42,860	XXX	XXX
6099999.	Total - Bonds					9,242,397	9,351,384	9,233,973	0	0	0	0	0	0	9,234,793	0	7,604	7,604	42,860	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					9,242,397	XXX	9,233,973	0	0	0	0	0	0	9,234,793	0	7,604	7,604	42,860	XXX	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
JPMorgan Chase Bank, N.A..... 3500 Plymouth Rd., Ann Arbor, MI 48105	.....	.....	.....	.....	.....(5,726,442)	.....(4,916,943)	.....(5,710,441)	XXX
The Bank of New York Mellon..... 500 Ross Str., Pittsburgh, PA 15219.....	.....	.....	.....	.....	122,796	3,224,416	48,724	XXX
0199999. Total Open Depositories.....	....XXX....	.....XXX....	0	0	.....(5,603,646)	.....(1,692,527)	.....(5,661,717)	XXX
0399999. Total Cash on Deposit.....	....XXX....	.....XXX....	0	0	.....(5,603,646)	.....(1,692,527)	.....(5,661,717)	XXX
0599999. Total Cash.....	....XXX....	.....XXX....	0	0	.....(5,603,646)	.....(1,692,527)	.....(5,661,717)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income
CIT GROUP 10/19/2007		09/04/2007	6.401	10/19/2007	9,968,250		47,625
COLLEGE LOAN CORP. 2007-1 A5 CORP 10/10/2007		09/11/2007	6.100	10/10/2007	4,900,000	16,606	16,606
DTE ENERGY CO. 10/1/2007		09/28/2007	5.402	10/01/2007	3,040,000		1,368
GANNETT CO, INC COMM PAPER		09/11/2007	5.772	10/05/2007	4,996,806		15,972
NC STUDENT LOAN 2007-3 A2-AR1 10/10/2007		09/20/2007	6.500	10/10/2007	5,000,000		
WAL-MART STORES INC COMM PAPER 10/10/2007		08/09/2007	5.267	10/10/2007	3,320,661		25,553
WELLPOINT, INC 10/9/2007		09/10/2007	5.524	10/09/2007	4,993,889		16,042
GENERAL MILLS, INC. 10/26/2007		09/10/2007	5.793	10/26/2007	4,980,035		16,771
AVERY DENNISON COMM PAPER 10/1/2007		09/28/2007	5.503	10/01/2007	8,000,000		3,667
0199999. Total Cash Equivalents					49,199,641	16,606	143,604