



**IMAGING COVER SHEET**

NAIC #: MEWA2

NAIC Group Code: 000

Company Name: CLEVELAND AUTOMOBILE DEALERS' ASSOCIATION GROUP HEALTH PLAN

Company Type:  P&C  Life  HIC  Frat  Title  MEWA  HW  MPA  
 DOMESTIC  FOREIGN

Form Type: STATEMENTS

Sub-form Type: QUARTERLY

Transaction # (if applicable): \_\_\_\_\_

Effective Date: \_\_\_\_\_

Additional Info: SECOND QUARTER, PERIOD ENDING JUNE 30, 2002

Date Scanned: \_\_\_\_\_

Scanned By (initials): \_\_\_\_\_

FEIN Number 34-13 20838



**QUARTERLY STATEMENT**

As of JUNE 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

CLEVELAND AUTOMOBILE DEALERS' ASSOC. GROUP HEALTH PLAN

RECEIVED

established under the Laws of the State of OHIO, made to the

AUG 12 2002

INSURANCE DEPARTMENT OF THE STATE OF

O.F.R.S.

PURSUANT TO THE LAWS THEREOF

Established 1979 Commenced Business \_\_\_\_\_

Statutory Home Office 10100 BRECKSVILLE ROAD, BRECKSVILLE, OH 44141  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 10100 BRECKSVILLE ROAD  
(Street and Number)

BRECKSVILLE, OH 44141 (Area Code) (440) 746-1500  
(City or Town, State and Zip Code) (Telephone Number)

Mail Address SAME AS MAIN  
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records SAME AS MAIN  
(Street and Number)

Quarterly Statement Contact Person and Phone Number (include extension) GARY ADAMS (440) 746-1500  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

**OFFICERS**

Chairperson RICHARD BASS  
Secretary GARY ADAMS Vice-Presidents \_\_\_\_\_  
Treasurer \_\_\_\_\_

**TRUSTEES**

GARY ADAMS RICHARD MARCELLINO  
RICHARD BASS  
ROBERT GILLINGHAM  
RONALD GLAVIC  
GUIDO VINCENT DIVINCENZO  
DONALD PETRUZZI

State of OHIO  
County of CUYAHOGA ss  
RICHARD BASS Chairperson, GARY ADAMS Secretary, \_\_\_\_\_ Treasurer

of the CLEVELAND AUTOMOBILE DEALERS' ASSOC. GROUP HEALTH PLAN being duly sworn, each deposes and says that they are the above described officers of the trust carrying on the business of a MEWA, and that on the quarter ending JUNE 30, 2002, all of the herein described assets were the absolute property of the MEWA, free and clear from any liens or claims thereon, except as herein stated, and that this quarterly 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 MEWA as of the quarter ending JUNE 30, 2002, and of its income and deductions therefrom for the calendar period ended on that date, and have been completed in accordance with the quarterly statement instructions and accounting practices and procedures prescribed by the Ohio Department of Insurance, according to the best of their information, knowledge and belief, respectively.

[Signature] Chairperson [Signature] Secretary \_\_\_\_\_ Treasurer

- (a) Is this an original filing? Yes  No
- (b) If no: (i) state the amendment number \_\_\_\_\_ (ii) date filed \_\_\_\_\_ (iii) number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this August 2 day of August, 2002  
Mary Kay S. Vaughn  
NOTARY PUBLIC (Seal)

MARY KAY S. VAUGHN  
NOTARY PUBLIC, OHIO  
RECORDS IN CUYAHOGA COUNTY  
MY COMMISSION EXPIRES 11-9-04

ASSETS	1 Current Period	December 31, 2001
1. Bonds.....		
2. Stocks.....		
2.1 Preferred Stocks.....		
2.2 Common Stocks.....		
3. Mortgage loans on real estate.....		
4. Real estate, less \$.....encumbrances.....		
5. Collateral loans.....		
6.1 Cash on hand and on deposit.....	2,263,859	2,483,592
6.2 Short-term investments.....		
7. Aggregate write-ins for invested assets.....		
7A. Subtotals, cash and invested assets (Lines 1 to 7).....	2,263,859	2,483,592
8. Premium due and unpaid.....	100,132	144,281
9. Funds held by or deposited with reinsurance companies.....		
10. Reinsurance recoverables on loss and loss adjustment payments.....		
10.1 Reinsurance recoverable on unpaid losses.....		
11. Federal income tax recoverable.....		
12. Interest and other investment income due and accrued.....	70,279	34,340
13. Receivable from parent, subsidiaries and affiliates.....		
14. Electronic data processing equipment.....		
15. Aggregate write-ins for other than invested assets.....		
16. TOTALS (Lines 7A through 15)	2,434,270	2,662,213
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 7 FOR INVESTED ASSETS</b>		
0701.....		
0702.....		
0703.....	NONE	
0704.....		
0705.....		
0798 Summary of remaining write-ins for Line 7 from overflow page.....		
0799 Totals (Lines 0701 through 0705 plus 0798)(Page 2, Line 7)		
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 15 FOR OTHER THAN INVESTED ASSETS</b>		
1501.....		
1502.....		
1503.....	NONE	
1504.....		
1505.....		
1598 Summary of remaining write-ins for Line 15 from overflow page.....		
1599 Totals (Lines 1501 through 1505 plus 1598)(Page 2, Line 15)		

NOTE: The lines on this page to agree with Exhibit 1, Column 4.

<b>LIABILITIES, SURPLUS AND SPECIAL FUNDS</b>	1 Current Period	2 December 31, 2001
1. Claims unpaid (Part 2A, Col. 4, Line 5) .....	2,198,115	1,587,296
2. Unpaid claims adjustment expenses (Part 3, Line 22b, Col. 2) .....	— 0 —	216,000
3. Unearned premiums (Part 1, Line 5, Col. <del>X</del> <sup>7</sup> ) .....	26,640	20,909
4. Unearned investment income (Part 4, Line 9, Col. 4) .....		
5. (a) Taxes, licenses and fees due or accrued (excluding Federal income taxes) .....		
(b) Federal income taxes (Including \$ _____ net deferred tax liabilities) .....		
(c) Stop loss, excess, or reinsurance premium due and unpaid .....		
(d) Other expenses due or accrued .....	14,165	20,072
6. Premium deposits made by applicants rejected or not as yet accepted as members or subscribers .....		
7. Borrowed money \$ _____ and interest thereon \$ .....		
8. Amounts withheld or retained for account of others .....	1,293	— 0 —
9. Stop loss, excess, or reinsurance received but not yet due .....		
10. Provision for unauthorized reinsurance .....		
11. Aggregate write-ins for other liabilities .....		
12. Total liabilities (Lines 1 to 11) .....	2,240,213	1,844,277
<b>SURPLUS AND SPECIAL FUNDS</b>		
13. Surplus .....	194,057	817,936
14. Aggregate write-ins for surplus and special funds .....		
15. Total (Line 13 plus Line 14; Page 4, Line 21) .....	194,057	817,936
16. TOTALS (Lines 12 plus 15)	2,434,270	2,662,213
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 11 FOR OTHER LIABILITIES</b>		
1101. ....		
1102. ....		
1103. .... NONE		
1104. ....		
1105. ....		
1198. Summary of remaining write-ins for Line 11 from overflow page .....		
1199. Totals (Lines 1101 through 1105 plus 1198)(Page 3, Line 11)		
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 14 FOR SURPLUS AND SPECIAL FUNDS</b>		
1401. ....		
1402. ....		
1403. .... NONE		
1404. ....		
1405. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Lines 1401 through 1405 plus 1498)(Page 3, Line 14)		

UNDERWRITING AND INVESTMENT EXHIBIT	1 Current Year To Date	2 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 5, Col. 8)	5,672,287	11,076,618
2. Claims incurred (Part 2, Line 5, Col. 5)	5,556,686	9,856,630
3. Expenses incurred (Part 3, Line 21, Col. 2, 3, 4):		
(a) Claim adjustment	609,713	1,170,405
(b) Administrative	134,329	273,162
(c) Soliciting		
4. Individual stop loss, excess, or reinsurance expense (Net of incurred Recoveries)	189,490	362,338
5. Aggregate stop loss, excess, or reinsurance expense (Net of incurred Recoveries)		
5A Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	6,490,218	11,662,535
7. Net underwriting gain or (loss) (Line 1 minus Line 6)	<817,931>	<585,917>
<b>INVESTMENT INCOME</b>		
8. Net investment income earned (Part 4, Line 14, Col. 8)	39,714	119,206
9. Net realized capital gains or (losses) (Part 4A, Line 10, Col. 6)		
10. Net investment gain or (loss) (Line 8 plus Line 9)	39,714	119,206
<b>OTHER INCOME</b>		
11. Aggregate write-ins for other income	18,085	33,043
12. Net gain or (loss) before federal income taxes (Lines 7 + 10 + 11)	<760,132>	<433,668>
13. Federal income taxes incurred		
14. Net gain or (loss) (to Line 16) (Line 12 minus Line 13)	<760,132>	<433,668>
<b>SURPLUS AND SPECIAL FUNDS</b>		
15. Surplus and special funds December 31, previous year (Page 4, Line 21, Col. 2)	817,936	1,380,525
<b>GAINS AND (LOSSES)</b>		
16. Net gain or (loss) (from Line 14)	<760,132>	<433,668>
17. Net unrealized capital gains or (losses) (Part 4A, Line 11, Col. 6)		
18. Change in non-admitted assets (Exhibit 2, Line 9, Col. 3)	136,254	<128,921>
19. Aggregate write-ins for changes to surplus and special funds		
20. Change in surplus and special funds for the year (Lines 16 through 19)	<623,878>	<562,589>
21. Surplus and special funds December 31, current year (Line 15 plus Line 20)	194,058	817,936
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 11 FOR OTHER INCOME</b>		
1101 CLAIMS REFUNDS	716	6,226
1102 LIFE INSURANCE PREMIUMS BILLED IN EXCESS OF PREMIUMS PAID	13,171	26,432
1103 SUBROGATION	4,198	385
1104		
1198 Summary of remaining write-ins for Line 11 from overflow page		
1199 Totals (Lines 1101 through 1105 plus 1198) (Page 4, Line 11)	18,085	33,043
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 19 FOR CHANGES TO RESERVES AND SPECIAL FUNDS</b>		
1901		
1902 NONE		
1903		
1904		
1998 Summary of remaining write-ins for Line 19 from overflow page		
1999 Totals (Line 1901 through 1905 plus 1998) (Page 4, Line 19)		



**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2-CLAIMS PAID AND INCURRED**

1 Line of Business	2 Claims Paid	3 Claims Unpaid Current Year (Col. 4, Part 2A)	4 Claims Unpaid Previous Year	5 Claims Incurred (Cols. 2+3+4)
1. Hospital				
2. Medical	5,398,323	2,198,115	1,803,296	5,793,142
3. Dental				
4. Other				
5. Totals	5,398,323	2,198,115	1,803,296	5,793,142

**PART 2 A-CLAIMS UNPAID**

1 Line of Business	2 Reported Claims in Process of Adjustment	3 Estimated Incurred But Unreported	4 Total Claims Unpaid
1. Hospital			
2. Medical	955,115	1,243,000	2,198,115
3. Dental			
4. Other			
5. Totals	955,115	1,243,000	2,198,115

**PART 2B-ANALYSIS OF CLAIMS UNPAID-PREVIOUS YEAR**

1 Line of Business	Claims Paid Year to Date		Claims Unpaid as of Current Period		6 Total Claims Incurred to date on Claims Incurred in Prior Years (Columns 2 + 4)	7 Reported Liability on Unpaid Claims as of December 31 Previous Year
	2 On Claims Incurred Prior to January 1 of Current Year	3 On Claims Incurred During the Year	4 On Claims Unpaid Dec. 31 of Previous Year	5 On Claims Incurred During the Year		
1. Hospital						
2. Medical	1,389,323	4,009,000	- 0 -	2,198,115	1,389,323	1,803,296
3. Dental						
4. Other						
5. Totals	1,389,323	4,009,000	- 0 -	2,198,115	1,389,323	1,803,296

\* Part 2B, Column 4 and column 5 must equal Part 2A Total of column 4

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 4-INTEREST, DIVIDENDS AND REAL ESTATE INCOME**

1	2 Schedule	3 Collected During Year Less Paid For Accrued on Purchases	Received in Advance		Due and Accrued		8 Earned During Year (Cols. 3 - 4 + 5 + 6 - 7)
			4 Current Year	5 Previous Year	6 Current Year	7 Previous Year	
1. Government Bonds	D*						
1.1. Other Bonds (unaffiliated)	D*						
1.2. Bonds of affiliates	D*						
2.1. Preferred stocks (unaffiliated)	D						
2.11. Preferred stocks of affiliates	D						
2.2. Common stocks (unaffiliated)	D						
2.21. Common stocks of affiliates	D						
3. Mortgage loans	B†						
4. Real estate	A‡						
5. Collateral loans	C						
6.1. Cash on hand and on deposit	E	3775			70,279	34,340	39,714
6.2. Short-term investments	DA**						
7. Financial options and futures							
8. Aggregate write-ins for investment income							
9. TOTALS						34,340	39,714
<b>DEDUCTIONS</b>							
10. Total investment expenses incurred (Part 3, Line 21, Col. 5)							
11. Depreciation on real estate							
12. Aggregate write-ins for other deductions							
13. Total Deductions							
14. Net Investment Income Earned (Line 9 minus Line 13)(to Page 4, Line 8)							39,714

\* Includes \$ accrual of discount less \$ amortization of premium \*\* Includes \$ accrual of discount less \$ amortization of premium  
 † Includes \$ accrual of discount less \$ amortization of premium ‡ Includes \$ for corporation's occupancy of its own buildings  
 ‡ Admitted items only. State basis of exclusions for corporation's occupancy of its own buildings

DETAILS OF WRITE-INS AGGREGATED AT LINE 8 FOR INVESTMENT INCOME							
1	2	3	4	5	6	7	8
0801							
0802							
0803	NONE						
0804							
0805							
0898 Summary of remaining write-ins for Line 8 from overflow page							
0899 Totals (Lines 0801 through 0805 plus 0898 (Part 4, Line 8))							

DETAILS OF WRITE-INS AGGREGATED AT LINE 12 FOR INVESTMENT INCOME							
1	2	3	4	5	6	7	8
1201							
1202							
1203	NONE						
1204							
1205							
1298 Summary of remaining write-ins for Line 12 from overflow page							
1299 Totals (Lines 1201 through 1205 plus 1298 (Part 4, Line 12))							

**PART 4A-CAPITAL GAINS AND (LOSSES) ON INVESTMENTS**

	1 Profit on Sales or Maturity	2 Loss on Sales or Maturity	3 Increases by Adjustment in Book Value	4 Decreases by Adjustment in Book Value	5 Net Gain or (Loss) from Change in Difference Between Book and Admitted Values	6 Total (Net of Cols. 1 to 5 incl.) (1 - 2 + 3 - 4 + 5)
1. Government Bonds						
1.1. Other bonds (unaffiliated)						
1.2. Bonds of affiliates						
2.1. Preferred stocks (unaffiliated)						
2.11. Preferred stocks of affiliates						
2.2. Common stocks (unaffiliated)						
2.21. Common stocks of affiliates	NONE					
3. Mortgage loans						
4. Real Estate						
5. Collateral loans						
6.1. Cash on hand and on deposit						
6.2. Short-term investments						
7. Financial options and futures						
8. Aggregate write-ins for capital gains and (losses)						
9. TOTALS						
(Distribution of Line 9, Col. 6)						
10. Net realized capital gains or (losses)* (Page 4, Line 9)(Col. 1 - 2, Line 9)						
11. Net Unrealized capital gains or (losses)* (Page 4, Line 17)(Cols. 3 - 4 + 5, Line 9)						

\* Attach statement or memorandum explaining basis of division. † Excluding \$ depreciation or real estate included in Part 4, Line 11

DETAILS OF WRITE-INS AGGREGATED AT LINE 8 FOR CAPITAL GAINS AND (LOSSES)						
1	2	3	4	5	6	7
0801						
0802						
0803	NONE					
0804						
0805						
0898 Summary of remaining write-ins for Line 8 from overflow page						
0899 Totals (Lines 0801 through 0805 plus 0898 (Part 4A, Line 8))						

**EXHIBIT 1-ANALYSIS OF ASSETS**

	1 Ledger Assets	2 Non-Ledger Including Excess of Market (or Amortized) Over Book Values	3 Assets Not Admitted Including Excess of Book Over Market (or Amortized Values)	4 Net Admitted Assets (Cols. 1 + 2 - 3)
1. Bonds (Schedule D).....				
2. Stocks (Schedule D):				
2.1 Preferred stocks.....				
2.2 Common stocks.....				
3. Mortgage loans on real estate (Schedule B):				
(a) First liens.....				
(b) Other than first liens.....				
4. Real estate, less encumbrances (Schedule A).....				
5. Collateral loans (Schedule C).....				
6.1 Cash on hand and on deposit:				
(a) Cash in company's office.....				
(b) Cash on deposit (Schedule E).....	2,263,859			2,263,859
6.2 Short-term investments (Schedule DA).....				
7. Aggregate write-ins for invested assets.....				
7A. Subtotal, cash and invested assets.....	100,132			100,132
8. Premium due and unpaid.....				
9. Funds held by or deposited with reinsurance companies.....				
10. Reinsurance recoverables on loss and loss adjustment payments (Schedule S, Col. 1).....				
10A. Reinsurance recoverable on unpaid losses.....				
11. Federal income tax recoverable.....				
12. Interest and other investment income due and accrued.....	10,279			10,279
13. Receivables from parent subsidiaries and affiliates.....				
14. Electronic data processing equipment.....				XXX
15. Equipment, furniture and supplies.....				XXX
16. Third party reimbursements receivable.....				XXX
17. Assessments and penalties due and unpaid.....				XXX
18. Prepaid expenses.....				
19. Loans on person security, endorsed or not.....				
20. Aggregate write-ins for other than invested assets.....				
21. Totals (Lines 1 through 20).....	2,434,270			2,434,270
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 7 FOR INVESTED ASSETS</b>				
0701.....				
0702.....				
0703.....	NONE			
0704.....				
0705.....				
0798 Summary of remaining write-ins for Line 7 from overflow page.....				
0799 Totals (Lines 0701 through 0705 plus 0798)(Exhibit 1, Line 7).....				
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 20 FOR OTHER THAN INVESTED ASSETS</b>				
2001.....				
2002.....				
2003.....	NONE			
2004.....				
2005.....				
2098 Summary of remaining write-ins for Line 20 from overflow page.....				
2099 Totals (Lines 2001 through 2005 plus 2098)(Exhibit 1, Line 20).....				

**EXHIBIT 2-ANALYSIS OF NON-ADMITTED ASSETS**  
 Excluding Excess of Book Over Market (or Amortized) Values and Exhibit 1, Line 12, Column 3

	1 End of Previous Year	2 End of Current Period	3 Change for Year (Increase) or Decrease (Column 1 minus Column 2)
1. Uncollected premiums.....			
2. Deposits in suspended depositories, less estimated amount recoverable.....			
3. Equipment, furniture and supplies.....			
4. Loans on personal security, endorsed or not.....			
5. Third Party reimbursements receivable.....			
6. Assessments and penalties due and unpaid.....			
7. Prepaid expenses.....	136,254	- 0 -	136,254
8. Aggregate write-ins for assets not admitted.....			
9. Total change (Column 3)(Carry to Page 4, Line 18).....	XXX	XXX	136,254
<b>DETAILS OF WRITE-INS AGGREGATED AT LINE 8 FOR ASSETS NOT ADMITTED</b>			
0801.....			
0802.....			
0803.....	NONE		
0804.....			
0805.....			
0898 Summary of remaining write-ins for Line 8 from overflow page.....			
0899 Totals (Lines 0801 through 0805 plus 0898) (Exhibit 2, Line 8).....			

**GENERAL INTERROGATORIES**

1. (a) Where any of the stocks, bonds or other assets of the MEWA loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]
- (b) If "yes", please give full and complete information relating thereto.  
 .....  
 .....
2. (a) Have any changes been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the MEWA? Yes [ ] No [X]
- (b) If "Yes", date of change:  
 If not previously filed, furnish herewith a certified copy of the instrument as amended.  
 \_\_\_\_\_
3. Have there been any substantial changes in the organizational chart, managers, officers or Trustees since year end? Yes [ ] No [X]  
 If "yes", attach an explanation.
4. (a) If the MEWA 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 since the last filed statement? Yes [ ] No [X]
- (b) If "yes", attach an explanation.
5. (a) Have any of the MEWA's primary reinsurance contracts been canceled since the last filed statement? Yes [ ] No [X]
- (b) if "yes", give full and complete information thereto.  
 .....  
 .....
6. (a) What is the number of employer groups as of the current period? 107
- (b) What is the number of enrollees as of the current period? 3194

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**OVERFLOW PAGE FOR WRITE-INS**

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NONE