



HEALTH QUARTERLY STATEMENT

As of June 30, 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 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Address of Main Administrative Office	3333 Quality Drive Rancho Cordova CA 95670 <i>(Street and Number) (City or Town, State and Zip Code)</i>	916-851-5000 <i>(Area Code) (Telephone Number)</i>
Mail Address	3333 Quality Drive Rancho Cordova CA 95670 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	3333 Quality Drive Rancho Cordova CA 95670 <i>(Street and Number) (City or Town, State and Zip Code)</i>	916-851-5000 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	www.vsp.com	
Statement Contact	Laura Olson <i>(Name)</i> laurol@vsp.com <i>(E-Mail Address)</i>	916-851-5000 <i>(Area Code) (Telephone Number) (Extension)</i> 916-858-5388 <i>(Fax Number)</i>
Policyowner Relations Contact	3333 Quality Drive Rancho Cordova CA 95670 <i>(Street and Number) (City or Town, State and Zip Code)</i>	800-622-7444 <i>(Area Code) (Telephone Number) (Extension)</i>

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.....
County of.....

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) Roger Joseph Valine (Printed Name) President	(Signature) Gary Norman Brooks (Printed Name) Secretary	(Signature) Patricia Cochran (Printed Name) Treasurer
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Subscribed and sworn to before me this
.....day of, 2002
.....

ASSETS

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds.....	9,153,169		9,153,169	11,110,089
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	532,395		532,395	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 (\$.....2,201,683) and short-term investments (\$.....18,616,232).....	20,817,915		20,817,915	18,264,712
6. Other long-term invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotal, cash and invested assets (Lines 1 to 8).....	30,503,479	0	30,503,479	29,905,040
10. Accident and health premiums due and unpaid.....	1,024,081	3,838	1,020,243	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.....	292,729		292,729	438,243
15. Amounts due from parent, subsidiaries and affiliates.....			0	
16. Amounts receivable relating to uninsured accident and health plans.....	2,673,467	87	2,673,380	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 \$.....797,598 net deferred tax asset).....	797,598		797,598	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).....	35,291,354	3,925	35,287,429	34,392,173

DETAILS OF WRITE-INS

0801.			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).....	0	0	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).....	3,510,170		3,510,170	3,541,889
2. Accrued medical incentive pool and bonus payments.....			0	
3. Unpaid claims adjustment expenses.....	229,112		229,112	242,955
4. Aggregate policy reserves.....			0	
5. Aggregate claim reserves.....			0	
6. Premiums received in advance.....	73,881		73,881	132,748
7. General expenses due or accrued.....	93,635		93,635	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).....	1,992,258		1,992,258	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.....	797,321		797,321	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.....	776,016		776,016	772,830
17. Aggregate write-ins for other liabilities (including \$.....0 current).....	310,739	0	310,739	432,697
18. Total liabilities (Lines 1 to 17).....	7,783,132	0	7,783,132	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	27,004,297	24,987,343
25. Less treasury stock at cost:				
25.1 .....0.000 shares common (value included in Line 19 \$.....0).....	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 \$.....0).....	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less 25).....	XXX	XXX	27,504,297	25,487,343
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX	XXX	35,287,429	34,392,173

DETAILS OF WRITE-INS

1701. Taxes, licenses and fees due or accrued.....	212,178		212,178	306,991
1702. Benefit liability.....	98,561		98,561	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).....	310,739	0	310,739	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	5,189,258	10,167,302
2. Net premium income.....	XXX	20,214,529	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	244,112	769,732
6. Aggregate write-ins for other health care related revenues.....	XXX	.0	.0
7. Total revenues (Lines 2 to 6).....	XXX	20,458,641	36,396,699
Medical and Hospital:			
8. Hospital/medical benefits.....			
9. Other professional services.....		18,125,216	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	18,125,216	35,059,501
Less:			
16. Net reinsurance recoveries.....			
17. Total medical and hospital (Lines 15 minus 16).....	.0	18,125,216	35,059,501
18. Claims adjustment expenses.....		7,060	369,655
19. General administrative expenses.....		7,966	405,290
20. Increase in reserves for accident and health contracts.....			
21. Total underwriting deductions (Lines 17 through 20).....	.0	18,140,242	35,834,446
22. Net underwriting gain or (loss) (Lines 7 minus 21).....	XXX	2,318,399	562,253
23. Net investment income earned.....		460,099	1,348,433
24. Net realized capital gains or (losses).....		18	
25. Net investment gains or (losses) (Lines 23 plus 24).....	.0	460,117	1,348,433
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....85,539)].....		(85,539)	(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	2,692,977	1,896,076
29. Federal and foreign income taxes incurred.....	XXX	1,011,363	1,442,318
30. Net income (loss) (Lines 28 minus 29).....	XXX	1,681,614	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	2
	Current Year-to-Date	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.....	1,681,614	453,758
33. Change in valuation basis of aggregate policy and claim reserves.....		
34. Net unrealized capital gains and losses.....	233	(79,802)
35. Change in net unrealized foreign exchange capital gain or (loss).....		
36. Change in net deferred income tax.....	262,161	(366,421)
37. Change in nonadmitted assets.....	72,946	(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).....	2,016,954	900,881
47. Capital and surplus end of reporting period (Line 31 plus 46).....	27,504,297	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.....	20,389,803	36,949,730
2. Claims and claims adjustment expenses.....	18,177,838	33,875,130
3. General administrative expenses paid.....	(618)	380,192
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	2,212,583	2,694,408
6. Net Investment income.....	655,133	1,367,875
7. Other income (expenses).....	(121,958)	274,944
8. Federal and foreign income taxes (paid) recovered.....	(1,660,000)	(395,912)
9. Net cash from operations (Lines 5 to 8).....	1,085,758	3,941,315
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....	4,000,000	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).....	4,000,181	6,750,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....	2,092,600	6,126,050
11.2 Stocks.....	2,120	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).....	2,094,720	6,130,645
12. Net cash from investments (Line 10.8 minus Line 11.7).....	1,905,461	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.....	9,683	1,072,408
13.5 Total (Lines 13.1 to 13.4).....	9,683	1,467,637
14. Cash applied:		
14.1 Dividends to stockholders paid.....		
14.2 Net transfers to affiliates.....	257,070	
14.3 Borrowed funds repaid.....		
14.4 Other applications.....	190,629	21,089
14.5 Total (Lines 14.1 to 14.4).....	447,699	21,089
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	(438,016)	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).....	2,553,203	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).....	20,817,915	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.....	853,546				853,546					
4. Third Quarter.....	0									
5. Current Year.....	0									
6. Current Year Member Months.....	5,189,258				5,189,258					
Total Member Ambulatory Encounters for Period:										
7. Physician.....	0									
8. Non-Physician.....	138,937				138,937					
9. Total.....	138,937	0	0	0	138,937	0	0	0	0	0
10. Hospital Patient Days Incurred.....	0									
11. Number of Inpatient Admissions.....	0									
12. Premiums Collected.....	20,323,249				20,323,249					
13. Premiums Earned.....	20,458,641				20,458,641					
14. Amount Paid for Provision of Health Care Services.....	18,156,935				18,156,935					
15. Amount Incurred for Provision of Health Care Services.....	18,125,216				18,125,216					

7

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Payable (Reported)						
Pricing claims.....	496,711					496,711
0199999. Individually Listed Claims Payable.....	496,711	0	0	0	0	496,711
0499999. Subtotals.....	496,711	0	0	0	0	496,711
0599999. Unreported Claims and Other Claim Reserves.....						3,013,459
0799999. Total Claims Payable.....						3,510,170

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.....	1,840,968	16,315,967		3,510,170	1,840,968	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.....	1,840,968	16,315,967	0	3,510,170	1,840,968	3,541,889
10. Medical incentive pools, accruals and disbursements.....					0	
11. Totals.....	1,840,968	16,315,967	0	3,510,170	1,840,968	3,541,889

6

NOTES TO FINANCIAL STATEMENTS

Organization: Vision Service Plan (the Company) is organized as a non-profit corporation under the laws of the State of Ohio provide and administer vision care plans in order to make available professional optometric services to eligible members of participating clients. The Company is controlled and managed by its parent company, Vision Service Plan (a California non-profit corporation).

Basis of Presentation: The accompanying financial statements have been prepared on the statutory basis of accounting prescribed by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual – version effective January 1, 2001 and the Department of Insurance of the State of Ohio.

Income Taxes: The Company accrues income tax liabilities based on statutory guidance found in the Codification of Statutory Accounting Principles, Statement of Statutory Accounting Principles No. 10 adopted as of January 1, 2001.

The company was denied tax-exempt status by the Internal Revenue Service (IRS). The IRS is conducting an examination of the Company and certain affiliates. The significant issue under review by the IRS is certain unrelated business income. If the IRS is successful in its assertion, the Company could be required to pay additional taxes on unrelated business income. The Company accrued the estimated liability of \$830,000 as of June 30, 2002 and paid \$560,000 in the form of a bond, pending resolution of certain tax strategies.

Resolution of Contingency: The United States Department of Labor (DOL) completed its investigation of the Company's service provider activities to employee health benefit plans covered under the Employee Retirement Income Security Act of 1974 (ERISA). While the Company believes it has complied with ERISA, it has agreed to refund \$125,706 to certain clients by March 31, 2004. The unpaid balance of \$98,561 is recorded as accrued liabilities as of June 30, 2002.

Wash Sales: The Company has no wash 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 [X]

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 [X]

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 [X]

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 [X]
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 [X]

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 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? Yes [] No [X] 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 [X]

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 Prior Year-End Statement Value	2 Current Quarter 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 Name of Custodian(s)	2 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 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

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.....	.....26,796,495	.....5,393,778	.....4,395,317	.....(25,556)	.....26,796,495	.....27,769,400	.....	.....23,710,154
2. Class 2.....	.....	.....	.....	.....	.....	.....	.....	.....
3. Class 3.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Class 4.....	.....	.....	.....	.....	.....	.....	.....	.....
5. Class 5.....	.....	.....	.....	.....	.....	.....	.....	.....
6. Class 6.....	.....	.....	.....	.....	.....	.....	.....	.....
7. Total Bonds.....	.....26,796,495	.....5,393,778	.....4,395,317	.....(25,556)	.....26,796,495	.....27,769,400	.....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.....	.....26,796,495	.....5,393,778	.....4,395,317	.....(25,556)	.....26,796,495	.....27,769,400	.....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.....	18,616,232	XXX	18,616,232	104,683	

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	16,617,771	0	8,726,227
2. Cost of short-term investments acquired.....	8,331,122	5,393,778		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	3,395,317		10,675,190
7. Book/adjusted carrying value, current period.....	16,617,771	18,616,232	0	12,600,066
8. Total valuation allowance.....				
9. Subtotal (Lines 7 plus 8).....	16,617,771	18,616,232	0	12,600,066
10. Total nonadmitted amounts.....				
11. Statement value (Lines 9 minus 10).....	16,617,771	18,616,232	0	12,600,066
12. Income collected during period.....	186,583	104,683		531,166
13. Income earned during period.....	95,991	107,554		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	20,399,774	146,455	339,154	
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	20,399,774	146,455	339,154	0

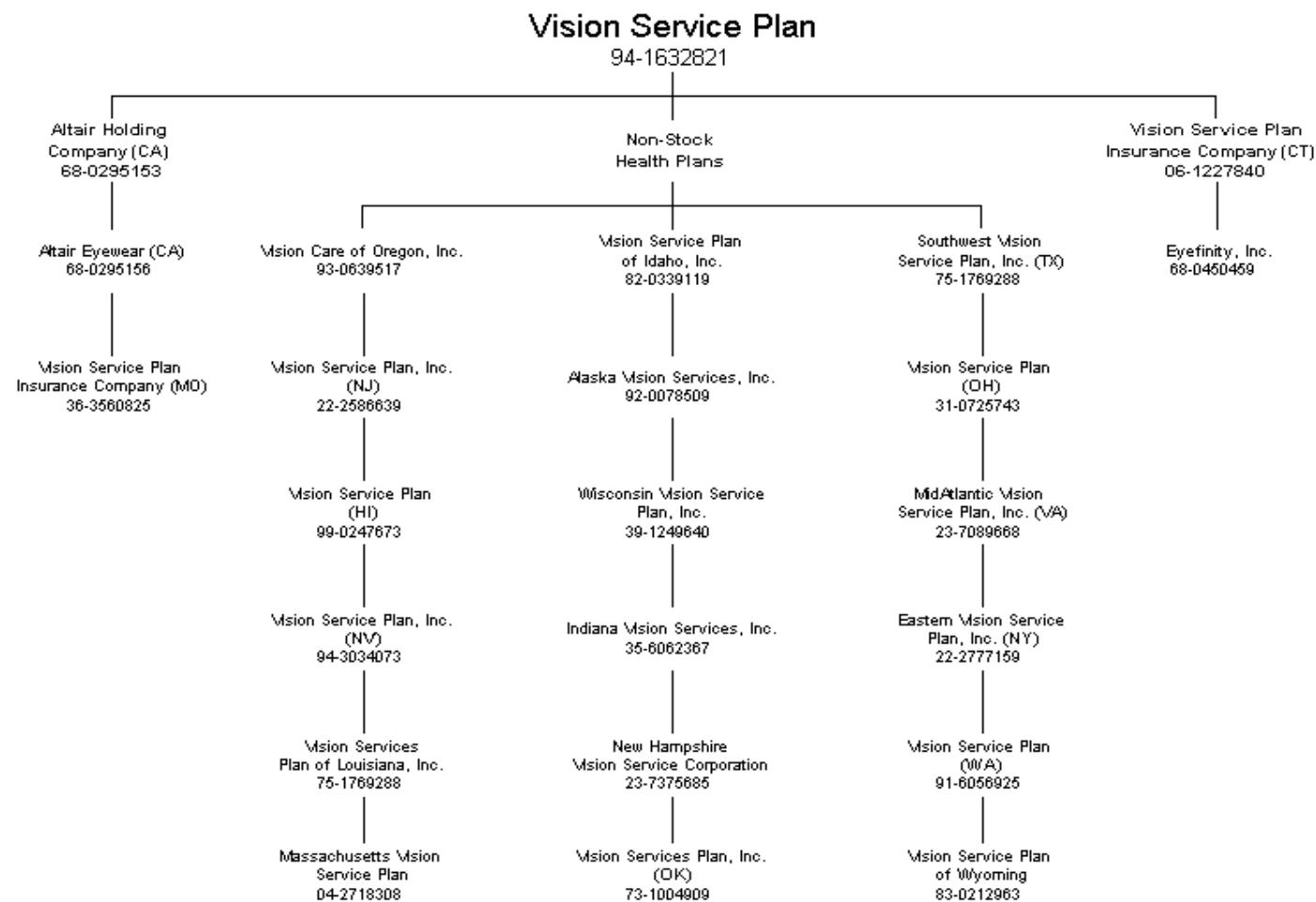
DETAILS OF WRITE-INS

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



6/30/02

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)
Common Stocks - Industrial and Miscellaneous								
United States								
626129 76 1.....	Munder Index 500.....	06/26/2002.....	Merrill Lynch.....	60.000	1,208			L.....
	United States.....				1,208	XXX	0	XXX.....
6899999	Total - Common Stocks - Industrial & Miscellaneous.....				1,208	XXX	0	XXX.....
7099997	Total - Common Stocks - Part 3.....				1,208	XXX	0	XXX.....
7099999	Total - Common Stocks.....				1,208	XXX	0	XXX.....
7199999	Total - Preferred and Common Stocks.....				1,208	XXX	0	XXX.....
7299999	Total - Bonds, Preferred and Common Stocks.....				1,208	XXX	0	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 - Special Revenue and Special Assessment																
United States																
3133MO GW 5.	FHLB.....	05/28/2002	MATURITY.....	.....1,000,000	.....1,000,000	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....0	1PE.....
	U.S.....			.....1,000,000	.....1,000,000	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....0	XXX.....
	United States.....			.....1,000,000	.....1,000,000	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....0	XXX.....
3199999.	Total - Bonds - Special Revenue & Assessment.....			.....1,000,000	.....1,000,000	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....0	XXX.....
6099997.	Total - Bonds - Part 4.....			.....1,000,000	.....1,000,000	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....0	XXX.....
6099999.	Total - Bonds.....			.....1,000,000	.....1,000,000	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....0	XXX.....
7299999.	Total - Bonds, Preferred and Common Stocks.....			.....1,000,000	.....XXX.....	.....1,000,000	.....1,005,700	.....1,000,000	.....(1,539)	.....0	.....0	.....0	.....0	.....33,450	.....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	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.....		10,982		1,471,118	1,287,109	1,977,953	
Bank One - cd (matures 3/9/03).....	1.730		754	172,470	172,470	172,470	
Bank One - cd (matures 12/4/03).....	4.550		1,144	50,000	50,000	50,000	
Merrill Lynch - money market.....	6.000			10	10	10	
0199999. Total Open Depositories.....	XXX	10,982	1,898	1,693,598	1,509,589	2,200,433	XXX
0399999. Total Cash on Deposit.....	XXX	10,982	1,898	1,693,598	1,509,589	2,200,433	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	1,250	1,250	1,250	XXX
0599999. Total Cash.....	XXX	10,982	1,898	1,694,848	1,510,839	2,201,683	XXX