* 5 4 3 8 0 2 0 0 2 2 0 1 0 0 1 0 3 *

HEALTH QUARTERLY STATEMENT

As of September 30, 2002

of the Condition and Affairs of the

Vision Service Plan

NAIC Group Code..... 1189, 1189 (Current Period) (Prior Period) NAIC Company Code..... 54380 Employer's ID Number..... 31-0725743

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

Country of Domicile US

Licensed as Business Type Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ] Dental Service Corporation [ ] Vision Service Corporation [X] Health Maintenance Organization [ ] Other [ ]

Is HMO Federally Qualified? Yes [ ] No [X]

Date Incorporated or Organized..... November 4, 1966 Date Commenced Business..... March 29, 1967

Statutory Home Office	3400 Morse Crossing ..... Columbus ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	
Address of Main Administrative Office	3333 Quality Drive ..... Rancho Cordova ..... CA ..... 95670 *(Street and Number) (City or Town, State and Zip Code)*	916-851-5000 *(Area Code) (Telephone Number)*
Mail Address	3333 Quality Drive ..... Rancho Cordova ..... CA ..... 95670 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	3333 Quality Drive ..... Rancho Cordova ..... CA ..... 95670 *(Street and Number) (City or Town, State and Zip Code)*	916-851-5000 *(Area Code) (Telephone Number)*
Internet Website Address	www.vsp.com	
Statement Contact	Laura Olson *(Name)*	916-851-5000 *(Area Code) (Telephone Number) (Extension)*
	laurol@vsp.com *(E-Mail Address)*	*916-858-5388* *(Fax Number)*
Policyowner Relations Contact	3333 Quality Drive ..... Rancho Cordova ..... CA ..... 95670 *(Street and Number) (City or Town, State and Zip Code)*	800-877-7195 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Roger Joseph Valine

Treasurer ..... Patricia Cochran

Secretary ..... Gary Norman Brooks

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

James Kuhlman O.D. Jeffrey Wintersteller Phil Stevens

State of........ California

County of..... Sacramento

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

(Signature)	(Signature)	(Signature)
Roger Joseph Valine	Gary Norman Brooks	Patricia Cochran
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

.............day of ...., 2002

....

ASSETS

	Current Period 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	Prior Year 4 Net Admitted Assets
1. Bonds	9,775,260		9,775,260	11,110,089
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	378,964		378,964	530,239
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.........0 encumbrances)			(a).........0	
4.2 Properties held for the production of income (less $.........0 encumbrances)			0	
4.3 Properties held for sale (less $.........0 encumbrances)			0	
5. Cash ($.....1,194,456) and short-term investments ($.....19,123,601)	20,318,057		20,318,057	18,264,712
6. Other long-term invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotal, cash and invested assets (Lines 1 to 8)	30,472,281	0	30,472,281	29,905,040
10. Accident and health premiums due and unpaid	924,178	26,889	897,289	943,718
11. Health care receivables			0	
12. Amounts recoverable from reinsurers			0	
13. Net adjustment in assets and liabilities due to foreign exchange rates			0	
14. Investment income due and accrued	353,247		353,247	438,243
15. Amounts due from parent, subsidiaries and affiliates			0	
16. Amounts receivable relating to uninsured accident and health plans	2,825,769	30,711	2,795,058	2,568,361
17. Furniture and equipment			0	
18. Amounts due from agents			0	
19. Federal and foreign income tax recoverable and interest thereon (including $.....796,830 net deferred tax asset)	816,990		816,990	536,811
20. Electronic data processing equipment and software			0	
21. Other nonadmitted assets			0	
22. Aggregate write-ins for other than invested assets	0	0	0	0
23. Total assets (Lines 9 plus 10 through 22)	35,392,465	57,600	35,334,865	34,392,173

DETAILS OF WRITE-INS

	1	2	3	4
0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2201.			0	
2202.			0	
2203.			0	
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	0	0	0	0

(a) $.........0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $..........0 reinsurance ceded)	3,526,759		3,526,759	3,541,889
2. Accrued medical incentive pool and bonus payments			0	
3. Unpaid claims adjustment expenses	227,129		227,129	242,955
4. Aggregate policy reserves			0	
5. Aggregate claim reserves			0	
6. Premiums received in advance	90,269		90,269	132,748
7. General expenses due or accrued	96,798		96,798	85,051
8. Federal and foreign income tax payable and interest thereon (including $..........0 on realized capital gains (losses)) (including $..........0 net deferred tax liability)	220,777		220,777	2,642,269
9. Amounts withheld or retained for the account of others			0	
10. Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)			0	
11. Amounts due to parent, subsidiaries and affiliates	1,100,382		1,100,382	1,054,391
12. Payable for securities			0	
13. Funds held under reinsurance treaties with ($..........0 authorized reinsurers and $..........0 unauthorized reinsurers)			0	
14. Reinsurance in unauthorized companies			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	
16. Liability for amounts held under uninsured accident and health plans	832,891		832,891	772,830
17. Aggregate write-ins for other liabilities (including $..........0 current)	399,258	0	399,258	432,697
18. Total liabilities (Lines 1 to 17)	6,494,263	0	6,494,263	8,904,830
19. Common capital stock	XXX	XXX		
20. Preferred capital stock	XXX	XXX		
21. Gross paid in and contributed surplus	XXX	XXX		
22. Surplus notes	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	500,000	500,000
24. Unassigned funds (surplus)	XXX	XXX	28,340,602	24,987,343
25. Less treasury stock at cost:				
25.1 .....0.000 shares common (value included in Line 19 $..........0)	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 $..........0)	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less 25)	XXX	XXX	28,840,602	25,487,343
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	35,334,865	34,392,173

DETAILS OF WRITE-INS

	1 Covered	2 Uncovered	3 Total	4 Total
1701. Taxes, licenses and fees due or accrued	318,275		318,275	306,991
1702. Benefit liability	80,983		80,983	125,706
1703.			0	
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	399,258	0	399,258	432,697
2301. Statutory Reserve	XXX	XXX	500,000	500,000
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	500,000	500,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year-to-Date 1 Uncovered	2 Total	Prior Year 3 Total
1. Member months	XXX	7,819,779	10,167,302
2. Net premium income	XXX	30,346,989	35,626,967
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $..........0 medical expenses)	XXX		
5. Risk revenue	XXX	390,557	769,732
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Total revenues (Lines 2 to 6)	XXX	30,737,546	36,396,699
Medical and Hospital:			
8. Hospital/medical benefits			
9. Other professional services		26,953,925	35,059,501
10. Outside referrals			
11. Emergency room and out-of-area			
12. Prescription Drugs			
13. Aggregate write-ins for other medical and hospital	0	0	0
14. Incentive pool and withhold adjustments			
15. Subtotal (Lines 8 to 14)	0	26,953,925	35,059,501
Less:			
16. Net reinsurance recoveries			
17. Total medical and hospital (Lines 15 minus 16)	0	26,953,925	35,059,501
18. Claims adjustment expenses		886	369,655
19. General administrative expenses		998	405,290
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	0	26,955,809	35,834,446
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	3,781,737	562,253
23. Net investment income earned		643,442	1,348,433
24. Net realized capital gains or (losses)		18	
25. Net investment gains or (losses) (Lines 23 plus 24)	0	643,460	1,348,433
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $..........0) (amount charged off $.....70,870)]		(70,870)	(14,610)
27. Aggregate write-ins for other income or expenses	0	0	0
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	4,354,327	1,896,076
29. Federal and foreign income taxes incurred	XXX	1,146,196	1,442,318
30. Net income (loss) (Lines 28 minus 29)	XXX	3,208,131	453,758

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
1301.			
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year-to-Date	2 Prior Year
31. Capital and surplus prior reporting period	25,487,343	24,586,462
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	3,208,131	453,758
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses	(154,322)	(79,802)
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax	280,179	(366,421)
37. Change in nonadmitted assets	19,271	(9,886)
38. Change in unauthorized reinsurance		
39. Change in treasury stock		
40. Change in surplus notes		
41. Cumulative effect of changes in accounting principles		903,232
42. Capital changes:		
42.1 Paid in		
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in		
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus	0	0
46. Net change in capital and surplus (Lines 32 to 45)	3,353,259	900,881
47. Capital and surplus end of reporting period (Line 31 plus 46)	28,840,602	25,487,343

DETAILS OF WRITE-INS

4501.		
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance	30,784,999	36,949,730
2. Claims and claims adjustment expenses	26,985,767	33,875,130
3. General administrative expenses paid	(10,749)	380,192
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	3,809,981	2,694,408
6. Net Investment income	807,667	1,367,875
7. Other income (expenses)	(33,439)	274,944
8. Federal and foreign income taxes (paid) recovered	(3,567,688)	(395,912)
9. Net cash from operations (Lines 5 to 8)	1,016,521	3,941,315
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	5,000,000	6,750,000
10.2 Stocks	181	
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Lines 10.1 to 10.7)	5,000,181	6,750,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds	3,744,400	6,126,050
11.2 Stocks	3,245	4,595
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)	3,747,645	6,130,645
12. Net cash from investments (Line 10.8 minus Line 11.7)	1,252,536	619,355
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		
13.2 Net transfers from affiliates	45,991	395,229
13.3 Borrowed funds received		
13.4 Other cash provided	66,558	1,072,408
13.5 Total (Lines 13.1 to 13.4)	112,549	1,467,637
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates		
14.3 Borrowed funds repaid		
14.4 Other applications	328,261	21,089
14.5 Total (Lines 14.1 to 14.4)	328,261	21,089
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(215,712)	1,446,548
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	2,053,345	6,007,218
17. Cash and short-term investments:		
17.1 Beginning of period	18,264,712	12,257,494
17.2 End of period (Line 16 plus Line 17.1)	20,318,057	18,264,712

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3	Medicare	Vision	Dental	Federal Employees	Title XVIII	Title XIX	
	Total	Individual	Group	Supplement	Only	Only	Health Benefit Plans	Medicare	Medicaid	Other
Total Members at End of:										
1. Prior Year	826,292				826,292					
2. First Quarter	875,472				875,472					
3. Second Quarter	853,546				853,546					
4. Third Quarter	888,496				888,496					
5. Current Year	0									
6. Current Year Member Months	7,819,779				7,819,779					
Total Member Ambulatory Encounters for Period:										
7. Physician	0									
8. Non-Physician	207,699				207,699					
9. Total	207,699	0	0	0	207,699	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Premiums Collected	30,741,496				30,741,496					
13. Premiums Earned	30,737,546				30,737,546					
14. Amount Paid for Provision of Health Care Services	26,969,055				26,969,055					
15. Amount Incurred for Provision of Health Care Services	26,953,925				26,953,925					

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Payable (Reported)						
Pricing claims	547,658					547,658
0199999. Individually Listed Claims Payable	547,658	0	0	0	0	547,658
0499999. Subtotals	547,658	0	0	0	0	547,658
0599999. Unreported Claims and Other Claim Reserves						2,979,101
0799999. Total Claims Payable						3,526,759

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (Hospital and Medical)					0	
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only	1,879,986	25,089,069	30,644	3,496,115	1,910,630	3,541,889
5. Federal Employees Health Benefits Plan Premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other					0	
9. Subtotal	1,879,986	25,089,069	30,644	3,496,115	1,910,630	3,541,889
10. Medical incentive pools, accruals and disbursements					0	
11. Totals	1,879,986	25,089,069	30,644	3,496,115	1,910,630	3,541,889

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

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

9. Income Taxes:

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

14. Resolution of Contingency:

The United States Department of Labor (DOL) completed its investigation of the Company's service provider activities to employee health benefit plans covered under the Employee Retirement Income Security Act of 1974 (ERISA). The Company's remaining liability as of September 30, 2002 is $80,983.

17. Wash Sales:

The Company has no wash sales.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [ ] No [X]

1.2 If yes, explain:....................

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

3.2 If yes, date of change: ....
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4\. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that ceased to exist as a result of the merger or consolidation.

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

6\. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2001.....................

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/1996.....................

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....11/20/1997.....................

7.4 By what department or departments?................................. STATE OF OHIO DEPARTMENT OF INSURANCE

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

9.2 If yes, explain:....................

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: $..

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

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$..............................0	$..0
13.22 Preferred Stock	$..............................0	$..0
13.23 Common Stock	$..............................0	$..0
13.24 Short-Term Investments	$..............................0	$..0
13.25 Mortgages, Loans or Real Estate	$..............................0	$..0
13.26 All Other	$..............................0	$..0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$..............................0	$..0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$..............................0	$..0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$..............................0	$..0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of America	San Francisco, CA
Merrill Lynch	Sacramento, CA

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [ ] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Bank of America	Pat Helmholtz	San Francisco, CA
Merrill Lynch	Gary Wright	Sacramento, CA

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	0	0	
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	0	0	0	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	0	0	0	0

NONE

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period	0	0	0	
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	0	0	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	0	0	0	
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	0	0	0	0

NONE

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	27,769,400	4,601,893	3,442,725	(29,709)	26,796,495	27,769,400	28,898,860	23,710,154
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	27,769,400	4,601,893	3,442,725	(29,709)	26,796,495	27,769,400	28,898,860	23,710,154
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	27,769,400	4,601,893	3,442,725	(29,709)	26,796,495	27,769,400	28,898,860	23,710,154

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals	19,123,601	XXX	19,123,601	57,275	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	12,600,066	16,617,771	18,616,232	8,726,227
2. Cost of short-term investments acquired	8,331,122	5,393,778	2,950,093	14,557,573
3. Increase (decrease) by adjustment				(8,544)
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments	4,313,417	3,395,317	2,442,725	10,675,190
7. Book/adjusted carrying value, current period	16,617,771	18,616,232	19,123,600	12,600,066
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	16,617,771	18,616,232	19,123,600	12,600,066
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	16,617,771	18,616,232	19,123,600	12,600,066
12. Income collected during period	186,583	104,683	57,275	531,166
13. Income earned during period	95,991	107,554	97,768	636,564

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only Year-to-Date			
				3	4	5	6
	State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1.	Alabama AL	NO	NO				
2.	Alaska AK	NO	NO				
3.	Arizona AZ	NO	NO				
4.	Arkansas AR	NO	NO				
5.	California CA	NO	NO				
6.	Colorado CO	NO	NO				
7.	Connecticut CT	NO	NO				
8.	Delaware DE	NO	NO				
9.	District of Columbia DC	NO	NO				
10.	Florida FL	NO	NO				
11.	Georgia GA	NO	NO				
12.	Hawaii HI	NO	NO				
13.	Idaho ID	NO	NO				
14.	Illinois IL	NO	NO				
15.	Indiana IN	NO	NO				
16.	Iowa IA	NO	NO				
17.	Kansas KS	NO	NO				
18.	Kentucky KY	NO	NO				
19.	Louisiana LA	NO	NO				
20.	Maine ME	NO	NO				
21.	Maryland MD	NO	NO				
22.	Massachusetts MA	NO	NO				
23.	Michigan MI	NO	NO				
24.	Minnesota MN	NO	NO				
25.	Mississippi MS	NO	NO				
26.	Missouri MO	NO	NO				
27.	Montana MT	NO	NO				
28.	Nebraska NE	NO	NO				
29.	Nevada NV	NO	NO				
30.	New Hampshire NH	NO	NO				
31.	New Jersey NJ	NO	NO				
32.	New Mexico NM	NO	NO				
33.	New York NY	NO	NO				
34.	North Carolina NC	NO	NO				
35.	North Dakota ND	NO	NO				
36.	Ohio OH	YES	YES	30,695,067	214,067	547,605	
37.	Oklahoma OK	NO	NO				
38.	Oregon OR	NO	NO				
39.	Pennsylvania PA	NO	NO				
40.	Rhode Island RI	NO	NO				
41.	South Carolina SC	NO	NO				
42.	South Dakota SD	NO	NO				
43.	Tennessee TN	NO	NO				
44.	Texas TX	NO	NO				
45.	Utah UT	NO	NO				
46.	Vermont VT	NO	NO				
47.	Virginia VA	NO	NO				
48.	Washington WA	NO	NO				
49.	West Virginia WV	NO	NO				
50.	Wisconsin WI	NO	NO				
51.	Wyoming WY	NO	NO				
52.	American Samoa AS	NO	NO				
53.	Guam GU	NO	NO				
54.	Puerto Rico PR	NO	NO				
55.	U.S. Virgin Islands VI	NO	NO				
56.	Canada CN	NO	XXX				
57.	Aggregate Other alien OT	XXX	XXX	0	0	0	0
58.	Total (Direct Business)	XXX	(a) 1	30,695,067	214,067	547,605	0

DETAILS OF WRITE-INS

5701.				
5702.				
5703.				
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

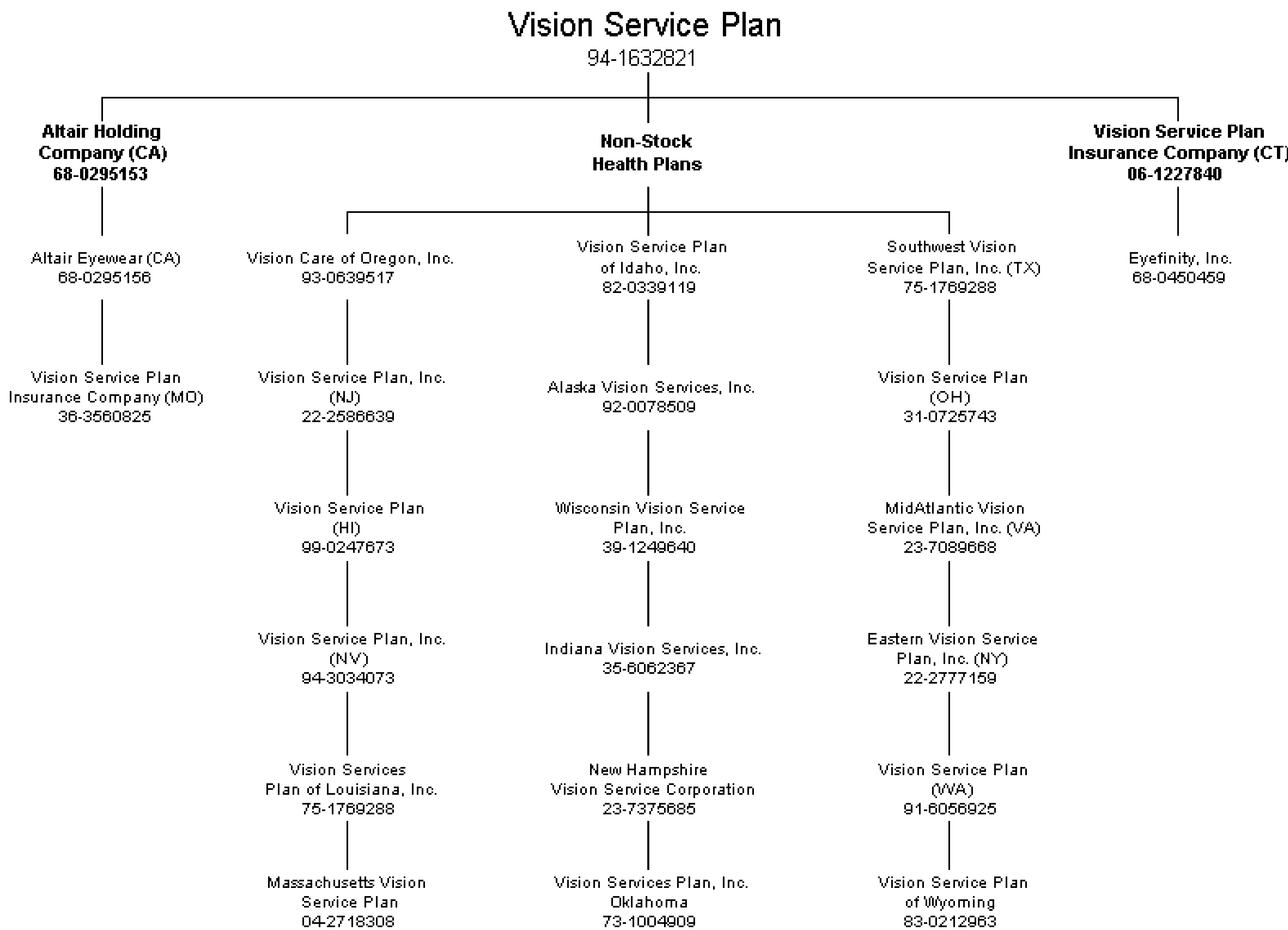
(a) Insert the number of yes responses except for Canada and Other Alien.

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

PART 1 – ORGANIZATIONAL CHART

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

PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

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

EXPLANATION:

BAR CODE:

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
3134A3 2S 4	FHLMC	09/11/2002	Bank Of America		1,651,800	1,500,000	16,328	1PE
0399999.	Total - Bonds - U.S. Government				1,651,800	1,500,000	16,328	XXX
6099997.	Total - Bonds - Part 3				1,651,800	1,500,000	16,328	XXX
6099999.	Total - Bonds				1,651,800	1,500,000	16,328	XXX
Common Stocks - Industrial and Miscellaneous								
United States								
626129 76 1	Munder Index 500	09/26/2002	Merrill Lynch	63.093	1,125			L
	United States				1,125	XXX	0	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				1,125	XXX	0	XXX
7099997.	Total - Common Stocks - Part 3				1,125	XXX	0	XXX
7099999.	Total - Common Stocks				1,125	XXX	0	XXX
7199999.	Total - Preferred and Common Stocks				1,125	XXX	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				1,652,925	XXX	16,328	XXX

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - Special Revenue and Special Assessment																
United States																
3133M1 FF 1...	FHLB Notes	08/13/2002	MATURITY		1,000,000	1,000,000	987,930	1,000,000	3,805				0	62,050		1PE
	U.S.				1,000,000	1,000,000	987,930	1,000,000	3,805	0	0	0	0	62,050	0	XXX
	United States				1,000,000	1,000,000	987,930	1,000,000	3,805	0	0	0	0	62,050	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				1,000,000	1,000,000	987,930	1,000,000	3,805	0	0	0	0	62,050	0	XXX
6099997.	Total - Bonds - Part 4				1,000,000	1,000,000	987,930	1,000,000	3,805	0	0	0	0	62,050	0	XXX
6099999.	Total - Bonds				1,000,000	1,000,000	987,930	1,000,000	3,805	0	0	0	0	62,050	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				1,000,000	XXX	987,930	1,000,000	3,805	0	0	0	0	62,050	0	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
			Amount of	Amount of	5	6	7	
		Rate	Interest	Interest Accrued				
		of	Received During	at Current				
Depository		Interest	Current Quarter	Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Bank of America - checking	Sacramento, CA		8,715		1,965,672	1,477,669	970,726	
Bank One - cd (matures 3/9/03)	Columbus, OH	1.730		1,517	172,470	172,470	172,470	
Bank One - cd (matures 12/4/03)	Columbus, OH	4.550		1,725	50,000	50,000	50,000	
Merrill Lynch - money market	Sacramento, CA	6.000			10	10	10	
0199999. Total Open Depositories		XXX	8,715	3,242	2,188,152	1,700,149	1,193,206	XXX
0399999. Total Cash on Deposit		XXX	8,715	3,242	2,188,152	1,700,149	1,193,206	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	1,250	1,250	1,250	XXX
0599999. Total Cash		XXX	8,715	3,242	2,189,402	1,701,399	1,194,456	XXX