



HEALTH QUARTERLY STATEMENT

As of March 31, 2002
of the Condition and Affairs of the

Vision Service Plan

NAIC Group Code..... 1189, 1189 NAIC Company Code..... 54380 Employer's ID Number..... 31-0725743
(Current Period) (Prior Period)

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

Licensed as Business Type Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity [] Dental Service Corporation [] Vision Service Corporation [X] Health Maintenance Organization [] Other []

Is HMO Federally Qualified? Yes [] No [X]
Date Incorporated or Organized..... November 4, 1966 Date Commenced Business..... March 29, 1967

Statutory Home Office	3400 Morse Crossing Columbus OH 43215 (Street and Number) (City or Town, State and Zip Code)	
Address of Main Administrative Office	3333 Quality Drive Rancho Cordova CA 95670 (Street and Number) (City or Town, State and Zip Code)	916-851-5000 (Area Code) (Telephone Number)
Mail Address	3333 Quality Drive Rancho Cordova CA 95670 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	3333 Quality Drive Rancho Cordova CA 95670 (Street and Number) (City or Town, State and Zip Code)	916-851-5000 (Area Code) (Telephone Number)
Internet Website Address	www.vsp.com	
Statement Contact	Laura Olson (Name) laurol@vsp.com (E-Mail Address)	916-851-5000 (Area Code) (Telephone Number) (Extension) 916-858-5388 (Fax Number)
Policyowner Relations Contact	3333 Quality Drive Rancho Cordova CA 95670 (Street and Number) (City or Town, State and Zip Code)	800-622-7444 (Area Code) (Telephone Number) (Extension)

OFFICERS

President Roger Joseph Valine Treasurer Patricia Cochran
Secretary Gary Norman Brooks

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

James Kuhlman O.D. Jeffrey Wintersteller Phil Stevens

State of..... California
County of..... Sacramento

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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 manuals 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.

(Signature)	(Signature)	(Signature)
Roger Joseph Valine	Gary Norman Brooks	Patricia Cochran
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this
.....day of, 2002
.....

ASSETS

	Current Period			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1. Bonds.....	10,178,724		10,178,724	11,110,089
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	530,958		530,958	530,239
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			(a) 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 (\$.....2,834,191) and short-term investments (\$.....16,617,771).....	19,451,962		19,451,962	18,264,712
6. Other long-term invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	958	958	0	0
9. Subtotal, cash and invested assets (Lines 1 to 8).....	30,162,602	958	30,161,644	29,905,040
10. Accident and health premiums due and unpaid.....	1,006,669	99,678	906,991	943,718
11. Health care receivables.....			0	
12. Amounts recoverable from reinsurers.....			0	
13. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
14. Investment income due and accrued.....	316,437		316,437	438,243
15. Amounts due from parent, subsidiaries and affiliates.....			0	
16. Amounts receivable relating to uninsured accident and health plans.....	3,142,583	3,817	3,138,766	2,568,361
17. Furniture and equipment.....			0	
18. Amounts due from agents.....			0	
19. Federal and foreign income tax recoverable and interest thereon (including \$.....567,792 net deferred tax asset).....	567,792		567,792	536,811
20. Electronic data processing equipment and software.....			0	
21. Other nonadmitted assets.....			0	
22. Aggregate write-ins for other than invested assets.....	0	0	0	0
23. Total assets (Lines 9 plus 10 through 22).....	35,196,083	104,453	35,091,630	34,392,173

DETAILS OF WRITE-INS

0801. Deposits with others.....	958	958	0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	958	958	0	0
2201.			0	
2202.			0	
2203.			0	
2298. Summary of remaining write-ins for Line 22 from overflow page.....	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above).....	0	0	0	0

(a) \$.....0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	3,583,644	.....	.....3,583,644	3,541,889
2. Accrued medical incentive pool and bonus payments.....	.....	.....	.....0	.....
3. Unpaid claims adjustment expenses.....	232,692	.....	.....232,692	242,955
4. Aggregate policy reserves.....	.....	.....	.....0	.....
5. Aggregate claim reserves.....	.....	.....	.....0	.....
6. Premiums received in advance.....	224,718	.....	.....224,718	132,748
7. General expenses due or accrued.....	94,301	.....	.....94,301	85,051
8. Federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	2,447,315	.....	.....2,447,315	2,642,269
9. Amounts withheld or retained for the account of others.....	.....	.....	.....0	.....
10. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	.....	.....	.....0	.....
11. Amounts due to parent, subsidiaries and affiliates.....	994,700	.....	.....994,700	1,054,391
12. Payable for securities.....	.....	.....	.....0	.....
13. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....	.....	.....	.....0	.....
14. Reinsurance in unauthorized companies.....	.....	.....	.....0	.....
15. Net adjustments in assets and liabilities due to foreign exchange rates....	.....	.....	.....0	.....
16. Liability for amounts held under uninsured accident and health plans.....	758,522	.....	.....758,522	772,830
17. Aggregate write-ins for other liabilities (including \$.....0 current).....	533,279	0	533,279	432,697
18. Total liabilities (Lines 1 to 17).....	8,869,171	0	8,869,171	8,904,830
19. Common capital stock.....	XXX.....	XXX.....	.....	.....
20. Preferred capital stock.....	XXX.....	XXX.....	.....	.....
21. Gross paid in and contributed surplus.....	XXX.....	XXX.....	.....	.....
22. Surplus notes.....	XXX.....	XXX.....	.....	.....
23. Aggregate write-ins for other than special surplus funds.....	XXX.....	XXX.....	500,000	500,000
24. Unassigned funds (surplus).....	XXX.....	XXX.....	25,722,459	24,987,343
25. Less treasury stock at cost: 25.1 .....0.000 shares common (value included in Line 19 \$.....0)..... 25.2 .....0.000 shares preferred (value included in Line 20 \$.....0).....	XXX..... XXX.....	XXX..... .....XXX.....	.....	.....
26. Total capital and surplus (Lines 19 to 24 less 25).....	XXX.....	XXX.....	26,222,459	25,487,343
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX.....	XXX.....	35,091,630	34,392,173

DETAILS OF WRITE-INS

1701. Taxes, licenses and fees due or accrued.....	415,462	.....	.....415,462	306,991
1702. Benefit liability.....	117,817	.....	.....117,817	125,706
1703. ....	.....	.....	.....0	.....
1798. Summary of remaining write-ins for Line 17 from overflow page.....	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above).....	533,279	0	533,279	432,697
2301. Statutory reserve.....	XXX.....	XXX.....	500,000	500,000
2302.	XXX.....	XXX.....	.....	.....
2303.	XXX.....	XXX.....	.....	.....
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX.....	XXX.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX.....	XXX.....	500,000	500,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year-to-Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	2,614,205.....	10,167,302.....
2. Net premium income.....	XXX.....	10,390,446.....	35,626,967.....
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....	.....
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	.....	.....
5. Risk revenue.....	XXX.....	116,157.....	769,732.....
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0.....	0.....
7. Total revenues (Lines 2 to 6).....	XXX.....	10,506,603.....	36,396,699.....
Medical and Hospital:			
8. Hospital/medical benefits.....	.....	.....	.....
9. Other professional services.....	.....	9,332,292.....	35,059,501.....
10. Outside referrals.....	.....	.....	.....
11. Emergency room and out-of-area.....	.....	.....	.....
12. Prescription Drugs.....	.....	.....	.....
13. Aggregate write-ins for other medical and hospital.....	0.....	0.....	0.....
14. Incentive pool and withhold adjustments.....	.....	.....	.....
15. Subtotal (Lines 8 to 14).....	0.....	9,332,292.....	35,059,501.....
Less:			
16. Net reinsurance recoveries.....	.....	.....	.....
17. Total medical and hospital (Lines 15 minus 16).....	0.....	9,332,292.....	35,059,501.....
18. Claims adjustment expenses.....	.....	37,313.....	369,655.....
19. General administrative expenses.....	.....	43,272.....	405,290.....
20. Increase in reserves for accident and health contracts.....	.....	.....	.....
21. Total underwriting deductions (Lines 17 through 20).....	0.....	9,412,877.....	35,834,446.....
22. Net underwriting gain or (loss) (Lines 7 minus 21).....	XXX.....	1,093,726.....	562,253.....
23. Net investment income earned.....	.....	233,014.....	1,348,433.....
24. Net realized capital gains or (losses).....	.....	18.....	.....
25. Net investment gains or (losses) (Lines 23 plus 24).....	0.....	233,032.....	1,348,433.....
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.....	.....	(14,610).....
27. Aggregate write-ins for other income or expenses.....	0.....	0.....	0.....
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27).....	0.....	1,326,758.....	1,896,076.....
29. Federal and foreign income taxes incurred.....	XXX.....	595,046.....	1,442,318.....
30. Net income (loss) (Lines 28 minus 29).....	XXX.....	731,712.....	453,758.....

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.....
1301. ....	.....	.....	.....
1302. ....	.....	.....	.....
1303. ....	.....	.....	.....
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0.....	0.....	0.....
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above).....	0.....	0.....	0.....
2701. ....	.....	.....	.....
2702. ....	.....	.....	.....
2703. ....	.....	.....	.....
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0.....	0.....	0.....
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0.....	0.....	0.....

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year-to-Date	2 Prior Year
31. Capital and surplus prior reporting period.....	25,487,343	24,586,462
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30.....	731,712	453,758
33. Change in valuation basis of aggregate policy and claim reserves.....	.....	.....
34. Net unrealized capital gains and losses.....	5	(79,802)
35. Change in net unrealized foreign exchange capital gain or (loss).....	.....	.....
36. Change in net deferred income tax.....	30,981	(366,421)
37. Change in nonadmitted assets.....	(27,582)	(9,886)
38. Change in unauthorized reinsurance.....	.....	.....
39. Change in treasury stock.....	.....	.....
40. Change in surplus notes.....	.....	.....
41. Cumulative effect of changes in accounting principles.....	.....	.....903,232
42. Capital changes:		
42.1 Paid in.....	.....	.....
42.2 Transferred from surplus (Stock Dividend).....	.....	.....
42.3 Transferred to surplus.....	.....	.....
43. Surplus adjustments:		
43.1 Paid in.....	.....	.....
43.2 Transferred to capital (Stock Dividend).....	.....	.....
43.3 Transferred from capital.....	.....	.....
44. Dividends to stockholders.....	.....	.....
45. Aggregate write-ins for gains or (losses) in surplus.....	0	0
46. Net change in capital and surplus (Lines 32 to 45).....	735,116	900,881
47. Capital and surplus end of reporting period (Line 31 plus 46).....	26,222,459	25,487,343

DETAILS OF WRITE-INS		
4501. ....	.....	.....
4502. ....	.....	.....
4503. ....	.....	.....
4598. Summary of remaining write-ins for Line 45 from overflow page.....	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above).....	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance.....	10,606,014	36,949,730
2. Claims and claims adjustment expenses.....	9,338,113	33,875,130
3. General administrative expenses paid.....	(83,795)	380,192
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	1,351,696	2,694,408
6. Net Investment income.....	378,802	1,367,875
7. Other income (expenses).....	(17,235)	274,944
8. Federal and foreign income taxes (paid) recovered.....	(790,000)	(395,912)
9. Net cash from operations (Lines 5 to 8).....	923,263	3,941,315
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....	3,000,000	6,750,000
10.2 Stocks.....	181	
10.3 Mortgage loans.....		
10.4 Real estate.....		
10.5 Other invested assets.....		
10.6 Net gains or (losses) on cash and short-term investments.....		
10.7 Miscellaneous proceeds.....		
10.8 Total investment proceeds (Lines 10.1 to 10.7).....	3,000,181	6,750,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....	2,092,600	6,126,050
11.2 Stocks.....	912	4,595
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....		
11.6 Miscellaneous applications.....		
11.7 Total investments acquired (Lines 11.1 to 11.6).....	2,093,512	6,130,645
12. Net cash from investments (Line 10.8 minus Line 11.7).....	906,669	619,355
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in.....		
13.2 Net transfers from affiliates.....		395,229
13.3 Borrowed funds received.....		
13.4 Other cash provided.....	6,497	1,072,408
13.5 Total (Lines 13.1 to 13.4).....	6,497	1,467,637
14. Cash applied:		
14.1 Dividends to stockholders paid.....		
14.2 Net transfers to affiliates.....	59,691	
14.3 Borrowed funds repaid.....		
14.4 Other applications.....	589,488	21,089
14.5 Total (Lines 14.1 to 14.4).....	649,179	21,089
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	(642,682)	1,446,548
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15).....	1,187,250	6,007,218
17. Cash and short-term investments:		
17.1 Beginning of period.....	18,264,712	12,257,494
17.2 End of period (Line 16 plus Line 17.1).....	19,451,962	18,264,712

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plans	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at End of:										
1. Prior Year.....	826,292				826,292					
2. First Quarter.....	875,472				875,472					
3. Second Quarter.....	0									
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	2,614,205				2,614,205					
Total Member Ambulatory Encounters for Period:										
7. Physician.....	0									
8. Non-Physician.....	71,642				71,642					
9. Total.....	71,642	0	0	0	71,642	0	0	0	0	0
10. Hospital Patient Days Incurred.....	0									
11. Number of Inpatient Admissions.....	0									
12. Premiums Collected.....	10,635,300				10,635,300					
13. Premiums Earned.....	10,506,603				10,506,603					
14. Amount Paid for Provision of Health Care Services.....	9,290,537				9,290,537					
15. Amount Incurred for Provision of Health Care Services.....	9,332,292				9,332,292					

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total

Claims Payable (Reported)

0599999. Unreported Claims and Other Claim Reserves.....						3,583,644
0799999. Total Claims Payable.....						3,583,644

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).....					0	
2.	Medicare Supplement.....					0	
3.	Dental only.....					0	
4.	Vision only.....	1,722,723	7,567,814		3,583,644	1,722,723	3,541,889
5.	Federal Employees Health Benefits Plan Premiums.....					0	
6.	Title XVIII - Medicare.....					0	
7.	Title XIX - Medicaid.....					0	
8.	Other.....					0	
9.	Subtotal	1,722,723	7,567,814	0	3,583,644	1,722,723	3,541,889
10.	Medical incentive pools, accruals and disbursements.....					0	
11.	Totals.....	1,722,723	7,567,814	0	3,583,644	1,722,723	3,541,889

NOTES TO FINANCIAL STATEMENTS

- 1. The accompanying financial statements of Vision Service Plan have been prepared in conformity with the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual version effective January 1, 2001.
- 2. The Internal Revenue Service (IRS) is currently conducting an examination of Vision Service Plan, the Company’s parent. The significant issues under review by the IRS are certain unrelated business income issues. The Company established a liability in the amount of \$830,000 for any contingencies to cover any tax changes by the IRS. The Company will continue to vigorously defend its position with regard to unrelated business income.
- 3. The Department of Labor has completed their examination. A liability has been established in the amount of \$117,817.
- 4. The Company has no sales.

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 implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [☐] No [☒]

1.2 If yes, explain:..... _____

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

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

3.1 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 [☒]

3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [☐] No [☒]
If yes, attach an organizational chart.

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

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

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

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

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1996.....

7.2 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.12/31/1996.....

7.3 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).11/20/1997.....

7.4 By what department or departments?..... STATE OF OHIO DEPARTMENT OF INSURANCE

8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [☐] No [☒]

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

9.2 If yes, explain:.....

10.1 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]

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

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

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

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

13.2 If yes, please complete the following:

	1	2
	Prior Year-End	Current Quarter
	Statement Value	Statement Value
13.21 Bonds.....	\$.....0	\$.....0
13.22 Preferred Stock.....	\$.....0	\$.....0
13.23 Common Stock.....	\$.....0	\$.....0
13.24 Short-Term Investments.....	\$.....0	\$.....0
13.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
13.26 All Other.....	\$.....0	\$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$.....0	\$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$.....0	\$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above.....	\$.....0	\$.....0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 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.

15. 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 []

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

1	2
Name of Custodian(s)	Custodian Address
Bank of America	San Francisco, CA
Merrill Lynch	Sacramento, CA

15.2 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	2	3
Name(s)	Location(s)	Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

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

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

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

1	2	3
Central Registration Depository	Name(s)	Address

SCHEDULE A - VERIFICATION

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

NONE

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period.....	0	0	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	0	0
10. Total valuation allowance.....				
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....				
13. Statement value of mortgages owned at end of current period.....	0	0	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period.....	0	0	0	
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.....				
5. Total profit (loss) on sale.....				
6. Amounts paid on account or in full during the period.....				
7. Amortization of premium.....				
8. Increase (decrease) by foreign exchange adjustment.....				
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	0	0	0	0
10. Total valuation allowance.....				
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....				
13. Statement value of long-term invested assets at end of current period.....	0	0	0	0

NONE

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 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1.....	23,710,154	10,423,722	7,313,417	(23,964)	26,796,495	.....	.....	.....23,710,154
2. Class 2.....	.....	.....	.....	.....	.....	.....	.....	.....
3. Class 3.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Class 4.....	.....	.....	.....	.....	.....	.....	.....	.....
5. Class 5.....	.....	.....	.....	.....	.....	.....	.....	.....
6. Class 6.....	.....	.....	.....	.....	.....	.....	.....	.....
7. Total Bonds.....	23,710,154	10,423,722	7,313,417	(23,964)	26,796,495	0	0	23,710,154
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.....	23,710,154	10,423,722	7,313,417	(23,964)	26,796,495	0	0	23,710,154

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....	16,617,771	XXX.....	16,617,771	186,583	.....

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period.....	12,600,066	0	0	8,726,227
2. Cost of short-term investments acquired.....	8,331,122	.....	.....	.....14,557,573
3. Increase (decrease) by adjustment.....	.....	.....	.....	.....(8,544)
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.....	4,313,417	.....	.....	.....10,675,190
7. Book/adjusted carrying value, current period.....	16,617,771	0	0	12,600,066
8. Total valuation allowance.....	.....	.....	.....	.....
9. Subtotal (Lines 7 plus 8).....	16,617,771	0	0	12,600,066
10. Total nonadmitted amounts.....	.....	.....	.....	.....
11. Statement value (Lines 9 minus 10).....	16,617,771	0	0	12,600,066
12. Income collected during period.....	186,583	.....	.....	.....531,166
13. Income earned during period.....	95,991	.....	.....	.....636,564

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only Year-to-Date			
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program 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.....	NO.....				
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	YES.....	YES.....	10,598,573			
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. Canada.....CN	NO.....	XXX.....				
57. Aggregate Other alien.....OT	XXX.....	XXX.....	0	0	0	0
58. Total (Direct Business).....	XXX.....	(a).....1	10,598,573	0	0	0

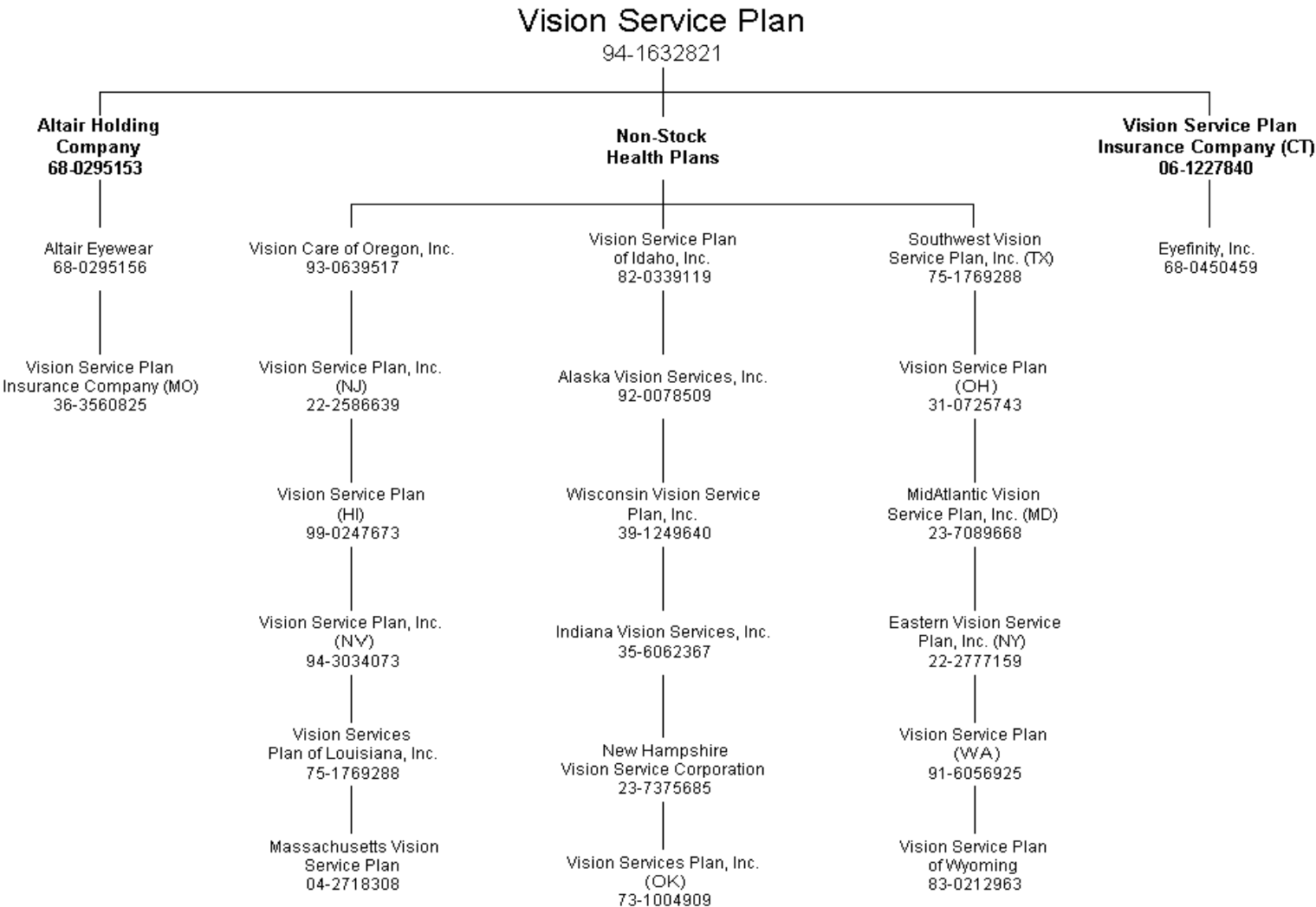
DETAILS OF WRITE-INS

5701.				
5702.				
5703.				
5798. Summary of remaining write-ins for line 57 from overflow page.....	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	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



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

YES

EXPLANATION:

BAR CODE:

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
3134A1 QD 5.....	FHLMC.....	01/10/2002.....	Bank Of America.....		1,069,200	1,000,000	22,335	1PE.....
0399999.	Total - Bonds - U.S. Government.....				1,069,200	1,000,000	22,335	XXX.....
Bonds - Special Revenue and Special Assessment								
United States								
3133ME HL 8.....	FHLB.....	03/11/2002.....	Bank Of America.....		1,023,400	1,000,000	19,771	1.....
	U.S.....				1,023,400	1,000,000	19,771	XXX.....
	United States.....				1,023,400	1,000,000	19,771	XXX.....
3199999.	Total - Bonds - Special Revenue & Special Assessments.....				1,023,400	1,000,000	19,771	XXX.....
6099997.	Total - Bonds - Part 3.....				2,092,600	2,000,000	42,106	XXX.....
6099999.	Total - Bonds.....				2,092,600	2,000,000	42,106	XXX.....
Common Stocks - Industrial and Miscellaneous								
United States								
626129 76 1.....	Munder Index 500.....	03/26/2002.....	Merrill Lynch.....	38,000	912			L.....
	United States.....				912	XXX.....	0	XXX.....
6899999.	Total - Common Stocks - Industrial & Miscellaneous.....				912	XXX.....	0	XXX.....
7099997.	Total - Common Stocks - Part 3.....				912	XXX.....	0	XXX.....
7099999.	Total - Common Stocks.....				912	XXX.....	0	XXX.....
7199999.	Total - Preferred and Common Stocks.....				912	XXX.....	0	XXX.....
7299999.	Total - Bonds, Preferred and Common Stocks.....				2,093,512	XXX.....	42,106	XXX.....

(a) For all common stock bearing the NAIC designation "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 Quarte

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value At Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
Bonds - U.S. Government																
313586 3E 7....	FNMA.....	02/11/2002	MATURITY.....	.....	.....1,000,000	1,000,000	1,029,500	1,000,000	(1,592)	.....	.....	.....	.....0	37,500	.....	1PE.....
31364C WL 8....	FNMA.....	02/11/2002	MATURITY.....	.....	.....1,000,000	1,000,000	1,002,050	1,000,000	(202)	.....	.....	.....	.....0	31,450	.....	1.....
0399999.	Total - Bonds - U.S. Government.....				2,000,000	2,000,000	2,031,550	2,000,000	(1,794)	0	0	0	0	68,950	0	XXX...
Bonds - Special Revenue and Special Assessment																
United States																
3133MA T7 4....	FHLB Disc Note.....	02/15/2002	MATURITY.....	.....	.....1,000,000	1,000,000	992,500	1,000,000	565	.....	.....	.....	.....0	33,750	.....	1PE.....
	U.S.....				1,000,000	1,000,000	992,500	1,000,000	565	0	0	0	0	33,750	0	XXX...
	United States.....				1,000,000	1,000,000	992,500	1,000,000	565	0	0	0	0	33,750	0	XXX...
3199999.	Total - Bonds - Special Revenue & Assessment.....				1,000,000	1,000,000	992,500	1,000,000	565	0	0	0	0	33,750	0	XXX...
6099997.	Total - Bonds - Part 4.....				3,000,000	3,000,000	3,024,050	3,000,000	(1,229)	0	0	0	0	102,700	0	XXX...
6099999.	Total - Bonds.....				3,000,000	3,000,000	3,024,050	3,000,000	(1,229)	0	0	0	0	102,700	0	XXX...
Common Stocks - Industrial and Miscellaneous																
United States																
626129 76 1....	Munder Index 500.....	02/06/2002	Merrill Lynch.....	8.000	181	.....	.....199	199	7	.....	.....	.....(18)	(18)	.....	.....	L.....
	United States.....				181	XXX.....	199	199	7	0	0	(18)	(18)	0	0	XXX...
6899999.	Total - Common Stocks - Industrial & Miscellaneous.....				181	XXX.....	199	199	7	0	0	(18)	(18)	0	0	XXX...
7099997.	Total - Common Stocks - Part 4.....				181	XXX.....	199	199	7	0	0	(18)	(18)	0	0	XXX...
7099999.	Total - Common Stocks.....				181	XXX.....	199	199	7	0	0	(18)	(18)	0	0	XXX...
7199999.	Total - Preferred and Common Stocks.....				181	XXX.....	199	199	7	0	0	(18)	(18)	0	0	XXX...
7299999.	Total - Bonds, Preferred and Common Stocks.....				3,000,181	XXX.....	3,024,249	3,000,199	(1,222)	0	0	(18)	(18)	102,700	0	XXX...

(a) For all common stock bearing the NAIC designation "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 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *
				5	6	7	
				First Month	Second Month	Third Month	
Open Depositories							
Bank of America - checking.....	Sacramento, CA.....	19,851	.....	.....4,061,859	4,667,438	2,610,461	.....
Bank One - cd (matures 3/9/03).....	Columbus, OH.....	1.730	7,193	165,278	165,278	172,470	.....
Bank One - cd (matures 12/4/03).....	Columbus, OH.....	4.550	569	50,000	50,000	50,000	.....
Merrill Lynch - money market.....	Sacramento, CA.....	6.000	.....	.....1	10	10	.....
0199999. Total Open Depositories.....	XXX.....	27,044	569	4,277,138	4,882,726	2,832,941	XXX
0399999. Total Cash on Deposit.....	XXX.....	27,044	569	4,277,138	4,882,726	2,832,941	XXX
0499999. Cash in Company's Office.....	XXX.....	XXX.....	XXX.....	1,250	1,250	1,250	XXX
0599999. Total Cash.....	XXX.....	27,044	569	4,278,388	4,883,976	2,834,191	XXX