



# ANNUAL STATEMENT

## For the Year Ending December 31, 2002

### OF THE CONDITION AND AFFAIRS OF THE

# AULTCARE HMO

NAIC Group Code	1204 <small>(Current Period)</small>	1204 <small>(Prior Period)</small>	NAIC Company Code	95200	Employer's ID Number	34-1758734
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] 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[X]			
Date Incorporated or Organized	12/02/1993		Date Commenced Business	04/01/1994		
Statutory Home Office	2600 SIXTH STREET SW <small>(Street and Number)</small>		CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>			
Main Administrative Office	2600 SIXTH STREET SW <small>(Street and Number)</small>					
	CANTON, OH 44710 <small>(City or Town, State and Zip Code)</small>		(330)438-6360-4057 <small>(Area Code) (Telephone Number)</small>			
Mail Address	2600 SIXTH STREET SW <small>(Street and Number or P.O. Box)</small>		CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>			
Primary Location of Books and Records	2600 SIXTH STREET SW <small>(Street and Number)</small>					
	CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>		(330)438-6360-4481 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address						
Statement Contact	RYAN SHAWN BYLER <small>(Name)</small>		(330)438-6360-4481 <small>(Area Code)(Telephone Number)(Extension)</small>			
	rbyler@aultman.com <small>(E-Mail Address)</small>		(330)580-6658 <small>(Fax Number)</small>			
Policyowner Relations Contact						
			<small>(Street and Number)</small>			
	<small>(City, or Town, State and Zip Code)</small>		<small>(Area Code) (Telephone Number)(Extension)</small>			

## OFFICERS

CHEIF EXECUTIVE OFFICER	RICK L HAINES
SECRETARY	ROGER E BAKER MD
TREASURER	SHEILA M MARKLEY-BLACK
VICE CHAIRMAN	FRANK G PROVO
CHAIRMAN	WILLIAM S ALFORD MD

## VICE PRESIDENTS

## DIRECTORS

JOHN B HUMPHREY JR MD	FRANK G PROVO
EDWARD J ROTH III	ROGER BAKER MD
ALLEN J ROVNER MD	WILLIAM S ALFORD DO
WILLIAM H BELDEN JR	SHEILA M MARKLEY-BLACK

State of Ohio  
County of STARK ss

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) Rick L. Haines _____ (Printed Name) CEO	_____ (Signature) George Edgar Film _____ (Printed Name) CONTROLLER	_____ (Signature) _____ (Printed Name)
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a. Is this an original filing? Yes[X] No[ ]  
 b. If no,    1. State the amendment number \_\_\_\_\_  
                   2. Date filed \_\_\_\_\_  
                   3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_  
(Notary Public Signature)

**E01 Schedule A - Part 1 Real Estate Owned - ..... NONE**

**E02 Schedule A - Part 2 Real Estate Aquired - ..... NONE**

**E03 Schedule A - Part 3 Real Estate Sold - ..... NONE**

**E04 Schedule B - Part 1 Mortgage Loans Owned - ..... NONE**

**E05 Schedule B - Part 2 Mortgage Loans Sold - ..... NONE**

**E06 Schedule BA - Part 1 Invested Assets Owned - ..... NONE**

**E07 Schedule BA - Part 2 Invested Assets Sold - ..... NONE**

# SCHEDULE D - PART 1

**Showing all Long-Term BONDS Owned December 31, of Current Year**

1 CUSIP Identification	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/ Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current year, on Bonds in Default as to Principal or Interest	19 NAIC Desig- nation	20 Date Acquired	21 Effective Rate of Interest	
			4 Rate of	5 How Paid									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year							
<b>U.S. Governments - Issuer Obligations</b>																					
912827P89	U.S. TREASURY NOTES		7.250	MN	05/15/2004			101,447	100,000	1.0803	108,031	110,531	866	7,250	(1,238)				1	01/24/1996	
31359MEX7	FNMA		6.500	AF	08/15/2004			104,764	100,000	1.0781	107,813	109,203	2,401	6,500	(3,604)				1	11/07/2001	
912827X80	U.S. TREASURY NOTES		6.875	MN	05/15/2006			51,086	50,000	1.1506	57,532	52,422	411	3,438	(361)				1	06/10/1999	
9128273E0	U.S. TREASURY NOTES		6.125	AF	08/15/2007			251,631	250,000	1.1500	287,500	252,949	5,657	15,313	(392)				1	09/27/1999	
31359MDW0	FNMA		5.750	JD	07/15/2005			70,051	70,000	1.0903	76,322	70,153	134	4,025	(23)				1	09/18/1998	
31359MEM1	FNMA		5.125	FA	02/13/2004			98,872	100,000	1.0419	104,188	94,899	1,893	5,125	1,208				1	11/26/1999	
3134A3M78	FHLMC		6.625	NM	08/15/2009			95,179	100,000	1.1731	117,313	93,088	1,895	6,625	792				1	05/22/2000	
9128275N8	U.S. TREASURY NOTES		6.000	AF	08/15/2009			176,523	175,000	1.1628	203,492	177,092	3,879	10,500	(253)				1	10/16/2000	
31359MGM9	FNMA		6.000	DJ	12/15/2005			101,773	100,000	1.1072	110,719	102,979	200	6,000	(675)				1	04/11/2001	
3134A3M78	FHLMC		6.625	SM	09/15/2009			52,092	50,000	1.1731	58,657	52,676	948	3,313	(344)				1	05/07/2001	
31359MGM9	FNMA		6.000	OJ	12/15/2005			52,358	50,000	1.1072	55,360	53,536	100	3,000	(898)				1	10/01/2001	
3134A2UJ5	FHLMC		5.125	DA	10/15/2008			155,445	150,000	1.0906	163,594	156,645	1,559	7,688	(1,039)				1	11/07/2001	
31359MDW0	FNMA		5.750	JD	06/15/2005			136,621	130,000	1.0903	141,740	140,156	249	7,475	(3,057)				1	11/07/2001	
912827U83	U.S. TREASURY NOTES		6.500	AF	08/15/2005			314,734	310,000	1.1184	346,716	319,760	7,444	20,150	(3,178)				1	10/16/2000	
31359MHB2	FNMA		5.500	FA	02/15/2006			209,850	200,000	1.0938	218,750	213,945	4,064	11,000	(3,543)				1	11/07/2001	
3134A4HG2	FHLMC		3.500	SM	09/15/2003			210,369	210,000	1.0156	213,282	211,083	2,103	7,350	(661)				1	12/14/2001	
31359MEM1	FNMA		5.125	FA	02/13/2004			50,688	50,000	1.0419	52,094	51,483	947	2,563	(736)				1	12/26/2001	
31359MEX7	FNMA		6.500	AF	08/15/2004			51,698	50,000	1.0781	53,907	52,722	1,201	1,625	(1,024)				1	03/13/2002	
31359MEX7	FNMA		6.500	AF	08/15/2004			128,259	120,000	1.0781	129,375	129,598	2,882		(1,339)				1	10/29/2002	
3134A4LX0	FHLMC		3.250	NM	11/15/2004			222,991	225,000		231,329	221,757	873	7,313	1,234				1	01/11/2002	
3134A4KQ6	FHLMC		3.875	FA	02/15/2005			159,530	160,000	1.0422	166,750	159,356	2,291	3,091	174				1	05/17/2002	
31359MGM9	FNMA		6.000	DJ	12/15/2005			54,789	50,000	1.1072	55,359	55,205	100	1,500	416				1	10/29/2002	
912828AN0	U.S. TREASURY NOTES		3.000	NM	11/15/2007			351,868	350,000	1.0122	354,267	351,900	1,254		32				1	12/23/2002	
3134A2UJ5	FHLMC		5.125	OA	10/15/2008			24,909	25,000	1.0906	27,266	24,894	260	1,281	16				1	02/08/2002	
9128277L0	U.S. TREASURY NOTES		4.875	FA	02/15/2012			107,385	100,000	1.0859	108,594	107,453	1,801		68				1	12/23/2002	
31359MLH4	FNMA		4.375	OA	10/18/2006			116,909	110,000	1.0694	117,634	116,909	969						1	12/31/2002	
0199999	Subtotal - U.S. Governments - Issuer Obligations							3,451,820	3,385,000	X X X	3,667,583	3,482,394	46,381	142,124	(18,424)				X X X	X X X	X X X
0399999	Subtotal - U.S. Governments							3,451,820	3,385,000	X X X	3,667,583	3,482,394	46,381	142,124	(18,424)				X X X	X X X	X X X
5499999	Subtotals - Issuer Obligations							3,451,820	3,385,000	X X X	3,667,583	3,482,394	46,381	142,124	(18,424)				X X X	X X X	X X X
6099999	Grand Total - Bonds							3,451,820	3,385,000	X X X	3,667,583	3,482,394	46,381	142,124	(18,424)				X X X	X X X	X X X

E08

**E09**    **Schedule D - Part 2 Sn 1 Prfrd Stocks Owned - ..... NONE**

**E10**    **Schedule D - Part 2 Sn 2 Common Stocks Owned - ..... NONE**

## SCHEDULE D - PART 3

**Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year**

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
<b>Bonds - U.S. Governments</b>							
31359MEX7 .....	FNMA .....	03/13/2002 ..	FIRST MERIT .....	X X X .....	52,722 .....	50,000.00 .....	253 .....
31359MEX7 .....	FNMA .....	10/29/2002 ..	FIRST MERIT .....	X X X .....	129,598 .....	120,000.00 .....	1,170 .....
3134A4LX0 .....	FHLMC .....	01/11/2002 ..	FIRST MERIT .....	X X X .....	221,757 .....	225,000.00 .....	1,239 .....
3134A4KQ6 .....	FHLMC .....	05/17/2002 ..	FIRST MERIT .....	X X X .....	159,356 .....	160,000.00 .....	253 .....
31359MGM9 .....	FNMA .....	10/29/2002 ..	FIRST MERIT .....	X X X .....	55,205 .....	50,000.00 .....	950 .....
912828AN0 .....	TREASURY NOTE .....	12/23/2002 ..	FIRST MERIT .....	X X X .....	351,900 .....	350,000.00 .....	1,102 .....
3134A2UJ5 .....	FHLMC .....	02/08/2002 ..	FIRST MERIT .....	X X X .....	24,894 .....	25,000.00 .....	413 .....
9128277L0 .....	TREASURY NOTE .....	12/23/2002 ..	FIRST MERIT .....	X X X .....	107,453 .....	100,000.00 .....	1,722 .....
31359MLH4 .....	FNMA .....	12/31/2002 ..	FIRST MERIT .....	X X X .....	116,909 .....	110,000.00 .....	1,016 .....
0399999 Subtotal - Bonds - U.S. Governments .....					1,219,794 .....	1,190,000.00 .....	8,118 .....
6099997 Subtotal - Bonds - Part 3 .....					1,219,794 .....	1,190,000.00 .....	8,118 .....
6099998 Summary item from Part 5 for Bonds .....					112,148 .....	110,000.00 .....	253 .....
6099999 Subtotal - Bonds .....					1,331,942 .....	1,300,000.00 .....	8,371 .....
6599998 Summary Item from Part 5 for Preferred Stocks .....						X X X .....	
7099998 Summary Item from Part 5 for Common Stocks .....						X X X .....	
7199999 Subtotal - Preferred and Common Stocks .....						X X X .....	
7299999 Totals .....					1,331,942 .....	X X X .....	8,371 .....

## SCHEDULE D - PART 4

**Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year**

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
<b>Bonds - U.S. Governments</b>															
912827F49	US TREASURY NOTES	05/15/2002	MATURED	X X X	250,000	250,000.00	265,859	250,000	(466)					9,375	X X X
31359MEX7	FNMA	12/23/2002	BOYD WATERSON	X X X	107,598	100,000.00	109,203	107,598	(3,604)				2,291	8,811	X X X
912827R87	US TREASURY NOTES	01/16/2002	BOYD WATERSON	X X X	222,820	200,000.00	225,109	222,820					13,561	2,698	X X X
912827U83	US TREASURY NOTES	12/23/2002	BOYD WATERSON	X X X	334,570	300,000.00	309,445	334,570	(2,150)				29,669	26,209	X X X
0399999	Subtotal - Bonds - U.S. Governments				914,988	850,000.00	909,617	914,988	(6,220)				45,521	47,092	X X X
6099997	Subtotal - Bonds - Part 4				914,988	850,000.00	909,617	914,988	(6,220)				45,521	47,092	X X X
6099998	Summary Item from Part 5 for Bonds				110,000	110,000.00	112,148	110,000	(2,148)					5,638	X X X
6099999	Subtotal - Bonds				1,024,988	960,000.00	1,021,765	1,024,988	(8,368)				45,521	52,730	X X X
6599998	Summary Item from Part 5 for Preferred Stocks						X X X							X X X	
7099998	Summary Item from Part 5 for Common Stocks						X X X							X X X	
7199999	Subtotal - Preferred and Common Stocks						X X X							X X X	
7299999	Totals				1,024,988		X X X	1,021,765	1,024,988	(8,368)			45,521	52,730	

**SCHEDULE D - PART 5****Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identifi- cation	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consider- ation	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 and Dividends Received During Year	Paid For Accrued Interest and Dividends
<b>Bonds - U.S. Governments</b>																
9128276Q0	U.S. TREASURY NOTES .....	05/17/2002	FIRST MERIT .....	12/31/2002	MATURED .....	110,000.000	112,148	110,000	110,000	(2,148)					5,638	253
0399999	Subtotal - Bonds - U.S. Governments .....					110,000.000	112,148	110,000	110,000	(2,148)					5,638	253
6099998	Subtotal - Bonds .....					110,000.000	112,148	110,000	110,000	(2,148)					5,638	253
7299999	Totals .....						112,148	110,000	110,000	(2,148)					5,638	253

<b>E14</b>	<b>Schedule D - Part 6 Sn 1 - .....</b>	<b>NONE</b>
<b>E14</b>	<b>Schedule D - Part 6 Sn 2 - .....</b>	<b>NONE</b>
<b>E15</b>	<b>Schedule DA - Part 1 ST Investments Owned - .....</b>	<b>NONE</b>
<b>E16</b>	<b>Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned - .....</b>	<b>NONE</b>
<b>E16</b>	<b>Schedule DB - Part A Sn 2 Opt/Cap/Floor Aquired - .....</b>	<b>NONE</b>
<b>E17</b>	<b>Schedule DB - Part A Sn 3 Opt/Cap/Floor Term - .....</b>	<b>NONE</b>
<b>E17</b>	<b>Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force - .....</b>	<b>NONE</b>
<b>E18</b>	<b>Schedule DB - Part B Sn 2 Opt/Cap/Floor Written - .....</b>	<b>NONE</b>
<b>E18</b>	<b>Schedule DB - Part B Sn 3 Opt/Cap/Floor Term - .....</b>	<b>NONE</b>
<b>E19</b>	<b>Schedule DB - Part C Sn 1 Col/Swap/Frwr Open - .....</b>	<b>NONE</b>
<b>E19</b>	<b>Schedule DB - Part C Sn 2 Col/Swap/Frwr Opened - .....</b>	<b>NONE</b>
<b>E20</b>	<b>Schedule DB - Part C Sn 3 Col/Swap/Frwr Term - .....</b>	<b>NONE</b>
<b>E20</b>	<b>Schedule DB - Part D Sn 1 Futures Contracts Open - .....</b>	<b>NONE</b>
<b>E21</b>	<b>Schedule DB - Part D Sn 2 Futures Contracts Opened - .....</b>	<b>NONE</b>
<b>E21</b>	<b>Schedule DB - Part D Sn 3 Futures Contracts Term - .....</b>	<b>NONE</b>
<b>E22</b>	<b>Schedule DB - Part E Sn 1 Counterparty Exposure - .....</b>	<b>NONE</b>
<b>E23</b>	<b>Schedule DM - .....</b>	<b>NONE</b>

## SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6
Depository	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
<b>open depositories</b>					
FIRST MERIT .....	CANTON, OHIO .....			25,840	
UNITED BANK - OPERATING .....	CANTON, OHIO .....			621,423	
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....	X X X				...
0199999 Totals - Open Depositories .....	X X X			647,263	...
0299998 Deposits in ..... depositories that 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			647,263	...
0499999 Cash in Company's Office .....	X X X	X X X	X X X		...
0599999 Total Cash .....	X X X			647,263	...

### TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January .....	4. April .....	7. July .....	10. October .....
2. February .....	5. May .....	8. August .....	11. November .....
3. March .....	6. June .....	9. September .....	12. December .....

### SCHEDULE E - PART 2 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
NONE						
9999999	Totals .....					

(a) Including \$..... cash and short-term investments as defined in SSAP No.2 of the NAIC Accounting Practices and Procedures Manual.