



# HEALTH QUARTERLY STATEMENT

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

## Aetna Health Inc. (an Ohio corporation)

NAIC Group Code..... **0001 0001** NAIC Company Code..... **96518** Employer's ID Number..... **34-1399736**  
(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 [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X] Is HMO Federally Qualified? Yes [ ] No [X]

Date Incorporated or Organized..... **April 1, 1983** Date Commenced Business..... **December 1, 1983**

Statutory Home Office..... **4059 Kinross Lakes Parkway Richfield OH 44286**  
(Street and Number) (City, State and Zip Code)

Main Administrative Office ..... **4059 Kinross Lakes Parkway**  
(Street and Number)  
..... **Richfield OH 44286** ..... **330-659-8000**  
(City, State and Zip Code) (Area Code) (Telephone number)

Mail Address ..... **980 Jolly Road, U14C, P.O. Box 1109 Blue Bell PA 19422**  
(Street and Number or P. O. Box) (City, State and Zip Code)

Primary Location of Books and Records ..... **980 Jolly Road, P.O. Box 1109**  
(Street and Number)  
..... **Blue Bell PA 19422** ..... **800-872-3862**  
(City, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address ..... **www.aetna.com**

Statutory Statement Contact ..... **James David Weiss** ..... **215-775-6508**  
(Name) (Area Code) (Telephone Number) (Extension)  
..... **AUSHC.HMORreporting@aetna.com** ..... **215-775-6790**  
(E-mail Address) (Fax Number)

Policyowner Relations Contact ..... **Plan Sponsor Services, 151 Farmington Avenue, Hartford, CT 06156** ..... **(800) 247-5472**  
(Street and Number) (City, State and Zip Code) (Area Code) (Telephone Number)

### OFFICERS

**President** ..... **Allan Ira Greenberg #** **Controller** ..... **James David Weiss**  
**Secretary** ..... **Gregory Stephen Martino**

### OTHER OFFICERS

**Treasurer:** **Russell Page Smith #**  
**Senior Investment Officer:** **Kevin James Casey #**  
**Assistant Controller:** **Alicia Helene Bolton**

### DIRECTORS

**Allan Ira Greenberg #** **James Michael McCullough**

State of..... **Pennsylvania**  
County of..... **Montgomery**

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 state above, and of its income and deductions therefrom for the period, 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) **Allan Ira Greenberg** \_\_\_\_\_ (Signature) **Gregory Stephen Martino** \_\_\_\_\_ (Signature) **James David Weiss**  
**President** **Secretary** **Controller**

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

NOTARY PUBLIC (Seal)

**ASSETS**

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds.....	111,726,156	0	111,726,156	109,386,364
2. Stocks:				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.0 encumbrances).....	0	0	(a) 0	0
4.2 Properties held for the production of income (less \$.0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.0 encumbrances).....	0	0	0	0
5. Cash (\$.13,250,664) and short-term investments (\$.1,176,076).....	14,426,740	0	14,426,740	17,520,959
6. Other long-term invested assets.....	0	0	0	0
7. Receivable for securities.....	0	0	0	0
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotal, cash and invested assets (Lines 1 to 8).....	126,152,896	0	126,152,896	126,907,323
10. Accident and health premiums due and unpaid.....	6,997,742	2,999,548	3,998,194	10,211,248
11. Health care receivables.....	500,000	500,000	0	0
12. Amounts recoverable from reinsurers.....	0	0	0	0
13. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
14. Investment income due and accrued.....	1,191,970	0	1,191,970	1,187,411
15. Amounts due from parent, subsidiaries and affiliates.....	19,346,329	0	19,346,329	32,101,516
16. Amounts receivable relating to uninsured accident and health plans.....	0	0	0	0
17. Furniture and equipment.....	0	0	0	0
18. Amounts due from agents.....	0	0	0	0
19. Federal and foreign income tax recoverable and interest thereon (including \$.0 net deferred tax asset).....	11,797,930	4,730,543	7,067,387	15,802,104
20. Electronic data processing equipment and software.....	0	0	0	0
21. Other nonadmitted assets.....	0	0	0	0
22. Aggregate write-ins for other than invested assets.....	27,548	0	27,548	0
23. Total assets (Lines 9 plus 10 through 22).....	166,014,415	8,230,091	157,784,324	186,209,602

**DETAILS OF WRITE-INS**

0801. ....	0	0	0	0
0802. ....	0	0	0	0
0803. ....	0	0	0	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. Current state income tax recoverable.....	27,548	0	27,548	0
2202. ....	0	0	0	0
2203. ....	0	0	0	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).....	27,548	0	27,548	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).....	66,075,842	4,958,040	71,033,882	79,729,438
2. Accrued medical incentive pool and bonus payments.....	0	0	0	0
3. Unpaid claims adjustment expenses.....	1,839,423	0	1,839,423	2,088,037
4. Aggregate policy reserves.....	0	0	0	4,984,949
5. Aggregate claim reserves.....	2,451,108	0	2,451,108	2,667,401
6. Premiums received in advance.....	942,278	0	942,278	10,181,448
7. General expenses due or accrued.....	8,207,146	0	8,207,146	8,209,144
8. Federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	0	0	0	0
9. Amounts withheld or retained for the account of others.....	0	0	0	0
10. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	0	0	0	0
11. Amounts due to parent, subsidiaries and affiliates.....	24,996	0	24,996	4,166
12. Payable for securities.....	0	0	0	0
13. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....	0	0	0	0
14. Reinsurance in unauthorized companies.....	0	0	0	0
15. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
16. Liability for amounts held under uninsured accident and health plans.....	0	0	0	0
17. Aggregate write-ins for other liabilities (including \$.....0 current).....	2,942,057	0	2,942,057	8,604,204
18. Total liabilities (Lines 1 to 17).....	82,482,850	4,958,040	87,440,890	116,468,787
19. Common capital stock.....	XXX	XXX	1,342,000	1,342,000
20. Preferred capital stock.....	XXX	XXX	0	0
21. Gross paid in and contributed surplus.....	XXX	XXX	145,222,536	145,222,536
22. Surplus notes.....	XXX	XXX	0	0
23. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
24. Unassigned funds (surplus).....	XXX	XXX	(76,221,102)	(76,823,721)
25. Less treasury stock at cost:				
25.1 .....0.000 shares common (value included in Line 19 \$.....0).....	XXX	XXX	0	0
25.2 .....0.000 shares preferred (value included in Line 20 \$.....0).....	XXX	XXX	0	0
26. Total capital and surplus (Lines 19 to 24 less 25).....	XXX	XXX	70,343,434	69,740,815
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX	XXX	157,784,324	186,209,602

## DETAILS OF WRITE-INS

1701. Accrued franchise tax payable.....	2,641,107	0	2,641,107	3,866,715
1702. Escheat liability.....	300,950	0	300,950	308,393
1703. Current state income tax payable.....	0	0	0	103,452
1798. Summary of remaining write-ins for Line 17 from overflow page.....	0	0	0	4,325,644
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above).....	2,942,057	0	2,942,057	8,604,204
2301. ....	XXX	XXX	0	0
2302. ....	XXX	XXX	0	0
2303. ....	XXX	XXX	0	0
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	0	0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year-to-Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	1,382,176	3,654,144
2. Net premium income.....	XXX	275,067,556	609,720,944
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	0	0
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX	0	0
5. Risk revenue.....	XXX	0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Total revenues (Lines 2 to 6).....	XXX	275,067,556	609,720,944
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits.....	6,880,644	184,390,841	432,925,339
9. Other professional services.....	0	404,766	1,185,503
10. Outside referrals.....	7,978,984	7,978,984	21,741,820
11. Emergency room and out-of-area.....	876,490	10,956,123	12,186,821
12. Prescription Drugs.....	0	34,730,848	80,836,914
13. Aggregate write-ins for other medical and hospital.....	0	0	7,036,551
14. Incentive pool and withhold adjustments.....	0	0	0
15. Subtotal (Lines 8 to 14).....	15,736,118	238,461,562	555,912,948
<b>Less:</b>			
16. Net reinsurance recoveries.....	0	0	(12,892,618)
17. Total medical and hospital (Lines 15 minus 16).....	15,736,118	238,461,562	568,805,566
18. Claims adjustment expenses.....	0	7,153,847	16,677,388
19. General administrative expenses.....	0	28,156,260	64,547,383
20. Increase in reserves for accident and health contracts.....	0	(4,984,949)	203,654
21. Total underwriting deductions (Lines 17 through 20).....	15,736,118	268,786,720	650,233,991
22. Net underwriting gain or (loss) (Lines 7 minus 21).....	XXX	6,280,836	(40,513,047)
23. Net investment income earned.....	0	3,714,063	9,184,357
24. Net realized capital gains or (losses).....	0	39,288	1,476,943
25. Net investment gains or (losses) (Lines 23 plus 24).....	0	3,753,351	10,661,300
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	0	0	0
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	10,034,187	(29,851,747)
29. Federal and foreign income taxes incurred.....	XXX	2,593,097	(10,742,562)
30. Net income (loss) (Lines 28 minus 29).....	XXX	7,441,090	(19,109,185)

### DETAILS OF WRITE-INS

0601. ....	XXX	0	0
0602. ....	XXX	0	0
0603. ....	XXX	0	0
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. Physician distribution.....	0	0	4,602,323
1302. Vision costs.....	0	0	2,434,228
1303. ....	0	0	0
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	7,036,551
2701. ....	0	0	0
2702. ....	0	0	0
2703. ....	0	0	0
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)**

<b>CAPITAL AND SURPLUS ACCOUNT</b>	1 Current Year-to-Date	2 Prior Year
31. Capital and surplus prior reporting period.....	69,740,815	53,931,260
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS</b>		
32. Net income or (loss) from Line 30.....	7,441,090	(19,109,185)
33. Change in valuation basis of aggregate policy and claim reserves.....	0	0
34. Net unrealized capital gains and losses.....	0	0
35. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
36. Change in net deferred income tax.....	(9,594)	(3,900,712)
37. Change in nonadmitted assets.....	(5,127,690)	16,455,444
38. Change in unauthorized reinsurance.....	0	0
39. Change in treasury stock.....	0	0
40. Change in surplus notes.....	0	0
41. Cumulative effect of changes in accounting principles.....	0	3,364,008
42. Capital changes:		
42.1 Paid in.....	0	0
42.2 Transferred from surplus (Stock Dividend).....	0	0
42.3 Transferred to surplus.....	0	0
43. Surplus adjustments:		
43.1 Paid in.....	0	19,000,000
43.2 Transferred to capital (Stock Dividend).....	0	0
43.3 Transferred from capital.....	0	0
44. Dividends to stockholders.....	0	0
45. Aggregate write-ins for gains or (losses) in surplus.....	(1,701,187)	0
46. Net change in capital and surplus (Lines 32 to 45).....	602,619	15,809,555
47. Capital and surplus end of reporting period (Line 31 plus 46).....	70,343,434	69,740,815

**DETAILS OF WRITE-INS**

4501. Correction of Non-Admitted Premium Receivables in Prior Period.....	(1,701,187)	0
4502. ....	0	0
4503. ....	0	0
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).....	(1,701,187)	0

**CASH FLOW**

	1 Current Year to Date	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums and revenues collected net of reinsurance.....	270,259,777	624,521,312
2. Claims and claims adjustment expenses.....	254,775,871	600,687,992
3. General administrative expenses paid.....	28,158,259	56,553,305
4. Other underwriting income (expenses).....	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	(12,674,353)	(32,719,985)
6. Net Investment income.....	3,879,304	9,037,731
7. Other income (expenses).....	0	0
8. Federal and foreign income taxes (paid) recovered.....	1,550,796	(468,718)
9. Net cash from operations (Lines 5 to 8).....	(7,244,253)	(24,150,972)
<b>CASH FROM INVESTMENTS</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....	54,397,205	52,743,305
10.2 Stocks.....	0	0
10.3 Mortgage loans.....	0	0
10.4 Real estate.....	0	0
10.5 Other invested assets.....	0	0
10.6 Net gains or (losses) on cash and short-term investments.....	(572)	1,206
10.7 Miscellaneous proceeds.....	0	0
10.8 Total investment proceeds (Lines 10.1 to 10.7).....	54,396,633	52,744,511
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....	56,866,938	69,331,548
11.2 Stocks.....	0	0
11.3 Mortgage loans.....	0	0
11.4 Real estate.....	0	0
11.5 Other invested assets.....	0	0
11.6 Miscellaneous applications.....	0	0
11.7 Total investments acquired (Lines 11.1 to 11.6).....	56,866,938	69,331,548
12. Net cash from investments (Line 10.8 minus Line 11.7).....	(2,470,305)	(16,587,037)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in.....	0	19,000,000
13.2 Net transfers from affiliates.....	12,776,017	5,865,376
13.3 Borrowed funds received.....	0	0
13.4 Other cash provided.....	0	2,921,938
13.5 Total (Lines 13.1 to 13.4).....	12,776,017	27,787,314
14. Cash applied:		
14.1 Dividends to stockholders paid.....	0	0
14.2 Net transfers to affiliates.....	0	0
14.3 Borrowed funds repaid.....	0	0
14.4 Other applications.....	6,155,678	0
14.5 Total (Lines 14.1 to 14.4).....	6,155,678	0
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	6,620,339	27,787,314
<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).....	(3,094,219)	(12,950,695)
17. Cash and short-term investments:		
17.1 Beginning of period.....	17,520,959	30,471,654
17.2 End of period (Line 16 plus Line 17.1).....	14,426,740	17,520,959

**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							
<b>Total Members at End of:</b>										
1. Prior Year.....	298,757	342	261,647	0	0	0	36,768	0	0	0
2. First Quarter.....	231,426	221	215,994	0	0	0	15,211	0	0	0
3. Second Quarter.....	218,514	518	203,891	0	0	0	14,105	0	0	0
4. Third Quarter.....	0	0	0	0	0	0	0	0	0	0
5. Current Year.....	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months.....	1,382,176	2,272	1,284,068	0	0	0	95,836	0	0	0
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician.....	1,305,651	2,043	1,218,180	0	0	0	85,428	0	0	0
8. Non-Physician.....	0	0	0	0	0	0	0	0	0	0
9. Total.....	1,305,651	2,043	1,218,180	0	0	0	85,428	0	0	0
10. Hospital Patient Days Incurred.....	28,373	0	26,315	0	0	0	2,058	0	0	0
11. Number of Inpatient Admissions.....	8,302	0	7,759	0	0	0	543	0	0	0
12. Premiums Collected.....	270,284,773	0	250,204,100	0	0	0	20,080,673	0	0	0
13. Premiums Earned.....	275,092,552	0	255,011,879	0	0	0	20,080,673	0	0	0
14. Amount Paid for Provision of Health Care Services.....	247,373,411	0	229,843,463	0	0	0	20,641,286	(3,111,338)	0	0
15. Amount Incurred for Provision of Health Care Services.....	238,461,562	0	227,103,739	0	0	0	15,899,612	(4,541,789)	0	0

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## 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
<b>Claims Payable (Reported)</b>						
Aging estimated based on claims.....	0	0	0	0	0	0
in process of adjudication as of 06/30/02.....	0	0	0	0	0	0
0199999. Individually Listed Claims Payable.....	0	0	0	0	0	0
0299999. Aggregate Accounts Not Individually Listed-Uncovered.....	145,820	2,463	983	922	44,556	194,744
0399999. Aggregate Accounts Not Individually Listed-Covered.....	4,044,675	3,474	1,396	748	26,646	4,076,939
0499999. Subtotals.....	4,190,495	5,937	2,379	1,670	71,202	4,271,683
0599999. Unreported Claims and Other Claim Reserves.....						66,762,199
0799999. Total Claims Payable.....						71,033,882

## 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).....	48,168,294	181,675,169	15,435,010	50,949,789	63,603,304	69,124,523
2. Medicare Supplement.....	.0	.0	.0	.0	.0	.0
3. Dental only.....	.0	.0	.0	.0	.0	.0
4. Vision only.....	.0	.0	.0	.0	.0	.0
5. Federal Employees Health Benefits Plan Premiums.....	7,454,254	13,187,032	2,388,635	3,567,013	9,842,889	10,697,322
6. Title XVIII - Medicare.....	(3,111,338)	.0	1,144,543	.0	(1,966,795)	2,574,994
7. Title XIX - Medicaid.....	.0	.0	.0	.0	.0	.0
8. Other.....	.0	.0	.0	.0	.0	.0
9. Subtotal .....	52,511,210	194,862,201	18,968,188	54,516,802	71,479,398	82,396,839
10. Medical incentive pools, accruals and disbursements.....	.0	.0	.0	.0	.0	.0
11. Totals.....	52,511,210	194,862,201	18,968,188	54,516,802	71,479,398	82,396,839

(1) Summary of Significant Accounting Policies

Accounting Practices

The accompanying financial statements of Aetna Health Inc. (an Ohio corporation) (the Company), formerly Aetna U.S. Healthcare Inc. (an Ohio corporation), have been prepared in conformity with accounting practices prescribed and permitted by the State of Ohio Department of Insurance.

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

The Company's net income (loss) and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the State of Ohio are the same at June 30, 2002.

(2) Accounting Changes and Corrections of Errors

During the first quarter's financial statement preparation, the Company discovered an error in the reporting of premium receivable non-admitted assets. In the prior year, non-admitted Accident and health premiums due and unpaid (Assets page, Line 10, Column 2) were understated by \$1,701,187. Line 4501 on the Statement of Revenue and Expenses (continued) page has been adjusted in the current year to correct this error.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Wash Sales

This item is not applicable.

(20) Other Items

Certain reclassifications have been made to the 2001 financial statements to conform with the classifications used in 2002.

## 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 [X] No [ ]

3.2 If yes, date of change: .....05/03/2002.....  
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 [X] No [ ]  
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
NONE		

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. ....12/31/1997.....

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. ....12/31/1997.....

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). ....04/20/2000.....

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)

### 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: \$.....0

12. Amount of real estate and mortgages held in short-term investments: \$.....0

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
State Street Bank and Trust Co.*	225 Franklin Street, Boston, MA 02110
State Street Bank and Trust Co.*	Brussels, Belgium B1-1210

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)
Not Applicable		

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
Not Applicable		

\* The Custodial Service Agreement between the Company and State Street Bank and Trust Company, dated as of March 1999, substantially complies with Part 1- General, Section IV.H and was drafted to comply with the custody law and regulations of the Company's domiciliary state.

**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	0
2. Increase (decrease) by adjustment.....	0	0	0	0
3. Cost of acquired.....	0	0	0	0
4. Cost of additions to and permanent improvements.....	0	0	0	0
5. Total profit (loss) on sales.....	0	0	0	0
6. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
7. Amount received on sales.....	0	0	0	0
8. Book/adjusted carrying value at end of current period.....	0	0	0	0
9. Total valuation allowance.....	0	0	0	0
10. Subtotal (Lines 8 plus 9).....	0	0	0	0
11. Total nonadmitted amounts.....	0	0	0	0
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	0
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions.....	0	0	0	0
2.2 Additional investment made after acquisitions.....	0	0	0	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0	0	0	0
4. Increase (decrease) by adjustment.....	0	0	0	0
5. Total profit (loss) on sale.....	0	0	0	0
6. Amounts paid on account or in full during the period.....	0	0	0	0
7. Amortization of premium.....	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0	0	0
10. Total valuation allowance.....	0	0	0	0
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....	0	0	0	0
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	0
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions.....	0	0	0	0
2.2 Additional investment made after acquisitions.....	0	0	0	0
3. Accrual of discount.....	0	0	0	0
4. Increase (decrease) by adjustment.....	0	0	0	0
5. Total profit (loss) on sale.....	0	0	0	0
6. Amounts paid on account or in full during the period.....	0	0	0	0
7. Amortization of premium.....	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	0	0	0	0
10. Total valuation allowance.....	0	0	0	0
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....	0	0	0	0
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	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1.....	75,909,608	58,738,005	47,982,865	(68,661)	75,909,608	86,596,087	0	94,522,651
2. Class 2.....	20,338,296	5,983,080	0	(15,231)	20,338,296	26,306,145	0	22,356,669
3. Class 3.....	0	0	0	0	0	0	0	0
4. Class 4.....	0	0	0	0	0	0	0	0
5. Class 5.....	0	0	0	0	0	0	0	0
6. Class 6.....	0	0	0	0	0	0	0	0
7. Total Bonds.....	96,247,904	64,721,085	47,982,865	(83,892)	96,247,904	112,902,232	0	116,879,320
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	96,247,904	64,721,085	47,982,865	(83,892)	96,247,904	112,902,232	0	116,879,320

**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.....	1,176,076	XXX	1,176,076	5,457	0

**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.....	7,492,956	1,545,713	0	0
2. Cost of short-term investments acquired.....	13,032,478	18,046,109	0	62,564,183
3. Increase (decrease) by adjustment.....	22,533	0	0	30,579
4. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
5. Total profit (loss) on disposal of short-term investments.....	0	0	0	0
6. Consideration received on disposal of short-term investments.....	19,002,254	18,415,746	0	55,101,806
7. Book/adjusted carrying value, current period.....	1,545,713	1,176,076	0	7,492,956
8. Total valuation allowance.....	0	0	0	0
9. Subtotal (Lines 7 plus 8).....	1,545,713	1,176,076	0	7,492,956
10. Total nonadmitted amounts.....	0	0	0	0
11. Statement value (Lines 9 minus 10).....	1,545,713	1,176,076	0	7,492,956
12. Income collected during period.....	27,038	5,457	0	99,437
13. Income earned during period.....	27,038	5,457	0	99,437

**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			6 Federal Employees Health Benefits Program Premiums
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	
1. Alabama.....AL	No.....	No.....	0	0	0	0
2. Alaska.....AK	No.....	No.....	0	0	0	0
3. Arizona.....AZ	No.....	No.....	0	0	0	0
4. Arkansas.....AR	No.....	No.....	0	0	0	0
5. California.....CA	No.....	No.....	0	0	0	0
6. Colorado.....CO	No.....	No.....	0	0	0	0
7. Connecticut.....CT	No.....	No.....	0	0	0	0
8. Delaware.....DE	No.....	No.....	0	0	0	0
9. District of Columbia.....DC	No.....	No.....	0	0	0	0
10. Florida.....FL	No.....	No.....	0	0	0	0
11. Georgia.....GA	No.....	No.....	0	0	0	0
12. Hawaii.....HI	No.....	No.....	0	0	0	0
13. Idaho.....ID	No.....	No.....	0	0	0	0
14. Illinois.....IL	No.....	No.....	0	0	0	0
15. Indiana.....IN	No.....	Yes.....	3,651,831	0	0	793,059
16. Iowa.....IA	No.....	No.....	0	0	0	0
17. Kansas.....KS	No.....	No.....	0	0	0	0
18. Kentucky.....KY	No.....	Yes.....	39,386,891	0	0	6,122,418
19. Louisiana.....LA	No.....	No.....	0	0	0	0
20. Maine.....ME	No.....	No.....	0	0	0	0
21. Maryland.....MD	No.....	No.....	0	0	0	0
22. Massachusetts.....MA	No.....	No.....	0	0	0	0
23. Michigan.....MI	No.....	No.....	0	0	0	0
24. Minnesota.....MN	No.....	No.....	0	0	0	0
25. Mississippi.....MS	No.....	No.....	0	0	0	0
26. Missouri.....MO	No.....	No.....	0	0	0	0
27. Montana.....MT	No.....	No.....	0	0	0	0
28. Nebraska.....NE	No.....	No.....	0	0	0	0
29. Nevada.....NV	No.....	No.....	0	0	0	0
30. New Hampshire.....NH	No.....	No.....	0	0	0	0
31. New Jersey.....NJ	No.....	No.....	0	0	0	0
32. New Mexico.....NM	No.....	No.....	0	0	0	0
33. New York.....NY	No.....	No.....	0	0	0	0
34. North Carolina.....NC	No.....	No.....	0	0	0	0
35. North Dakota.....ND	No.....	No.....	0	0	0	0
36. Ohio.....OH	No.....	Yes.....	211,973,157	0	0	13,165,196
37. Oklahoma.....OK	No.....	No.....	0	0	0	0
38. Oregon.....OR	No.....	No.....	0	0	0	0
39. Pennsylvania.....PA	No.....	No.....	0	0	0	0
40. Rhode Island.....RI	No.....	No.....	0	0	0	0
41. South Carolina.....SC	No.....	No.....	0	0	0	0
42. South Dakota.....SD	No.....	No.....	0	0	0	0
43. Tennessee.....TN	No.....	No.....	0	0	0	0
44. Texas.....TX	No.....	No.....	0	0	0	0
45. Utah.....UT	No.....	No.....	0	0	0	0
46. Vermont.....VT	No.....	No.....	0	0	0	0
47. Virginia.....VA	No.....	No.....	0	0	0	0
48. Washington.....WA	No.....	No.....	0	0	0	0
49. West Virginia.....WV	No.....	No.....	0	0	0	0
50. Wisconsin.....WI	No.....	No.....	0	0	0	0
51. Wyoming.....WY	No.....	No.....	0	0	0	0
52. American Samoa.....AS	No.....	No.....	0	0	0	0
53. Guam.....GU	No.....	No.....	0	0	0	0
54. Puerto Rico.....PR	No.....	No.....	0	0	0	0
55. U.S. Virgin Islands.....VI	No.....	No.....	0	0	0	0
56. Canada.....CN	No.....	XXX.....	0	0	0	0
57. Aggregate Other alien.....OT	XXX.....	XXX.....	0	0	0	0
58. Total (Direct Business).....	XXX.....	(a).....3	255,011,879	0	0	20,080,673

**DETAILS OF WRITE-INS**

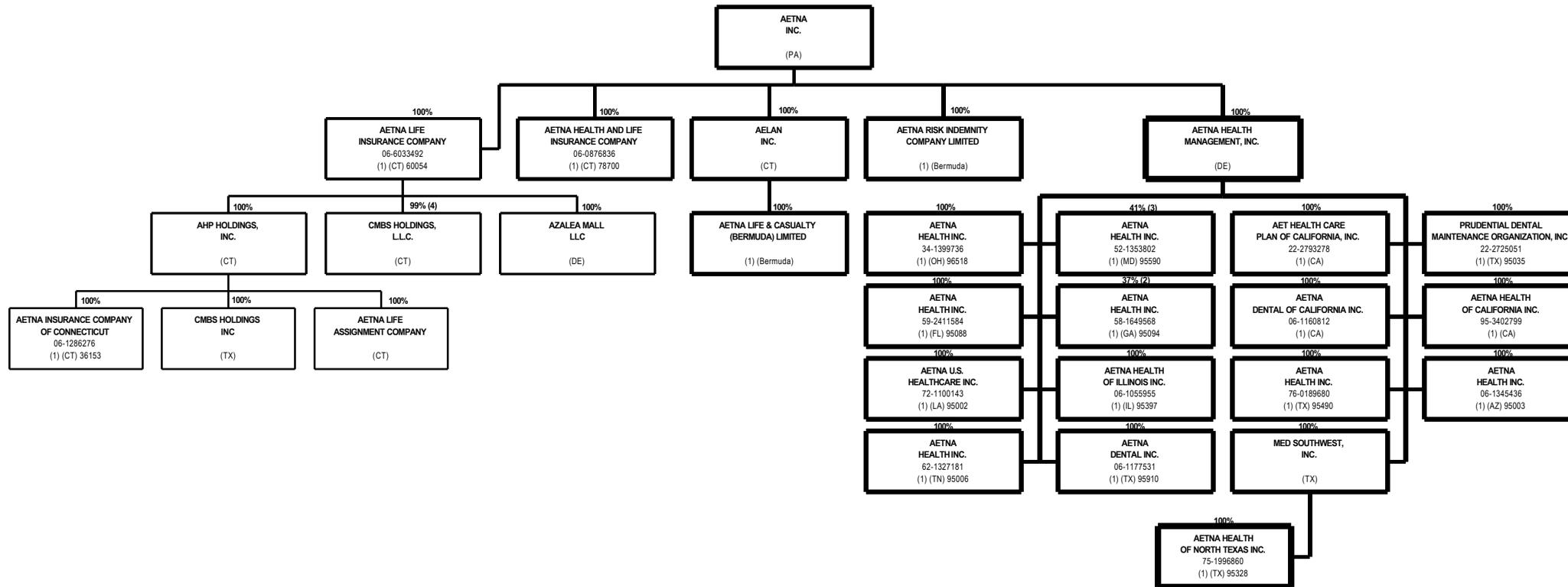
5701. ....	0	0	0	0
5702. ....	0	0	0	0
5703. ....	0	0	0	0
5798. Summary of remaining write-ins for line 57 from overflow page.....	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	0	0	0	0

(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

QUARTERLY STATEMENT AS OF JUNE 30, 2002 OF THE  
 AETNA INC. AND ITS INSURANCE AFFILIATES  
**SCHEDULE Y -- INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 -- ORGANIZATION CHART**



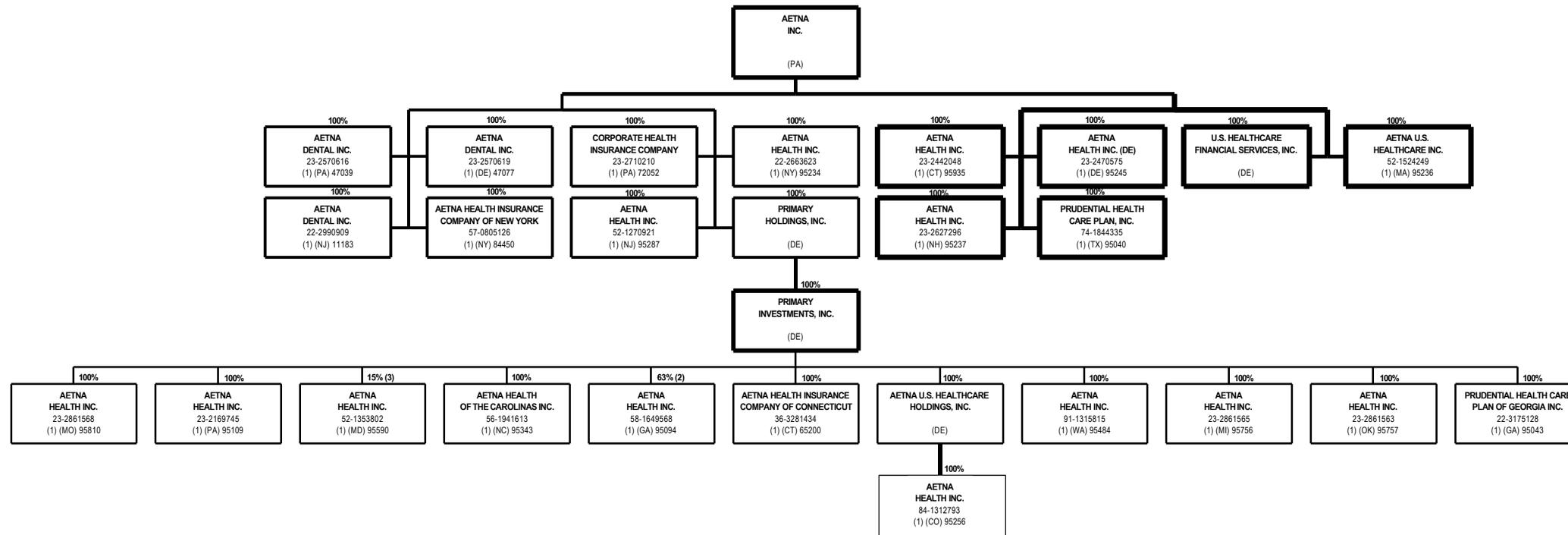
(1) Insurers/HMOs  
 (2) Primary Investments, Inc. owns 63% of Aetna Health Inc. (GA).  
 (3) NYLCare Health Plans, Inc. owns 44% and Primary Investments, Inc. owns 15% of Aetna Health Inc. (MD).  
 (4) CMBS Holdings, Inc. -- II owns 1% of CMBS Holdings, L.L.C.

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

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

## PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF JUNE 30, 2002 OF THE  
 AETNA INC. AND ITS INSURANCE AFFILIATES  
**SCHEDULE Y -- INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
 PART 1 -- ORGANIZATIONAL CHART



20.1

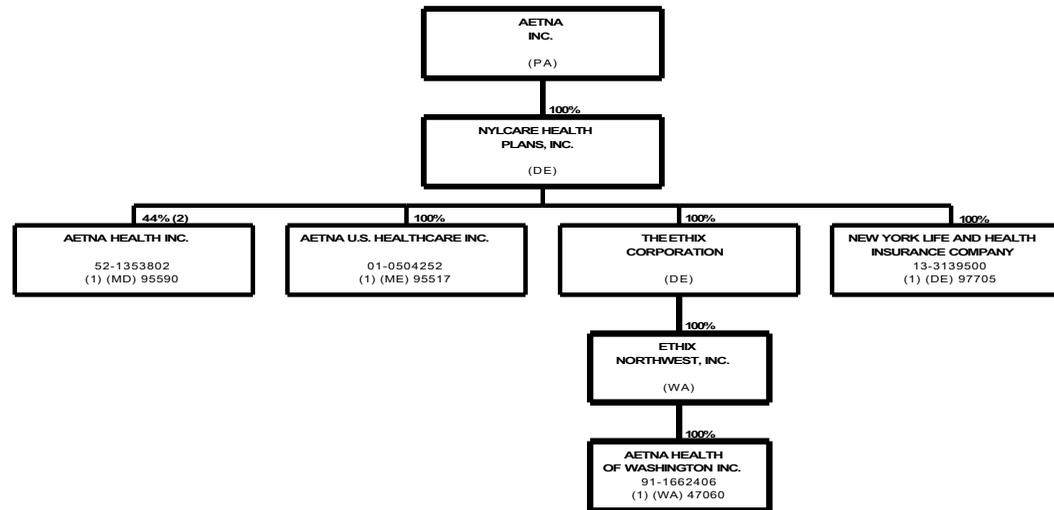
(1) Insurers/HMOs  
 (2) Aetna Health Management, Inc. owns 37% of Aetna Health Inc. (GA).  
 (3) NYLCare Health Plans, Inc. owns 44% and Aetna Health Management, Inc. owns 41% of Aetna Health Inc. (MD).

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

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

## PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF JUNE 30, 2002 OF THE  
 AETNA INC. AND ITS INSURANCE AFFILIATES  
**SCHEDULE Y -- INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING  
 COMPANY GROUP**  
**PART 1 -- ORGANIZATIONAL CHART**



(1) Insurers/HMOs  
 (2) Aetna Health Management, Inc. owns 41% and Primary Investments, Inc. owns 15% of Aetna Health Inc. (MD).

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

## **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 for Write-Ins**

**Additional Write-ins for Liabilities:**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1704. Reinsurance payable.....	0	0	0	4,325,644
1705. ....	0	0	0	0
1706. ....	0	0	0	0
1707. ....	0	0	0	0
1708. ....	0	0	0	0
1709. ....	0	0	0	0
1710. ....	0	0	0	0
1711. ....	0	0	0	0
1712. ....	0	0	0	0
1713. ....	0	0	0	0
1714. ....	0	0	0	0
1715. ....	0	0	0	0
1716. ....	0	0	0	0
1717. ....	0	0	0	0
1718. ....	0	0	0	0
1719. ....	0	0	0	0
1720. ....	0	0	0	0
1797. Summary of remaining write-ins for Line 17 from Liabilities.....	0	0	0	4,325,644

**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)
<b>Bonds - U.S. Government</b>								
912827-7L-0.....	US TREASURY NOTE/BOND 4.875% 02/15/12.....	06/19/2002.....	MERRILL LYNCH PIERCE.....		628,320	625,000	10,521	1.....
912828-AC-4.....	US TREASURY NOTE/BOND 4.375% 05/15/07.....	05/13/2002.....	MERRILL LYNCH PIERCE.....		3,582,563	3,600,000	0	1.....
0399999	Total - Bonds - U.S. Government.....				4,210,883	4,225,000	10,521	XXX.....
<b>Bonds - Special Revenue and Special Assessment</b>								
<b>United States</b>								
31331L-G3-6.....	FED FARM CREDIT BANK BO 5.900% 04/01/09.....	05/02/2002.....	RAYMOND JAMES & ASSOC.....		3,077,400	3,000,000	15,733	1.....
31359M-MQ-3.....	FED NATL MTGE ASSN 6.125% 03/15/12.....	04/03/2002.....	DEUTSCHE BANK-95805.....		15,142,965	15,000,000	20,417	1.....
	U.S.....				18,220,365	18,000,000	36,150	XXX.....
	United States.....				18,220,365	18,000,000	36,150	XXX.....
3199999	Total - Bonds - Special Revenue & Special Assessments.....				18,220,365	18,000,000	36,150	XXX.....
<b>Bonds - Industrial and Miscellaneous</b>								
<b>United States</b>								
444168-DH-8.....	HUDSON UNITED BANK SUB 7.000% 05/15/12.....	05/01/2002.....	FIRST BOSTON CORP.....		4,986,000	5,000,000	0	2PE.....
950590-AK-5.....	WENDY'S INTL INC BONDS 6.200% 06/15/14.....	06/11/2002.....	GOLDMAN SACHS & CO.....		997,080	1,000,000	0	2PE.....
	United States.....				5,983,080	6,000,000	0	XXX.....
4599999	Total - Bonds - Industrial & Miscellaneous.....				5,983,080	6,000,000	0	XXX.....
6099997	Total - Bonds - Part 3.....				28,414,328	28,225,000	46,671	XXX.....
6099998	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter.....				18,260,648	18,475,000	232,219	XXX.....
6099999	Total - Bonds.....				46,674,976	46,700,000	278,890	XXX.....
7299999	Total - Bonds, Preferred and Common Stocks.....				46,674,976	XXX.....	278,890	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 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)
<b>Bonds - U.S. Government</b>																
36210D-3C-3...	GOVT NATL MTGE ASSN I P 6.000% 03/15/29	06/01/2002	Paydown.....		21,861	21,861	20,280	21,861	1,562	0	0	0	0	218		1
36210J-N6-1...	GOVT NATL MTGE ASSN I P 6.000% 04/15/29	06/01/2002	Paydown.....		19,085	19,085	17,704	19,085	1,385	0	0	0	0	200		1
36210Y-ZQ-1...	GOVT NATL MTGE ASSN I P 6.000% 04/15/29	06/01/2002	Paydown.....		41,746	41,746	38,726	41,746	2,965	0	0	0	0	444		1
912827-7B-2...	US TREASURY NOTE/BOND 5.000% 08/15/11	06/19/2002	MERRILL LYNCH PIERCE		4,164,383	4,100,000	4,335,750	4,323,592	(4,434)	0	0	(159,210)	(159,210)	70,787		1
912827-7F-3...	US TREASURY NOTE/BOND 3.500% 11/15/06	05/13/2002	MERRILL LYNCH PIERCE		3,855,000	4,000,000	3,834,063	3,846,662	3,877	0	0	8,338	8,338	70,000		1
0399999	Total - Bonds - U.S. Government.....				8,102,075	8,182,692	8,246,523	8,252,946	5,355	0	0	(150,872)	(150,872)	141,649	0	XXX
<b>Bonds - Special Revenue and Special Assessment</b>																
<b>United States</b>																
31374S-ZL-8...	FED NATL MTGE ASSN POOL 7.500% 12/01/24	06/01/2002	Paydown.....		41,254	41,254	42,183	41,254	(947)	0	0	0	0	521		1
31379R-EX-2...	FED NATL MTGE ASSN POOL 7.500% 11/01/21	06/01/2002	Paydown.....		216,372	216,372	221,246	216,372	(4,957)	0	0	0	0	2,418		1
	U.S.....				257,626	257,626	263,429	257,626	(5,904)	0	0	0	0	2,939	0	XXX
	United States.....				257,626	257,626	263,429	257,626	(5,904)	0	0	0	0	2,939	0	XXX
3199999	Total - Bonds - Special Revenue & Assessment.....				257,626	257,626	263,429	257,626	(5,904)	0	0	0	0	2,939	0	XXX
<b>Bonds - Industrial and Miscellaneous</b>																
<b>United States</b>																
12476V-AF-8...	CAPCO AMERICA 1.715% 10/15/30.....	06/11/2002	Paydown.....		0	0	3,857	0	(3,079)	0	0	0	0	124		1
126691-WE-0...	RESIDENTIAL ASSET 7.500% 09/25/26.....	06/01/2002	Paydown.....		805,031	805,031	827,987	805,031	(16,194)	0	0	0	0	9,881		1
161505-AP-7...	CHASE COMMERCIAL MTGE S 6.900% 11/19/2	06/01/2002	Paydown.....		40,161	40,161	42,094	40,161	(870)	0	0	0	0	483		1
66938F-JR-6...	NORWEST CORP MEDIUM TER 6.750% 10/01/0	05/28/2002	DEUTSCHE BANK.....		2,126,440	2,000,000	1,925,600	1,950,093	1,315	0	0	176,347	176,347	90,000		1
	United States.....				2,971,632	2,845,192	2,799,538	2,795,285	(18,828)	0	0	176,347	176,347	100,488	0	XXX
4599999	Total - Bonds - Industrial & Miscellaneous.....				2,971,632	2,845,192	2,799,538	2,795,285	(18,828)	0	0	176,347	176,347	100,488	0	XXX
6099997	Total - Bonds - Part 4.....				11,331,333	11,285,510	11,309,490	11,305,857	(19,377)	0	0	25,475	25,475	245,076	0	XXX
6099998	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter.....				18,301,486	18,475,000	18,260,648	18,261,262	614	0	0	40,224	40,224	260,301	0	XXX
6099999	Total - Bonds.....				29,632,819	29,760,510	29,570,138	29,567,119	(18,763)	0	0	65,699	65,699	505,377	0	XXX
7299999	Total - Bonds, Preferred and Common Stocks.....				29,632,819	XXX	29,570,138	29,567,119	(18,763)	0	0	65,699	65,699	505,377	0	XXX

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

E05

**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 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *
				5 First Month	6 Second Month	7 Third Month	
<b>Open Depositories</b>							
Mellon Bank.....	0.000	0	0	(7,151,042)	(9,298,974)	(8,930,674)	
AOL TIME WARNER..... Due 05/17/2002 At Maturity.....	2.230	6,262	0	3,256,759	0	0	
AOL TIME WARNER..... Due 05/31/2002 At Maturity.....	2.250	10,104	0	2,734,853	0	0	
COMCAST CABLE COM..... Due 07/08/2002 At Maturity.....	2.110	10,836	0	0	4,989,150	0	
DEVON ENERGY CORP..... Due 07/10/2002 At Maturity.....	2.375	4,215	0	0	2,056,694	2,060,773	
EL PASO NATURAL GAS CO 4-2 CP..... Due 07/15/2002 At Maturity.....	2.600	17,981	0	3,645,138	3,653,321	3,661,276	
EL PASO NATURAL GAS CO 4-2 CP..... Due 07/15/2002 At Maturity.....	2.600	4,473	0	994,583	996,815	998,984	
FHLMC DISCOUNT NOTE..... Due 06/20/2002 At Maturity.....	1.680	931	0	2,494,165	0	0	
FNMA DISCOUNT NOTE..... Due 07/31/2002 At Maturity.....	1.720	1,430	0	0	1,924,465	0	
FORD MOTOR CREDIT CO..... Due 07/22/2002 At Maturity.....	2.030	11,546	0	0	4,985,612	4,994,065	
GENL MILLS INC..... Due 05/21/2002 At Maturity.....	2.150	7,193	0	4,010,190	0	0	
GENL MILLS INC..... Due 07/22/2002 At Maturity.....	2.000	8,386	0	0	4,861,187	4,869,303	
HERTZ CORP..... Due 05/24/2002 At Maturity.....	2.250	5,501	0	1,657,608	0	0	
HERTZ CORP..... Due 06/03/2002 At Maturity.....	2.290	10,254	0	2,594,532	2,599,668	0	
HEWLETT-PACKARD CO..... Due 07/03/2002 At Maturity.....	2.000	2,230	0	0	3,344,041	0	
HEWLETT-PACKARD CO..... Due 07/31/2002 At Maturity.....	2.050	2,971	0	0	1,335,419	1,337,706	
KINDER MORGAN ENERGY..... Due 05/30/2002 At Maturity.....	2.100	1,347	0	4,617,174	0	0	
KINDER MORGAN ENERGY..... Due 07/15/2002 At Maturity.....	2.125	1,306	0	0	0	1,228,982	
KINDER MORGAN ENERGY..... Due 07/03/2002 At Maturity.....	2.100	349	0	0	0	1,992,768	
NATIONAL COOPERATIVE BANK..... Due 07/26/2002 At Maturity.....	2.100	2,723	0	0	1,035,664	1,037,481	
PROGRESSIVE CORP..... Due 06/11/2002 At Maturity.....	2.130	3,261	0	0	2,118,744	0	
RELIANT ENERGY INC..... Due 05/08/2002 At Maturity.....	2.550	1,289	0	1,299,355	0	0	
TEXAS UTILITIES CP..... Due 05/21/2002 At Maturity.....	2.350	19,017	0	6,431,570	0	0	
TEXTRON FINANCIAL CORP..... Due 05/01/2002 At Maturity.....	2.300	3,837	0	2,000,000	0	0	
TEXTRON FINANCIAL CORP..... Due 05/14/2002 At Maturity.....	2.100	2,002	0	1,039,210	0	0	
TIME WARNER INC..... Due 06/06/2002 At Maturity.....	2.320	29,827	0	7,018,628	7,032,722	0	
0199998. Deposits in.....23 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX	27,331	0	0	0	0	
0199999. Total Open Depositories.....	XXX	196,602	0	36,642,723	31,634,528	13,250,664	XXX
0399999. Total Cash on Deposit.....	XXX	196,602	0	36,642,723	31,634,528	13,250,664	XXX
0599999. Total Cash.....	XXX	196,602	0	36,642,723	31,634,528	13,250,664	XXX