

HEALTH QUARTERLY STATEMENT

AS OFSeptember, 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

AULTCARE HMO

NAIC Group Code	1204	1204	NAIC Company Code	95200	Employer's ID Number	34-1758734
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile						
Licensed as business type:	Life, Accident & Health[X] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[]	
Date Incorporated or Organized	12/02/1993			Date Commenced Business	04/01/1994	
Statutory Home Office	2600 SIXTH STREETT SW			CANTON, OH 44710		
	(Street and Number)			(City, or Town, State and Zip Code)		
Main Administrative Office	2600 SIXTH STREET SW					
	(Street and Number)					
	CANTON, OH 44710			(330)438-6360 x4057		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	2600 SIXTH STREET SW			CANTON, OH 44710		
	(Street and Number or P.O. Box)			(City, or Town, State and Zip Code)		
Primary Location of Books and Records	2600 SIXTH STREET SW					
	(Street and Number)					
	CANTON, OH 44710			(330)438-6360 x4057		
	(City, or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address						
Statutory Statement Contact	CHRISTOPHER JOHN INDORF			(330)438-6360 x4057		
	(Name)			(Area Code)(Telephone Number)(Extension)		
	cindorf@aultman.com			(330)580-6658 x		
	(E-Mail Address)			(Fax Number)		
Policyowner Relations Contact						
				(Street and Number)		
				(City, or Town, State and Zip Code)		
				(Area Code) (Telephone Number)(Extension)		

OFFICERS

PRESIDENT	RICK L HAINES
SECRETARY	ROGER E BAKER MD
TREASURER	SHEILA M MARKLEY
VICE CHAIRMAN	FRANK G PROVO
CHAIRMAN	WILLIAM S ALFORD MD
VICE PRESIDENT OF BROKERED SALES	WILLIAM A HAMMERSTROM

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

JOHN B HUMPHREY JR MD	FRANK G PROVO
RICHARD J PRYCE	PAUL W WELCH MD
ROBERT M MANN	ROGER BAKER MD
THEODORE V BOYD	ALLEN J ROVNER MD

State ofOhio

County ofSTARKss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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 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)
Rick L. Haines	Bradley R. Hecker	
(Printed Name)	(Printed Name)	(Printed Name)
President	CFO	
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[] No[X]
day of, 2002	b. If no, 1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	
(Notary Public Signature)		

ASSETS

		Current Period			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1.	Bonds	3,218,423		3,218,423	3,126,137
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)			(a).....	
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....759,158) and short-term investments (\$.....)	759,158		759,158	535,888
6.	Other long-term invested assets				
7.	Receivable for securities				
8.	Aggregate write-ins for invested assets	75,873		75,873	
9.	Subtotal cash and invested assets (Lines 1 to 8)	4,053,454		4,053,454	3,662,025
10.	Accident and health premiums due and unpaid				
11.	Health care receivables	453,338	21,993	431,345	622,101
12.	Amounts recoverable from reinsurers	240,760		240,760	407,801
13.	Net adjustment in assets and liabilities due to foreign exchange rates				
14.	Investment income due and accrued	34,737		34,737	51,909
15.	Amounts due from parent, subsidiaries and affiliates	685,680		685,680	569,314
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 \$..... 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)	5,467,969	21,993	5,445,976	5,313,150
DETAILS OF WRITE-INS					
0801.	PREPAID EXPENSE	75,873		75,873	
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)	75,873		75,873	
2201.	ACCUMULATED DEPRECIATION				
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) \$..... health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	857,392		857,392	662,392
2.	Accrued medical incentive pool and bonus payments				
3.	Unpaid claims adjustment expenses				
4.	Aggregate policy reserves				
5.	Aggregate claim reserves				
6.	Premiums received in advance				
7.	General expenses due or accrued	128,329		128,329	191,627
8.	Federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses) (including \$..... net deferred tax liability)				
9.	Amounts withheld or retained for account of others				
10.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
11.	Amounts due to parent, subsidiaries and affiliates	2,494,565		2,494,565	1,837,319
12.	Payable for securities				
13.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
14.	Reinsurance in unauthorized companies				
15.	Net adjustments in assets and liabilities due to foreign exchange rates				
16.	Liability for amounts held under uninsured accident and health plans				
17.	Aggregate write-ins for other liabilities (including \$..... current)				
18.	Total liabilities (Lines 1 to 17)	3,480,286		3,480,286	2,691,338
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	3,550,000	3,450,000
22.	Surplus notes	X X X	X X X		
23.	Aggregate write-ins for other surplus funds	X X X	X X X		
24.	Unassigned funds (surplus)	X X X	X X X	(1,584,310)	(828,188)
25.	Less treasury stock, at cost:	X X X	X X X		
25.1	 shares common (value included in Line 19 \$.....)	X X X	X X X		
25.2	 shares preferred (value included in Line 20 \$.....)	X X X	X X X		
26.	Total capital and surplus (Lines 19 to 24, Less 25)	X X X	X X X	1,965,690	2,621,812
27.	Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	5,445,976	5,313,150
DETAILS OF WRITE-INS					
1701.					
1702					
1703					
1798.	Summary of remaining write-ins for Line 17 from overflow page				
1799.	TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above)				
2301		X X X	X X X		
2302		X X X	X X X		
2303		X X X	X X X		
2398.	Summary of remaining 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 Uncovered	2 Total	3 Total
1.	Member Months	X X X	54,264	60,756
2.	Net premium income	X X X	7,857,355	8,997,842
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	TOTAL REVENUES (Lines 2 to 6)	X X X	7,857,355	8,997,842
Medical and Hospital:				
8.	Hospital/medical benefits		2,736,684	2,875,882
9.	Other professional services		3,058,283	2,958,033
10.	Outside referrals		952,787	957,374
11.	Emergency room and out-of-area			89,961
12.	Prescription drugs			
13.	Aggregate write-ins for other medical and hospital		1,149,513	1,902,169
14.	Incentive pool and withhold adjustments			
15.	Subtotal (Lines 8 to 14)		7,897,266	8,783,419
LESS:				
16.	Net reinsurance recoveries		68,524	465,586
17.	Total medical and hospital (Lines 15 minus 16)		7,828,742	8,317,833
18.	Claims adjustment expenses			185,692
19.	General administrative expenses		894,162	1,116,936
20.	Increase in reserves for accident and health contracts			
21.	Total underwriting deductions (Lines 17 through 20)		8,722,904	9,620,461
22.	Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	(865,549)	(622,619)
23.	Net investment income earned		129,859	117,247
24.	Net realized capital gains or (losses)			(2,093)
25.	Net investment gains or (losses) (Lines 23 plus 24)		129,859	115,154
26.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....), (amount charged off \$.....)]			
27.	Aggregate write-ins for other income or expenses			
28.	Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		(735,690)	(507,465)
29.	Federal and foreign income taxes incurred	X X X	18	(4,983)
30.	Net income (loss) (Lines 28 minus 29)	X X X	(735,708)	(502,482)
DETAILS OF WRITE-INS				
0601		X X X		
0602		X X X		
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		
1301.	INPATIENT		1,149,513	1,902,169
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)		1,149,513	1,902,169
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)

		1	2
		Current Year to Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
31.	Capital and surplus prior reporting year	2,621,812	2,126,684
GAINS AND LOSSES TO CAPITAL & SURPLUS			
32.	Net income or (loss) from Line 30	(735,708)	(502,482)
33.	Change in valuation basis of aggregate policy and claim reserves		
34.	Net unrealized capital gains and losses		
35.	Change in net unrealized foreign exchange capital gain or (loss)		
36.	Change in net deferred income tax		
37.	Change in nonadmitted assets	(20,414)	1,001
38.	Change in unauthorized reinsurance		
39.	Change in treasury stock		
40.	Change in surplus notes		
41.	Cumulative effect of changes in accounting principles		
42.	Capital Changes:		
42.1	Paid in		
42.2	Transferred from surplus (Stock Dividend)		
42.3	Transferred to surplus		
43.	Surplus adjustments:		
43.1	Paid in	100,000	1,000,000
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		(3,391)
46.	Net change in capital and surplus (Lines 32 to 45)	(656,122)	495,128
47.	Capital and surplus end of reporting period (Line 31 plus 46)	1,965,690	2,621,812
DETAILS OF WRITE-INS			
4501.	AUDIT ADJUSTMENTS		(3,391)
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)		(3,391)

CASH FLOW

		1 Current Year To Date	2 Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance	7,857,355	8,997,842
2.	Claims and claims adjustment expenses	7,730,225	8,658,473
3.	General administrative expenses paid	894,162	1,100,364
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(767,032)	(760,995)
6.	Net investment income	129,859	106,335
7.	Other income (expenses)		
8.	Federal and foreign income taxes (paid) recovered	(18)	4,983
9.	Net cash from operations (Lines 5 to 8)	(637,191)	(649,677)
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		308,437
10.2	Stocks		
10.3	Mortgage loans		
10.4	Real estate		
10.5	Other invested assets		
10.6	Net gains or (losses) on cash and short-term investments		
10.7	Miscellaneous proceeds		
10.8	TOTAL investment proceeds (Lines 10.1 to 10.7)		308,437
11.	Cost of investments acquired (long-term only):		
11.1	Bonds		1,412,011
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)		1,412,011
12.	Net cash from investments (Line 10.8 minus Line 11.7)		(1,103,574)
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in	100,000	1,000,000
13.2	Net transfers from affiliates	569,706	906,017
13.3	Borrowed funds received		
13.4	Other cash provided	190,756	(21,788)
13.5	TOTAL (Lines 13.1 to 13.4)	860,461	1,884,229
14.	Cash applied:		
14.1	Dividends to stockholders paid		
14.2	Net transfers to affiliates		
14.3	Borrowed funds repaid		
14.4	Other applications		192,345
14.5	TOTAL (Lines 14.1 to 14.4)		192,345
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	860,461	1,691,884
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	223,270	(61,367)
17.	Cash and short-term investments:		
17.1	Beginning of period	535,888	597,254
17.2	End of period (Line 16 plus Line 17.1)	759,158	535,887

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	4,783		2,091				2,692			
2. First Quarter	5,425		2,143				3,282			
3. Second Quarter	5,407		2,137				3,270			
4. Third Quarter	5,492		2,167				3,325			
5. Current Year										
6. Current Year Member Months	54,264		21,411				32,853			
Total Member Ambulatory Encounters for Period:										
7. Physician	17,375		6,856				10,519			
8. Non-Physician	26,538		10,471				16,067			
9. Total	43,913		17,327				26,586			
10. Hospital Patient Days Incurred	1,967		776				1,191			
11. Number of Inpatient Admissions	365		144				221			
12. Premiums Collected										
13. Premiums Earned	7,857,355		3,100,307				4,757,048			
14. Amount Paid for Provision of Health Care Services	7,897,266		3,116,055				4,781,211			
15. Amount Incurred for Provision of Health Care Services										

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
0199999 Individually Listed Claims Payable						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	327,837	334,755	123,689	24,046	47,065	857,392
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals	327,837	334,755	123,689	24,046	47,065	857,392
0599999 Unreported claims and other claim reserves						
0699999 Total Amounts Withheld						
0799999 Total Claims Payable						857,392
0899999 Accrued Medical Incentive Pool						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (Hospital & Medical)	324,214	2,791,841	338,305		662,519	261,796
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan Premiums ..	497,468	4,283,743	519,087		1,016,555	400,596
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other						
9.	Subtotal	821,682	7,075,584	857,392		1,679,074	662,392
10.	Medical incentive pools, accruals and disbursements ..						
11.	TOTALS	821,682	7,075,584	857,392		1,679,074	662,392

Notes to Financial Statement

N O N E

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

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

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

Yes[] No[X] N/A[]
- 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?
If yes attach an organizational chart.

Yes[] No[X]
- 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	2	3
Name of Entity	NAIC Company Code	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?
If yes, attach an explanation.

Yes[] No[X] N/A[]
- 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.
- 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).
- 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 changes 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 in Schedule DB?

Yes[] No[X]
- 14.2

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

Yes[] No[X] N/A[]
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[] No[X]
- 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
.....	

- 15.2

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

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

- 15.3

Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year?

Yes[] No[X]
- 15.4

If yes, give full and complete information relating thereto:

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

- 15.5

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

1 Central Registration Depository	2 Name(s)	3 Address
.....		

SCHEDULE A - VERIFICATION

		1	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	NONE			
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	NONE			
6.	Amounts paid on account or in full during the period				
7.	Amortization of premium				
8.	Increase (decrease) by foreign exchange adjustment				
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period				
10.	Total valuation allowance				
11.	Subtotal (Lines 9 plus 10)				
12.	Total nonadmitted amounts				
13.	Statement value of mortgages owned at end of current period				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

		1	2	3	4
Description		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	NONE			
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	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
BONDS								
1. Class 1	3,226,392			(7,969)	3,210,774	3,226,392	3,218,423	
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. TOTAL Bonds	3,226,392			(7,969)	3,210,774	3,226,392	3,218,423	
PREFERRED STOCK								
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	3,226,392			(7,969)	3,210,774	3,226,392	3,218,423	

15 Schedule DA Part 1. NONE

15 Schedule DA Part 2 Verification NONE

16 Schedule DB Part F Section 1. NONE

17 Schedule DB Part F Section 2. NONE

18 Schedule S Ceded Reinsurance NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.			1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date			
					3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums
1.	Alabama	AL	No	No				
2.	Alaska	AK	No	No				
3.	Arizona	AZ	No	No				
4.	Arkansas	AR	No	No				
5.	California	CA	No	No				
6.	Colorado	CO	No	No				
7.	Connecticut	CT	No	No				
8.	Delaware	DE	No	No				
9.	District of Columbia	DC	No	No				
10.	Florida	FL	No	No				
11.	Georgia	GA	No	No				
12.	Hawaii	HI	No	No				
13.	Idaho	ID	No	No				
14.	Illinois	IL	No	No				
15.	Indiana	IN	No	No				
16.	Iowa	IA	No	No				
17.	Kansas	KS	No	No				
18.	Kentucky	KY	No	No				
19.	Louisiana	LA	No	No				
20.	Maine	ME	No	No				
21.	Maryland	MD	No	No				
22.	Massachusetts	MA	No	No				
23.	Michigan	MI	No	No				
24.	Minnesota	MN	No	No				
25.	Mississippi	MS	No	No				
26.	Missouri	MO	No	No				
27.	Montana	MT	No	No				
28.	Nebraska	NE	No	No				
29.	Nevada	NV	No	No				
30.	New Hampshire	NH	No	No				
31.	New Jersey	NJ	No	No				
32.	New Mexico	NM	No	No				
33.	New York	NY	No	No				
34.	North Carolina	NC	No	No				
35.	North Dakota	ND	No	No				
36.	Ohio	OH	No	Yes	3,109,473			4,747,882
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	No				
57.	Aggregate other alien	OT	XXX	XXX				
58.	TOTAL (Direct Business)		XXX	(a) 1	3,109,473			4,747,882
DETAILS OF WRITE-INS								
5701			XXX	XXX				
5702			XXX	XXX				
5703			XXX	XXX				
5798.	Summary of remaining write-ins for Line 57 from overflow page		XXX	XXX				
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)		XXX	XXX				

(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

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL CHART

AULTMAN HEALTH FOUNDATION-TAX EXEMPT FOUNDATION (34-1445390)
(PARENT)

- 1. AULTCARE CORPORATION--MANAGED CARE (34-1488123)
 - 1A. AULTCARE HMO--HMO (34-1758734)
- 2. AULTMAN AMBULATORY SERVICES--HOME HEALTH, OUTPATIENT SURGERY (34-1388891)
- 3. AULTMAN HOSPITAL--HOSPITAL (34-0714538)
- 4. MCKINLEY LIFE INSURANCE COMPANY--HEALTH INSURANCE (34-1624818)
 - 4A. MCKINLEY LIFE INSURANCE AGENCY, LTD--AGENCY (34-1795772)
- 5. NORTH CENTRAL MEDICAL RESOURCES--DURABLE MEDICAL EQUIPMENT (34-1610344)
- 6. PRIMETIME MEDICAL INSURANCE COMPANY--HEALTH INSURANCE (34-1809738)
- 7. OHIO PHYSICIAN SUPPORT SERVICES--MSO (34-1819356)

**SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES**

RESPONSES

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

No

Explanation:

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

E01	Schedule A Part 2.	NONE
E01	Schedule A Part 3.	NONE
E02	Schedule B Part 1.	NONE
E02	Schedule B Part 2.	NONE
E03	Schedule BA Part 1.	NONE
E03	Schedule BA Part 2	NONE
E04	Schedule D Part 3.	NONE
E05	Schedule D Part 4.	NONE
E06	Schedule DB Part A Section 1.	NONE
E06	Schedule DB Part B Section 1.	NONE
E07	Schedule DB Part C Section 1.	NONE
E07	Schedule DB Part D Section 1.	NONE

SCHEDULE E - PART 1 - CASH

1			2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository			Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	
						First Month	Second Month	Third Month	*
open depositories									
FIRST MERIT	CANTON, OHIO		3.630			41,477	94,772	203,227	.
UNITED BANK - OPERATING	CANTON, OHIO					415,565	174,024	555,931	.
FIRST MERIT	CANTON, OHIO								.
UNITED BANK - OPERATING	CANTON, OHIO								.
FIRST MERIT	CANTON, OHIO								.
UNITED BANK - OPERATING	CANTON, OHIO								.
FIRST MERIT	CANTON, OHIO								.
UNITED BANK - OPERATING	CANTON, OHIO								.
0199998 Deposits in depositories which do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X						.
0199999 Totals - Open Depositories			X X X			457,042	268,796	759,158	
0299998 Deposits in depositories which do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X						.
0299999 Totals - Suspended Depositories			X X X						
0399999 Total Cash On Deposit			X X X			457,042	268,796	759,158	
0499999 Cash in Company's Office			X X X	X X X	X X X				
0599999 Total Cash			X X X			457,042	268,796	759,158	

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