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HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

Aetna Health Inc. (an Ohio corporation)

NAIC Group Code..... **0001** (Current Period) **0001** (Prior Period) NAIC Company Code........... **96518** Employer's ID Number........... **34-1399736**

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** (Street and Number) .... **Richfield .... OH ...... 44286** (City, State and Zip Code)

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

Mail Address ....……........... **980 Jolly Road, U14C, P.O. Box 1109** (Street and Number or P. O. Box) ..…………..... **Blue Bell ...... PA ..... 19422** (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** (City, State and Zip Code) ………………………………………............. **800-872-3862** (Area Code) (Telephone Number)

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

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

Policyowner Relations Contact …… **Plan Sponsor Services, 151 Farmington Avenue, Hartford, CT 06156** (Street and Number) (City, State and Zip Code) **…………... (800) 247-5472** (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)	(Signature)	(Signature)
Allan Ira Greenberg	**Gregory Stephen Martino**	**James David Weiss**
President	**Secretary**	**Controller**

Subscribed and sworn to before me this
_____ day of November, 2002

NOTARY PUBLIC (Seal)

ASSETS

	Current Period 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	Prior Year 4 Net Admitted Assets
1. Bonds	99,719,240	0	99,719,240	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 $..........0 encumbrances)	0	0	0	0
5. Cash ($.....13,451,665) and short-term investments ($.....1,454,656)	14,906,321	0	14,906,321	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)	114,625,561	0	114,625,561	126,907,323
10. Accident and health premiums due and unpaid	7,846,300	1,993,841	5,852,459	10,211,248
11. Health care receivables	76,000	76,000	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	1,017,281	0	1,017,281	1,187,411
15. Amounts due from parent, subsidiaries and affiliates	9,333,226	0	9,333,226	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)	10,714,510	2,873,694	7,840,816	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	132,548	0	132,548	0
23. Total assets (Lines 9 plus 10 through 22)	143,745,426	4,943,535	138,801,891	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 receivable	132,548	0	132,548	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)	132,548	0	132,548	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)	48,318,749	3,881,726	52,200,475	79,729,438
2.	Accrued medical incentive pool and bonus payments	0	0	0	0
3.	Unpaid claims adjustment expenses	1,543,712	0	1,543,712	2,088,037
4.	Aggregate policy reserves	1,588,638	0	1,588,638	4,984,949
5.	Aggregate claim reserves	1,918,417	0	1,918,417	2,667,401
6.	Premiums received in advance	1,121,256	0	1,121,256	10,181,448
7.	General expenses due or accrued	8,688,148	0	8,688,148	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 $..........0 current)	0	0	0	0
11.	Amounts due to parent, subsidiaries and affiliates	37,494	0	37,494	4,166
12.	Payable for securities	0	0	0	0
13.	Funds held under reinsurance treaties with ($..........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)	3,582,229	0	3,582,229	8,604,204
18.	Total liabilities (Lines 1 to 17)	66,798,643	3,881,726	70,680,369	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	135,222,536	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	(68,443,014)	(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	68,121,522	69,740,815
27.	Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	138,801,891	186,209,602

DETAILS OF WRITE-INS

		1	2	3	4
1701.	Accrued franchise tax payable	3,163,787	0	3,163,787	3,866,715
1702.	Escheat liability	418,442	0	418,442	308,393
1703.	Reinsurance payable	0	0	0	4,325,644
1798.	Summary of remaining write-ins for Line 17 from overflow page	0	0	0	103,452
1799.	Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	3,582,229	0	3,582,229	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 1 Uncovered	2 Total	Prior Year 3 Total
1. Member months	XXX	1,853,190	3,654,144
2. Net premium income	XXX	375,099,022	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	375,099,022	609,720,944
Medical and Hospital:			
8. Hospital/medical benefits	9,099,136	250,556,633	432,925,339
9. Other professional services	0	595,843	1,185,503
10. Outside referrals	11,008,390	11,008,390	21,741,820
11. Emergency room and out-of-area	1,122,925	14,036,565	12,186,821
12. Prescription Drugs	0	45,261,390	80,836,914
13. Aggregate write-ins for other medical and hospital	0	(3,407,016)	7,036,551
14. Incentive pool and withhold adjustments	0	0	0
15. Subtotal (Lines 8 to 14)	21,230,451	318,051,805	555,912,948
Less:			
16. Net reinsurance recoveries	0	0	(12,892,618)
17. Total medical and hospital (Lines 15 minus 16)	21,230,451	318,051,805	568,805,566
18. Claims adjustment expenses	0	9,541,554	16,677,388
19. General administrative expenses	0	39,946,478	64,547,383
20. Increase in reserves for accident and health contracts	0	(3,396,311)	203,654
21. Total underwriting deductions (Lines 17 through 20)	21,230,451	364,143,526	650,233,991
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	10,955,496	(40,513,047)
23. Net investment income earned	0	5,494,872	9,184,357
24. Net realized capital gains or (losses)	0	1,277,770	1,476,943
25. Net investment gains or (losses) (Lines 23 plus 24)	0	6,772,642	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	17,728,138	(29,851,747)
29. Federal and foreign income taxes incurred	XXX	3,938,668	(10,742,562)
30. Net income (loss) (Lines 28 minus 29)	XXX	13,789,470	(19,109,185)

DETAILS OF WRITE-INS

	1	2	3
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	(3,407,016)	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	(3,407,016)	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)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year-to-Date	2 Prior Year
31. Capital and surplus prior reporting period	69,740,815	53,931,260
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	13,789,470	(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	(1,866,442)	(3,900,712)
37. Change in nonadmitted assets	(1,841,134)	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	(10,000,000)	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)	(1,619,293)	15,809,555
47. Capital and surplus end of reporting period (Line 31 plus 46)	68,121,522	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
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance	369,621,663	624,521,312
2. Claims and claims adjustment expenses	356,415,631	600,687,992
3. General administrative expenses paid	39,467,474	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)	(26,261,442)	(32,719,985)
6. Net Investment income	5,961,078	9,037,731
7. Other income (expenses)	0	0
8. Federal and foreign income taxes (paid) recovered	(568,203)	(468,718)
9. Net cash from operations (Lines 5 to 8)	(20,868,567)	(24,150,972)
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	95,640,115	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	(865)	1,206
10.7 Miscellaneous proceeds	0	0
10.8 Total investment proceeds (Lines 10.1 to 10.7)	95,639,250	52,744,511
11. Cost of investments acquired (long-term only):		
11.1 Bonds	84,990,432	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)	84,990,432	69,331,548
12. Net cash from investments (Line 10.8 minus Line 11.7)	10,648,818	(16,587,037)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in	0	19,000,000
13.2 Net transfers from affiliates	22,801,618	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)	22,801,618	27,787,314
14. Cash applied:		
14.1 Dividends to stockholders paid	10,000,000	0
14.2 Net transfers to affiliates	0	0
14.3 Borrowed funds repaid	0	0
14.4 Other applications	5,196,507	0
14.5 Total (Lines 14.1 to 14.4)	15,196,507	0
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	7,605,111	27,787,314
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	(2,614,638)	(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)	14,906,321	17,520,959

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
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	154,881	497	140,680	0	0	0	13,704	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	1,853,190	3,779	1,712,108	0	0	0	137,303	0	0	0
Total Member Ambulatory Encounters for Period:										
7. Physician	1,775,431	3,440	1,650,939	0	0	0	121,052	0	0	0
8. Non-Physician	0	0	0	0	0	0	0	0	0	0
9. Total	1,775,431	3,440	1,650,939	0	0	0	121,052	0	0	0
10. Hospital Patient Days Incurred	39,317	0	36,636	0	0	0	2,681	0	0	0
11. Number of Inpatient Admissions	11,210	0	10,446	0	0	0	764	0	0	0
12. Premiums Collected	369,659,157	0	340,833,362	0	0	0	28,825,795	0	0	0
13. Premiums Earned	375,136,516	0	346,310,721	0	0	0	28,825,795	0	0	0
14. Amount Paid for Provision of Health Care Services	346,329,752	0	320,728,911	0	0	0	28,647,652	(3,046,811)	0	0
15. Amount Incurred for Provision of Health Care Services	318,051,805	0	301,081,613	0	0	0	22,030,284	(5,060,092)	0	0

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)						
Aging estimated based on claims	0	0	0	0	0	0
in process of adjudication as of 09/30/02	0	0	0	0	0	0
0199999. Individually Listed Claims Payable	0	0	0	0	0	0
0299999. Aggregate Accounts Not Individually Listed-Uncovered	276,063	460	38	38	42,444	319,043
0399999. Aggregate Accounts Not Individually Listed-Covered	5,012,332	7,936	244	1,072	24,573	5,046,157
0499999. Subtotals	5,288,395	8,396	282	1,110	67,017	5,365,200
0599999. Unreported Claims and Other Claim Reserves						46,835,275
0799999. Total Claims Payable						52,200,475

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)	51,856,545	268,872,366	5,634,470	43,842,755	57,491,015	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	8,025,027	20,622,625	871,959	3,207,995	8,896,986	10,697,322
6. Title XVIII - Medicare	(3,046,811)	0	561,713	0	(2,485,098)	2,574,994
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other	0	0	0	0	0	0
9. Subtotal	56,834,761	289,494,991	7,068,142	47,050,750	63,902,903	82,396,839
10. Medical incentive pools, accruals and disbursements	0	0	0	0	0	0
11. Totals	56,834,761	289,494,991	7,068,142	47,050,750	63,902,903	82,396,839

NOTES TO FINANCIAL STATEMENTS

(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 September 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.

(13) Dividends to Stockholders

The Company paid $10,000,000 in dividends to its parent in 2002.

(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 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	86,596,087	41,236,426	39,832,434	(91,616)	75,909,608	86,596,087	87,908,463	94,522,651
2. Class 2	26,306,145	0	13,026,771	(13,941)	20,338,296	26,306,145	13,265,433	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	112,902,232	41,236,426	52,859,205	(105,557)	96,247,904	112,902,232	101,173,896	116,879,320
PREFERRED STOCK								
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	112,902,232	41,236,426	52,859,205	(105,557)	96,247,904	112,902,232	101,173,896	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	1,454,656	XXX	1,454,656	3,825	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	1,176,076	0
2. Cost of short-term investments acquired	13,032,478	18,046,109	13,112,932	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	12,834,352	55,101,806
7. Book/adjusted carrying value, current period	1,545,713	1,176,076	1,454,656	7,492,956
8. Total valuation allowance	0	0	0	0
9. Subtotal (Lines 7 plus 8)	1,545,713	1,176,076	1,454,656	7,492,956
10. Total nonadmitted amounts	0	0	0	0
11. Statement value (Lines 9 minus 10)	1,545,713	1,176,076	1,454,656	7,492,956
12. Income collected during period	27,038	5,457	3,825	99,437
13. Income earned during period	27,038	5,457	3,825	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

		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	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	4,993,285	0	0	1,147,565
16.	Iowa IA	No	No	0	0	0	0
17.	Kansas KS	No	No	0	0	0	0
18.	Kentucky KY	No	Yes	57,360,172	0	0	8,993,803
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	283,957,264	0	0	18,684,427
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	346,310,721	0	0	28,825,795

DETAILS OF WRITE-INS

		3	4	5	6
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.

Statement as of September 30, 2002 of the **Aetna Health Inc. (an Ohio corporation)**

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

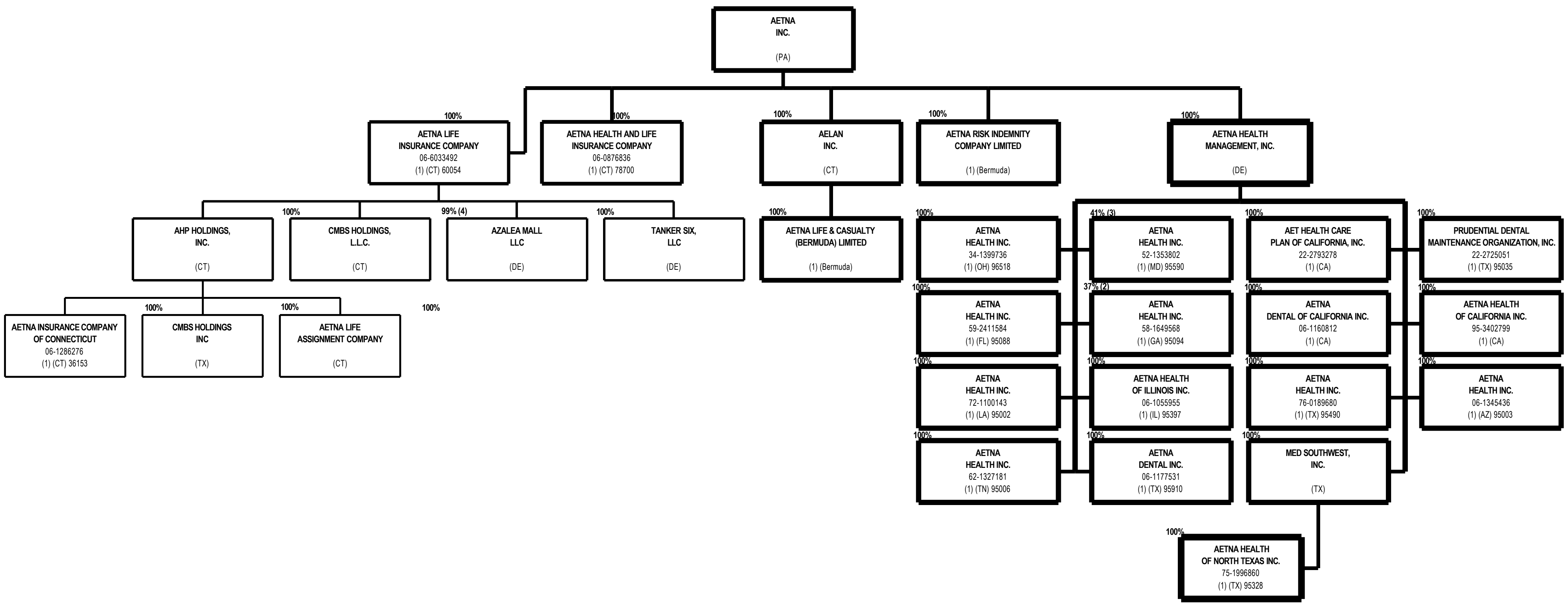
PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF SEPTEMBER 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.

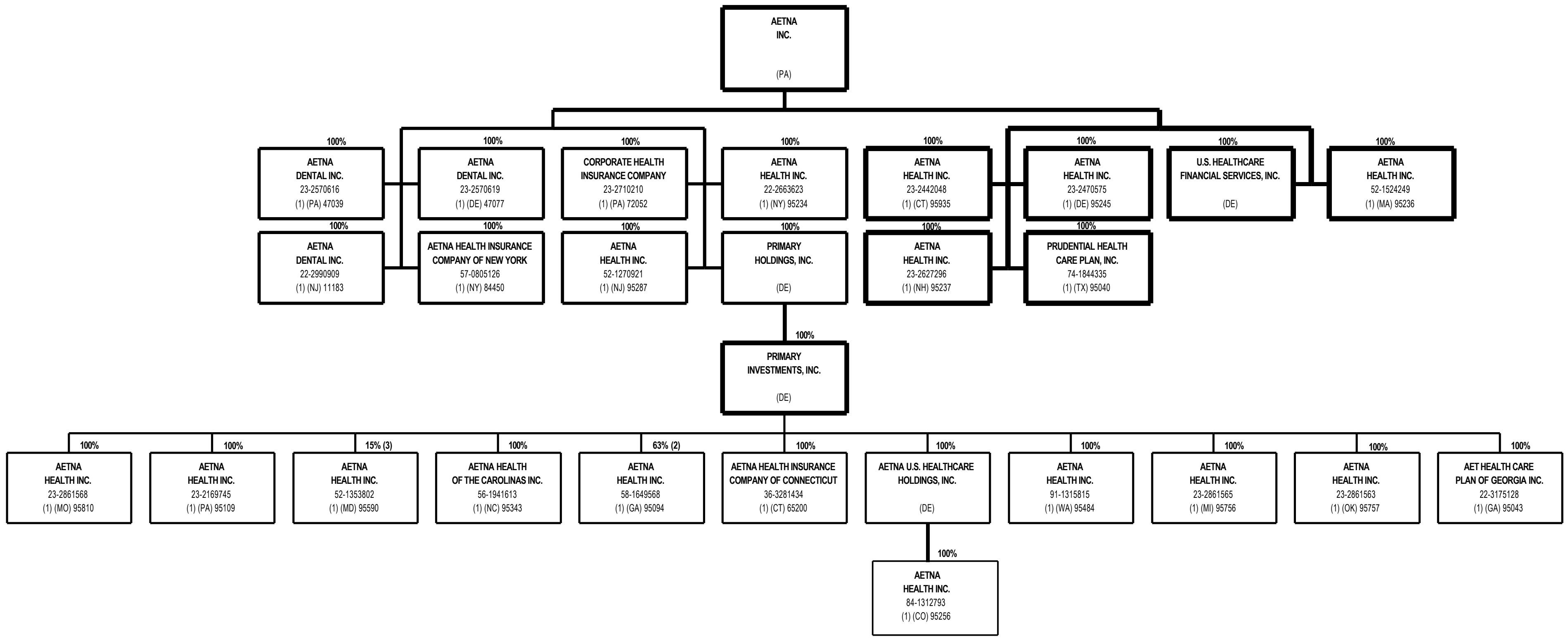
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF SEPTEMBER 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 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.

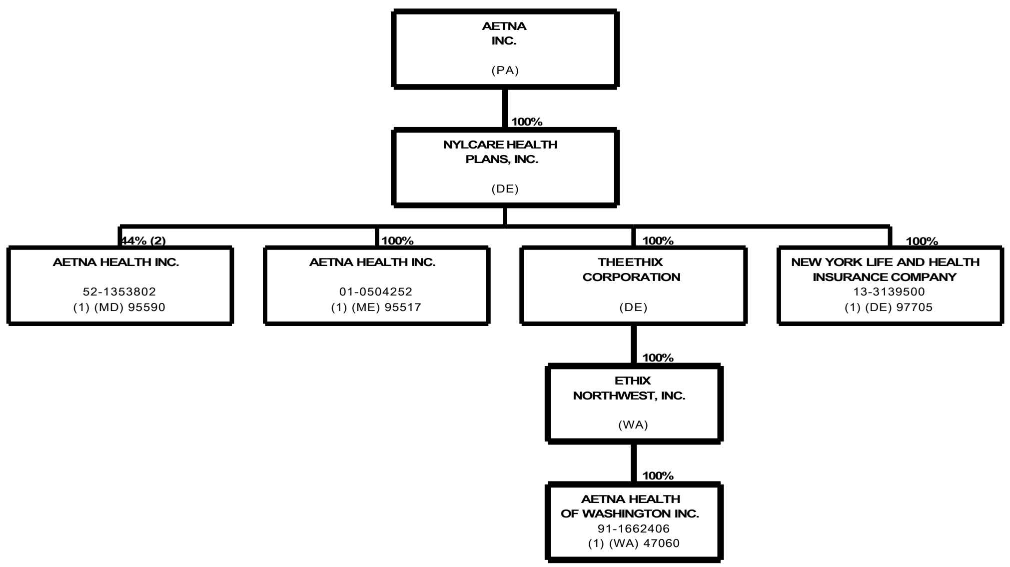
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF SEPTEMBER 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).

Pecentages 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. Current state income tax payable	0	0	0	103,452
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	103,452

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								
912828-AJ-9	US TREASURY NOTE/BOND 4.375% 08/15/12	09/04/2002	SALOMON BROTHERS INC.		4,502,250	4,350,000	12,929	1
0399999.	Total - Bonds - U.S. Government				4,502,250	4,350,000	12,929	XXX
Bonds - Special Revenue and Special Assessment								
United States								
31387D-XL-8	FED NATL MTGE ASSN POOL 6.000% 05/01/31	08/08/2002	DIRECT		9,025,142	8,935,784	10,425	1
	U.S.				9,025,142	8,935,784	10,425	XXX
	United States				9,025,142	8,935,784	10,425	XXX
3199999.	Total - Bonds - Special Revenue & Special Assessments				9,025,142	8,935,784	10,425	XXX
6099997.	Total - Bonds - Part 3				13,527,392	13,285,784	23,354	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				14,596,102	14,326,837	56,064	XXX
6099999.	Total - Bonds				28,123,494	27,612,621	79,418	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				28,123,494	XXX	79,418	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	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)
Bonds - U.S. Government																
36210D-3C-3	GOVT NATL MTGE ASSN I P 6.000% 03/15/29.	09/01/2002	Paydown		26,736	26,736	24,802	24,831	1,905	0	0	0	0	177		1
36210J-N6-1	GOVT NATL MTGE ASSN I P 6.000% 04/15/29.	09/01/2002	Paydown		19,818	19,818	18,384	18,379	1,439	0	0	0	0	230		1
36210Y-ZQ-1	GOVT NATL MTGE ASSN I P 6.000% 04/15/29.	09/01/2002	Paydown		11,051	11,051	10,252	10,257	795	0	0	0	0	81		1
912827-6X-5	US TREASURY NOTE/BOND 4.625% 05/15/06.	08/05/2002	DEUTSCHE BANK-95805		3,589,629	3,375,000	3,405,938	3,402,291	(706)	0	0	188,043	188,043	35,206		1
912827-7H-9	US TREASURY NOTE/BOND 3.250% 12/31/03.	08/05/2002	MERRILL LYNCH PIERCE		224,778	220,000	221,478	221,130	(66)	0	0	3,715	3,715	719		1
912827-7L-0	US TREASURY NOTE/BOND 4.875% 02/15/12.	08/09/2002	MORGAN STANLEY		653,174	625,000	628,320	628,317	0	0	0	24,857	24,857	15,234		1
912828-AC-4	US TREASURY NOTE/BOND 4.375% 05/15/07.	08/08/2002	MORGAN STANLEY		3,777,188	3,600,000	3,582,563	3,582,796	332	0	0	194,060	194,060	39,375		1
0399999.	Total - Bonds - U.S. Government				8,302,374	7,877,605	7,891,737	7,888,001	3,699	0	0	410,675	410,675	91,022	0	XXX
Bonds - Special Revenue and Special Assessment																
United States																
31374S-ZL-8	FED NATL MTGE ASSN POOL 7.500% 12/01/24	09/01/2002	Paydown		38,873	38,873	39,749	39,768	(895)	0	0	0	0	497		1
31379R-EX-2	FED NATL MTGE ASSN POOL 7.500% 11/01/21	09/01/2002	Paydown		240,593	240,593	246,014	246,146	(5,553)	0	0	0	0	3,060		1
	U.S.				279,466	279,466	285,763	285,914	(6,448)	0	0	0	0	3,557	0	XXX
	United States				279,466	279,466	285,763	285,914	(6,448)	0	0	0	0	3,557	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				279,466	279,466	285,763	285,914	(6,448)	0	0	0	0	3,557	0	XXX
Bonds - Public Utilities																
United States																
025537-AA-9	AMERICAN ELEC POWER NOT 6.125% 05/15/0	09/06/2002	WARBURG		4,956,250	5,000,000	4,984,800	4,987,473	448	0	0	(31,671)	(31,671)	98,681		2
	United States				4,956,250	5,000,000	4,984,800	4,987,473	448	0	0	(31,671)	(31,671)	98,681	0	XXX
3899999.	Total - Bonds - Public Utilities				4,956,250	5,000,000	4,984,800	4,987,473	448	0	0	(31,671)	(31,671)	98,681	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
064057-AZ-5	BANK OF NEW YORK SR 7.300% 12/01/09	09/06/2002	LEHMAN BROTHERS INC.		4,032,315	3,500,000	3,852,275	3,828,896	(7,182)	0	0	210,601	210,601	70,972		1
12476V-AF-8	CAPCO AMERICA 1.715% 10/15/30	09/11/2002	Paydown		0	0	3,932	3,030	(3,030)	0	0	0	0	120		1
126691-WE-0	RESIDENTIAL ASSET 7.500% 09/25/26	09/01/2002	Paydown		385,090	385,090	396,071	392,174	(7,084)	0	0	0	0	5,529		1
161505-AP-7	CHASE COMMERCIAL MTGE S 6.900% 11/19/2	09/01/2002	Paydown		7,011	7,011	7,348	7,910	(900)	0	0	0	0	(22,305)		1
444168-DH-8	HUDSON UNITED BANK SUB 7.000% 05/15/12	09/04/2002	SALOMON BROTHERS INC.		5,441,050	5,000,000	4,986,000	4,985,505	166	0	0	455,379	455,379	119,583		2PE
950590-AK-5	WENDY'S INTL INC BONDS 6.200% 06/15/14	09/06/2002	LEHMAN BROTHERS INC.		1,091,490	1,000,000	997,080	997,052	(52)	0	0	94,490	94,490	14,467		2PE
	United States				10,956,956	9,892,101	10,242,706	10,214,567	(18,082)	0	0	760,470	760,470	188,366	0	XXX
Foreign																
35177P-AK-3	FRANCE TELECOM NOTES 8.250% 03/01/11	08/05/2002	CHASE SECURITIES		1,974,380	2,000,000	2,058,734	2,056,741	(336)	0	0	(82,025)	(82,025)	71,958		2
	Foreign				1,974,380	2,000,000	2,058,734	2,056,741	(336)	0	0	(82,025)	(82,025)	71,958	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				12,931,336	11,892,101	12,301,440	12,271,308	(18,418)	0	0	678,445	678,445	260,324	0	XXX
6099997.	Total - Bonds - Part 4				26,469,426	25,049,172	25,463,740	25,432,696	(20,719)	0	0	1,057,449	1,057,449	453,584	0	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				14,773,484	14,326,837	14,596,102	14,592,157	(3,945)	0	0	181,327	181,327	75,464		XXX
6099999.	Total - Bonds				41,242,910	39,376,009	40,059,842	40,024,853	(24,664)	0	0	1,238,776	1,238,776	529,048	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				41,242,910	XXX	40,059,842	40,024,853	(24,664)	0	0	1,238,776	1,238,776	529,048	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
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5 First Month	6 Second Month	7 Third Month	*
Open Depositories								
Mellon Bank		0.000	0	0	(8,816,808)	(6,111,654)	(7,553,629)	
DAIMLER CHRYSLER NA HLDG	Due 09/17/2002 At Maturity	2.000	3,450	0	1,032,296	1,034,078	0	
DAIMLER CHRYSLER NA HLDG	Due 10/15/2002 At Maturity	2.000	2,681	0	0	1,376,626	1,378,925	
DUKE CAPITAL CORP	Due 09/03/2002 At Maturity	2.200	11,562	0	4,391,121	4,399,461	0	
DUKE CAPITAL CORP	Due 09/12/2002 At Maturity	2.200	3,805	0	1,293,670	1,296,126	0	
FHLMC DISCOUNT NOTE	Due 10/08/2002 At Maturity	1.695	1,477	0	0	0	1,624,464	
FORD MOTOR CREDIT CO	Due 09/10/2002 At Maturity	1.950	8,026	0	0	3,938,077	0	
HERTZ CORP	Due 09/10/2002 At Maturity	2.030	11,165	0	0	5,996,951	0	
ICI WILMINGTON	Due 10/22/2002 At Maturity	2.030	2,703	0	0	0	4,357,830	
NATIONAL COOPERATIVE BANK	Due 10/03/2002 At Maturity	2.000	4,633	0	0	0	4,169,536	
NATIONAL COOPERATIVE BANK	Due 10/03/2002 At Maturity	2.000	1,513	0	0	0	2,475,725	
SEARS ROEBUCK ACCEPTANCE CORP	Due 10/04/2002 At Maturity	2.030	11,050	0	0	0	6,998,814	
TELECOM DE PUERTO RICO	Due 08/08/2002 At Maturity	2.000	2,777	0	1,999,221	0	0	
0199998. Deposits in 21 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories		XXX	26,033	0	0	0	0	
0199999. Total Open Depositories		XXX	90,875	0	(100,500)	11,929,665	13,451,665	XXX
0399999. Total Cash on Deposit		XXX	90,875	0	(100,500)	11,929,665	13,451,665	XXX
0599999. Total Cash		XXX	90,875	0	(100,500)	11,929,665	13,451,665	XXX