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O.F.R.S.

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2002 OF THE CONDITION AND AFFAIRS OF THE

SOUTH LORAIN MERCHANTS ASSOCIATION HEALTH & WELFARE TRUST

established under the Laws of the State of OHIO made in the INSURANCE DEPARTMENT OF THE STATE OF OHIO

PURSUANT TO THE LAWS THEREOF

Established APRIL 1, 1989 Commenced Business APRIL 1, 1989

Statutory Home Office 222 SOUTH MAIN ST. AKRON, OH 44308

Main Administrative Office 33479 LAKE ROAD AVON LAKE, OH 44012

440-930-7500

Mail Address 33479 LAKE ROAD AVON LAKE, OH 44012

Primary Location of Books and Records 33479 LAKE ROAD

AVON LAKE, OH 44012 440-930-7500

Annual Statement Contact Person and Phone Number (include extension) CHAD BUSKIRK 440-930-7500 x222

OFFICERS

Chairperson Secretary Treasurer Vice-Presidents

TRUSTEES

SANDRA KAISER ROBERT ZELINA WALTER GLICK JR.

State of OHIO County of LORAIN TRUSTEE Secretary Treasurer

S.L.M.A. HEALTH & WELFARE TRUST being duly sworn, each deposes and says that they are the above described officers of the trust carrying on the business of a MEWA, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the trust, free and clear from any liens or claims thereon, except as herein stated, and that this annual 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 trust as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, and have been completed in accordance with the annual statement instructions and accounting practices and procedures prescribed by the Ohio Department of Insurance, according to the best of their information, knowledge and belief, respectively.

Chairperson

Secretary

Treasurer

(a) Is this an original filing?

Yes [X] No []

(b) If no:

- (i) state the amendment number (ii) date filed (iii) number of pages attached

Subscribed and Sworn to Before Me this 10 Day

of March 20 03 Kathy Jenene Wiesbrook

KATHY JENENE WIESBROOK NOTARY PUBLIC, STATE OF OHIO MY COMMISSION EXPIRES 10/03/04

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

		1 December 31, 2002	2 December 31, 2001
ASSETS			
1.	Bonds.....		
2.	Stocks.....		
2.1	Preferred Stocks.....	67,808	100,788
2.2	Common Stocks.....		
3.	Mortgage loans on real estate.....		
4.	Real estate, less \$.....encumbrances.....		
5.	Collateral loans.....		
6.1	Cash on hand and on deposit.....	106,149	373,089
6.2	Short-term investments.....	2,390,694	1,471,013
7.	Aggregate write-ins for invested assets.....		
7A.	Subtotals, cash and invested assets (Lines 1 to 7).....	2,544,651	1,944,890
8.	Premium due and unpaid.....	35,073	171,199
9.	Funds held by or deposited with reinsurance companies.....		
10.	Reinsurance recoverables on loss and loss adjustment payments.....		33,635
10.1	Reinsurance recoverable on unpaid losses.....		
11.	Federal income tax recoverable (Including \$..... not deferred tax assets).....		
12.	Interest and other investment income due and accrued.....	26,260	25,033
13.	Receivable from parent, subsidiaries and affiliates.....		
14.	Electronic data processing equipment.....		
15.	Aggregate write-ins for other than invested assets.....	44,666	32,811
16.	TOTALS (Lines 7A through 15)	2,670,650	2,207,568
DETAILS OF WRITE-INS AGGREGATED AT LINE 7 FOR INVESTED ASSETS			
0701	*****		
0702	**		
0703	**		
0704	**		
0705	*****		
0798	Summary of remaining write-ins for Line 7 from overflow page.....		
0799	Totals (Lines 0701 through 0705 plus 0798)(Page 2, Line 7)		
DETAILS OF WRITE-INS AGGREGATED AT LINE 15 FOR OTHER THAN INVESTED ASSETS			
1501	PROVIDER VOIDS / REFUNDS.....		13,235
1502	CLAIM REIMBURSEMENTS.....	44,666	11,901
1503	LITIGATION SETTLEMENTS.....	-	5,000
1504	BANK CHARGE REIMBURSEMENTS.....	-	2,675
1505	.....	
1598	Summary of remaining write-ins for Line 15 from overflow page.....		
1599	Totals (Lines 1501 through 1505 plus 1598)(Page 2, Line 15)	44,666	32,811

NOTE: The lines on this page to agree with Exhibit 1, Column 4.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

LIABILITIES, SURPLUS AND SPECIAL FUNDS		1 December 31, 2002	2 December 31, 2001
1.	Claims unpaid (Part 2A, Col. 4, Line 5)	1,524,983	1,549,983
2.	Unpaid claims adjustment expenses (Part 3, Line 22h, Col. 2).....	28,000	28,000
3.	Unearned premiums (Part 1, Line 5, Col. 8).....	76,444	97,746
4.	Unearned investment income (Part 4, Line 9, Col. 4).....		
5.	(a) Taxes, licenses and fees due or accrued (excluding Federal income taxes).....		
	(b) Federal income taxes (Including \$ _____ net deferred tax liabilities).....		
	(c) Stop loss, excess, or reinsurance premium due and unpaid.....	2,751	26,694
	(d) Other expenses due or accrued.....		
6.	Premium deposits made by applicants rejected or not as yet accepted as members or subscribers.....		
7.	Borrowed money \$..... and interest thereon \$.....		
8.	Amounts withheld or retained for account of others.....		
9.	Stop loss, excess, or reinsurance received but not yet due.....		
10.	Provision for unauthorized reinsurance	109,602	99,818
11.	Aggregate write-ins for other liabilities	1,741,780	1,802,241
12.	Total liabilities (Lines 1 to 11).....		
	SURPLUS AND SPECIAL FUNDS		
13.	Surplus.....	928,870	405,327
14.	Aggregate write-ins for surplus and special funds		
15.	Total (Line 13 plus Line 14; Page 4, Line 21)	928,870	405,327
16.	TOTALS (Lines 12 plus 15)	2,670,650	2,207,568
DETAILS OF WRITE-INS AGGREGATED AT LINE 11 FOR OTHER LIABILITIES			
1101.	ACCRUED LEGAL / PROFESSIONAL	30,530	11,362
1102.	AMOUNTS WITHHELD	11,052	49,532
1103.	ACCRUED ADMINISTRATION FEES	68,020	38,924
1104.	.....	
1105.	.....	
1198.	Summary of remaining write-ins for Line 11 from overflow page.....		
1199.	Totals (Lines 1101 through 1105 plus 1198)(Page 3, Line 11)	109,602	99,818
DETAILS OF WRITE-INS AGGREGATED AT LINE 14 FOR SURPLUS AND SPECIAL FUNDS			
1401.	*****		
1402.	** NOT APPLICABLE **		
1403.	** *****		
1404.	.....	
1405.	.....	
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		
1499.	Totals (Lines 1401 through 1405 plus 1498)(Page 3, Line 14)		

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

	1 2002	2 2001
UNDERWRITING AND INVESTMENT EXHIBIT		
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 5, Col. 9).....	7,383,216	5,883,073
2. Claims incurred (Part 2, Line 5, Col. 5).....	4,681,966	3,919,454
3. Expenses incurred (Part 3, Line 21, Col. 2, 3, 4):		
(a) Claim adjustment.....	1,370,357	1,097,278
(b) Administrative.....		
(c) Soliciting.....	886,998	431,498
4. Individual stop loss, excess, or reinsurance expense (Net of incurred Recoveries).....		
5. Aggregate stop loss, excess, or reinsurance expense (Net of incurred Recoveries).....		
5A. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5A).....	6,939,321	5,448,230
7. Net underwriting gain or (loss)(Line 1 minus Line 6).....	443,895	434,843
INVESTMENT INCOME		
8. Net investment income earned (Part 4, Line 14, Col. 8).....	79,560	72,797
9. Net realized capital gains or (losses) (Part 4A, Line 10, Col. 6).....	88	156
10. Net investment gain or (loss) (Line 8 plus Line 9).....	79,648	72,953
OTHER INCOME		
11. Aggregate write-ins for other income.....		
12. Net gain or (loss) before federal income taxes (Lines 7 + 10 + 11).....	523,543	507,796
13. Federal income taxes incurred.....		
14. Net gain or (loss) (to Line 16) (Line 12 minus Line 13).....	523,543	507,796
SURPLUS AND SPECIAL FUNDS		
15. Surplus and special funds December 31, previous year (Page 4, Line 21, Col. 2).....	405,327	<102,469>
GAINS AND (LOSSES)		
16. Net gain or (loss) (from Line 14).....	523,543	507,796
17. Net unrealized capital gains or (losses) (Part 4A, Line 11, Col. 6).....		
18. Change in non-admitted assets (Exhibit 2, Line 9, Col. 3).....		
19. Aggregate write-ins for changes to surplus and special funds.....		
20. Change in surplus and special funds for the year (Lines 16 through 19).....	523,543	507,796
21. Surplus and special funds December 31, current year (Line 15 plus Line 20).....	928,870	405,327
DETAILS OF WRITE-INS AGGREGATED AT LINE 5A FOR UNDERWRITING DEDUCTIONS		
0501. AMOUNTS WITHHELD.....	483,845	877,411
0502. AMOUNTS WITHHELD.....	<483,845>	<877,411>
0503. AMOUNTS WITHHELD.....		
0504.		
0505.		
0598. Summary of remaining write-ins for Line 05A from overflow page.....	- 0 -	- 0 -
0599. Totals (Lines 0501 through 0505 plus 0598) (Page 4, Line 05A).....		
DETAILS OF WRITE-INS AGGREGATED AT LINE 11 FOR OTHER INCOME		
1101. ***** NOT APPLICABLE *****		
1102. ***** NOT APPLICABLE *****		
1103.		
1104.		
1105.		
1198. Summary of remaining write-ins for Line 11 from overflow page.....		
1199. Totals (Lines 1101 through 1105 plus 1198) (Page 4, Line 11).....		
DETAILS OF WRITE-INS AGGREGATED AT LINE 19 FOR CHANGES TO RESERVES AND SPECIAL FUNDS		
1901. ***** NOT APPLICABLE *****		
1902. ***** NOT APPLICABLE *****		
1903.		
1904.		
1905.		
1998. Summary of remaining write-ins for Line 19 from overflow page.....		
1999. Totals (Line 1901 through 1905 plus 1998) (Page 4, Line 19).....		

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

UNDERWRITING AND INVESTMENT EXHIBIT
PART I

Line of Business*	1 Premiums Written Direct Business	2 Premiums Written Reinsurance Assumed	3 Total Premiums Written (Cols. 1+2)	4 Unearned Premiums December 31 Previous Year	5 Unearned Premiums December 31 Current Year (Part 1A)	6 Reserve for Rate Credits and Retrospective Returns Based on Experience	7 Total Reserve for Unearned Premiums (Cols. 5+6)	8 Premiums Earned (Cols. 3+4-7)	9 Reinsurance Premiums Ceded
1. Hospital									
2. Medical <input checked="" type="checkbox"/>	7,361,914		7,361,914	97,746	76,444		76,444	7,383,216	
3. Dental									
4. Other									
5. Totals	7,361,914		7,361,914	97,746	76,444		76,444	7,383,216	

Informational Only

PART 1A—UNEARNED PREMIUMS

Premium Mode	1 Premiums in Force December 31 Current Year	2 Amount of Premiums or Fees Unearned
1. Quarterly premiums	76,444	76,444
2. Monthly premiums	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	
3. Advanced premiums	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	
4. Totals	76,444	76,444

* If you are unable to break out hospital and medical premiums, please put the combined total and a notation that the amount applies to both lines of business.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST
 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2-CLAIMS PAID AND INCURRED

1 Line of Business	2 Claims Paid	3 Claims Unpaid Current Year (Col. 4, Part 2A)	4 Claims Unpaid Previous Year	5 Claims Incurred (Cols. 2 + 3 + 4)
1. Hospital .....	.....	.....	.....	.....
2. Medical >.....	4,706,966	1,524,983	1,549,983	4,681,966
3. Dental .....	.....	.....	.....	.....
4. Other .....	.....	.....	.....	.....
5. Totals	4,706,966	1,524,983	1,549,983	4,681,966

PART 2A-CLAIMS UNPAID

1 Line of Business	2 Reported Claims in Process of Adjustment	3 Estimated Incurred But Unreported	4 Total Claims Unpaid
1. Hospital .....	.....	.....	.....
2. Medical >.....	249,369	1,275,614	1,524,983
3. Dental .....	.....	.....	.....
4. Other .....	.....	.....	.....
5. Totals	249,369	1,275,614	1,524,983

PART 2B-ANALYSIS OF CLAIMS UNPAID-PREVIOUS YEAR

1 Line of Business	Claims Paid During the Year		Claims Unpaid Dec. 31 of Current Year		6 Total Claims Incurred to December 31 of Current Year on Claims Incurred in Prior Years (Columns 2 + 4)	7 Estimated Liability on Unpaid Claims December 31 of Previous Year
	2 On Claims Incurred Prior to January 1 of Current Year	3 On Claims Incurred During the Year	4 On Claims Unpaid Incurred in Prior Years	5 On Claims Incurred During the Year		
1. Hospital .....	.....	.....	.....	.....	.....	.....
2. Medical >.....	1,372,486	3,334,480	-	1,524,983	1,372,486	1,549,983
3. Dental .....	.....	.....	.....	.....	.....	.....
4. Other .....	.....	.....	.....	.....	.....	.....
5. Totals	1,372,486	3,334,480	-	1,524,983	1,372,486	1,549,983

* Part 2B Column 4 and column 5 must equal Part 2A Total of column 4

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3-ANALYSIS OF EXPENSES

1	Incurred Expenses				
	2 Claim Adjustment	3 Administrative	4 Soliciting	5 Investment	6 Total
1. Advertising.....					
2. Boards, bureaus and associations.....		29,900			29,900
3. Salaries.....					
4. Employee relations and welfare.....					
5. Insurance, except on real estate.....		4,625			4,625
6. Travel and travel items.....					
7. Rent and rent items, including \$..... for occupancy of own buildings, less \$..... received under sublease.....					
8. Equipment.....					
9. Printing and stationery.....					
10. Postage, telephone and telegraph, exchange and express.....		3,081			3,081
11. Legal.....		106,817			106,817
12. Auditing, actuarial and consulting services.....		56,724			56,724
13. Taxes, licenses and fees:					
(a) State and local insurance taxes.....					
(b) Insurance department licenses and fees.....		1,000			1,000
(c) Payroll taxes.....					
(d) Other (excluding federal income and real estate).....					
(e) Total taxes licenses and fees (a + b + c + d).....					
14. Real estate expenses.....					
15. Real estate taxes.....					
16. Service company expenses.....		11,541.25			11,541.25
17. Financial administrator expenses.....					
18. Board of trustees expenses.....		1,530			1,530
19. Fidelity bond expenses.....					
20. Aggregate write-ins for other expenses.....		12,555			12,555
21. Total expenses incurred.....		1,370,357			1,370,357
22. General expenses unpaid:					
(a) General expenses unpaid December 31, previous year.....		99,818			99,818
(b) General expenses unpaid December 31, current year.....		1,09,602			1,09,602
23. Expenses paid (21 + 22a - 22).....		1,360,573			1,360,573

DETAILS OF WRITE-INS AGGREGATED AT LINE 20 FOR OTHER EXPENSES					
	2	3	4	5	6
2001 Bank Service Charges.....		312			312
2002 Collection Fees.....		12,243			12,243
2003.....					
2004.....					
2005.....					
2098 Summary of remaining write-ins for Line 20 from overflow page.....					
2099 Totals (Lines 2001 through 2005 plus 2098) (Part 3, Line 20)		12,555			12,555

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST
 UNDERWRITING AND INVESTMENT EXHIBIT
 PART 4-INTEREST, DIVIDENDS AND REAL ESTATE INCOME

1	2	3	Received in Advance		Due and Accrued		8	
			4	5	6	7		
	Schedule	Collected During Year Less Paid For Accrued on Purchases	Current Year	Previous Year	Current Year	Previous Year	Earned During Year (Cols. 3 - 4 + 5 + 6 - 7)	
1. Government Bonds	D*							
1.1. Other Bonds (unaffiliated)	D*							
1.2. Bonds of affiliates	D*							
2.1. Preferred stocks (unaffiliated)	D							
2.1.1. Preferred stocks of affiliates	D						4,079	
2.2. Common stocks (unaffiliated)	D	4079						
2.2.1. Common stocks of affiliates	D							
3. Mortgage loans	B†							
4. Real estate	A‡							
5. Collateral loans	C							
6.1. Cash on hand and on deposit	E	3,406			154	135	3425	
6.2. Short-term investments	DA**	70,849			26,106	24,899	70,056	
7. Financial options and futures								
8. Aggregate write-ins for investment income					26,260	25,034	79,560	
9. TOTALS		78,334						
							DEDUCTIONS	
10. Total investment expenses incurred (Part 3, Line 21, Col. 5)								
11. Depreciation on real estate								
12. Aggregate write-ins for other deductions								
13. Total Deductions								
14. Net Investment Income Earned (Line 9 minus Line 13) (to Page 4, Line 8)							79,560	

DETAILS OF WRITE-INS AGGREGATED AT LINE 8 FOR INVESTMENT INCOME

1	2	3	4	5	6	7	8
0801							
0802							
0803							
0804							
0805							
0898							
0899							

DETAILS OF WRITE-INS AGGREGATED AT LINE 12 FOR INVESTMENT INCOME

1	2	3	4	5	6	7	8
1201							
1202							
1203							
1204							
1205							
1298							
1299							

PART 4A-CAPITAL GAINS AND (LOSSES) ON INVESTMENTS

	1	2	3	4	5	6
	Profit on Sales or Maturity	Loss on Sales or Maturity	Increases by Adjustment in Book Value	Decreases by Adjustment in Book Value	Net Gain or (Loss) from Change in Difference Between Book and Admitted Values	Total (Net of Cols. 1 to 5 incl.) (1 - 2 + 3 - 4 + 5)
1. Government Bonds						
1.1. Other bonds (unaffiliated)						
1.2. Bonds of affiliates						
2.1. Preferred stocks (unaffiliated)						
2.1.1. Preferred stocks of affiliates						
2.2. Common stocks (unaffiliated)						
2.2.1. Common stocks of affiliates						
3. Mortgage loans						
4. Real estate						
5. Collateral loans						
6.1. Cash on hand and on deposit	88					88
6.2. Short-term investments						
7. Financial options and futures						
8. Aggregate write-ins for capital gains and (losses)						88
9. TOTALS	88					88
(Distribution of Line 9, Col. 6)						
10. Net realized capital gains or (losses)* (Page 4, Line 9)(Col. 1 - 2, Line 9)						
11. Net Unrealized capital gains or (losses)* (Page 4, Line 17)(Cols. 3 - 4 + 5, Line 9)						

* Attach statement or memorandum explaining basis of division. † Excluding \$ depreciation or real estate included in Part 4, Line 11

DETAILS OF WRITE-INS AGGREGATED AT LINE 8 FOR CAPITAL GAINS AND (LOSSES)

1	2	3	4	5	6
0801					
0802					
0803					
0804					
0805					
0898 Summary of remaining write-ins for Line 8 from overflow page					
0899 Totals (Lines 0801 through 0805 plus 0898 (Part 4A, Line 8)					

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

EXHIBIT 1-ANALYSIS OF ASSETS

	1 Ledger Assets	2 Non-Ledger Including Excess of Market (or Amortized) Over Book Values	3 Assets Not Admitted Including Excess of Book Over Market (or Amortized Values)	4 Net Admitted Assets (Col. 1 + 2 - 3)
1. Bonds (Schedule D).....				
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	67,808			67,808
2.2 Common stocks.....				
3. Mortgage loans on real estate (Schedule H):				
(a) First liens.....				
(b) Other than first liens.....				
4. Real estate, less encumbrances (Schedule A).....				
5. Collateral loans (Schedule C).....				
6.1 Cash on hand and on deposit:				
(a) Cash in company's office.....	106,149			106,149
(b) Cash on deposit (Schedule E).....	2,390,694			2,390,694
6.2 Short-term investments (Schedule DA).....				
7. Aggregate write-ins for invested assets.....	2,564,651			2,564,651
7A. Subtotal, cash and invested assets.....	2,671,4		177,641	35,073
8. Premium due and unpaid.....				
9. Funds held by or deposited with reinsurance companies.....				
10. Reinsurance recoverables on loss and loss adjustment payments (Schedule S, Col. 1).....				
10A. Reinsurance recoverable on unpaid losses.....				
11. Federal income tax recoverable.....	26,260			26,260
12. Interest and other investment income due and accrued.....				
13. Receivables from parent subsidiaries and affiliates.....				XXX
14. Electronic data processing equipment.....				XXX
15. Equipment, furniture and supplies.....				XXX
16. Third party reimbursements receivable.....				XXX
17. Assessments and penalties due and unpaid.....				XXX
18. Prepaid expenses.....				
19. Loans on person security, endorsed or not.....	44,666			44,666
20. Aggregate write-ins for other than invested assets.....	2,848,291		177,641	2,670,650
21. Totals (Lines 1 through 20).....				
DETAILS OF WRITE-INS AGGREGATED AT LINE 7 FOR INVESTED ASSETS				
0701 *****				
0702 ** NOT APPLICABLE **				
0703 *****				
0704.....				
0705.....				
0798 Summary of remaining write-ins for Line 7 from overflow page.....				
0799 Totals (Lines 0701 through 0705 plus 0798)(Exhibit 1, Line 7).....				
DETAILS OF WRITE-INS AGGREGATED AT LINE 20 FOR OTHER THAN INVESTED ASSETS				
2001. Claims Reimbursement.....	44,666			44,666
2002.....				
2003.....				
2004.....				
2005.....				
2098 Summary of remaining write-ins for Line 20 from overflow page.....				
2099 Totals (Lines 2001 through 2005 plus 2098)(Exhibit 1, Line 20).....	44,666			44,666

EXHIBIT 2-ANALYSIS OF NON-ADMITTED ASSETS
Excluding Excess of Book Over Market (or Amortized) Values and Exhibit 1, Line 12, Column 3

	1 End of Previous Year	2 End of Current Year	3 Change for Year (Increase) or Decrease (Column 1 minus Column 2)
1. Uncollected premiums.....			
2. Deposits in suspended depositories, less estimated amount recoverable.....			
3. Equipment, furniture and supplies.....			
4. Loans on personal security, endorsed or not.....			
5. Third Party reimbursements receivable.....			
6. Assessments and penalties due and unpaid.....			
7. Prepaid expenses.....			
8. Aggregate write-ins for assets not admitted.....	XXX	XXX	
9. Total change (Column 3)(Carry to Page 4, Line 18).....			
DETAILS OF WRITE-INS AGGREGATED AT LINE 8 FOR ASSETS NOT ADMITTED			
0801 *****			
0802 ** NOT APPLICABLE **			
0803 *****			
0804.....			
0805.....			
0898 Summary of remaining write-ins for Line 8 from overflow page.....			
0899 Totals (Lines 0801 through 0805 plus 0898) (Exhibit 2, Line 8).....			

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

GENERAL INTERROGATORIES

1. Does the MEWA own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes | | No |
2. Did any person while an officer, or trustee of the MEWA receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the MEWA? Yes | | No |
3. Has the MEWA an established procedure for disclosure to it's board of trustees of any material interest or affiliation on the part of it's officers, trustees or responsible employees that is in or is likely to be in conflict with the official duties of such person? Yes | | No | | (N/A)
4. (a) Was money lent during the year to any officer, or trustee of the MEWA? Yes | | No |
 (b) If "Yes", give detailed explanation of each loan:
5. (a) Are there any loans outstanding at end of year to any officer, or trustee of the MEWA? Yes | | No |
 (b) If "Yes", give detailed explanation of each loan:
6. Were all the stocks, bonds and other securities owned December 31 of current year, over which the MEWA has exclusive control, in the actual possession of the MEWA on that date? Yes | | No |
7. Have all private placement investments that were the subject of renegotiation or modification of their terms during the year been disclosed to the Securities Valuation office of the NAIC with full details as to the provisions renegotiated or modified? (N/A)
8. Have filings been made with the Securities Valuation office of the NAIC in connection with acquisition and disposition of securities as required by Section 8 of the Valuation Procedures and Instructions for Bonds and Stocks? (N/A)
9. (a) Were any of the stocks, bonds or other assets of the Trust owned at December 31, of the current year NOT exclusively under the control of the MEWA? Yes | | No |
 (b) If "Yes", state the amount thereof at December 31, of the current year:
 (i) lent to others \$
 (ii) subject to reverse repurchase agreements \$
 (iii) subject to dollar repurchase agreements \$
 (iv) subject to reverse dollar repurchase agreement \$
 (v) pledged as collateral \$
 (vi) placed under option agreements \$
 (vii) letter stock or other securities restricted as to sale \$
 (viii) other \$
 (c) For categories i and ii above, and for any other securities that were made available for use by another person during the year covered by this statement
 (d) For each category above, if any of these assets are held by others, identify by whom held.
 (i)..... (v).....
 (ii)..... (vi).....
 (iii)..... (vii).....
 (iv)..... (viii).....
10. (a) What was the number of employer groups as of December 31, 2001? 179
 (b) What was the number of enrollees as of December 31, 2001? 4479
11. What official supervised the making of this statement? APPROVED BY SLMA BOARD OF TRUSTEES
12. Is the purchase or sale of all investments of the MEWA passed upon either by the Board of Trustees or by a subordinate committee thereof? Yes | | No | |
13. Does the MEWA keep a permanent record of the proceeding of its Board of Trustees and all subordinate committees thereof? Yes | | No | |
14. (a) State as of what date the latest regulatory financial examination of the MEWA was made or is being made: DEPARTMENT OF INSURANCE, DECEMBER 31, 2001
 (b) By what departments? OHIO
15. In what states is the MEWA authorized to provide health benefits? OHIO
16. (a) Has any change been made during the year of this statement in the trust documents or by-laws of the MEWA? Yes | | No |
 (b) If "Yes" furnish herewith a certified copy of the instrument as amended, if it has not been previously submitted. Yes | | No | |
17. (a) Was the MEWA's prior year's annual statement amended? Yes | | No | |
 (b) If "Yes", furnish the following information regarding the last amendment to the prior year's annual statement filed with the company's state of domicile:
 (i) Amendment number 1
 (ii) Date of amendment 9-4-02
18. Report briefly the Nature of Contingent Liabilities that may materially affect the financial position or results of operation.*

Report the Date Incurred or Discovered, the Nature of the Contingent Liability, Contract, Arrangement or Commitment, the Amount or Amounts, if known, the Status as of the Annual Statement Date and all other information necessary for a full disclosure.
 (A) Has the MEWA committed any surplus funds to reserves for contingent liabilities or arrangements mentioned above?
 (B) If "Yes", has the reserve been reported as a special surplus funds reserve on Page 3 of the annual statement?

Yes | | No | |

*Including but not limited to notes receivable discounted, reverse repurchase agreements, accountant's and agents' balances assigned, accommodation paper, lawsuits, additional taxes, guarantees of liabilities of other MEWA'S or companies, establishment of compensating balances, long-term contracts and lease agreements and loan take-out agreements. Include also deferred expense contracts and arrangements between subsidiaries or affiliates.

Describe the gross amounts of deferred tax assets and liabilities

Yes | | No | |

Gross DTA \$

Gross DTI \$

(N/A)

19. (a) Have any of the MEWA's primary reinsurance contracts been cancelled during the current year?

(b) If "yes", give full and complete information thereon.

NEW CONTRACT PREVIOUSLY SENT DEPARTMENT OF INSURANCE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST

See the annual statement instructions for proper reporting format for securities reported in this schedule.

SCHEDULE D-PART 2-SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

CUSIP Identification	Description	No. of Shares	Par Value Per Share	Book Value	Rate Per Share	Statement Value	Rate Per Share Used to Obtain Market Value	Market Value	Actual Cost	Dividends		Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	NAIC Designation	Year Acquired
										7.1 Declared but Unpaid	7.2 Amount Received During Year				
***** NOT APPLICABLE *****															
9999999	Total Preferred Stocks				XXX		XXX								XXX

* Insert the word "cost" for preferred stocks eligible for stabilization under Section 3(D)(4) of the NAIC Valuation Procedures.
 Insert the market value rate for preferred stocks not eligible for stabilization.
 *** CUSIP numbers entered are to conform to those as provided and published by the Securities Valuation Office. See Annual Statement instructions.
 § Insert the NAIC designation for such security printed in the NAIC Valuations of Securities manual. For all common stocks bearing the NAIC designation "U" provide the number of such issues..... the total \$ value (included in Column 5) of all such issues \$.....

SCHEDULE D-PART 2-SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

CUSIP Identification	Description	No. of Shares	Book Value	Rate Per Share Used to Obtain Market Value	Market Value	Actual Cost	Dividends		Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	NAIC Designation	Year Acquired
							7.1 Declared but Unpaid	7.2 Amount Received During Year				
	MEPELL LYNCH - MORGAN MARRIST	67,808	67,808	\$ 1.00	67,808	67,808	—	4,079	—	—	VARIOUS	
0599999	Total Common Stocks	67,808	67,808	XXX	67,808	67,808	—	4,079	—	—	XXX	XXX
9999999	Total Preferred and Common Stocks	67,808	67,808	XXX	67,808	67,808	—	4,079	—	—	XXX	XXX

*** CUSIP numbers entered are to conform to those as provided and published by the Securities Valuation Office. See Annual Statement instructions.
 § Insert the NAIC designation for such security printed in the NAIC Valuations of Securities manual. For all common stocks bearing the NAIC designation "U" provide the number of such issues..... the total \$ is this value (included in Column 5) of all such issues \$.....
 Money Market Funds and all other funds to be shown in Schedule D, Part 2 - Section 2.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE S.L.M.A. HEALTH & WELFARE TRUST
SCHEDULE E

Showing deposits in all Banks, Trust Companies, Savings and Loan and Building and Loan Associations in which deposits were maintained by the Trust at any time during the year and the balances, if any (according to Trust's records) on December 31 of the current year. Exclude balances represented by a negotiable instrument.

1 DEPOSITORY* <small>(Give Full Name and Location. State if depository is a subsidiary or affiliate) Show rate of interest and maturity date in the case of certificates of deposit or time deposits</small>	2 Amount of Interest Received During Year	3 Amount of Interest Accrued December 31 of Current Year	4 Balance
OPEN DEPOSITORIES			
LORAIN NATIONAL BANK LORAIN, OHIO	3,425	148	106,149
0199998 Deposits in.....depositories which do not exceed \$10,000 in any one depository (See Instructions) - open depositories.....			
0199999 Totals - Open Depositories.....	3,425	148	106,149
SUSPENDED DEPOSITORIES			
0299998 Deposits in.....depositories which do not exceed allowable limits in any one depository (See Instructions) - suspended depositories.....			
0299999 Totals - Suspended Depositories.....			
0399999 Grand Totals - All Depositories.....	3,425	148	106,149

* In each case where the depository is not incorporated and subject to governmental supervision the word "PRIVATE" in capitals and in parentheses thus - (PRIVATE), should be inserted to the left of the name of the depository.

SCHEDULE S
Ceded Reinsurance as of December 31, Current Year

NAIC Company Code	Federal ID Number	Name of Reinsurer*	Location **	1 Reinsurance Recoverable on Paid Losses	2 Reinsurance Recoverable on Unpaid Losses	3 Premiums in Force	4 Unearned Premiums
		***** ** ** ** ** ** ***** NOT APPLICABLE					
0599999	Totals						

* All companies should be listed in straight alphabetical order within the following groups with subtotals shown for each group: Affiliates; U.S. insurers and U.S. branches of alien insurers; pools, associations and similar underwriting facilities; and all other insurers.
** Show the precise location of the reinsurance company.

OVERFLOW PAGE FOR WRITE-INS

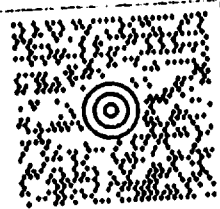
S.L.M.A. HEALTH WELFARE TRUST
SCHEDULE DA - SHORT TERM INVESTMENTS
DECEMBER 31, 2002

<u>Certificate of Deposit</u>	<u>Date</u> <u>Acquired</u>	<u>Cost</u> <u>Basis</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Accrued</u> <u>Interest</u>	<u>Interest Payment</u> <u>Frequency</u>
American National Bank	01/08/01	\$ 50,000.00	5.10%	01/17/03	\$ 1,167.00	Semi-annual
Providian NB Tilto	03/02/01	\$ 5,004.00	5.35%	01/16/03	\$ 123.00	Semi-annual
Banco Popular DE PR	02/12/01	\$ 90,000.00	5.25%	02/14/03	\$ 1,799.00	Semi-annual
US BK NA N. Dakota	01/05/01	\$ 20,007.00	5.65%	06/03/03	\$ 87.00	Semi-annual
E*Trade Bank	05/28/02	\$ 100,000.00	2.40%	06/05/03	\$ 1,374.00	Maturity
First Bank Puerto Rico	01/05/01	\$ 59,773.00	5.45%	08/28/03	\$ 1,093.00	Semi-annual
Providian NB Tilto	09/05/00	\$ 65,000.00	6.60%	09/15/03	\$ 1,281.00	Semi-annual
First USA Bank	11/13/00	\$ 30,000.00	6.40%	11/24/03	\$ 205.00	Semi-annual
Providian NB Tilto	11/13/00	\$ 30,000.00	6.45%	11/24/03	\$ 207.00	Semi-annual
MBNA Bank NA	01/05/01	\$ 26,680.00	5.20%	11/12/03	\$ 188.00	Semi-annual
American National Bank	01/08/01	\$ 50,000.00	5.25%	01/20/04	\$ 1,201.00	Semi-annual
Guardian Svg & Loan	01/08/01	\$ 50,000.00	5.40%	01/20/04	\$ 1,228.00	Semi-annual
Texas Capital Bank	02/13/02	\$ 100,000.00	3.30%	02/27/04	\$ 1,139.00	Semi-annual
Key Bank	01/05/01	\$ 74,770.00	5.55%	03/17/04	\$ 1,197.00	Semi-annual
Midfirst Bank	06/03/02	\$ 100,000.00	3.30%	06/14/04	\$ 172.00	Semi-annual
Independent Bank	06/03/02	\$ 100,000.00	3.30%	06/14/04	\$ 172.00	Semi-annual
Lehman Brothers Bank	07/09/01	\$ 98,000.00	5.00%	07/19/04	\$ 2,228.00	Semi-annual
Capital One Bank	02/11/02	\$ 100,000.00	4.15%	02/22/05	\$ 1,512.00	Semi-annual
Conseco Bank Inc	05/28/02	\$ 100,000.00	4.05%	07/06/05	\$ 288.00	Semi-annual
MBNA Bank NA	09/05/00	\$ 35,000.00	6.75%	09/13/05	\$ 706.00	Semi-annual
First USA Bank	11/13/00	\$ 70,000.00	6.55%	11/22/05	\$ 490.00	Semi-annual
Westernbank of PR	08/07/02	\$ 100,000.00	2.05%	08/07/03	\$ 820.00	Maturity
Banco Bil Viz Arg	08/07/02	\$ 49,468.00	2.45%	08/09/04	\$ 490.00	Semi-annual
Matrix Capital Bank	09/03/02	\$ 100,000.00	1.75%	03/05/03	\$ 571.00	Maturity
Private Bank & Trust Co.	09/05/02	\$ 44,783.00	2.50%	08/30/04	\$ 385.00	Semi-annual
Juniper Bank	10/15/02	\$ 45,008.00	2.65%	01/08/03	\$ 1,163.00	Maturity
Mid-Peninsula	11/18/02	\$ 31,996.00	1.75%	01/29/03	\$ 95.00	Maturity
FNB Maryland	11/19/02	\$ 80,534.00	7.00%	02/18/03	\$ 2,102.00	Semi-annual
First Indiana Bank	11/21/02	\$ 86,390.00	6.70%	05/05/03	\$ 905.00	Semi-annual
Juniper Bank	11/25/02	\$ 54,974.00	1.30%	02/19/03	\$ 80.00	Maturity
RG Premiere	11/26/02	\$ 45,646.00	3.30%	01/20/04	\$ 675.00	Semi-annual
Prov Bank, Cincinnati	12/20/02	\$ 69,796.00	2.25%	12/13/04	\$ 86.00	Monthly
First Midwest Bank	12/23/02	\$ 90,278.00	2.60%	02/28/05	\$ 801.00	Semi-annual
ML Bank USA	12/24/02	\$ 59,856.00	2.50%	06/13/05	\$ 82.00	Semi-annual
US Treasury	02/14/02	\$ 27,731.00	12.00%	08/15/04	\$ -	Zero Coupon
FHLM Corp.	11/26/02	\$ 150,000.00	3.00%	11/26/07	\$ -	Semi-annual
Total		\$ 2,390,694.00			\$ 26,112.00	

MAILROOM
(440) 930-7500
COMMERCE BENEFITS
33479 LAKE RD
AVON LAKE OH 44012-1136

LTR 1 OF 1

SHIP TO:
LIFE & HEALTH DIVISION
DIRECTOR OF INSURANCE OF OHIO
2100 STELLA COURT
COLUMBUS OH 43215-1067



OH 432 9-20



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Central Postal Facilities to International Carriage by Air (the "Warsaw Convention") and/or the Commission in the Customs for the International Carriage of Goods by Road (the "COTR
Convention"). These conventions, in respect of which the U.S. is a signatory, are the subject of the U.S. Department of State's Office of International Trade Administration, U.S. Department of State, Washington, D.C.
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Rankin & Associates, Ltd.

CONSULTING ACTUARIES
ESTABLISHED 1978

GERALD J. RANKIN, FSA, MAAA
BRIAN D. RANKIN, FSA, MAAA

40 NORTH PENNELL ROAD
MEDIA, PA 19063
(610) 891-9053
FAX (610) 891-9349
rankinact@comcast.net
brankin@lewisellis.com

ACTUARIAL OPINION

RECEIVED

MAR 05 2003

O.F.R.S.

Date: February 27, 2003

Re: South Lorain Merchants Association Health & Welfare Trust
Financial Statement for the Year Ending, December 31, 2002

I, Gerald J. Rankin, Consulting Actuary, a member of the American Academy of Actuaries, am associated with the firm of Gerald J. Rankin & Associates, Ltd. I have been appointed by the authority of the Board of Directors of the South Lorain Merchants Association Health & Welfare Trust to render this opinion. I meet the Academy qualification standards for rendering the opinion and am familiar with the valuation requirements applicable to life and health insurance companies.

The Trust is exempt pursuant to the Actuarial Opinion and Memorandum regulation of the Ohio Insurance Department from submitting a statement of actuarial opinion based on an asset adequacy analysis. This opinion, which is not based on an asset adequacy analysis, is rendered in accordance with the Actuarial Opinion and Memorandum regulations of Ohio.

I have examined the actuarial assumptions and actuarial methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the company, as prepared for filing with state regulatory officials as of 12/31/2002.

(a) A&H Claim Liability	\$1,524,983
(b) Unpaid Claim Adjustment Expense	\$28,000

In forming my opinion on the reserves and related actuarial items listed above, I have relied upon data prepared by Chad E. Buskirk, Director Accounting of the Association, as certified in the attached statement. I evaluated that data for reasonableness and consistency. In other respects, my examination included such review of the actuarial assumptions and actuarial methods used in such tests of the calculations as I considered necessary.

In my opinion the amounts carried in the balance sheet on account of the actuarial items identified above:

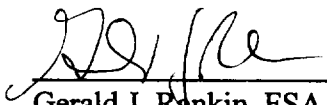
- a) Are fairly stated in accordance with sound actuarial principals and are computed in accordance with those presently accepted actuarial standards which specifically relate to the opinion required by the regulations of Ohio ;
- b) Are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;
- c) Meet the requirements of the state of Ohio , and related rules, regulations and administrative promulgations and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed.
- d) Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end with any exceptions as noted below; and
- e) Include provision for all actuarial reserves and related statement items which ought to be established.

This opinion is provided in accordance with Section 7 of the NAIC actuarial Opinion and Memorandum Regulation. As such it does not include an opinion regarding the adequacy of reserves and related actuarial items when considered in light of the assets which support them.

RANKIN & ASSOCIATES, LTD.

The eligibility for the association's exemption from the Asset Adequacy Analysis is as follows:

- a) The ratio of the sum of capital and surplus to the sum of cash and invested assets is .36, which equals or exceeds the applicable criterion based on the admitted assets of the association.
- b) The ratio of the sum of the reserves and liabilities for annuities and deposits to total admitted assets is 0 which is less than the applicable criteria based on the admitted assets of the company.
- c) The ratio of the book value of the non-investment grade bonds to the sum of capital and surplus is 0 which is less than the applicable criteria of .50.
- d) To my knowledge, the NAIC Examiner Team has not designated the association as a first priority company in any of the two (2) calendar years preceding the calendar year for which the actuarial opinion is applicable, or a second priority company in each of the two (2) calendar years preceding the calendar year for which the actuarial opinion is applicable or the company has resolved the first or second priority status to the satisfaction of the commissioner of the state of domicile.
- e) To my knowledge there is not a specific request from any Commissioner requiring an opinion in accordance with Asset Adequacy Analysis criteria.



Gerald J. Rankin, FSA, MAAA
40 North Pennell Road
Media, PA 19063
(610) 891-9053

February 27, 2003
Date

div\ao2002

RANKIN & ASSOCIATES, LTD.

South Lorain Merchants Association
Health & Welfare Benefit Plan & Trust
c/o P.O. Box 900 • Elyria, OH 44036

February 26, 2003

Gerald J. Rankin, FSA, MAAA
Gerald J. Rankin & Associates, Ltd.
40 N. Pennell Road
Media, PA 19063

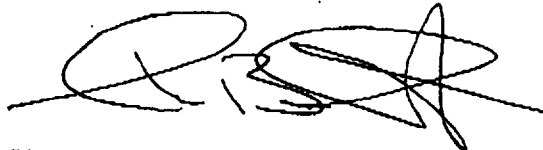
Re: Representation Letter, Annual Statement for the Year Ending December 31, 2002

Dear Mr. Rankin:

I, Chad E. Buskirk, Director of Accounting of Commerce Benefits Group Agency, Inc., hereby confirm that the following data submitted to Gerald J. Rankin & Associates, Ltd., was prepared under my direction, and to the best of my knowledge and belief, the data is accurate and complete and the same as or derived from the same in force records as the other data which form the basis for the annual statement.

1. Paid claims triangles for SLMA, Transportation Unlimited and other groups with stop loss retention.
2. Stop loss limits on partially self-funded groups.
3. Inventory of claims in process.

Sincerely,



Chad E. Buskirk
Director, Accounting
The Commerce Group

Received Time Feb. 26. 6:17PM