

**QUARTERLY STATEMENT**

OF THE

**PacifiCare of Ohio, Inc.**

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of **Cincinnati**

in the state of **Ohio**

TO THE

**Insurance Department**

OF THE

**STATE OF OHIO**

**FOR THE QUARTER ENDED  
June 30, 2002**

HEALTH

**2002**



95940200220100102

# HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

**PacifiCare of Ohio, Inc.**

NAIC Group Code 0466 0466 NAIC Company Code 95940 Employer's ID Number 31-1098026  
(Current Period) (Prior Period)

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

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Health Service Corporation [ ] Dental Service Corporation [ ]  
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X] Is HMO Federally Qualified? YES [X] NO [ ]

Date Incorporated or Organized: March 26, 1984 Date Commenced Business: July 23, 1984

Statutory Home Office: 7207 Wooster Pike #259 Cincinnati, OH 45227

Main Administrative Office: 6455 South Yosemite Street Greenwood Village, CO 80111 303-220-5800

Mail Address: 6455 South Yosemite Street Greenwood Village, CO 80111

Primary Location of Books and Records: 6455 South Yosemite Street Greenwood Village, CO 80111 303-220-5800

Internet Website Address: N/A

Statement Contact: Brian Cray 303-714-3542  
303-714-3978  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 6455 South Yosemite Street Greenwood Village, CO 80111 303-220-5800

## OFFICERS

**President:** Thomas Dale Anthony  
**Secretary:** Joseph Samuel Konowiecki  
**Treasurer:** Coy Franklin Baugh  
**Actuary:** \_\_\_\_\_

## Vice-Presidents

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## DIRECTORS OR TRUSTEES

Bradford Allen Bowlus Thomas Dale Anthony Richard Fred Rivers  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State of Ohio  
County of Hamilton 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.

\_\_\_\_\_  
(Signature) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Signature)  
Thomas Dale Anthony Joseph Samuel Konowiecki Coy Franklin Baugh  
\_\_\_\_\_  
(Printed Name) \_\_\_\_\_ (Printed Name) \_\_\_\_\_ (Printed Name)  
President Secretary Treasurer

Subscribed and sworn to before me this  
15th day of August, 2002

NOTARY PUBLIC (Seal)

## ASSETS

	Current Period			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1. Bonds				6,315,065
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 \$ 0 encumbrances)			(a)	
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 6,743,244 ) and short-term investments (\$ 1,372,481 )	8,115,725		8,115,725	10,969,313
6. Other long-term invested assets				
7. Receivable for securities	261,000		261,000	
8. Aggregate write-ins for invested assets				
9. Subtotal cash and invested assets (Lines 1 to 8)	8,376,725		8,376,725	17,284,378
10. Accident and health premiums due and unpaid	117	117		74,901
11. Health care receivables				
12. Amounts recoverable from reinsurers				
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued	7,931		7,931	36,602
15. Amounts due from parent, subsidiaries and affiliates	2,891,141		2,891,141	3,114,400
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment				
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including \$ 0 net deferred tax asset)				
20. Electronic data processing equipment and software				
21. Other nonadmitted assets				
22. Aggregate write-ins for other than invested assets				
23. Total assets (Lines 9 plus 10 through 22)	11,275,914	117	11,275,797	20,510,281

DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)				
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)				

(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)				103,908
2. Accrued medical incentive pool and bonus payments	4,870		4,870	685,492
3. Unpaid claims adjustment expenses				2,362
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance				
7. General expenses due or accrued	434,187		434,187	455,869
8. Federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses) (including \$ 310,052 net deferred tax liability)	310,052		310,052	
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
11. Amounts due to parent, subsidiaries and affiliates	732		732	9,663
12. Payable for securities				
13. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 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 \$ 0 current)	3,100,000		3,100,000	6,451,441
18. Total liabilities (Lines 1 to 17)	3,849,841		3,849,841	7,708,735
19. Common capital stock	X X X	X X X		
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X	11,445,580	17,445,580
22. Surplus notes	X X X	X X X		
23. Aggregate write-ins for other than special surplus funds	X X X	X X X		
24. Unassigned funds (surplus)	X X X	X X X	(4,019,624)	(4,644,034)
25. Less treasury stock, at cost:				
25.1 0 shares common (value included in Line 19 \$ 0)	X X X	X X X		
25.2 0 shares preferred (value included in Line 20 \$ 0)	X X X	X X X		
26. Total capital and surplus (Lines 19 to 24 less 25)	X X X	X X X	7,425,956	12,801,546
27. Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	11,275,797	20,510,281

DETAILS OF WRITE-INS				
1701. A/P and Other Accrued	3,100,000		3,100,000	6,451,441
1702.				
1703.				
1798. Summary of write-ins for Line 17 from overflow page				
1799. Totals (Lines 1701 through 1703 plus 1798) (Line 17 above)	3,100,000		3,100,000	6,451,441
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year to Date		Prior Year
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X		
2. Net premium income	X X X	28,160	(328,202)
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	39,269	143,027
7. Total revenues (Lines 2 to 6)	X X X	67,429	(185,175)
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits	5,162	(29,329)	(578,274)
9. Other professional services			(6,736)
10. Outside referrals			
11. Emergency room and out-of-area	52,722	56,412	759,072
12. Prescription drugs			(77,347)
13. Aggregate write-ins for other medical and hospital	9,013	50,031	933,040
14. Incentive pool and withhold adjustments		(573,430)	(2,181,441)
15. Subtotal (Lines 8 to 14)	66,897	(496,316)	(1,151,686)
<b>Less:</b>			
16. Net reinsurance recoveries			189,351
17. Total medical and hospital (Lines 15 minus 16)	66,897	(496,316)	(1,341,037)
18. Claims adjustment expenses			(197,338)
19. General administrative expenses		23,323	(184,536)
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	66,897	(472,993)	(1,722,911)
22. Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	540,422	1,537,736
23. Net investment income earned		164,640	879,237
24. Net realized capital gains or (losses)		87,919	62,950
25. Net investment gains or (losses) (Lines 23 plus 24)		252,559	942,187
26. Net gain or (loss) from agents' or premium balances charged off [( amount recovered \$ 0 ) ( amount charged off \$ 0 )]			
27. Aggregate write-ins for other income or expenses			
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		792,981	2,479,923
29. Federal and foreign income taxes incurred	X X X		
30. Net income (loss) (Lines 28 minus 29)	X X X	792,981	2,479,923

DETAILS OF WRITE-INS			
0601. Network Rental	X X X		16
0602. COB and Subrogation	X X X	39,269	143,011
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	39,269	143,027
1301. Other Medical Expenses	9,013	50,031	933,040
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	9,013	50,031	933,040
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)			

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

<b>CAPITAL &amp; SURPLUS ACCOUNT</b>	1	2
	Current Year to Date	Prior Year
31. Capital and surplus prior reporting period .....	12,801,546	10,228,776
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS</b>		
32. Net income or (loss) from Line 30 .....	792,981	2,479,923
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 .....	(1,138,597)	(4,644,114)
37. Change in nonadmitted assets .....	970,027	(735,699)
38. Change in unauthorized reinsurance .....		
39. Change in treasury stock .....		
40. Change in surplus notes .....		
41. Cumulative effect of changes in accounting principles .....		5,472,660
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 .....	(6,000,000)	
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) .....	(5,375,589)	2,572,770
47. Capital and surplus end of reporting period (Line 31 plus 46)	7,425,957	12,801,546

<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 through 4503 plus 4598) (Line 45 above)		

**CASH FLOW**

	1 Current Year To Date	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums and revenues collected net of reinsurance	103,061	1,811,823
2. Claims and claims adjustment expenses	290,577	12,638,897
3. General administrative expenses paid	45,005	1,310,597
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(232,521)	(12,137,671)
6. Net investment income	281,230	978,343
7. Other income (expenses)	39,269	332,378
8. Federal and foreign income taxes (paid) recovered		
9. Net cash from operations (Lines 5 to 8)	87,978	(10,826,950)
<b>Cash from Investments</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	6,632,682	11,809,679
10.2 Stocks		1,164,408
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	(261,000)	
10.8 Total investment proceeds (Lines 10.1 to 10.7)	6,371,682	12,974,087
11. Cost of investments acquired (long-term only):		
11.1 Bonds	318,653	3,277,861
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)	318,653	3,277,861
12. Net cash from investments (Line 10.8 minus Line 11.7)	6,053,029	9,696,226
<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	223,259	559,259
13.3 Borrowed funds received		
13.4 Other cash provided	1,036	1,029,365
13.5 Total (Lines 13.1 to 13.4)	224,295	1,588,624
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates	8,931	1,050,634
14.3 Borrowed funds repaid		
14.4 Other applications	9,209,959	(92,847)
14.5 Total (Lines 14.1 to 14.4)	9,218,890	957,787
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(8,994,595)	630,837
<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)	(2,853,588)	(499,887)
17. Cash and short-term investments:		
17.1 Beginning of period	10,969,313	11,469,200
17.2 End of period (Line 16 plus Line 17.1)	8,115,725	10,969,313

**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							
Total Members at end of:										
1. Prior Year										
2. First Quarter										
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months										
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Premiums Collected	103,061	220	102,841							
13. Premiums Earned	28,160	53	24,724				6,249	(2,866)		
14. Amount Paid for Provision of Health Care Services	290,576	322	150,377				38,006	101,871		
15. Amount Incurred for Provision of Health Care Services	(496,316)	(438)	(204,556)				(51,701)	(239,621)		



**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 Dec. 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 Dec. 31 of Prior Year
1. Comprehensive (Hospital & Medical)	106,955				106,955	73,120
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan Premiums	26,973				26,973	18,440
6. Title XVIII - Medicare	47,094				47,094	12,348
7. Title XIX - Medicaid						
8. Other						
9. Subtotal	181,022				181,022	103,908
10. Medical Incentive pools, accruals and disbursements	109,554		4,870		114,424	685,492
11. Totals	290,576		4,870		295,446	789,400

## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Summary of Significant Accounting Policies**

#### Accounting Practices

PacifiCare of Ohio, Inc. ("the Company") is a wholly owned subsidiary of PacifiCare Health Plan Administrators, Inc. ("PHPA"). PHPA is wholly owned by PacifiCare Health Systems, Inc. ("PHS" or the "Parent"). The Company is a federally qualified health maintenance organization domiciled in the State of Ohio and the Commonwealth of Kentucky.

On June 14, 2000, the Company publicly announced it would exit the HMO market in the State of Ohio and the Commonwealth of Kentucky as of December 31, 2000. As part of the exit strategy, the Company signed a transition agreement with Community Insurance Company, and Anthem Health Plans of Kentucky, Inc. (collectively, "Anthem"). This agreement allowed Anthem to offer replacement coverage on a guarantee issue basis to the Company's individual and employer group members (excluding the Medicare+Choice and FEHBP membership). Pursuant to state and federal laws, the Company filed notice of its intent to discontinue health benefit plans with the Ohio and Kentucky Departments of Insurance. The Company also submitted and received approval on a major modification filing in Ohio which described the transfer of membership to Anthem, and the discontinuation of the plan operations. The Company had no membership as of midnight December 31, 2000.

The Insurance Departments of the State of Ohio and the Commonwealth of Kentucky ("DOI") recognizes only statutory accounting practices prescribed or permitted by the State of Ohio and Commonwealth of Kentucky for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency. The National Association of Insurance Commissioners' ("the NAIC") Accounting Practices and Procedures manual, version effective January 1, 2001 ("SAP"), has been adopted as a component of prescribed or permitted practices by the State of Ohio and Commonwealth of Kentucky. The DOI has adopted the accounting practices as prescribed by the NAIC.

There is no difference in the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the States of Ohio and Kentucky.

This quarterly statement should be read together with the December 31, 2001 annual statement, as amended, and notes thereto as well as our December 31, 2001 audited financial statements and notes thereto. This quarterly statement reflects all adjustments, consisting solely of normal recurring adjustments, needed to present fairly the financial results for the interim periods. The quarterly results of operations presented for the interim periods are not necessarily indicative of the results for a full year

### **2. Accounting Changes and Corrections of Errors**

Not applicable.

### **3. Business Combinations and Goodwill**

Not applicable.

### **4. Discontinued Operations**

Not applicable.

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**NOTES TO FINANCIAL STATEMENTS**


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**5. Investments**

Not applicable.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

Not applicable.

**7. Investment Income**

No significant changes between quarter-end and year-end.

**8. Derivative Instruments**

Not applicable.

**9. Income Taxes**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for statutory reporting purposes and the amounts used for income tax purposes. The components of net deferred tax asset/(liability) at June 30, 2002 are as follows:

	June 30, 2002	December 31, 2001
Total deferred tax assets (admitted and nonadmitted)	\$ 49,290	\$ 1,547,230
Total deferred tax liabilities	(359,342)	(718,685)
Net deferred tax assets (liabilities)	(310,052)	828,545
Total deferred tax assets nonadmitted in accordance with SSAP No 10, Income Taxes	0	(828,545)
Net deferred tax assets (liabilities) admitted	\$ (310,052)	\$ 0
(Increase) decrease in deferred tax assets nonadmitted	\$ 828,545	\$ 4,644,114

The Company and other PHS subsidiaries are included in the consolidated federal and state income tax returns filed by PHS. The other entities included in the consolidated returns are those listed in Schedule Y Part 1, except for PacifiCare International Limited, Health Maintenance Life (Guam), PacifiCare Asia Pacific Insurance Brokers, Inc., and PacifiCare Health Insurance Company of Micronesia, Inc. Income taxes are allocated to the Company in accordance with an intercompany tax allocation agreement. The agreement allocates federal income taxes in an amount generally equivalent to the amount that would be expensed by the Company if it filed a separate federal tax return.

Significant components of the current income tax expense and the change in deferred tax assets and liabilities are as follows:

June 30,                  December 31,

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**NOTES TO FINANCIAL STATEMENTS**


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	June 30, 2002	December 31, 2001
Current income tax expense (benefit)	\$ 0	\$ 0
Increase (decrease) in deferred tax assets (admitted and nonadmitted)	\$ (1,497,940)	\$ (3,925,430)
(Increase) decrease in deferred tax liabilities	359,343	(718,685)
Net increase (decrease) in deferred tax Assets (admitted and nonadmitted)/Net (increase) decrease in deferred tax liabilities	\$ (1,138,597)	\$ (4,644,115)

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**10. Information Concerning Parent, Subsidiaries and Affiliates***Dividends*

The Company applied for a \$6,000,000 extraordinary dividend on April 2, 2002. The ODI did not disapprove the dividend during the following thirty-day period; thus the dividend was deemed approved and paid on May 9, 2002.

**11. Debt**

Not applicable.

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

Not applicable.

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant changes between quarter-end and year-end.

**14. Contingencies***Office of Personnel Management*

The Company has a commercial contract with the United States Office of Personnel Management ("OPM") to provide managed health care services to federal employees, annuitants and their dependents under the Federal Employee Health Benefits Program (FEHBP). Rather than negotiating rates with the Company, OPM requires the Company to provide the FEHBP with rates comparable to the rates charged to the two employer groups with enrollment closest in size to the FEHBP in the applicable community after making required adjustments. OPM further requires that the Company certify each year that its rates meet these requirements.

Periodically, OPM's Office of Inspector General ("OIG") audits the Company to verify that the premiums charged are calculated and charged in compliance with these regulations and guidelines. OPM has the right to audit the premiums charged during any period for up to six years following that period. The final resolution and settlement of audits have historically taken more than three years and as many as seven years.

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## NOTES TO FINANCIAL STATEMENTS

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During the audit process, OPM may refer its findings to the United States Department of Justice ("DOJ") if it believes that the Company knowingly overcharged the government or otherwise submitted false documentation or certifications in violation of the False Claims Act. Under the False Claims Act, an action can be considered knowingly committed if the government contractor acted with actual knowledge, or with reckless disregard or deliberate ignorance of the government's rules and regulations. If the government were to win a False Claims Act lawsuit against the Company, the government could obtain the amounts overcharged and a trebling of these damages, plus interest and substantial civil penalties. The government could also permanently disqualify the Company from participating in all federal government programs.

In late 1997, the Company established a formal compliance program to specifically address potential issues that may arise from the FEHBP rating process, to work with OPM to understand its interpretation of the rules and guidelines prior to completion of the rating process, to standardize the FEHBP rating process, and to help reduce the likelihood that future government audits will result in any significant findings. Based on the results of the audits that have been conducted since the compliance program was implemented, the Company believes that this program has been effective.

The Company acquired OPM contracts held by FHP International Corporation ("FHP") as a result of its acquisition of FHP in 1997. FHP's HMO subsidiary, TakeCare of Ohio ("TakeCare"), was audited by the OIG. The OIG issued a final audit report in January 1998, alleging that TakeCare overcharged the government for contract years 1991 through 1995. The Company responded to this final audit in April 1998, objecting nearly all of the auditors' claims. OIG's allegations were referred to the DOJ for review of potential claims under the False Claims Act. In addition, a private individual filed a complaint under the False Claims Act in 1998 that remained under seal. On April 12, 2002, the Company resolved issues raised in OIG's final audit report, as well as the False Claims investigations of the DOJ and the private lawsuit under the False Claims Act.

The global settlement with the DOJ requires PHPA to pay \$88 million including interest, of which approximately \$7,533,000 relates to the Company and was paid in May 2002. As part of the settlement, the Company received from OPM approximately \$4,181,000 in premiums that were withheld pending resolution of these audits. The net settlement impact was a favorable charge of approximately \$222,000 in the statement of revenues and expenses for the year ended December 31, 2001. The Company received a guarantee from PHPA on December 31, 2001, under which PHPA indemnified the Company for the estimated OPM liability for the contract years subsequent to 1995, which were not included in the settlement. Accordingly, the estimated OPM liability for 1996 through 2000 had no impact on the Company's 2001 net income. The Company did not admit to any wrongdoing as part of the settlement. The settlement preserves the Company's right to seek recovery from OPM of premium underpayments, if any, for understatements of membership census during the contract years covered by the settlement.

### **15. Leases**

Not applicable.

### **16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

Not applicable.

### **17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities**

## NOTES TO FINANCIAL STATEMENTS

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Not applicable.

### **18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**

Not applicable.

### **19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not applicable.

### **20. Other Items**

No significant changes between quarter-end and year-end.

### **21. Events Subsequent**

The Company filed a Material Modification with the ODI on May 7, 2002 requesting to transfer all known liabilities and related assets to PHPA. On July 5, 2002, the Ohio Department of Insurance approved the transfer of all known liabilities and related assets to PHPA. The transfer occurred on July 29, 2002 in the amount of \$1,367,216.

### **22. Reinsurance**

No significant changes between quarter-end and year-end.

### **23. Retrospectively Rated Contracts**

Not applicable.

### **24. Salvage and Subrogation**

Not applicable.

### **25. Change in Incurred Claims and Claims Adjustment Expenses**

No significant changes between quarter-end and year-end.

### **26. Organization and Operation**

No significant changes between quarter-end and year-end.

### **27. Minimum Net Worth**

No significant changes between quarter-end and year-end.

**NOTES TO FINANCIAL STATEMENTS**

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**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 [X]

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 [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. 09/30/2000

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. 06/30/1997

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). 09/30/1997

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 (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 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 [X]

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 New York	BNY Western Trust Company 700 S. Flower Street, Suite 200 Los Angeles, CA 90017-4104

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
30344	Morgan Stanley Investment Management	One Tower Bridge
	Miller Anderson & Sherrerd, LLP	West Conshohocken, PA19428
N/A	Joyce M. Zacks, Director of Treasury	3120 W. Lake Center Drive, M/S LC01-247 Santa Ana, CA 92704

**SCHEDULE A - VERIFICATION**

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period				
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	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period				
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**

Description	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period				
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				

**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	1,924,590		1,605,956	(318,634)	1,924,590			6,315,065
2. Class 2			318,668	318,668				
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	1,924,590		1,924,624	34	1,924,590			6,315,065
<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 & Preferred Stock	1,924,590		1,924,624	34	1,924,590			6,315,065

### SCHEDULE DA - PART 1

#### Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	1,372,481	X X X	1,372,481	37,159	

### SCHEDULE DA - PART 2 - Verification

#### Short-Term Investments Owned

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	1,967,488	1,709,626		536,930
2. Cost of short-term investments acquired	8,187,132	8,383,004		64,496,949
3. Increase (decrease) by adjustment				(3,384)
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	8,444,994	8,720,149		63,063,007
7. Book/adjusted carrying value, current period	1,709,626	1,372,481		1,967,488
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	1,709,626	1,372,481		1,967,488
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	1,709,626	1,372,481		1,967,488
12. Income collected during period	6,829	37,159		51,974
13. Income earned during period	12,579	8,479		91,107

**NONE**            **Schedule DB Part F Section 1**

**NONE**            **Schedule DB Part F Section 2**

**NONE**            **Schedule S**

**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				
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. Dist. 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	12,388	(1,433)		3,124
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	NO	12,389	(1,433)		3,125
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. Total (Direct Business)	X X X	(a) 2	24,777	(2,866)		6,249

DETAILS OF WRITE-INS			
5701.			
5702.			
5703.			
5798. Summary of remaining write-ins for Line 57 from overflow page			
5799. Totals (Lines 5701 through 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**

0466		IN	35-1508167	PacifiCare Health Plan Administrators Inc.
0466		CA	95-2931460	PacifiCare of California
0466	95893	OR	93-0938819	PacifiCare of Oregon Inc.
0466	96903	OK	33-0115166	PacifiCare of Oklahoma Inc.
0466	95174	TX	33-0115163	PacifiCare of Texas Inc.
0466	48038	WA	91-1312551	PacifiCare of Washington Inc.
0466	70785	IN	35-1137395	PacifiCare Life & Health Insurance Co.
0466	76597	AZ	33-0383619	PacifiCare Life Insurance Co.
0466		DE	33-0538634	PacifiCare Behavioral Health Inc.
0466		CA	95-2797931	PacifiCare Dental
0466		DE	95-4166547	PacifiCare Behavioral Health of California Inc.
0466		CA	33-0894171	PacifiCare eHoldings Inc.
0466		DE	95-4591529	PacifiCare Health Systems Inc.(PHS)
0466	95685	NV	86-0875231	PacifiCare of Nevada Inc.
0466		BERMUDA	98-0132525	FHP Reinsurance Limited Inc.
0466	95617	AZ	94-3267522	PacifiCare of Arizona Inc.
0466	84506	CO	95-2829463	PacifiCare Life Assurance Co.
0466	95434	CO	84-1011378	PacifiCare of Colorado Inc.
0466	95940	OH	31-1098026	PacifiCare of Ohio Inc.
0466		CO	94-3284628	PacifiCare Dental of Colorado Inc.
0466		CA	33-0441200	RxSolutions Inc.
0466		CA	33-0446372	PacifiCare Ventures Inc.
0466		CA	33-0561998	Secure Horizons USA Inc.
0466		DE	33-0894074	SeniorCo Inc.
0466	95165	CO	84-1098764	Antero Health Plans Inc
		Ireland	98-0221131	Pacificare International Limited
	11093	GUAM	98-0223187	PacifiCare Health Insurance Company of Micronesia Inc.
		GUAM	66-0583138	PacifiCare Asia Pacific Insurance Brokers Inc.
		CA	33-0952232	RxConnect Acquisition Corporation
		CA	33-0473608	PacifiCare Health Systems Foundation
		Cayman Island	98-0361997	Salveo Holding Company Ltd.
		Cayman Island	98-0361995	Salveo Insurance Company Ltd.

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplement 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:**

**BARCODE:**

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**OVERFLOW PAGE FOR WRITE-INS**

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**NONE**            **Schedule A Part 2 and 3**

**NONE**            **Schedule B Part 1 and 2**

**NONE**            **Schedule BA Part 1 and 2**

**NONE**            **Schedule D Part 3**

**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)
13033EKG7	CALIFORNIA HSG FIN AG 5.00 08/01/2025	05/23/2002	SALOMON SMITH BARNEY		135,749	135,000.00	137,768	137,600	(23)			(1,829)	(1,829)	6,314		1PE
3105996	Bonds - Special Revenue and Special Assessment Obligations - CA			X X X	135,749	135,000.00	137,768	137,600	(23)			(1,829)	(1,829)	6,314	X X X	X X X
684505GM6	ORANGE CNTY FLA HSG FIN 5.100 09/0	05/23/2002	SALOMON SMITH BARNEY		502,853	485,000.00	485,000	485,000				17,853	17,853	18,414		1PE
3110996	Bonds - Special Revenue and Special Assessment Obligations - FL			X X X	502,853	485,000.00	485,000	485,000				17,853	17,853	18,414	X X X	X X X
65888MQY0	NORTH DAKOTA ST HSG FIN 5.100 07/0	05/23/2002	VARIOUS		596,464	585,000.00	563,356	564,222	236			32,005	32,005	26,526		1PE
3135996	Bonds - Special Revenue and Special Assessment Obligations - ND			X X X	596,464	585,000.00	563,356	564,222	236			32,005	32,005	26,526	X X X	X X X
708792MY9	PENNSYLVANIA HSG FIN AG 5.375 10/0	04/01/2002	CALLED at 100.000		90,000	90,000.00	90,702	90,683	(3)			(680)	(680)	2,419		1PE
3139996	Bonds - Special Revenue and Special Assessment Obligations - PA			X X X	90,000	90,000.00	90,702	90,683	(3)			(680)	(680)	2,419	X X X	X X X
91755G5Y2	UTAH ST HSG FIN AGY 5.450 07/01/2026	05/23/2002	SALOMON SMITH BARNEY		337,383	325,000.00	328,380	328,380	(141)			9,143	9,143	16,138		1PE
3145996	Bonds - Special Revenue and Special Assessment Obligations - UT			X X X	337,383	325,000.00	328,380	328,380	(141)			9,143	9,143	16,138	X X X	X X X
3199999	Total - Bonds - Special Revenue and Special Assessment Obligations			X X X	1,662,449	1,620,000.00	1,605,206	1,605,885	69			56,492	56,492	69,811	X X X	X X X
583334AA5	MEADWEST VACO CORP 8.50 04/01/2012	05/23/2002	DEUTSCHE BANK ALEX BRO		329,229	320,000.00	318,653	318,653	15			10,561	10,561	3,471		2
4599999	Subtotal - Bonds - Industrial and Miscellaneous			X X X	329,229	320,000.00	318,653	318,653	15			10,561	10,561	3,471	X X X	X X X
6099997	Subtotal - Bonds - Part 4			X X X	1,991,678	1,940,000.00	1,923,859	1,924,538	84			67,053	67,053	73,282	X X X	X X X
6099999	Total Bonds			X X X	1,991,678	1,940,000.00	1,923,859	1,924,538	84			67,053	67,053	73,282	X X X	X X X
7299999	Totals				1,991,678	X X X	1,923,859	1,924,538	84			67,053	67,053	73,282		X X X

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(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues 0 .

**NONE**            **Schedule DB Part A and B Section 1**

**NONE**            **Schedule DB Part C and D Section 1**

