



# HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

## DAYTON AREA HEALTH PLAN

NAIC Group Code \_\_\_\_\_ (Current Period) \_\_\_\_\_ (Prior Period) NAIC Company Code 95201 Employer's ID Number 31-1143265

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Dental Service Corporation [ ]  
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [ X ]  
Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [ ] No [ X ]

Incorporated 06/12/1985 Commenced Business 10/01/1988

Statutory Home Office ONE SOUTH MAIN STREET, DAYTON, OH 45402  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office ONE SOUTH MAIN STREET  
(Street and Number) DAYTON, OH 45402 937-224-3300  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address ONE SOUTH MAIN STREET, DAYTON, OH 45402  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records ONE SOUTH MAIN STREET  
(Street and Number) DAYTON, OH 45402 937-224-2229  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address \_\_\_\_\_

Statement Contact RAYMOND DEBROSSE 937-224-2229  
(Name) (Area Code) (Telephone Number) (Extension)  
ray.debrosse@care-source.com 937-224-2272  
(E-mail Address) (FAX Number)

Policyowner Relations Contact \_\_\_\_\_  
(Street and Number) \_\_\_\_\_  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President Pamela B. Morris Secretary/Treasurer William F. Marsteller  
Chairperson Ellen Leffak

### VICE PRESIDENTS

### DIRECTORS OR TRUSTEES

Morris L. Brown MD Morton Nelson MD

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss

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

Pamela B. Morris William F. Marsteller Ellen Leffak  
President Secretary/Treasurer Chairperson

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002

STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

ASSETS

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds .....	52,296,224		52,296,224	38,818,726
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 (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....			(a)	
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....26,764,175 ) and short-term investments (\$ ..... ) .....	26,764,175		26,764,175	21,041,565
6. Other long-term invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	79,060,399		79,060,399	59,860,291
10. Accident and health premiums due and unpaid .....				2,997,396
11. Health care receivables .....	3,137,454		3,137,454	596,193
12. Amounts recoverable from reinsurers .....	861,220		861,220	303,617
13. Net adjustment in assets and liabilities due to foreign exchange rates .....				
14. Investment income due and accrued .....	609,200		609,200	370,049
15. Amounts due from parent, subsidiaries and affiliates .....				
16. Amounts receivable relating to uninsured accident and health plans .....				
17. Furniture and equipment .....	451,648		451,648	474,307
18. Amounts due from agents .....				
19. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....				
20. Electronic data processing equipment and software.....	1,610,597		1,610,597	1,201,196
21. Other nonadmitted assets .....	507,123	507,123		
22. Aggregate write-ins for other than invested assets .....	829,769		829,769	
23. Total assets (Lines 9 plus 10 through 22)	87,067,410	507,123	86,560,287	65,803,049
<b>DETAILS OF WRITE-INS</b>				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)				
2201. OTHER RECEIVABLES.....	829,769		829,769	0
2202. ....				
2203. ....				
2298. Summary of remaining write-ins for Line 22 from overflow page .....				
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	829,769		829,769	

(a) \$ ..... 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 \$ ..... reinsurance ceded)	30,035,716		30,035,716	23,226,695
2. Accrued medical incentive pool and bonus payments .....				
3. Unpaid claims adjustment expenses .....				2,529,084
4. Aggregate policy reserves .....				
5. Aggregate claim reserves .....				
6. Premiums received in advance .....	28,845,982		28,845,982	24,129,851
7. General expenses due or accrued .....	2,257,061		2,257,059	
8. Federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability) .....				
9. Amounts withheld or retained for the account of others .....				
10. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
11. Amounts due to parent, subsidiaries and affiliates .....				
12. Payable for securities .....				
13. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....				
14. Reinsurance in unauthorized companies .....				
15. Net adjustments in assets and liabilities due to foreign exchange rates .....				
16. Liability for amounts held under uninsured accident and health plans .....				
17. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
18 Total liabilities (Lines 1 to 17).....	61,138,759		61,138,757	49,885,630
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		
24. Unassigned funds (surplus) .....	XXX	XXX	25,421,530	15,917,425
25. Less treasury stock, at cost:				
25.1 ..... shares common (value included in Line 19) \$ ..... ) .....	XXX	XXX		
25.2 ..... shares preferred (value included in Line 20) \$ ..... ) .....	XXX	XXX		
26. Total capital and surplus (Lines 19 to 25) .....	XXX	XXX	25,421,530	15,917,425
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	86,560,287	65,803,055
<b>DETAILS OF WRITE-INS</b>				
1701. ....				
1702. ....				
1703. ....				
1798. Summary of remaining write-ins for Line 17 from overflow page .....				
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)				
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	XXX	XXX		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year to Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,135,911	1,405,870
2. Net premium income .....	XXX	171,455,475	194,942,201
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX		
7. Total revenues (Lines 2 to 6) .....	XXX	171,455,475	194,942,201
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits .....		132,139,377	151,681,734
9. Other professional services .....		21,470,139	24,065,912
10. Outside referrals .....			
11. Emergency room and out-of-area .....			
12. Prescription drugs .....			
13. Aggregate write-ins for other medical and hospital .....			
14. Incentive pool and withhold adjustments .....			
15. Subtotal (Lines 8 to 14) .....		153,609,516	175,747,646
<b>Less:</b>			
16. Net reinsurance recoveries .....		(886,668)	(1,317,120)
17. Total medical and hospital (Lines 15 minus 16) .....		154,496,184	177,064,766
18. Claims adjustment expenses .....		7,952,619	12,750,977
19. General administrative expenses .....		883,624	1,416,779
20. Increase in reserves for accident and health contracts .....			
21. Total underwriting deductions (Lines 17 through 20) .....		163,332,427	191,232,522
22. Net underwriting gain or (loss) (Lines 7 minus 21) .....	XXX	8,123,048	3,709,679
23. Net investment income earned .....		1,341,614	1,793,877
24. Net realized capital gains or (losses) .....		(33,576)	134,837
25. Net investment gains or (losses) (Lines 23 plus 24) .....		1,308,038	1,928,714
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
27. Aggregate write-ins for other income or expenses .....			23,843
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....		9,431,086	5,662,236
29. Federal and foreign income taxes incurred .....	XXX		
30. Net income (loss) (Lines 28 minus 29) .....	XXX	9,431,086	5,662,236
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	XXX		
1301. ....			
1302. ....			
1303. ....			
1398. Summary of remaining write-ins for Line 13 from overflow page .....			
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....			
2701. OTHER REVENUE .....			23,843
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page .....			
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....			23,843

**CAPITAL AND SURPLUS ACCOUNT**

	1 Current Year to Date	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>		
31. Capital and surplus prior reporting period .....	15,917,420	10,577,417
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>		
32. Net income or (loss) from Line 30 .....	9,431,086	5,662,236
33. Change in valuation basis of aggregate policy and claim reserves .....		
34. Net unrealized capital gains and losses .....		
35. Change in net unrealized foreign exchange capital gain or (loss) .....		
36. Change in net deferred income tax .....		
37. Change in nonadmitted assets .....	73,024	(322,233)
38. Change in unauthorized reinsurance .....		
39. Change in treasury stock .....		
40. Change in surplus notes .....		
41. Cumulative effect of changes in accounting principles .....		
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 .....		
46. Net change in capital & surplus (Lines 32 to 45) .....	9,504,110	5,340,003
47. Capital and surplus end of reporting period (Line 31 plus 46)	25,421,530	15,917,420
<b>DETAILS OF WRITE-INS</b>		
4501. ....		
4502. ....		
4503. ....		
4598. Summary of remaining write-ins for Line 45 from overflow page .....		
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)		

**STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**CASH FLOW**

	1 Current Year to Date	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums and revenues collected net of reinsurance .....	16,959,291	17,877,435
2. Claims and claims adjustment expenses .....	7,952,619	12,750,977
3. General administrative expenses paid .....	883,624	1,416,779
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	8,123,048	3,709,679
6. Net investment income .....	1,341,614	1,793,877
7. Other income (expenses) .....		23,843
8. Federal and foreign income taxes (paid) recovered .....		
9. Net cash from operations (Lines 5 to 8) .....	9,464,662	5,527,399
<b>Cash from Investments</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds .....	12,339,721	27,709,755
10.2 Stocks .....		
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 .....	(33,576)	134,837
10.7 Miscellaneous proceeds .....		
10.8 Total investment proceeds (Lines 10.1 to 10.7) .....	12,306,145	27,844,592
11. Cost of investments acquired (long-term only):		
11.1 Bonds .....	25,817,217	49,126,222
11.2 Stocks .....		
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) .....	25,817,217	49,126,222
12. Net Cash from investments (Line 10.8 minus Line 11.7) .....	(13,511,072)	(21,281,630)
<b>Cash from Financing and Miscellaneous Sources</b>		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in .....		
13.2 Net transfers from affiliates .....		
13.3 Borrowed funds received .....		
13.4 Other cash provided .....	9,769,020	27,801,734
13.5 Total (Lines 13.1 to 13.4) .....	9,769,020	27,801,734
14. Cash applied:		
14.1 Dividends to stockholders paid .....		
14.2 Net transfers to affiliates .....		
14.3 Borrowed funds repaid .....		
14.4 Other applications .....	0	
14.5 Total (Lines 14.1 to 14.4) .....	0	
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5) .....	9,769,020	27,801,734
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15) .....	5,722,610	12,047,503
17. Cash and short-term investments:		
17.1 Beginning of period .....	21,041,556	8,994,053
17.2 End of period (Line 16 plus Line 17.1) .....	26,764,166	21,041,556

STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

**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 Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	17,860								171,860	
2. First Quarter .....	182,710								182,710	
3. Second Quarter .....	204,556								204,556	
4. Third Quarter .....										
5. Current Year										
6. Current Year Member Months	1,135,911								1,135,911	
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....										
8. Non-Physician .....										
9. Total										
10. Hospital Patient Days Incurred	40,860								40,860	
11. Number of Inpatient Admissions	12,263								12,263	
12. Premiums Collected .....	173,630,345								173,630,345	
13. Premiums Earned	171,455,475							0	171,455,475	
14. Amount Paid for Provision of Health Care Services .....	147,722,879								147,722,879	
15. Amount Incurred for Provision of Health Care Services	154,496,184								154,496,184	



STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

**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 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (Hospital & Medical) .....						
2. Medicare Supplement .....						
3. Dental Only.....						
4. Vision Only.....						
5. Federal Employees Health Benefits Plan Premiums .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid.....	22,159,698	125,527,468	315,178	24,482,066	22,474,876	23,226,695
8. Other .....						
9. Subtotal .....	22,159,698	125,527,468	315,178	24,482,066	22,474,876	23,226,695
10. Medical incentive pools, accruals and disbursements .....						
11. Totals	22,159,698	125,527,468	315,178	24,482,066	22,474,876	23,226,695

**NOTES TO FINANCIAL STATEMENTS**

**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:  
.....
- 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 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? ..... Yes [ ] No [ ] NA [X]  
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. .... 12/31/2001
- 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. .... 12/31/2001
- 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). .... 06/01/2001
- 7.4 By what department or departments?  
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**

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

**INVESTMENT**

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 .....	\$ .....	\$ .....
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 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
NATIONAL CITY BANK.....	6 NORTH MAIN STREET, DAYTON, OHIO 45402.....
MCDONALD INVESTMENTS.....	800 SUPERIOR AVE., CLEVELAND, OHIO 44114-2603.....
FIFTH THIRD BANK.....	38 FOUNTAIN SQUARE PLAZA, CINCINNATI, OHIO 45263.....

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
NATIONAL CITY BANK.....		6 NORTH MAIN STREET, DAYTON, OHIO 45402.....

**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 .....	<b>NONE</b>			
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 .....				
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....				
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)				

**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 .....	<b>NONE</b>			
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 .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

**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 .....	<b>NONE</b>			
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 .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period				

STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

**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
<b>BONDS</b>								
1. Class 1 .....	48,710,798	11,372,908	7,773,782	(13,701)	48,710,798	52,296,223		38,818,726
2. Class 2 .....								
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	48,710,798	11,372,908	7,773,782	(13,701)	48,710,798	52,296,223		38,818,726
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	48,710,798	11,372,908	7,773,782	(13,701)	48,710,798	52,296,223		38,818,726

Schedule DA - Part 1

**NONE**

Schedule DA - Part 2

**NONE**

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**



**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

States, 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 Benefit Program Premium
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH				171,455,475	
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Canada	CN					
57. Aggregate Other Alien	OT	XXX	XXX			
58. Total (Direct Business)	XXX	(a)			171,455,475	
<b>DETAILS OF WRITE-INS</b>						
5701.						
5702.						
5703.						
5798.	Summary of remaining write-ins for Line 57 from overflow page					
5799.	Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)					

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART**



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "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 question.

RESPONSE

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

.....Yes.....

**Explanation:**

**Bar Code:**

**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

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)
3133MN-NS-6	FHLB NOTE	05/30/2002	MCDONALD INVESTMENTS		2,000,000	2,000,000	278	1
039999 - Total	Bonds - U.S. Government				2,000,000	2,000,000	278	XXX
617446-GL-7	MORGAN STANLEY	04/08/2002	FIFTH/THIRD BANK		1,294,896	1,250,000	36,642	1
059438-AJ-0	BANK ONE CORP	04/08/2002	FIFTH/THIRD BANK		1,008,451	1,000,000	33,144	1PE
369626-XY-5	GEN ELEC CAP CORP	04/17/2002	FIFTH/THIRD BANK		1,011,565	1,000,000	4,031	1
22541L-AD-5	CREDIT SUISSE FB USA	05/30/2002	FIFTH/THIRD BANK		509,437	500,000	1,997	1
345397-TX-1	FORD MTR CR CO GLOBAL LNDMRK	05/15/2002	FIFTH/THIRD BANK		1,009,110	1,000,000	19,861	2
459745-FA-8	INTL LEASE FINANCE CORP	06/19/2002	FIFTH/THIRD BANK		1,232,485	1,200,000	3,750	1
233835-AS-6	DAIMLER CHRYSLER	06/05/2002	FIFTH/THIRD BANK		1,048,064	1,000,000	3,556	2W
110122-AF-5	BRISTOL MYER SQB	06/28/2002	MCDONALD INVESTMENT		1,557,750	1,550,000	17,793	1
742718-BW-8	PROCTOR & GAMBLE	06/28/2002	MCDONALD INVESTMENT		621,150	615,000	1,379	1
459999 - Total	Bonds - Industrial, Misc.				9,29,908	9,115,000	12,153	XXX
609997 - Total	Bonds - Part 3				11,29,908	11,115,000	12,431	XXX
609999 - Total	Bonds				11,29,908	11,115,000	12,431	XXX
659999 - Total	Preferred Stocks					XXX		XXX
709999 - Total	Common Stocks					XXX		XXX
719999 - Total	Preferred and Common Stocks					XXX		XXX
7299999 - Totals					11,29,908	XXX	12,431	XXX

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

E04

STATEMENT AS OF JUNE 30, 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	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)
3136F0-BA-9	FNMT NOTE	04/04/2002	FIFTH/THIRD BANK		1,003,750	1,000,000	1,003,750	1,003,750					.0	27,600		1PE
312923-TB-1	FHLM CORP	04/03/2002	FIFTH/THIRD BANK		1,250,000	1,250,000	1,250,000	1,250,000					.0	31,737		1
3133F0-AZ-2	FHLM NOTE	05/16/2002	FIFTH/THIRD BANK		1,000,000	1,000,000	1,000,000	1,000,000					.0	26,250		1
3133M4-PR-8	FHLB NOTE	06/25/2002	NATIONAL CITY BANK		1,100,000	1,100,000	1,118,282	1,118,282				(18,282)	(18,282)	33,083		1
3133F0-CK-3	FHLMC NOTE	06/15/2002	FIFTH/THIRD BANK		1,200,000	1,200,000	1,203,000	1,203,000				(3,000)	(3,000)	30,334		1
3133MF-QY-7	FHLB NOTE	06/28/2002	KEY BANK		1,200,000	1,200,000	1,200,000	1,200,000					.0	30,210		1
3133MM-5P-4	FHLB NOTE	06/28/2002	KEY BANK		1,000,000	1,000,000	1,000,000	1,000,000					.0	10,513		1
039999 - Bonds - U.S. Governments					7,753,750	7,750,000	7,775,032	7,775,032	0	0	0	(21,282)	(21,282)	189,727	XXX	XXX
6099997 - Bonds - Part 4					7,753,750	7,750,000	7,775,032	7,775,032	0	0	0	(21,282)	(21,282)	189,727	XXX	XXX
609999 - Total - Bonds					7,753,750	7,750,000	7,775,032	7,775,032				(21,282)	(21,282)	189,727	XXX	XXX
659999 - Total - Preferred Stocks														XXX		XXX
709999 - Total - Common Stocks														XXX		XXX
719999 - Total - Preferred and Common Stocks														XXX		XXX
7299999 Totals					7,753,750	XXX	7,775,032	7,775,032				(21,282)	(21,282)	189,727		XXX

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

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

