



QUARTERLY STATEMENT

AS OF June 30, 2002
OF THE CONDITION AND AFFAIRS OF THE
HOMETOWN INSURANCE GROUP, INC.

NAIC Group Code <u>3058</u> <small>(Current Period)</small>	NAIC Company Code <u>11224</u> <small>(Prior Period)</small>	Employer's ID Number <u>34-1956845</u>
Organized under the Laws of <u>Ohio</u>	State of Domicile or Port of Entry <u>OH</u>	
Country of Domicile <u>US</u>		
Incorporated <u>10/30/2001</u>	Commenced Business <u>02/13/2002</u>	
Statutory Home Office <u>100 Lillian Gish Blvd., Suite 301</u> <small>(Street and Number)</small>	<u>Massillon, OH 44647</u> <small>(City, or Town, State and Zip Code)</small>	
Main Administrative Office <u>100 Lillian Gish Blvd., Suite 301</u> <small>(Street and Number)</small>	<u>Massillon, OH 44647</u> <small>(City or Town, State and Zip Code)</small>	
Mail Address <u>100 Lillian Gish Blvd., Suite 301</u> <small>(Street and Number or P.O. Box)</small>	<u>Massillon, OH 44647</u> <small>(City, or Town, State and Zip Code)</small>	
Primary Location of Books and Records <u>100 Lillian Gish Blvd., Suite 301</u> <small>(Street and Number)</small>	<u>Massillon, OH 44647</u> <small>(City, or Town, State and Zip Code)</small>	
Internet Website Address _____	<u>(877)236-2289-</u> <small>(Area Code) (Telephone Number)</small>	
Statutory Statement Contact <u>John F. Strah</u> <small>(Name)</small>	<u>(330)834-2203-</u> <small>(Area Code)(Telephone Number)(Extension)</small>	
<u>JStrah@Hometownhealthnet.com</u> <small>(E-Mail Address)</small>	<u>(330)834-2040-</u> <small>(Fax Number)</small>	
Policyowner Relations Contact _____	<u>(877)236-2289-</u> <small>(Area Code) (Telephone Number)</small>	
_____	<u>(330)834-2040-</u> <small>(Area Code) (Telephone Number)(Extension)</small>	

OFFICERS

President William C. Epling
Secretary Richard J. Streck M.D.
Treasurer John F. Strah

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Michael Gallucci Calvin Warren Jr., M.D. Alan J. Bleyer William C. Epling J. Gregory Feczko D.O.	Clifford Isroff Thomas Stover M.D. Charles Clark Scott Abell Richard J. Streck M.D.
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State of Ohio
County of Stark ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures 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) William C. Epling (Printed Name) President	_____ (Signature) Richard J. Streck, MD (Printed Name) Secretary	_____ (Signature) John F. Strah (Printed Name) Treasurer
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Subscribed and sworn to before me this
15th day of August, 2002

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

Yes[X] No[]

08/15/2002
37

(Notary Public Signature)

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$..... encumbrances)				
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Policy loans				
6. Premium notes, including \$..... for first year premiums				
7. Cash (\$.....4,309,742) and short-term investments (\$.....)	4,309,742		4,309,742	
8. Other invested assets				
9. Receivable for Securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	4,309,742		4,309,742	
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers	28,333	28,333		
12.2 Commissions and expense allowances due				
12.3 Experience rating and other refunds due				
12.4 Other amounts receivable under reinsurance contracts				
13. Electronic data processing equipment and software				
14. Federal and foreign income tax recoverable and interest thereon (including \$..... net deferred tax asset)				
15. Guaranty funds receivable or on deposit				
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$..... loading)				
17. Accident and health premiums due and unpaid	1,374,911		1,374,911	
18. Investment income due and accrued				
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
21. Amounts receivable relating to uninsured accident and health plans ..				
22. Amounts due from agents				
23. Other assets nonadmitted				
24. Aggregate write-ins for other than invested assets	124,928		124,928	
25. TOTAL assets excluding Separate Accounts business (Lines 11 to 24)	5,837,914	28,333	5,809,581	
26. From Separate Accounts Statement				
27. TOTAL (Lines 25 and 26)	5,837,914	28,333	5,809,581	
Details Of Write-ins				
1001				
1002				
1003				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. State Deposit (ODI)	100,000		100,000	
2402. Other Receivables - RX Rebates	24,928		24,928	
2403				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	124,928		124,928	

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Aggregate reserve for life policies and contracts \$..... less \$..... included in Line 6.3 (including \$..... Modco Reserve)		
2.	Aggregate reserve for accident and health contracts (including \$..... Modco Reserve)	1,231,000	
3.	Liability for deposit-type contracts (including \$..... Modco Reserve)		
4.	Contract claims:		
4.1	Life		
4.2	Accident and health		
5.	Policyholders' dividends \$..... and coupons \$..... due and unpaid		
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1	Dividends apportioned for payment to (including \$..... Modco Reserve)		
6.2	Dividends not yet apportioned (including \$..... Modco Reserve)		
6.3	Coupons and similar benefits (including \$..... Modco Reserve)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident & health policies and contracts received in advance less \$..... discount; including \$..... accident and health premiums	1,375,308	
9.	Contract liabilities not included elsewhere:		
9.1	Surrender values on canceled contracts		
9.2	Provision for experience rating refunds, including \$..... A&H experience rating refunds		
9.3	Other amounts payable on reinsurance; including \$..... assumed and \$..... ceded		
9.4	Interest Maintenance Reserve		
10.	Commissions to agents due or accrued-life and annuity contracts \$....., accident and health \$..... and deposit-type contract funds \$.....		
11.	Commissions and expense allowances payable on reinsurance assumed		
12.	General expenses due or accrued	201,399	
13.	Transfers to Separate Accounts due or accrued (net) (Including \$..... accrued for expense allowances recognized in reserves)		
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes		
15.	Federal and foreign income taxes, including \$..... on realized capital gains (losses) (Including \$..... net deferred tax liability)		
16.	Unearned investment income		
17.	Amounts withheld or retained by company as agent or trustee		
18.	Amounts held for agents' account, including \$..... agents' credit balances		
19.	Remittances and items not allocated		
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above		
22.	Borrowed money \$..... and interest thereon \$.....		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
24.1	Asset valuation reserve		
24.2	Reinsurance in unauthorized companies		
24.3	Funds held under reinsurance treaties with unauthorized reinsurers		
24.4	Payable to parent, subsidiaries and affiliates		
24.5	Drafts outstanding		
24.6	Liability for amounts held under uninsured accident and health plans		
24.7	Funds held under coinsurance		
24.8	Payable for securities		
24.9	Capital notes \$..... and interest thereon \$.....		
25.	Aggregate write-ins for liabilities		
26.	TOTAL Liabilities excluding Separate Accounts business (Lines 1 to 25)	2,807,707	
27.	From Separate Accounts Statement		
28.	TOTAL LIABILITIES (Lines 26 and 27)	2,807,707	
29.	Common capital stock		
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds		
32.	Surplus Notes		
33.	Gross paid in and contributed surplus	3,010,000	
34.	Aggregate write-ins for special surplus funds		
35.	Unassigned funds (surplus)	(8,126)	
36.	Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$.....)		
36.2 shares preferred (value included in Line 30 \$.....)		
37.	Surplus (Lines 31 to 35, Less 36) (Including \$..... in Separate Accounts Statement)	3,001,874	
38.	TOTALS of Lines 29, 30 and 37	3,001,874	
39.	TOTALS of Lines 28 and 38	5,809,581	
DETAILS OF WRITE-INS			
2501			
2502			
2503			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
3101			
3102			
3103			
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401			
3402			
3403			
3498.	Summary of remaining write-ins for Line 34 from overflow page		
3499.	TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health policies and contracts	3,637,580		
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	20,784		
4. Amortization of Interest Maintenance Reserve (IMR)			
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded			
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	32,703		
9. TOTALS (Lines 1 to 8.3)	3,691,067		
10. Death benefits			
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts	2,984,077		
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and other fund withdrawals for life contracts			
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds			
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health policies and contracts			
20. TOTALS (Lines 10 to 19)	2,984,077		
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only)	207,681		
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	395,880		
24. Insurance taxes, licenses and fees, excluding federal income taxes	92,356		
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts			
27. Aggregate write-ins for deductions			
28. TOTALS (Lines 20 to 27)	3,679,995		
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	11,073		
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	11,073		
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	2,400		
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	8,673		
34. Net realized capital gains or (losses) less capital gains tax of \$..... (excluding taxes of \$..... transferred to the IMR)			
35. Net Income (Line 33 plus Line 34)	8,673		
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year			
37. Net Income (Line 35)	8,673		
38. Change in net unrealized capital gains or (losses)			
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax			
41. Change in nonadmitted assets and related items	(28,333)		
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve			
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in	3,021,534		
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus (Lines 37 through 53)	3,001,874		
55. Capital and surplus, as of statement date (Lines 36 + 54)	3,001,874		
DETAILS OF WRITE-INS			
08.301. COB/Subrogation Recovery	7,775		
08.302. RX Rebates	24,928		
08.303			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	32,703		
2701			
2702			
2703			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)			
5301			
5302			
5303			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)			

CASH FLOW

		1	2
		Current Year To Date	Prior Year Ended December 31
CASH FROM OPERATIONS			
1.	Premiums and annuity considerations for life and accident and health contracts	3,637,580	
2.	Charges and fees for deposit-type contracts		
3.	Considerations for supplementary contracts with life contingencies		
4.	Net investment income	20,784	
5.	Commissions and expense allowances on reinsurance ceded		
6.	Fees associated with investment management, administration and contract guarantee from Separate Accounts		
7.	Aggregate write-ins for miscellaneous income	32,703	
8.	TOTAL (Lines 1 to 7)	3,691,067	
9.	Death benefits		
10.	Matured endowments		
11.	Annuity benefits		
12.	Disability benefits and benefits under accident and health contracts	2,984,077	
13.	Coupons, guaranteed annual pure endowments and similar benefits		
14.	Surrender benefits and withdrawals for life contracts		
15.	Group conversions		
16.	Interest and adjustments on contract or deposit-type contract funds		
17.	Payments on supplementary contracts with life contingencies		
18.	TOTAL (Lines 9 to 17)	2,984,077	
19.	Commissions on premiums, annuity considerations, and deposit type contract funds	207,681	
20.	Commissions and expense allowances on reinsurance assumed		
21.	General insurance expenses	395,880	
22.	Insurance taxes, licenses and fees, excluding federal income taxes	92,356	
23.	Net transfers to or (from) Separate Accounts		
24.	Aggregate write-ins for deductions		
25.	TOTAL (Lines 18 to 24)	3,679,995	
26.	Dividends paid to policyholders		
27.	Federal income taxes (excluding tax on capital gains)	2,400	
28.	TOTAL (Lines 25 to 27)	3,682,395	
29.	Net cash from operations (Line 8 minus Line 28)	8,673	
CASH FROM INVESTMENTS			
30.	Proceeds from investments sold, matured or repaid:		
30.1	Bonds		
30.2	Stocks		
30.3	Mortgage loans		
30.4	Real estate		
30.5	Other invested assets		
30.6	Net gains or (losses) on cash and short-term investments		
30.7	Miscellaneous proceeds		
30.8	TOTAL investment proceeds (Lines 30.1 to 30.7)		
31.	Net tax on capital gains (losses)		
32.	TOTAL (Line 30.8 minus Line 31)		
33.	Cost of investments acquired (long-term only):		
33.1	Bonds		
33.2	Stocks		
33.3	Mortgage loans		
33.4	Real estate		
33.5	Other invested assets		
33.6	Miscellaneous applications		
33.7	TOTAL investments acquired (Lines 33.1 to 33.6)		
34.	Net increase (or decrease) in policy loans and premium notes		
35.	Net cash from investments (Line 32 minus Line 33.7 minus Line 34)		
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
36.	Cash provided:		
36.1	Surplus notes, capital and surplus paid in	3,010,000	
36.2	Borrowed money \$..... less amounts repaid \$.....		
36.3	Capital notes \$..... less amounts repaid \$.....		
36.4	Deposits on deposit-type contract funds and other liabilities without life or disability contingencies		
36.5	Other cash provided	1,391,069	
36.6	TOTAL (Lines 36.1 to 36.5)	4,401,069	
37.	Cash applied:		
37.1	Dividends to stockholders paid		
37.2	Interest on indebtedness		
37.3	Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies		
37.4	Other applications (net)	100,000	
37.5	TOTAL (Lines 37.1 and 37.4)	100,000	
38.	Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	4,301,069	
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
39.	Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	4,309,742	
40.	Cash and short-term investments:		
40.1	Beginning of year		
40.2	End of period (Line 39 plus Line 40.1)	4,309,742	
DETAILS OF WRITE-INS			
0701.	COB/Subrogation Recovery	7,775	
0702.	RX Rebates	24,928	
0703.		
0798.	Summary of remaining write-ins for Line 7 from overflow page		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	32,703	
2401.		
2402.		
2403.		
2498.	Summary of remaining write-ins for Line 24 from overflow page		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)		

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT - TYPE CONTRACTS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance			
3. Ordinary individual annuities			
4. Credit life (group and individual)			
5. Group life insurance			
6. Group annuities			
7. A & H - group			
8. A & H - credit (group and individual)	3,637,580		
9. A & H - other			
10. Aggregate of all other lines of business			
11. Subtotal	3,637,580		
12. Deposit-type contracts			
13. Total	3,637,580		
DETAILS OF WRITE-INS			
1001			
1002			
1003			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)			

Notes to Financial Statement

N O N E

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes[] No[X]
- 1.2 If yes, explain: Yes[] No[X] N/A[]
- 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[X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes[] No[X] N/A[]
- 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[X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended. Yes[] No[X]
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes attach an organizational chart. Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6. 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?
If yes, attach an explanation. Yes[] No[X] N/A[]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 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.
- 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).
- 7.4 By what department or departments?
- 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[X]
- 8.2 If yes, give full information

GENERAL INTERROGATORIES (continued)

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

INVESTMENT

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

- 14.1 Does the reporting entity have any hedging transactions reported in 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[X] N/A[]
 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[] No[X]
 15.1 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
.....

- 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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 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 Central Registration Depository	2 Name(s)	3 Address
.....

10 General Interrogatories Part 2..... NONE

11 Schedule A Verification..... NONE

11 Schedule B Verification..... NONE

11 Schedule BA Verification..... NONE

12 Schedule D Part 1B..... NONE

13 Schedule DA Part 1..... NONE

13 Schedule DA Part 2 Verification..... NONE

14 Schedule DB Part F Section 1..... NONE

15 Schedule DB Part F Section 2..... NONE

16 Schedule S Ceded Reinsurance..... NONE

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**Current Year To Date - Allocated by States and Territories**

States, Etc.			1 Is Insurer Licensed? (Yes or No)	Direct Business Only				
				Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
				2 Life Insurance Premiums	3 Annuity Considerations			
1. Alabama	AL	No						
2. Alaska	AK	No						
3. Arizona	AZ	No						
4. Arkansas	AR	No						
5. California	CA	No						
6. Colorado	CO	No						
7. Connecticut	CT	No						
8. Delaware	DE	No						
9. District of Columbia	DC	No						
10. Florida	FL	No						
11. Georgia	GA	No						
12. Hawaii	HI	No						
13. Idaho	ID	No						
14. Illinois	IL	No						
15. Indiana	IN	No						
16. Iowa	IA	No						
17. Kansas	KS	No						
18. Kentucky	KY	No						
19. Louisiana	LA	No						
20. Maine	ME	No						
21. Maryland	MD	No						
22. Massachusetts	MA	No						
23. Michigan	MI	No						
24. Minnesota	MN	No						
25. Mississippi	MS	No						
26. Missouri	MO	No						
27. Montana	MT	No						
28. Nebraska	NE	No						
29. Nevada	NV	No						
30. New Hampshire	NH	No						
31. New Jersey	NJ	No						
32. New Mexico	NM	No						
33. New York	NY	No						
34. North Carolina	NC	No						
35. North Dakota	ND	No						
36. Ohio	OH	Yes			3,694,247			
37. Oklahoma	OK	No						
38. Oregon	OR	No						
39. Pennsylvania	PA	No						
40. Rhode Island	RI	No						
41. South Carolina	SC	No						
42. South Dakota	SD	No						
43. Tennessee	TN	No						
44. Texas	TX	No						
45. Utah	UT	No						
46. Vermont	VT	No						
47. Virginia	VA	No						
48. Washington	WA	No						
49. West Virginia	WV	No						
50. Wisconsin	WI	No						
51. Wyoming	WY	No						
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate other alien	OT	X X X						
58. SUBTOTAL		(a) 1			3,694,247			
90. Reporting entity contributions for employee benefits plans		X X X						
91. Dividends or refunds applied to purchase paid-up additions and annuities		X X X						
92. Dividends or refunds applied to shorten endowment or premium paying period		X X X						
93. Premium or annuity considerations waived under disability or other contract provisions		X X X						
94. Aggregate other amounts not allocatable by State		X X X						
95. TOTALS (Direct Business)		X X X			3,694,247			
96. Plus Reinsurance Assumed		X X X						
97. TOTALS (All Business)		X X X			3,694,247			
98. Less Reinsurance Ceded		X X X			56,667			
99. TOTALS (All Business) less Reinsurance Ceded		X X X			3,637,580			
DETAILS OF WRITE-INS								
5701		X X X						
5702		X X X						
5703		X X X						
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X						
5799. TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)		X X X						
9401		X X X						
9402		X X X						
9403		X X X						
9498. Summary of remaining write-ins for Line 94 from overflow page		X X X						
9499. TOTALS (Lines 9401 through 9403 plus 9498) (Line 94 above)		X X X						

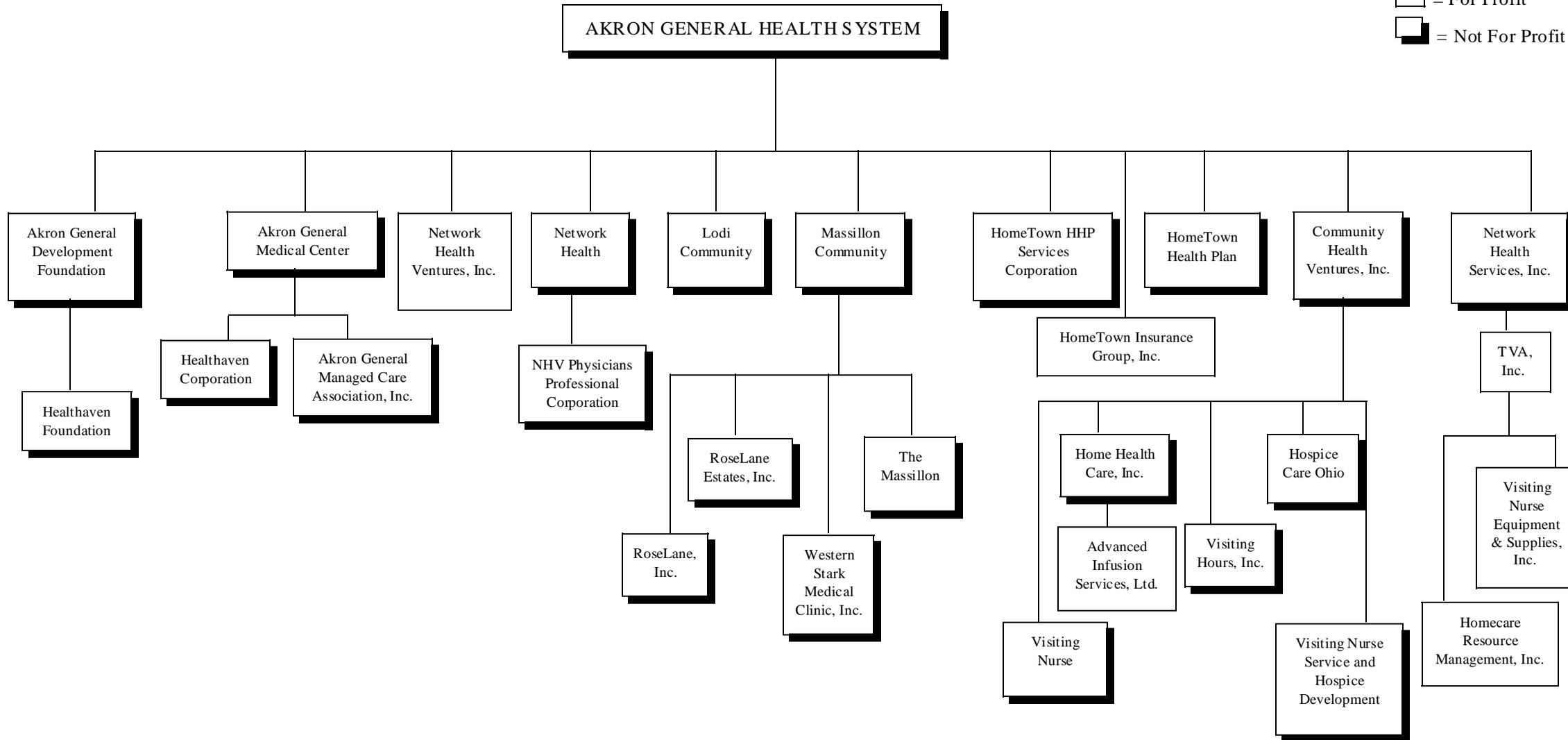
(a) Insert the number of yes responses except for Canada and Other Alien.

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

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL CHART AKRON GENERAL HEALTH SYSTEM ORGANIZATION CHART

 = For Profit
 = Not For Profit



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.

	<u>RESPONSES</u>
1. Will the SVO Compliance Certification be filed with this statement?	Yes
2. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	No

Explanations:

Bar Codes:



E01	Schedule A Part 2	NONE
E01	Schedule A Part 3	NONE
E02	Schedule B Part 1	NONE
E02	Schedule B Part 2	NONE
E03	Schedule BA Part 1	NONE
E03	Schedule BA Part 2	NONE
E04	Schedule D Part 3	NONE
E05	Schedule D Part 4	NONE
E06	Schedule DB Part A Section 1	NONE
E06	Schedule DB Part B Section 1	NONE
E07	Schedule DB Part C Section 1	NONE
E07	Schedule 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 First Month	6 Second Month	7 Third Month	
open depositories								
Advest, Inc.	Investment account	0.700	4,713		2,921,865	2,423,430	1,923,411	
First Merit	Operating account	0.743	2,524		1,414,821	1,323,541	1,386,061	
First Merit	Money Market account		1,814			500,271	1,000,271	
0199998 Deposits in depositories which do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X						
0199999 Totals - Open Depositories		X X X	9,051		4,336,686	4,247,242	4,309,742	
0299998 Deposits in depositories which do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories		X X X						
0299999 Totals - Suspended Depositories		X X X						
0399999 Total Cash On Deposit		X X X	9,051		4,336,686	4,247,242	4,309,742	
0499999 Cash in Company's Office		X X X	X X X	X X X				
0599999 Total Cash		X X X	9,051		4,336,686	4,247,242	4,309,742	

TSS-1 **Trusted Surplus Affidavit** **NONE**

TSS-2 **Trusted Surplus Assets** **NONE**

TSS-2 **Trusted Surplus Assets (Cont.)** **NONE**

TSS-3 **Trusted Surplus Liabilities** **NONE**

TSS-1, TSS-2, TSS-3

OVERFLOW PAGE FOR WRITE-INS

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