



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE

## Aetna Health Inc. (an Ohio corporation)

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

Organized under the Laws of **Ohio** State of Domicile or Port of Entry:..... **Ohio**

Country of Domicile:..... **United States**

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Health Service Corporation [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [X] Is HMO Federally Qualified? Yes [ ] No [X]

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

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

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

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

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

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

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

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

### OFFICERS

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

### OTHER OFFICERS

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

### DIRECTORS

**Joan Barnicle #** **Allan Ira Greenberg** **Burton Fred Vanderlaan, M.D. #**

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.

/s/ Allan Ira Greenberg /s/ Gregory Stephen Martino /s/ James David Weiss  
(Signature) (Signature) (Signature)  
**Allan Ira Greenberg** **Gregory Stephen Martino** **James David Weiss**  
**President** **Secretary** **Controller**

Subscribed and sworn to before me this  
24th day of February, 2003

/s/ Rosemary R. Pico  
NOTARY PUBLIC (Seal)

- 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 .....

**Sch. A-Pt. 1  
NONE**

**Sch. A-Pt. 2  
NONE**

**Sch. A-Pt. 3  
NONE**

**Sch. B-Pt. 1  
NONE**

**Sch. B-Pt. 2  
NONE**

**Sch. BA-Pt. 1  
NONE**

**Sch. BA-Pt. 2  
NONE**

## SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identifi- cation	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Desig- nation	Date Acquired	Effective Rate of Interest
<b>U.S. Government - Issuer Obligations</b>																				
31331L-G3-6..	FED FARM CREDIT BANK BONDS.....		5.900	AO	04/01/2009			3,071,038	3,000,000	0.0000	3,071,038	3,077,400	44,250	88,500	(6,362)	0	0	1	05/02/2002	5.446
912827-4N-9..	US TREASURY NOTE/BOND.....		5.250	FA	08/15/2003			786,210	785,000	0.0000	804,625	794,015	15,567	41,213	(1,941)	0	0	1	08/27/1998	4.986
912827-4U-3..	US TREASURY NOTE/BOND.....		4.250	MN	11/15/2003			544,502	545,000	0.0000	559,137	542,530	3,007	23,163	523	0	0	1	12/17/1998	4.353
912827-7G-1..	US TREASURY NOTE/BOND.....		3.000	MN	11/30/2003			179,948	180,000	0.0000	182,869	179,895	475	5,400	52	0	0	1	12/11/2001	3.031
912828-AN-0..	US TREASURY NOTE/BOND.....		3.000	MN	11/15/2007			5,069,922	5,000,000	0.0000	5,060,950	5,069,922	19,890	0	0	0	0	1	12/31/2002	2.691
912828-AP-5..	US TREASURY NOTE/BOND.....		4.000	MN	11/15/2012			5,089,063	5,000,000	0.0000	5,070,300	5,089,063	26,519	0	0	0	0	1	12/31/2002	3.782
0199999	U.S. Government - Issuer Obligations.....							14,740,683	14,510,000	XXX	14,748,919	14,752,825	109,708	158,276	(7,728)	0	0	XXX	XXX	XXX
<b>U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities</b>																				
36210D-3C-3..	GOVT NATL MTGE ASSN I POOL NO 489595.....		6.000	MTLY	03/15/2029			1,370,532	1,476,134	0.0000	1,370,532	1,369,345	7,381	88,568	(1,343)	0	0	1	10/29/1999	7.788
36210J-N6-1..	GOVT NATL MTGE ASSN I POOL NO 493713.....		6.000	MTLY	04/15/2029			309,869	333,903	0.0000	309,869	309,747	1,670	20,034	(166)	0	0	1	10/29/1999	8.068
36210Y-ZQ-1..	GOVT NATL MTGE ASSN I POOL NO 506651.....		6.000	MTLY	04/15/2029			220,477	237,799	0.0000	220,477	220,596	1,189	14,268	(600)	0	0	1	10/29/1999	8.893
0299999	U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities.....							1,900,878	2,047,836	XXX	1,900,878	1,899,688	10,240	122,870	(2,109)	0	0	XXX	XXX	XXX
0399999	Total - U.S. Government.....							16,641,561	16,557,836	XXX	16,649,797	16,652,513	119,948	281,146	(9,837)	0	0	XXX	XXX	XXX
<b>Special Revenue &amp; Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities</b>																				
<b>United States</b>																				
31374S-ZL-8..	FED NATL MTGE ASSN POOL NO 323047.....		7.500	MTLY	12/01/2024			285,726	279,267	0.0000	285,726	285,559	1,745	20,945	218	0	0	1	12/22/2000	6.098
31379R-EX-2..	FED NATL MTGE ASSN POOL NO 426850.....		7.500	MTLY	11/01/2021			1,475,324	1,441,908	0.0000	1,475,324	1,474,394	9,012	108,143	1,354	0	0	1	12/22/2000	5.929
31387D-XL-8..	FED NATL MTGE ASSN POOL NO 581283.....		6.000	MTLY	05/01/2031			8,049,247	7,969,484	0.0000	8,049,247	8,049,178	39,847	159,390	69	0	0	1	08/08/2002	5.764
	U.S.....							9,810,297	9,690,659	XXX	9,810,297	9,809,131	50,604	288,478	1,641	0	0	XXX	XXX	XXX
	Total States and US.....							9,810,297	9,690,659	XXX	9,810,297	9,809,131	50,604	288,478	1,641	0	0	XXX	XXX	XXX
2699999	Special Revenue & Assessment Obligations - Single Class Mtg.-Backed/Asset-Backed Securities.....							9,810,297	9,690,659	XXX	9,810,297	9,809,131	50,604	288,478	1,641	0	0	XXX	XXX	XXX
3199999	Total - Special Revenue & Special Assessment Obligations.....							9,810,297	9,690,659	XXX	9,810,297	9,809,131	50,604	288,478	1,641	0	0	XXX	XXX	XXX
<b>Public Utilities (Unaffiliated) - Issuer Obligations</b>																				
<b>United States</b>																				
010392-DL-9..	ALABAMA PR CO NOTES.....		5.490	MN	11/01/2005			1,959,230	2,000,000	0.0000	1,959,230	1,938,220	18,300	109,800	12,707	0	0	1PE	04/16/2001	6.283
144141-CH-9..	CAROLINA PR & LT TRUST MTGE.....		6.800	FA	08/15/2007			2,078,945	2,000,000	0.0000	2,078,945	2,133,360	51,378	136,000	(14,532)	0	0	2PE	11/30/1998	5.812
485134-BB-5..	KANSAS CITY PR & LT NOTES.....		7.125	JD	12/15/2005			1,997,065	2,000,000	0.0000	1,997,065	1,995,560	6,333	142,500	832	0	0	2PE	12/14/2000	7.179
845335-BY-3..	SOUTHWESTERN BELL TEL CO NOTE.....		6.375	MN	11/15/2007			991,515	1,000,000	0.0000	991,515	988,750	8,146	63,750	1,418	0	0	1PE	12/22/2000	6.579
	United States.....							7,026,755	7,000,000	XXX	7,026,755	7,055,890	84,157	452,050	425	0	0	XXX	XXX	XXX
3299999	Public Utilities (Unaffiliated) - Issuer Obligations.....							7,026,755	7,000,000	XXX	7,026,755	7,055,890	84,157	452,050	425	0	0	XXX	XXX	XXX
3899999	Total - Public Utilities (Unaffiliated).....							7,026,755	7,000,000	XXX	7,026,755	7,055,890	84,157	452,050	425	0	0	XXX	XXX	XXX
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>																				
<b>United States</b>																				
02635K-CN-2..	AMERICAN GENL FIN SR NOTES.....		6.750	MN	11/15/2004			2,494,467	2,500,000	0.0000	2,494,467	2,487,415	21,563	168,750	2,545	0	0	1PE	12/22/1999	6.872
06422N-CN-4..	BANK ONE CORP MEDIUM TERM NOTE.....		5.625	FA	02/17/2004			1,963,600	2,000,000	0.0000	1,963,601	1,879,800	41,875	112,500	29,736	0	0	1PE	12/22/1999	7.327
361446-AB-3..	GATX CAP CORP NOTE.....		6.875	MN	11/01/2004			3,992,066	4,000,000	0.0000	3,992,066	3,997,520	45,833	275,000	3,533	0	0	2PE	12/22/2000	6.983
441812-JV-7..	HOUSEHOLD FINANCE CORP NOTES.....		6.750	MN	05/15/2011			5,205,480	5,000,000	0.0000	5,387,500	5,226,900	43,125	337,500	(18,359)	0	0	1	11/01/2001	6.114
449901-AC-1..	ICI NORTH AMERICA DEB.....		8.875	MN	11/15/2006			2,135,915	2,000,000	0.0000	2,135,915	2,244,520	22,681	177,500	(29,777)	0	0	2PE	12/22/1998	6.843
872287-AB-3..	T C I COM INC SR NOTES.....		8.000	FA	08/01/2005			1,948,408	2,000,000	0.0000	2,077,320	1,945,000	66,667	0	3,408	0	0	2	10/22/2002	9.138
881685-BG-5..	TEXACO CAP INC GTD NOTES.....		6.000	JD	06/15/2005			1,008,719	1,000,000	0.0000	1,008,719	1,020,890	2,667	60,000	(3,237)	0	0	1PE	11/30/1998	5.613
	United States.....							18,748,655	18,500,000	XXX	19,059,588	18,802,045	244,411	1,131,250	(12,151)	0	0	XXX	XXX	XXX
<b>Foreign</b>																				
35177P-AK-3..	FRANCE TELECOM NOTES.....		9.250	MS	03/01/2011			1,027,257	1,000,000	0.0000	1,156,270	1,029,367	30,833	80,000	(2,110)	0	0	2	02/11/2002	8.772
48245R-AR-5..	KFW INTL FINANCE GLOBAL NOTE.....		4.750	JJ	01/24/2007			5,305,988	5,000,000	0.0000	5,305,988	5,308,300	103,576	0	(2,312)	0	0	1PE	12/16/2002	3.134
802813-AB-1..	SANTANDER FIN ISSUANCES NOTE.....		7.750	MN	05/15/2005			276,621	275,000	0.0000	276,621	278,363	2,723	21,313	(617)	0	0	1PE	12/22/1999	7.468
802813-AE-5..	SANTANDER FIN ISSUANCES SUB NOTE.....		6.375	FA	02/15/2011			152,628	170,000	0.0000	152,628	148,539	4,094	10,838	1,461	0	0	1PE	12/22/1999	8.115
802813-AF-2..	SANTANDER FIN ISSUANCES SUB NOTE.....		7.000	AO	04/01/2006			266,003	270,000	0.0000	266,003	263,085	4,725	18,900	1,038	0	0	1PE	12/22/1999	7.516
	Foreign.....							7,028,497	6,715,000	XXX	7,157,510	7,027,654	145,951	131,051	(2,540)	0	0	XXX	XXX	XXX
3999999	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations.....							25,777,152	25,215,000	XXX	26,217,098	25,829,699	390,362	1,262,301	(14,691)	0	0	XXX	XXX	XXX
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities</b>																				
<b>United States</b>																				
12476V-AF-8..	CAPCO AMERICA SECURITIZATION C SER.....		1.480	MTLY	10/15/2030	03/31/2009	100.000	510,591	0	0.0000	510,591	791,718	7,647	146,846	(135,461)	0	0	1	09/22/1999	7.896

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## SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
126691-WE-0.	RESIDENTIAL ASSET SECURITIZATI SER.....		7.500	MTLY	09/25/2026	06/25/2026	100.000	2,244,255	2,231,367	0.0000	2,244,255	2,294,996	13,946	167,352	(44,143)	0	0	1	01/21/1999	6.837
161505-AP-7..	CHASE COMMERCIAL MTGE SEC CORP SER.....		6.900	MTLY	11/19/2028	09/19/2006	100.000	1,958,067	1,928,321	0.0000	1,958,067	2,021,121	11,088	135,056	(17,978)	0	0	1	11/30/1998	5.944
161505-CW-0.	CHASE COMMERCIAL MTGE SEC CORP SER.....		6.390	MTLY	11/18/2030	11/18/2008	100.000	3,072,560	3,000,000	0.0000	3,072,560	3,113,906	15,975	191,700	(11,458)	0	0	1	01/26/1999	5.926
617059-EN-6..	MORGAN J P COMMERCIAL MTGE FIN SER.....		6.613	MTLY	01/15/2030	01/15/2008	100.000	3,039,549	3,000,000	0.0000	3,039,549	3,068,906	16,533	198,383	(8,987)	0	0	1	03/19/1999	6.304
61745M-DD-2	MORGAN STANLEY CAP I SER 1997-XL1 CLASS.....		6.950	MTLY	10/03/2030	09/03/2007	100.000	4,081,289	4,000,000	0.0000	4,081,289	4,137,188	23,165	278,000	(16,041)	0	0	1	03/09/1999	6.488
655356-JF-1..	NOMURA ASSET SECURITIES CORP SER 1998-D6.....		6.590	MTLY	03/15/2030	01/15/2010	100.000	5,048,033	5,000,000	0.0000	5,048,033	5,071,875	18,306	329,500	(7,004)	0	0	1	04/14/1999	6.464
	United States.....							19,954,344	19,159,688	XXX	19,954,344	20,499,710	106,660	1,446,837	(241,072)	0	0	XXX	XXX	XXX
4199999.	Industrial & Miscellaneous - Defined Multi-Class Residential Mtg.-Backed Securities.....							19,954,344	19,159,688	XXX	19,954,344	20,499,710	106,660	1,446,837	(241,072)	0	0	XXX	XXX	XXX
4599999.	Total - Industrial & Miscellaneous (Unaffiliated).....							45,731,496	44,374,688	XXX	46,171,442	46,329,409	497,022	2,709,138	(255,763)	0	0	XXX	XXX	XXX
<b>Totals</b>																				
5499999.	Total - Issuer Obligations.....							47,544,590	46,725,000	XXX	47,992,772	47,638,414	584,227	1,872,627	(21,994)	0	0	XXX	XXX	XXX
5599999.	Total - Single Class Mortgage-Backed/Asset-Backed Securities.....							11,711,175	11,738,495	XXX	11,711,175	11,708,819	60,844	411,348	(468)	0	0	XXX	XXX	XXX
5699999.	Total - Defined Multi-Class Residential Mortgage-Backed Securities.....							19,954,344	19,159,688	XXX	19,954,344	20,499,710	106,660	1,446,837	(241,072)	0	0	XXX	XXX	XXX
6099999.	Grand Total - Bonds.....							79,210,109	77,623,183	XXX	79,658,291	79,846,943	751,731	3,730,812	(263,534)	0	0	XXX	XXX	XXX

**Sch. D-Pt. 2-Sn. 1**  
**NONE**

**Sch. D-Pt. 2-Sn. 2**  
**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. Government</b>							
31331L-G3-6	FED FARM CREDIT BANK BO 5.900% 04/01/09	05/02/2002	RAYMOND JAMES & ASSOC		3,077,400	3,000,000	15,733
912828-AN-0	US TREASURY NOTE/BOND 3.000% 11/15/07	12/31/2002	MERRILL LYNCH PIERCE		5,069,922	5,000,000	19,890
912828-AP-5	US TREASURY NOTE/BOND 4.000% 11/15/12	12/31/2002	MORGAN STANLEY		5,089,063	5,000,000	26,519
0399999	Total - Bonds - U.S. Government				13,236,385	13,000,000	62,142
<b>Bonds - Special Revenue and Special Assessment</b>							
<b>United States</b>							
31387D-XL-8	FED NATL MTGE ASSN POOL 6.000% 05/01/31	08/08/2002	DIRECT		8,049,178	7,969,484	9,298
	U.S.				8,049,178	7,969,484	9,298
	Total States and US				8,049,178	7,969,484	9,298
3199999	Total - Bonds - Special Revenue & Special Assessments				8,049,178	7,969,484	9,298
<b>Bonds - Industrial and Miscellaneous</b>							
<b>United States</b>							
872287-AB-3	T C I COM INC SR NOTES 8.000% 08/01/05	10/22/2002	MORGAN STANLEY		1,945,000	2,000,000	37,333
	United States				1,945,000	2,000,000	37,333
<b>Foreign</b>							
35177P-AK-3	FRANCE TELECOM NOTES 9.250% 03/01/11	02/11/2002	Exchange		1,029,367	1,000,000	34,444
48245R-AR-5	KFW INTL FINANCE GLOBAL 4.750% 01/24/07	12/16/2002	LEHMAN BROTHERS INC		5,308,300	5,000,000	95,660
	Foreign				6,337,667	6,000,000	130,104
4599999	Total - Bonds - Industrial & Miscellaneous				8,282,667	8,000,000	167,437
6099997	Total - Bonds - Part 3				29,568,230	28,969,484	238,877
6099998	Total - Bonds - Summary Item from Part 5				77,812,222	77,563,138	439,171
6099999	Total - Bonds				107,380,452	106,532,622	678,048
7299999	Total - Bonds, Preferred and Common Stocks				107,380,452	XXX	678,048

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## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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
<b>Bonds - U.S. Government</b>															
3134A4-DY-7	FED HOME LOAN MTGE CORP 5.625% 03/15/11	11/29/2002	DEUTSCHE BANK-95805		7,493,605	7,000,000	6,922,370	6,924,551	5,826	0	0	563,229	563,229	477,969	
36210D-3C-3	GOVT NATL MTGE ASSN I P 6.000% 03/15/29	12/01/2002	Paydown		332,059	332,059	308,037	308,606	23,453	0	0	0	0	12,390	
36210J-N6-1	GOVT NATL MTGE ASSN I P 6.000% 04/15/29	12/01/2002	Paydown		61,103	61,103	56,683	56,735	4,368	0	0	0	0	1,586	
36210Y-ZQ-1	GOVT NATL MTGE ASSN I P 6.000% 04/15/29	12/01/2002	Paydown		85,691	85,691	79,492	79,665	6,026	0	0	0	0	2,687	
880591-CJ-9	TENNESSEE VALLEY AUTH B 6.750% 11/01/25	01/03/2002	LEHMAN BROTHERS INC		5,225,050	5,000,000	5,244,750	5,240,999	(51)	0	0	(15,898)	(15,898)	59,063	
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	3,405,604	(4,018)	0	0	188,043	188,043	113,253	
912827-7B-2	US TREASURY NOTE/BOND 5.000% 08/15/11	06/19/2002	Various		14,100,555	14,150,000	14,399,623	14,396,120	(9,314)	0	0	(286,251)	(286,251)	369,361	
912827-7F-3	US TREASURY NOTE/BOND 3.500% 11/15/06	05/13/2002	MERRILL LYNCH PIERCE		3,855,000	4,000,000	3,834,063	3,835,201	11,461	0	0	8,338	8,338	70,000	
0399999	Total - Bonds - U.S. Government				34,742,692	34,003,853	34,250,956	34,247,481	37,751	0	0	457,461	457,461	1,106,309	XXX
<b>Bonds - Special Revenue and Special Assessment</b>															
<b>United States</b>															
31374S-ZL-8	FED NATL MTGE ASSN POOL 7.500% 12/01/24	12/01/2002	Paydown		182,450	182,450	186,561	186,528	(4,077)	0	0	0	0	6,859	
31379R-EX-2	FED NATL MTGE ASSN POOL 7.500% 11/01/21	12/01/2002	Paydown		1,101,468	1,101,468	1,126,284	1,125,960	(24,492)	0	0	0	0	40,832	
	U.S.				1,283,918	1,283,918	1,312,845	1,312,488	(28,569)	0	0	0	0	47,691	XXX
	Total States and U.S.				1,283,918	1,283,918	1,312,845	1,312,488	(28,569)	0	0	0	0	47,691	XXX
3199999	Total - Bonds - Special Revenue & Assessment				1,283,918	1,283,918	1,312,845	1,312,488	(28,569)	0	0	0	0	47,691	XXX
<b>Bonds - Public Utilities</b>															
<b>United States</b>															
025537-AA-9	AMERICAN ELEC POWER NOT 6.125% 05/15/00	09/06/2002	WARBURG		4,956,250	5,000,000	4,984,800	4,986,110	1,811	0	0	(31,671)	(31,671)	251,806	
	United States				4,956,250	5,000,000	4,984,800	4,986,110	1,811	0	0	(31,671)	(31,671)	251,806	XXX
3899999	Total - Bonds - Public Utilities				4,956,250	5,000,000	4,984,800	4,986,110	1,811	0	0	(31,671)	(31,671)	251,806	XXX
<b>Bonds - Industrial and Miscellaneous</b>															
<b>United States</b>															
064057-AZ-5	BANK OF NEW YORK SR 7.300% 12/01/09	09/06/2002	LEHMAN BROTHERS INC		4,032,313	3,500,000	3,852,275	3,846,514	(24,800)	0	0	210,599	210,599	198,719	
12476V-AF-8	CAPCO AMERICA 1.480% 10/15/30	12/11/2002	Paydown		0	0	16,081	13,122	(13,122)	0	0	0	0	1,615	
126691-WE-0	RESIDENTIAL ASSET 7.500% 09/25/26	12/01/2002	Paydown		2,323,597	2,323,597	2,389,856	2,382,985	(59,388)	0	0	0	0	108,663	
161505-AP-7	CHASE COMMERCIAL MTGE S 6.900% 11/19/2	12/01/2002	Paydown		71,679	71,679	75,129	73,453	(1,774)	0	0	0	0	3,067	
171205-DH-7	CHRYSLER FINANCIAL COR 6.950% 03/25/02	03/25/2002	Maturity		2,000,000	2,000,000	2,060,300	2,004,498	(4,498)	0	0	0	0	69,500	
20029P-AE-9	COMCAST CABLE COM NOTES 8.125% 05/01/0	10/22/2002	MORGAN STANLEY		2,005,000	2,000,000	2,061,680	2,033,516	(10,927)	0	0	(17,589)	(17,589)	159,792	
23975N-AB-8	DAYTON HUDSON CREDIT CA 6.250% 08/25/0	10/25/2002	Call		2,000,000	2,000,000	2,061,250	2,014,092	(14,092)	0	0	0	0	104,167	
66938F-JR-6	NORWEST CORP MEDIUM TER 6.750% 10/01/0	05/28/2002	DEUTSCHE BANK		2,126,440	2,000,000	1,925,600	1,946,089	4,005	0	0	176,347	176,347	90,000	
	United States				14,559,029	13,895,276	14,442,171	14,314,269	(124,596)	0	0	369,357	369,357	735,523	XXX
<b>Foreign</b>															
002917-AA-0	ABBEY NATL SUB NOTE 8.200% 10/15/04	01/11/2002	LEHMAN BROTHERS INC		1,652,160	1,500,000	1,551,690	1,531,995	(443)	0	0	120,608	120,608	31,092	
35177P-AB-3	FRANCE TELECOM SER 144A 7.750% 03/01/1	02/11/2002	Exchange		3,088,101	3,000,000	3,093,120	3,088,610	(509)	0	0	0	0	103,333	
	Foreign				4,740,261	4,500,000	4,644,810	4,620,605	(952)	0	0	120,608	120,608	134,425	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				19,299,290	18,395,276	19,086,981	18,934,874	(125,548)	0	0	489,965	489,965	869,948	XXX
6099997	Total - Bonds - Part 4				60,282,150	58,683,047	59,635,582	59,480,953	(114,555)	0	0	915,755	915,755	2,275,754	XXX
6099998	Total - Bonds - Summary Item from Part 5				80,500,242	77,563,138	77,812,222	77,802,329	(9,893)	0	0	2,697,912	2,697,912	1,568,854	XXX
6099999	Total - Bonds				140,782,392	136,246,185	137,447,804	137,283,282	(124,448)	0	0	3,613,667	3,613,667	3,844,608	XXX
7299999	Total - Bonds, Preferred and Common Stocks				140,782,392	XXX	137,447,804	137,283,282	(124,448)	0	0	3,613,667	3,613,667	3,844,608	0

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## SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Current 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 Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	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. Government</b>																
31359M-MQ-3	FED NATL MTGE ASSN 6.125% 03/15/12	04/03/2002	DEUTSCHE BANK-95805	11/29/2002	DEUTSCHE BANK-95805	15,000,000	15,142,965	16,528,890	15,134,096	(8,869)	0	0	1,394,794	1,394,794	627,813	20,417
912827-7H-9	US TREASURY NOTE/BOND 3.250% 12/31/0	01/11/2002	LEHMAN BROTHERS INC	08/05/2002	MERRILL LYNCH PIERCE	2,220,000	2,234,916	2,234,466	2,234,261	(655)	0	0	205	205	9,322	3,189
912827-7L-0	US TREASURY NOTE/BOND 4.875% 02/15/1	08/05/2002	Various	08/09/2002	Various	20,540,000	20,397,819	20,459,573	20,398,329	510	0	0	61,244	61,244	310,635	276,483
912828-AC-4	US TREASURY NOTE/BOND 4.375% 05/15/0	05/13/2002	MERRILL LYNCH PIERCE	08/08/2002	MORGAN STANLEY	3,600,000	3,582,563	3,777,188	3,583,127	564	0	0	194,060	194,060	39,375	0
912828-AH-3	US TREASURY NOTE/BOND 3.250% 08/15/0	08/08/2002	MORGAN STANLEY	08/30/2002	Various	3,600,000	3,586,922	3,594,266	3,586,982	60	0	0	7,284	7,284	4,619	0
912828-AJ-9	US TREASURY NOTE/BOND 4.375% 08/15/1	09/06/2002	Various	09/19/2002	Various	13,300,000	13,662,375	13,825,801	13,659,812	(2,563)	0	0	165,989	165,989	75,797	34,857
912828-AN-0	US TREASURY NOTE/BOND 3.000% 11/15/0	12/16/2002	LEHMAN BROTHERS INC-06	12/16/2002	MORGAN STANLEY	5,000,000	4,977,734	4,975,000	4,977,753	19	0	0	(2,753)	(2,753)	14,088	13,260
0399999	Total - Bonds - U.S. Government					63,260,000	63,585,294	65,395,184	63,574,360	(10,934)	0	0	1,820,823	1,820,823	1,081,649	348,206
<b>Bonds - Special Revenue and Special Assessment</b>																
<b>United States</b>																
31387D-XL-8	FED NATL MTGE ASSN 6.000% 05/01/31	08/08/2002	DIRECT	12/01/2002	Paydown	1,303,138	1,316,169	1,303,138	1,303,138	(13,031)	0	0	0	0	18,697	1,520
	U.S.					1,303,138	1,316,169	1,303,138	1,303,138	(13,031)	0	0	0	0	18,697	1,520
	Total States and US					1,303,138	1,316,169	1,303,138	1,303,138	(13,031)	0	0	0	0	18,697	1,520
3199999	Total - Bonds - Special Revenue & Assessment					1,303,138	1,316,169	1,303,138	1,303,138	(13,031)	0	0	0	0	18,697	1,520
<b>Bonds - Industrial and Miscellaneous</b>																
<b>United States</b>																
444168-DH-8	HUDSON UNITED BANK SUB 7.000% 05/15/1	05/01/2002	FIRST BOSTON CORP	09/04/2002	SALOMON BROTHERS INC	5,000,000	4,986,000	5,441,050	4,985,671	(329)	0	0	455,379	455,379	119,583	0
950590-AK-5	WENDY'S INTL INC BONDS 6.200% 06/15/14	06/11/2002	GOLDMAN SACHS & CO	09/06/2002	LEHMAN BROTHERS INC	1,000,000	997,080	1,091,490	997,000	(80)	0	0	94,490	94,490	14,467	0
	United States					6,000,000	5,983,080	6,532,540	5,982,671	(409)	0	0	549,869	549,869	134,050	0
<b>Foreign</b>																
298785-CP-9	EUROPEAN INV BANK 4.625% 03/01/07	03/28/2002	MERRILL LYNCH PIERCE	12/16/2002	LEHMAN BROTHERS INC	5,000,000	4,868,945	5,295,000	4,885,755	16,810	0	0	409,245	409,245	185,000	20,556
35177P-AK-3	FRANCE TELECOM NOTES 9.250% 03/01/11	02/11/2002	Exchange	08/05/2002	CHASE SECURITIES	2,000,000	2,058,734	1,974,380	2,056,405	(2,329)	0	0	(82,025)	(82,025)	149,458	68,889
	Foreign					7,000,000	6,927,679	7,269,380	6,942,160	14,481	0	0	327,220	327,220	334,458	89,445
4599999	Total - Bonds - Industrial & Miscellaneous					13,000,000	12,910,759	13,801,920	12,924,831	14,072	0	0	877,089	877,089	468,508	89,445
6099998	Total - Bonds					77,563,138	77,812,222	80,500,242	77,802,329	(9,893)	0	0	2,697,912	2,697,912	1,568,854	439,171
7299999	Total - Bonds, Preferred and Common Stocks					XXX	77,812,222	80,500,242	77,802,329	(9,893)	0	0	2,697,912	2,697,912	1,568,854	439,171

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**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identifi- cation	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

**NONE**

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identifi- cation	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding

**NONE**

## SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Desig- nation	17 Effective Rate of Interest
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	14 Gross Amount Received			
<b>Exempt Money Market Mutual Funds</b>																
<b>United States</b>																
60934N-50-0	FEDERATED INVESTORS INC.....	12/30/2002	PRIVATE DIRECT.....	0.000		12/31/2003	616,372	0	0	616,372	616,372	0	0	0	1	Various
	United States.....						616,372	0	0	616,372	616,372	0	0	0	XXX	XXX
7799999	Exempt Money Market Mutual Funds.....						616,372	0	0	616,372	616,372	0	0	0	XXX	XXX
8099999	Grand Total - Short-Term Investments.....						616,372	(a)	0	616,372	616,372	0	0	0	XXX	XXX

(a) Includes \$.....0 other than accrual of discount and amortization of premium.

**Sch. DB-Pt. A-Sn. 1  
NONE**

**Sch. DB-Pt. A-Sn. 2  
NONE**

**Sch. DB-Pt. A-Sn. 3  
NONE**

**Sch. DB-Pt. B-Sn. 1  
NONE**

**Sch. DB-Pt. B-Sn. 2  
NONE**

**Sch. DB-Pt. B-Sn. 3  
NONE**

**Sch. DB-Pt. C-Sn. 1  
NONE**

**Sch. DB-Pt. C-Sn. 2  
NONE**

**Sch. DB-Pt. C-Sn. 3  
NONE**

**Sch. DB-Pt. D-Sn. 1  
NONE**

**Sch. DB-Pt. D-Sn. 2  
NONE**

**Sch. DB-Pt. D-Sn. 3  
NONE**

**Sch. DB-Pt. E-Sn. 1  
NONE**

**SCHEDULE DM**

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1. Bonds.....	79,826,481	84,244,477	4,417,996
2. Preferred stocks.....	0	0	0
3. Totals.....	79,826,481	84,244,477	4,417,996

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

Long Term Bonds and Preferred Stocks are based on quoted market prices from a Broker/Dealer. Short Term investments are

carried at amortized cost, which approximates fair value.

**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>					
Mellon Bank..... Philadelphia, PA.....	Various.....	12,425	0	(6,209,530)	XXX
ANADARKO PETROLEUM CORP..... Due 01/07/2003 At Maturity.....	1.480	4,587	0	9,297,704	XXX
BURLINGTON NORTHERN SANTA FA C..... Due 01/21/2003 At Maturity.....	1.420	4,399	0	9,292,660	XXX
CAROLINA PR & LT..... Due 01/30/2003 At Maturity.....	1.650	92	0	998,671	XXX
CSX CORPORATION..... Due 01/07/2003 At Maturity.....	1.470	4,246	0	3,999,019	XXX
DAIMLER CHRYSLER NA HLDG..... Due 01/14/2003 At Maturity.....	1.950	6,062	0	6,995,067	XXX
FNMA DISCOUNT NOTE..... Due 02/06/2003 At Maturity.....	1.270	1,469	0	2,421,919	XXX
GENL MILLS INC..... Due 01/23/2003 At Maturity.....	1.630	5,063	0	4,300,707	XXX
MOTOROLA INC..... Due 01/16/2003 At Maturity.....	1.800	13,490	0	8,993,240	XXX
NATL FUEL GAS..... Due 01/10/2003 At Maturity.....	1.600	4,274	0	3,698,518	XXX
REED ELSEVIER CAP..... Due 01/29/2003 At Maturity.....	1.650	1,053	0	998,715	XXX
WALT DISNEY COMPANY..... Due 01/22/2003 At Maturity.....	1.650	6,525	0	4,745,422	XXX
0199998. Deposits in..... 135 depositories that do not exceed allowable limits in any one depository (see Instructions) - Open Depositories.....	XXX.....	602,211	0	0	XXX
0199999. Total - Open Depositories.....	XXX.....	665,896	0	49,532,112	XXX
0399999. Total Cash on Deposit.....	XXX.....	665,896	0	49,532,112	XXX
0599999. Total Cash.....	XXX.....	665,896	0	49,532,112	XXX

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

1. January.....	12,559,328	4. April.....	36,642,723	7. July.....	(100,500)	10. October.....	8,422,823
2. February.....	43,038,026	5. May.....	31,634,528	8. August.....	11,929,665	11. November.....	16,631,712
3. March.....	46,428,373	6. June.....	13,250,664	9. September.....	13,451,665	12. December.....	49,532,112

### 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
<b>SPECIAL DEPOSITS WHICH ARE NOT FOR THE BENEFIT OF ALL POLICYHOLDERS</b>						
<b>Indiana</b>						
IN00001.	B	U.S. Treasury Notes 5.25% 8/15/03	Columbus, Ohio Banc One Corp, IN RSD BY INS CODE 27-8-7-4(B)(2)	525,000	525,809	538,043
IN99999.	Indiana			525,000	525,809	538,043
<b>Kentucky</b>						
KY00001.	B	U.S. Treasury Notes 4.25% 11/15/03	Lexington, Kentucky, Banc One Corp, KY RSD INS CODE 304.38-073	545,000	544,502	559,158
KY99999.	Kentucky			545,000	544,502	559,158
XX99999.	Total - All Special Deposits NOT Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			1,070,000	1,070,311	1,097,201
<b>SPECIAL DEPOSITS WHICH ARE FOR THE BENEFIT OF ALL POLICYHOLDERS</b>						
<b>Ohio</b>						
OH00001.	B	U.S. Treasury Notes 5.25% 8/15/03	Columbus, Ohio Banc One Corp, OH RSD INS CODE 1742.17	260,000	260,401	266,459
OH00002.	B	U.S. Treasury Notes 3.00% 11/30/03	Columbus, Ohio Banc One Corp, OH RSD INS CODE 1742.17	180,000	179,948	182,890
OH99999.	Ohio			440,000	440,349	449,349
ZZ99999.	Total - All Special Deposits Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			440,000	440,349	449,349
9999999.	Totals			1,510,000	1,510,660	1,546,550

(a) Includes \$.....0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.