



ANNUAL STATEMENT

For the Year Ended December 31, 2002
of the Condition and Affairs of the

Community Insurance Company

NAIC Group Code..... 0671, 0671 NAIC Company Code..... 10345 Employer's ID Number..... 31-1440175
(Current Period) (Prior Period)

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated..... July 8, 1995 Commenced Business..... October 1, 1995

Statutory Home Office 4361 Irwin Simpson Road Mason Oh 45040-9498
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 4361 Irwin Simpson Road Mason OH 45040-9498 513-872-8100

Mail Address 4361 Irwin Simpson Road Mason OH 45040-9498

Primary Location of Books and Records 4361 Irwin Simpson Road Mason OH 45040-9498 513-336-3920

Internet Website Address anthem.com

Statement Contact Lee Dickerson 513-336-3920

lee.dickerson@anthem.com 513-336-2155
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Policyowner Relations Contact 4361 Irwin Simpson Road Mason OH 45040-9498 513-872-8100

OFFICERS

President Keith Robert Faller Treasurer George Dominic Martin Secretary Nancy Louise Purcell
Actuary Linda L. Bronstein Asst Secretary Judy Pershern

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Larry Clayborn Glasscock Michael Lynn Smith David R. Frick Sandra H. Miller
Nancy Louise Purcell

State of.....Ohio
County of.....Warren

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 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* manual 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)
Keith Robert Faller

(Printed Name)
President

(Signature)
Nancy Louise Purcell

(Printed Name)
Secretary

(Signature)
George Dominic Martin

(Printed Name)
Treasurer

Subscribed and sworn to before me this
.....day of, 2003
.....

- 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.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	793,698,362		793,698,362	684,345,262
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	2,721,432		2,721,432	4,185,748
2.2 Common stocks (Schedule D, Part 2, Section 2).....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	40,054,832		40,054,832	42,350,448
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	564,788		564,788	620,882
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(92,327,867) Schedule E, Part 1) and short-term investments (\$.....52,578,356 Schedule DA, Part 2).....	(39,749,511)		(39,749,511)	5,029,777
6. Other invested assets (Schedule BA).....	25,795,976		25,795,976	45,977,142
7. Receivable for securities.....	73,512		73,512	276,198
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	823,159,391	0	823,159,391	782,785,457
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	18,151,154	3,050,232	15,100,922	24,909,859
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....			0	
12. Bills receivable, taken for premiums.....			0	
13. Amounts receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8).....			0	
15. Federal and foreign income tax recoverable and interest thereon (including \$.....0 net deferred tax asset) - Anthem Insurance Companies Inc.....	70,956,628	54,596,489	16,360,139	25,113,312
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	401,764	291,484	110,280	75,814
18. Interest, dividends and real estate income due and accrued.....	8,239,918		8,239,918	7,568,111
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	36,277,913		36,277,913	21,182,701
21. Amount due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....			0	
23. Amounts receivable relating to uninsured accident and health plans.....	32,162,679	171,540	31,991,139	39,638,673
24. Other assets nonadmitted (Exhibit 1).....	22,928,844	22,928,844	(0)	
25. Aggregate write-ins for other than invested assets.....	62,684,454	23,944,768	38,739,686	30,592,006
26. Total assets excluding protected cell assets (Lines 9 through 25).....	1,074,962,745	104,983,357	969,979,388	931,865,934
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	1,074,962,745	104,983,357	969,979,388	931,865,934

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2501. Deposit accounts.....	23,349,985	19,178,266	4,171,719	2,714,108
2502. Federal Employee Program receivable.....	33,261,967		33,261,967	24,733,760
2503. Goodwill.....	1,247,138	1,247,138	0	1,247,138
2598. Summary of remaining write-ins for Line 25 from overflow page.....	4,825,365	3,519,365	1,306,000	1,897,000
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	62,684,454	23,944,768	38,739,686	30,592,006

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	323,607,730	292,674,030
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	12,532,000	11,445,000
4. Commissions payable, contingent commissions and other similar charges.....	16,793,796	16,664,509
5. Other expenses (excluding taxes, licenses and fees).....	47,006,094	38,352,295
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	30,058,789	4,283,286
7. Federal and foreign income taxes (including \$.....730,946 on realized capital gains (losses)) (including \$.....425,732 net deferred tax liability).....	25,895,145	19,506,217
8. Borrowed money \$.....18,000,000 and interest thereon \$.....0.....	18,000,000	
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0).....	20,945,392	35,995,494
10. Advance premiums.....	79,159,423	
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....	533,660	543,278
15. Remittances and items not allocated.....	13,627,611	9,483,355
16. Provision for reinsurance (Schedule F, Part 7).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	4,370,072	79,631,055
20. Payable for securities.....		11,876,378
21. Liability for amounts held under uninsured accident and health plans.....	1,200,357	839,558
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	118,912,174	119,371,534
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	712,642,243	640,665,989
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	712,642,243	640,665,989
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,142,307	1,142,307
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	195,393,523	195,393,523
33. Unassigned funds (surplus).....	60,801,316	94,664,116
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38).....	257,337,145	291,199,946
36. TOTALS (Page 2, Line 28, Col. 3).....	969,979,388	931,865,934

DETAILS OF WRITE-INS

2301. Reserve for future policy benefits.....	28,086,000	21,752,000
2302. Premium deficiency reserve.....	2,795,000	3,313,000
2303. Payable for non-operating expenses.....	14,189,364	31,970,172
2398. Summary of remaining write-ins for Line 23 from overflow page.....	73,841,810	62,336,363
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	118,912,174	119,371,534
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

	1 Current Year	2 Prior Year
STATEMENT OF INCOME		
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4).....	2,628,014,368	2,156,396,141
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	2,181,281,057	1,819,617,108
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	118,828,741	105,836,162
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	243,345,553	186,195,153
5. Aggregate write-ins for underwriting deductions.....	40,780,267	(10,593,221)
6. Total underwriting deductions (Lines 2 through 5).....	2,584,235,618	2,101,055,202
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	43,778,750	55,340,939
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	81,761,224	51,017,696
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)).....	2,610,575	19,117,137
11. Net investment gain (loss) (Lines 9 + 10).....	84,371,800	70,134,833
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(56)	(1,924,549)
15. Total other income (Lines 12 through 14).....	(56)	(1,924,549)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	128,150,494	123,551,223
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	128,150,494	123,551,223
19. Federal and foreign income taxes incurred.....	38,379,523	15,970,612
20. Net income (Line 18 minus Line 19) (to Line 22).....	89,770,971	107,580,610
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2).....	291,199,946	334,450,452
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20).....	89,770,971	107,580,610
23. Net unrealized capital gains or (losses).....	(16,981,166)	(10,386,952)
24. Change in net unrealized foreign exchange capital gains (loss).....		
25. Change in net deferred income tax.....	(42,619,218)	(80,736,078)
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3).....	22,591,991	66,484,052
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
28. Change in surplus notes.....		
29. Surplus (contributed to) withdrawn from protected cells.....		
30. Cumulative effect of changes in accounting principles.....		14,681,478
31. Capital changes:		
31.1 Paid in.....		
31.2 Transferred from surplus (Stock Dividend).....		
31.3 Transferred to surplus.....		
32. Surplus adjustments:		
32.1 Paid in.....		
32.2 Transferred to capital (Stock Dividend).....		
32.3. Transferred from capital.....		
33. Net remittances from or (to) Home Office.....		
34. Dividends to stockholders.....	(107,000,000)	(141,000,000)
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1).....		
36. Aggregate write-ins for gains and losses in surplus.....	20,374,623	126,383
37. Change in surplus as regards policyholders for the year (Lines 22 through 36).....	(33,862,801)	(43,250,506)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35).....	257,337,145	291,199,946

DETAILS OF WRITE-INS		
0501. Change in future policy reserves.....	6,334,000	(3,840,000)
0502. Change in premium deficiency reserves.....	(518,000)	(687,000)
0503. Tri-Care admin fees.....	(35,733)	(1,504,765)
0598. Summary of remaining write-ins for Line 5 from overflow page.....	35,000,000	(4,561,457)
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	40,780,267	(10,593,221)
1401. Non-premium income.....		(27,401)
1402. Non-premium expense.....	(56)	(1,897,148)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(56)	(1,924,549)
3601. Statutory Adjustment for Transfer of WHA Balance Sheet	78,455	126,383
3602. Dissolution of Paragon Health Systems LTD.....	20,296,167	
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	20,374,623	126,383

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	2,622,773,203	2,128,814,203
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	2,256,297,308	1,875,473,941
3. Underwriting expenses paid.....	208,786,964	173,325,405
4. Other underwriting income (expenses).....	(40,780,267)	10,593,221
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	116,908,664	90,608,078
6. Net investment income.....	65,488,360	53,851,876
7. Other income (expenses):		
7.1 Agents' balances charged off.....		
7.2 Net funds held under reinsurance treaties.....		
7.3 Net amount withheld or retained for account of others.....	(9,618)	(2,464,654)
7.4 Aggregate write-ins for miscellaneous items.....	(56)	(1,924,548)
7.5 Total other income (Lines 7.1 to 7.4).....	(9,674)	(4,389,202)
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....		
9. Federal and foreign income taxes (paid) recovered.....	(23,237,422)	(27,451,931)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	159,149,928	112,618,821
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	487,215,027	706,419,347
11.2 Stocks.....	2,406,860	183,177,097
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....	23,496,167	
11.6 Net gains or (losses) on cash and short-term investments.....		(2)
11.7 Miscellaneous proceeds.....	(11,876,378)	9,510,575
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	501,241,677	899,107,017
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	595,374,949	904,282,027
12.2 Stocks.....	550,000	14,000,072
12.3 Mortgage loans.....		
12.4 Real estate.....	1,318,545	1,483,612
12.5 Other invested assets.....		
12.6 Miscellaneous applications.....	(202,686)	(2,107,760)
12.7 Total investments acquired (Lines 12.1 to 12.6).....	597,040,808	917,657,951
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(95,799,131)	(18,550,934)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....		103,844,540
14.4 Borrowed funds received.....	18,000,000	
14.5 Other cash provided.....	71,226,111	
14.6 Total (Lines 14.1 to 14.5).....	89,226,111	103,844,540
15. Cash applied:		
15.1 Dividends to stockholders paid.....	107,000,000	141,000,000
15.2 Net transfers to affiliates.....	90,356,194	
15.3 Borrowed funds repaid.....		
15.4 Other applications.....		11,330,180
15.5 Total (Lines 15.1 to 15.4).....	197,356,194	152,330,180
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(108,130,083)	(48,485,640)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16).....	(44,779,286)	45,582,247
18. Cash and short-term investments:		
18.1 Beginning of year.....	5,029,777	(40,552,470)
18.2 End of year (Line 17 plus Line 18.1).....	(39,749,509)	5,029,777
DETAILS OF WRITE-INS		
7.401 Aggregate write-ins for miscellaneous income.....	(56)	(1,924,548)
7.402		
7.403		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
7.499 Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above).....	(56)	(1,924,548)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3 Last Year's Part 2	Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....				0
2. Allied lines.....				0
3. Farmowners multiple peril.....				0
4. Homeowners multiple peril.....				0
5. Commercial multiple peril.....				0
6. Mortgage guaranty.....				0
8. Ocean marine.....				0
9. Inland marine.....				0
10. Financial guaranty.....				0
11.1 Medical malpractice - occurrence.....				0
11.2 Medical malpractice - claims-made.....				0
12. Earthquake.....				0
13. Group accident and health.....	2,016,697,194	31,819,438	18,895,803	2,029,620,829
14. Credit accident and health (group and individual).....				0
15. Other accident and health.....	598,426,381	14,246,844	14,279,687	598,393,539
16. Workers' compensation.....				0
17.1 Other liability - occurrence.....				0
17.2 Other liability - claims-made.....				0
18.1 Products liability - occurrence.....				0
18.2 Products liability - claims-made.....				0
19.1, 19.2 Private passenger auto liability.....				0
19.3, 19.4 Commercial auto liability.....				0
21. Auto physical damage.....				0
22. Aircraft (all perils).....				0
23. Fidelity.....				0
24. Surety.....				0
26. Burglary and theft.....				0
27. Boiler and machinery.....				0
28. Credit.....				0
29. International.....				0
30. Reinsurance - nonproportional assumed property.....				0
31. Reinsurance - nonproportional assumed liability.....				0
32. Reinsurance - nonproportional assumed financial lines.....				0
33. Aggregate write-ins for other lines of business.....	0	0	0	0
34. TOTALS.....	2,615,123,575	46,066,282	33,175,489	2,628,014,368

DETAILS OF WRITE-INS

3301.				0
3302.				0
3303.				0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running more than One Year from Date of Policy) (b)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
Line of Business					
1. Fire.....					.0
2. Allied lines.....					.0
3. Farmowners multiple peril.....					.0
4. Homeowners multiple peril.....					.0
5. Commercial multiple peril.....					.0
6. Mortgage guaranty.....					.0
8. Ocean marine.....					.0
9. Inland marine.....					.0
10. Financial guaranty.....					.0
11.1 Medical malpractice - occurrence.....					.0
11.2 Medical malpractice - claims-made.....					.0
12. Earthquake.....					.0
13. Group accident and health.....	6,665,706			12,230,097	18,895,803
14. Credit accident and health (group and individual).....					.0
15. Other accident and health.....	14,279,687				14,279,687
16. Workers' compensation.....					.0
17.1 Other liability - occurrence.....					.0
17.2 Other liability - claims-made.....					.0
18.1 Products liability - occurrence.....					.0
18.2 Products liability - claims-made.....					.0
19.1, 19.2 Private passenger auto liability.....					.0
19.3, 19.4 Commercial auto liability.....					.0
21. Auto physical damage.....					.0
22. Aircraft (all perils).....					.0
23. Fidelity.....					.0
24. Surety.....					.0
26. Burglary and theft.....					.0
27. Boiler and machinery.....					.0
28. Credit.....					.0
29. International.....					.0
30. Reinsurance - nonproportional assumed property.....					.0
31. Reinsurance - nonproportional assumed liability.....					.0
32. Reinsurance - nonproportional assumed financial lines.....					.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
34. TOTALS.....	20,945,393	.0	.0	12,230,097	33,175,490
35. Accrued retrospective premiums based on experience.....					(12,230,097)
36. Earned but unbilled premiums.....					
37. Balance (sum of Lines 34 through 36).....					20,945,393

DETAILS OF WRITE-INS

3301. ....					.0
3302. ....					.0
3303. ....					.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0	.0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0

- (a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes [X] No [].
 (b) State here basis of computation used in each case: Daily Pro-Rate

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						.0
2. Allied lines.....						.0
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....						.0
5. Commercial multiple peril.....						.0
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....						.0
10. Financial guaranty.....						.0
11.1 Medical malpractice - occurrence.....						.0
11.2 Medical malpractice - claims-made.....						.0
12. Earthquake.....						.0
13. Group accident and health.....	2,015,937,829				(759,365)	2,016,697,194
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....	598,435,174				8,793	598,426,381
16. Workers' compensation.....						.0
17.1 Other liability - occurrence.....						.0
17.2 Other liability - claims-made.....						.0
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....						.0
21. Auto physical damage.....						.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Reinsurance - nonproportional assumed property.....	XXX					.0
31. Reinsurance - nonproportional assumed liability.....	XXX					.0
32. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
34. TOTALS.....	2,614,373,003	.0	.0	.0	(750,572)	2,615,123,575

DETAILS OF WRITE-INS

3301. ....						.0
3302. ....						.0
3303. ....						.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0	.0	.0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0	.0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0			.0	
2. Allied lines.....				0			.0	
3. Farmowners multiple peril.....				0			.0	
4. Homeowners multiple peril.....				0			.0	
5. Commercial multiple peril.....				0			.0	
6. Mortgage guaranty.....				0			.0	
8. Ocean marine.....				0			.0	
9. Inland marine.....				0			.0	
10. Financial guaranty.....				0			.0	
11.1 Medical malpractice - occurrence.....				0			.0	
11.2 Medical malpractice - claims-made.....				0			.0	
12. Earthquake.....				0			.0	
13. Group accident and health.....	1,600,890,048		(3,987)	1,600,894,035	240,298,563	213,552,863	1,627,639,735	80.2
14. Credit accident and health (group and individual).....				0			.0	
15. Other accident and health.....	549,453,322			549,453,322	83,309,167	79,121,167	553,641,322	92.1
16. Workers' compensation.....				0			.0	
17.1 Other liability - occurrence.....				0			.0	
17.2 Other liability - claims-made.....				0			.0	
18.1 Products liability - occurrence.....				0			.0	
18.2 Products liability - claims-made.....				0			.0	
19.1, 19.2 Private passenger auto liability.....				0			.0	
19.3, 19.4 Commercial auto liability.....				0			.0	
21. Auto physical damage.....				0			.0	
22. Aircraft (all perils).....				0			.0	
23. Fidelity.....				0			.0	
24. Surety.....				0			.0	
26. Burglary and theft.....				0			.0	
27. Boiler and machinery.....				0			.0	
28. Credit.....				0			.0	
29. International.....				0			.0	
30. Reinsurance - nonproportional assumed property.....	XXX			0			.0	
31. Reinsurance - nonproportional assumed liability.....	XXX			0			.0	
32. Reinsurance - nonproportional assumed financial lines.....	XXX			0			.0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
34. TOTALS.....	2,150,343,370	0	(3,987)	2,150,347,357	323,607,730	292,674,030	2,181,281,057	82.6

DETAILS OF WRITE-INS

3301.				0			.0	
3302.				0			.0	
3303.				0			.0	
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				.0				.0	
2. Allied lines.....				.0				.0	
3. Farmowners multiple peril.....				.0				.0	
4. Homeowners multiple peril.....				.0				.0	
5. Commercial multiple peril.....				.0				.0	
6. Mortgage guaranty.....				.0				.0	
8. Ocean marine.....				.0				.0	
9. Inland marine.....				.0				.0	
10. Financial guaranty.....				.0				.0	
11.1 Medical malpractice - occurrence.....				.0				.0	
11.2 Medical malpractice - claims-made.....				.0				.0	
12. Earthquake.....				.0				.0	
13. Group accident and health.....				.0	240,298,563			(a) 240,298,563	8,781,000
14. Credit accident and health (group and individual).....				.0				.0	
15. Other accident and health.....				.0	83,309,167			(a) 83,309,167	3,751,000
16. Workers' compensation.....				.0				.0	
17.1 Other liability - occurrence.....				.0				.0	
17.2 Other liability - claims-made.....				.0				.0	
18.1 Products liability - occurrence.....				.0				.0	
18.2 Products liability - claims-made.....				.0				.0	
19.1, 19.2 Private passenger auto liability.....				.0				.0	
19.3, 19.4 Commercial auto liability.....				.0				.0	
21. Auto physical damage.....				.0				.0	
22. Aircraft (all perils).....				.0				.0	
23. Fidelity.....				.0				.0	
24. Surety.....				.0				.0	
26. Burglary and theft.....				.0				.0	
27. Boiler and machinery.....				.0				.0	
28. Credit.....				.0				.0	
29. International.....				.0				.0	
30. Reinsurance - nonproportional assumed property.....	XXX			.0	XXX			.0	
31. Reinsurance - nonproportional assumed liability.....	XXX			.0	XXX			.0	
32. Reinsurance - nonproportional assumed financial lines.....	XXX			.0	XXX			.0	
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS.....	.0	.0	.0	.0	323,607,730	.0	.0	323,607,730	12,532,000

DETAILS OF WRITE-INS

3301. ....				.0				.0	
3302. ....				.0				.0	
3303. ....				.0				.0	
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Including \$.....0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....				.0
1.2 Reinsurance assumed.....				.0
1.3 Reinsurance ceded.....				.0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	.0	.0	.0	.0
2. Commission and brokerage:				
2.1 Direct excluding contingent.....		76,704,772		76,704,772
2.2 Reinsurance assumed excluding contingent.....				.0
2.3 Reinsurance ceded excluding contingent.....				.0
2.4 Contingent - direct.....				.0
2.5 Contingent - reinsurance assumed.....				.0
2.6 Contingent - reinsurance ceded.....				.0
2.7 Policy and membership fees.....				.0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	.0	76,704,772	.0	76,704,772
3. Allowances to managers and agents.....				.0
4. Advertising.....		6,877,618		6,877,618
5. Boards, bureaus and associations.....	18,853	1,269,878		1,288,731
6. Surveys and underwriting reports.....				.0
7. Audit of assureds' records.....				.0
8. Salary and related items:				
8.1 Salaries.....	72,445,952	95,838,470		168,284,422
8.2 Payroll taxes.....	4,893,841	4,975,117		9,868,958
9. Employee relations and welfare.....	13,819,097	17,155,205		30,974,302
10. Insurance.....	29,776	1,521,704		1,551,480
11. Directors' fees.....	11,303	92,432		103,735
12. Travel and travel items.....	1,071,276	3,446,543		4,517,819
13. Rent and rent items.....	7,864,513	5,155,409		13,019,922
14. Equipment.....	6,141,783	14,424,807		20,566,590
15. Cost or depreciation of EDP equipment and software.....	4,731,792	7,057,104		11,788,896
16. Printing and stationery.....	5,332,980	(838,455)		4,494,525
17. Postage, telephone and telegraph, exchange and express.....	8,114,559	11,010,832		19,125,391
18. Legal and auditing.....	2,236	7,583,369		7,585,605
19. Totals (Lines 3 to 18).....	124,477,961	175,570,033	.0	300,047,994
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		41,723,569		41,723,569
20.2 Insurance department licenses and fees.....				.0
20.3 Gross guaranty association assessments.....				.0
20.4 All other (excluding federal and foreign income and real estate).....	148,881	1,197,368		1,346,249
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	148,881	42,920,937	.0	43,069,818
21. Real estate expenses.....	119,105	4,337,994		4,457,099
22. Real estate taxes.....		662,445		662,445
23. Reimbursements by uninsured accident and health plans.....	(47,074,293)	(93,487,944)		(140,562,237)
24. Aggregate write-ins for miscellaneous expenses.....	41,157,087	36,637,316	805,741	78,600,144
25. Total expenses incurred.....	118,828,741	243,345,553	805,741	(a) 362,980,035
26. Less unpaid expenses - current year.....	12,532,000	93,858,679		106,390,679
27. Add unpaid expenses - prior year.....	11,445,000	59,300,090		70,745,090
28. Amounts receivable relating to uninsured accident and health plans, prior year.....	39,638,673			39,638,673
29. Amounts receivable relating to uninsured accident and health plans, current year.....	31,991,139			31,991,139
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	110,094,207	208,786,964	805,741	319,686,912

DETAILS OF WRITE-INS

2401. Consulting.....	7,696,486	12,377,918		20,074,404
2402. External Investment Expense.....			805,741	805,741
2403. Miscellaneous.....	527,525	(1,455,521)		(927,996)
2498. Summary of remaining write-ins for Line 24 from overflow page.....	32,933,076	25,714,919	.0	58,647,995
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	41,157,087	36,637,316	805,741	78,600,144

(a) Includes management fees of \$.....144,158,235 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....9,785,595	.....9,740,396
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....33,157,658	.....33,874,664
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....182,598	.....182,598
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....10,200,050	.....10,200,050
5. Contract loans.....	.....	.....
6. Cash/short-term investments.....	(e).....670,169	.....670,169
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....30,000,000	.....30,000,000
9. Aggregate write-ins for investment income.....	.....1,466,479	.....1,466,479
10. Total gross investment income.....	.....85,462,549	.....86,134,356
11. Investment expenses.....	.....	(g).....805,741
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....112,504
14. Depreciation on real estate and other invested assets.....	.....	(i).....2,954,030
15. Aggregate write-ins for deductions from investment income.....	.....	.....500,857
16. Total deductions (Lines 11 through 15).....	.....	.....4,373,132
17. Net investment income (Line 10 minus Line 16).....	.....	.....81,761,224

DETAILS OF WRITE-INS

0901. Intercompany Interest Income.....	1,451,906	1,451,906
0902. Other Investment Income Received.....	14,573	14,573
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	1,466,479	1,466,479
1501. Interest Income Allocation to Joint Venture.....	.....	500,857
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	500,857

- (a) Includes \$.....1,786,855 accrual of discount less \$.....3,513,630 amortization of premium and less \$....4,102,888 paid for accrued interest on purchases.
- (b) Includes \$.....14 accrual of discount less \$.....14,316 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....10,016,108 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....337 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....2,954,030 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment		
1. U.S. government bonds.....	3,565,573	.....	.....	.....	3,565,573
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....	.....	0
1.2 Other bonds (unaffiliated).....	(645,629)	.....	.....	.....	(645,629)
1.3 Bonds of affiliates.....	.....	.....	.....	.....	0
2.1 Preferred stocks (unaffiliated).....	406,860	.....	.....	.....	406,860
2.11 Preferred stocks of affiliates.....	.....	.....	.....	.....	0
2.2 Common stocks (unaffiliated).....	.....	.....	.....	.....	0
2.21 Common stocks of affiliates.....	.....	.....	.....	.....	0
3. Mortgage loans.....	.....	.....	.....	.....	0
4. Real estate.....	.....	(716,228)	.....	.....	(716,228)
5. Contract loans.....	.....	.....	.....	.....	0
6. Cash/short-term investments.....	.....	.....	.....	.....	0
7. Derivative instruments.....	.....	.....	.....	.....	0
8. Other invested assets.....	.....	.....	(16,981,166)	.....	(16,981,166)
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	3,326,804	(716,228)	(16,981,166)	0	(14,370,590)

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....	.....	.....0
0902. ....	.....	.....	.....	.....	0
0903. ....	.....	.....	.....	.....	0
0998. Summary of remaining write-ins for Line 9 from overflow page..	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2.....	58,109,745	90,468,191	32,358,446
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....	.....	.....	.....0
2.2 Furniture, equipment and supplies.....	21,985,146	24,208,303	2,223,157
2.3 Leasehold improvements.....	943,697	585,789	(357,908)
2.4 Loans on personal security, endorsed or not.....	.....	.....	.....0
3. Total (Lines 2.1 to 2.4).....	22,928,843	24,794,093	1,865,249
4. Aggregate write-ins for other assets.....	23,944,769	12,313,064	(11,631,705)
5. Total (Line 1 plus Lines 3 and 4).....	104,983,357	127,575,348	22,591,990

DETAILS OF WRITE-INS

0401. Deposit Accounts.....	19,178,266	8,822,100	(10,356,166)
0402. Prepaid Expenses.....	2,890,365	1,564,964	(1,325,401)
0403. Provider Risk Share.....	629,000	1,926,000	1,297,000
0498. Summary of remaining write-ins for Line 4 from overflow page.....	1,247,138	0	(1,247,138)
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above).....	23,944,769	12,313,064	(11,631,705)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statements of Community Insurance Company (the Company) have been prepared on the basis of accounting practices prescribed or permitted by the state of Ohio Department of Insurance. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the state of Ohio Department of Insurance. Many changes were made to this NAIC Manual effective January 1, 2001. See Note 2B for a description of the impact of these NAIC accounting changes.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Short-Term investments are stated at amortized value using the interest method.
2. Bonds not backed by other loans are stated at amortized value calculated based on the interest method using the lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized value or fair value.
3. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market.
4. Redeemable preferred stocks are stated at amortized value. Perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
5. The Company is not currently invested in mortgage loans.
6. Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
7. Investments in subsidiary and affiliated companies are stated as follows: See Note 1.C.8
8. The Company owns 100% of Anthem Prescription Management, LLC. Anthem Prescription Management, LLC is reported as Other Long-Term Invested Assets on Schedule BA and is reported using the statutory equity method of valuation.
9. The Company has no derivative instruments. However, the Company does invest in structured products that have low volatility which are credit rated double A or better by Moody's Investor Services, Inc. and/or Standard & Poor's Rating Services. An example of such an investment is mortgaged backed securities.
10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
11. Unpaid losses and loss adjustment expenses include amounts based on historical loss development patterns and certain individual case estimates. The established liability estimates consider health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is reasonable, the ultimate liability may be in excess or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and the results of such studies are incorporated into current period estimates.

NOTES TO FINANCIAL STATEMENTS

Note 2 - Accounting Changes and Correction of Errors

A. Accounting Changes Other than Codification and Correction of Errors

Not applicable

B. Accounting Changes as a Result of Codification

Effective January 1, 2001, the state of Ohio required insurance companies domiciled in the state of Ohio to prepare their statutory-basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* Manual, subject to any deviations prescribed or permitted by the Ohio Department of Insurance. The cumulative effect of accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* Manual effective January 1, 2001, was \$14,681,478 and is reported as an increase to 2001 unassigned surplus. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable

B. Statutory Mergers

Not applicable

C. Impairment Loss

Not applicable

Note 4 - Discontinued Operations

Not applicable

Note 5 - Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

1. The Company has elected to use book value on January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

2. Prepayment assumptions for mortgage-backed securities were obtained from broker dealer survey values.

3. The Company used Interactive Data Corporation, a pricing source, in determining the market value of its loan-backed securities.

4. The Company had no negative yield situations requiring a change from the retrospective to prospective method.

E. Repurchase Agreements

The Company has no repurchase agreements at 12/31/02. Company policies require a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral.

NOTES TO FINANCIAL STATEMENTS

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

B. Writedowns for Impairments

Not applicable

Note 7 - Investment Income

A. Accrued Investment Income

Accrued investment income would be excluded from investment income on the following basis:

Bonds -- where interest is in default, accrued interest on bonds is ineligible for amortization.

B. Amounts Nonadmitted

Not applicable

Note 8 - Derivative Instruments

A. The Company has no derivative instruments. However, the Company does invest in structured products that have low volatility which are credit rated double A or better by Moody's Investor Services, Inc. and/or Standard & Poor's Rating Services. An example of such an investment is mortgage backed securities.

Note 9 - Income Taxes

A. The component of deferred tax assets / (liabilities) at December 31 are as follows:

	Dec. 31, 2002	Dec. 31, 2001
Total of gross deferred tax assets	\$89,893,316	\$107,939,679
Total of deferred tax liabilities	35,722,588	11,149,704
Net deferred tax asset	54,170,728	96,789,975
Deferred tax asset nonadmitted	(54,596,490)	(88,036,802)
Net admitted deferred tax asset / (liability)	(\$425,762)	\$8,753,174
(Increase) decrease in nonadmitted asset	33,440,312	73,796,303

B. Deferred tax liabilities are not recognized for the following amounts:

The company has no unrecognized deferred tax liabilities to be disclosed under SSAP No. 10 paragraph 19.

C. Current income taxes incurred consist of the following major components:

	Dec. 31, 2002	Dec. 31, 2001
Federal	\$37,465,822	\$9,279,614
Foreign	0	0
	37,465,822	9,279,614
Federal income tax on net capital gains	913,701	6,690,998
Utilization of capital loss carry-forwards	0	0
Federal and foreign income taxes incurred	\$38,379,523	\$15,970,612

NOTES TO FINANCIAL STATEMENTS

The main components of the deferred tax amounts are as follows:

	Dec. 31, 2002	Dec. 31, 2001
Deferred tax assets:		
Discounting of unpaid losses	\$3,610,811	\$3,261,345
Tax proxy DAC	7,680,346	4,780,185
Accrued future expenses	23,199,978	10,017,614
Fresh start tax basis	0	9,907,470
Pension & FAS 106 accruals	0	22,651,785
Depreciation & nonadmitted fixed assets	10,523,129	10,845,986
AMT credit carryforwards	6,851,238	6,851,238
NOL carryforwards	13,636,968	27,372,279
State tax accrual	8,715,000	0
Other	15,675,846	12,251,777
Total deferred tax assets	89,893,316	107,939,679
Nonadmitted deferred tax assets	(54,596,490)	(88,036,802)
Admitted deferred tax assets	35,296,826	19,902,877
Deferred tax liabilities:		
Deferred market discount on bonds	\$197,574	\$1,416,337
Prepaid expenses	1,794,321	700,621
Accelerated deductions	32,304,167	8,239,751
Other	1,426,526	792,995
Total deferred tax liabilities	35,722,588	11,149,704
Net admitted deferred tax asset / (liability)	(\$425,762)	\$8,753,173

The changes in main components of DTAs and DTLs are as follows:

	Dec. 31, 2002	Dec. 31, 2001	Change
Total deferred tax assets	\$89,893,316	\$107,939,679	(\$18,046,363)
Total deferred tax liabilities	35,722,588	11,149,704	24,572,884
Net deferred tax asset (liability)	54,170,728	96,789,975	(\$42,619,247)
Tax effect of unrealized gains (losses)			0
Change in net deferred income tax			(\$42,619,247)

- D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Dec. 31, 2002	Dec. 31, 2001
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NOTES TO FINANCIAL STATEMENTS

Provision computed at statutory rate	\$44,852,673	\$43,242,928
Prior year current tax true-up and adjustment	(\$21,542,001)	(12,139,526)
Deferred tax adjustments	57,369,001	66,308,751
Dividends received deduction	0	(340,362)
Other	319,097	(365,101)
Total current & deferred tax	\$80,998,770	\$96,706,690
Federal and foreign income taxes incurred	\$38,379,523	\$15,970,612
Change in net deferred income taxes	42,619,247	80,736,078
Total statutory income taxes	\$80,998,770	\$96,706,690

E. The company has \$38.9 million net operating loss carryforwards available and \$6.9 million of tax credit carryforward. The net operating losses will expire during tax years 2003 through 2006. The amounts of federal income taxes incurred in the current and preceding year, which are available for recoupment in the event of future losses are \$74.5 and \$39.3 million, respectively.

F. Consolidated Federal Income Tax Return

1. The Company is included in the federal income tax return of Anthem Inc. and is consolidated with the following entities:

AdminaStar Federal, Inc.
Allmed Financial Corporation
Anthem Alliance Health Insurance Company
Anthem Benefit Administrators, Inc.
Anthem East, Inc.
Anthem Financial, Inc.
Anthem Health & Life Insurance Company of NY
Anthem Health Plans, Inc.
Anthem Health Plans of Kentucky, Inc.
Anthem Health Plans of Maine, Inc.
Anthem Health Plans of New Hampshire, Inc.
Anthem Health Plans of Virginia, Inc.
Anthem, Inc.
Anthem Insurance Companies, Inc.
Anthem Midwest, Inc.
Anthem UM Services, Inc.
Anthem Southeast, Inc.
Anthem West, Inc.
Associated Group, Inc.
Benefit Administration Services, Inc.
Community Insurance Company
Consolidated Holdings Corporation
Dayton Services Company
Health Initiatives, Inc.
Health Management Corporation
Health Management Systems, Inc.
Healthkeepers, Inc.
HealthReach Services, Inc.
Healthy Homecomings, Inc.
HMO Colorado, Inc.
IRM Services, Inc.
Lease Partners, Inc.
Machigonne, Inc.
Maine Partners Health Plan, Inc.
Matthew Thornton Health Plan, Inc.
Monticello Service Agency, Inc.
Northeast Consolidated Services, Inc.
Northern General Services
Northern General Services of Massachusetts, Inc.
Occupational Healthcare Management Services, Inc.
Priority Healthcare, Inc.
Priority, Inc.
Priority Insurance Agency, Inc.
Rocky Mountain Health Care Corporation
Rocky Mountain Hospital and Medical Service, Inc.
Southeastern United Agency, Inc.
The Anthem Companies, Inc.
Trigon Health & Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

Trigon Services, Inc.

2. The method of allocation between the companies is subject to an executed Tax Sharing Agreement and is based upon separate return calculations with credit for net losses that can be used on a consolidated basis. Intercompany tax balances are settled based on the Internal Revenue Service due dates.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

The Company is a stock insurance company and is a wholly owned subsidiary of Anthem Midwest, Inc. Anthem Midwest Inc, and Anthem Insurance Companies, Inc. (Anthem Insurance) are wholly owned subsidiaries of the ultimate parent company, Anthem, Inc (the Parent).

B. During 2002, the following transactions took place between the Company, other affiliated insurers, and other affiliated companies.

- 1) In January, Rocky Mountain Hospital and Medical Service, Inc., made a \$8,500,000 principal payment on the surplus note held by the Company.
- 2) In February, Anthem Health Plans of Maine, Inc. completed its purchase of the remaining 50% ownership interest in Maine Partners Health Plan, Inc. ("MPHP") in accordance with a stock purchase agreement for \$10,600,000.
- 3) In March, Anthem Health Plans of Kentucky, Inc. paid an extraordinary dividend in the amount of \$80,000,000 to Anthem Midwest, Inc.
- 4) In March, Anthem Health Plans of Maine, Inc. capitalized MPHP in the amount of \$220,000.
- 5) In June, Anthem Alliance Health Insurance Company completed its purchase of Pro Behavioral Health, a Denver, Colorado-based behavioral health company. The purchase price was \$5,665,927.
- 6) In July, Rocky Mountain Hospital and Medical Service, Inc., made a \$5,000,000 principal payment on the surplus note held by the Company.
- 7) In September, the Company capitalized Anthem Health Plans of Kentucky, Inc. in the amount of \$14,576,179.
- 8) In December, Rocky Mountain Hospital and Medical Service, Inc. made a \$16,500,000 outstanding balance principal payment on the surplus note held by the Company.
- 9) In December, Rocky Mountain Hospital and Medical Service, Inc. paid a dividend in the amount of \$16,500,000 to Anthem West, Inc.
- 10) In December, HMO Colorado, Inc. paid a dividend in the amount of \$4,277,325 to Rocky Mountain Hospital and Medical Service, Inc.
- 11) In December, Anthem Prescription Management LLC, paid a dividend in the amount of \$30,000,000 to Community Insurance Company.
- 12) In December, Associated Group, Inc. paid a dividend in the amount of \$7,000,000 to the Company.
- 13) In December, Community Insurance Company paid a dividend in the amount of \$107,000,000 to Anthem Midwest, Inc.
- 14) In December, Anthem Health Plans, Inc. paid a dividend in the amount of \$77,700,000 to Anthem East, Inc.
- 15) In December, Anthem Life Insurance Company paid a dividend in the amount of \$7,651,000 to Anthem Midwest, Inc. and a dividend in the amount of \$2,349,000 to Rocky Mountain Hospital and Medical Service, Inc.
- 16) In December, Anthem Health Plans, Inc. paid a dividend in the amount of \$171,500,000 to Anthem East, Inc.
- 17) In December, Anthem East, Inc. paid a dividend in the amount of \$77,700,000 to the Company.
- 18) In December, Anthem Midwest, Inc. paid a dividend in the amount of \$204,651,000 to the Company.
- 19) In December, Anthem West, Inc. paid a dividend in the amount of \$16,500,000 to the Company.

C. Change In Terms of Intercompany Arrangements

Not applicable

D. Amounts Due To or From Related Parties

NOTES TO FINANCIAL STATEMENTS

At December 31, 2002 the Company reported the total amount due to affiliates of \$4,370,072 and the total amount due from affiliates of \$36,277,913

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management Service Contracts, Cost Sharing Arrangements

There were no changes to the intercompany management and service arrangements. Anthem Insurance has agreed to provide certain administrative, management and investment services to various affiliates. The company purchases from certain affiliates marketing, administrative, and management services for the company's insurance products. See note 15B for a description of the lease of furniture and equipment to certain affiliates.

G. Nature of Control Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Anthem Midwest, Inc,

H. Amount Deducted for Investment in Upstream Company

Not Applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Asstes

Not Applicable

J. Writedowns for Impairments of Investments in Subsidiary or Affiliated Companies.

Not applicable

Note 11 - Debt

A. Capital Notes

The Company has no capital notes outstanding.

B. All Other Debt

On August 21, 2002, Anthem signed a promissory note with the Company, whereby Anthem loaned excess cash to the Company to invest in long-term securities. At December 31, 2002, the Company had \$18,000,000 under this agreement.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plans

Anthem Insurance sponsors a defined benefit pension plan covering substantially all employees of the Company who have completed one year of service and attained the age of twenty-one. The pension plan is a cash balance arrangement where plan participants have an individual account balance and earn a pay credit equal to three to six percent of compensation, depending on years of service. In addition to the pay credit, participant accounts earn interest at a rate based on 10-year treasury notes. Anthem Insurance allocates to the subsidiaries a share of the total accumulated costs of the pension plan. In 2002, the amount allocated to the Company was \$2,767,453. The Company has no legal obligation for the benefits under this plan.

Anthem Insurance sponsors a postretirement benefit plan which provides certain health, life, vision and dental benefits upon retirement. Substantially all employees with five years of service become eligible for these benefits if they reach retirement age while working for the Company. Anthem Insurance allocates to the Company a share of the total accumulated costs of these postretirement benefits. In 2002, the amount allocated to the Company was \$461,242. The Company has no legal obligation for the benefits under this plan.

Anthem Insurance has adopted a deferred compensation plan which covers certain directors, employees, agents and general agents. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. Anthem Insurance allocates to the Company a share of the cost of the plan. For 2002, the amount allocated to the Company was \$165,788. The Company has no legal obligation for benefits under this plan.

B. Defined Contribution Plans

NOTES TO FINANCIAL STATEMENTS

Anthem Insurance sponsors a defined contribution savings plan covering substantially all employees of the Company. Anthem Insurance provides a 50% match on the first 6% of salary each employee contributes to the plan. Anthem Insurance allocates to the Company a share of the cost of the plan. For 2002, the amount allocated to the Company was \$1,729,658. The Company has no legal obligation for benefits under this plan.

C. Multiemployer Plans

Not applicable.

D. Consolidated / Holding Company Plans

Not applicable.

E. Postemployment Benefits and Compensated Absences

Postemployment Benefits see Note 12A.

The liability for earned but untaken vacation and severance benefits has been accrued.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Restrictions

A. Outstanding Shares

The Company has 750 shares of \$10,000 par value common stock authorized and 114.231 shares issued and outstanding. The Company has no preferred stock authorized, issued and outstanding.

B. Dividend Rate of Preferred Stock

The Company has no preferred stock.

C. Dividend Restrictions

Within the limitations of (D) below, there are no restrictions placed on the portion of Company profits which may be paid as ordinary dividends to stockholders.

D. Maximum Ordinary Dividend for 2003

The maximum amount of dividends which can be paid by State of Ohio insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus and net income. Within any 12 month period, cumulative dividends may not exceed the greater of 10% of statutory surplus at the prior December 31, or net income for the 12 month period ending at the prior December 31. Also, any dividend paid from other than earned surplus shall be considered an extraordinary dividend. At December 31, 2002, the maximum dividend payment which can be made in 2003 without prior approval of the Ohio Department of Insurance is \$60,801,316.

E. Unassigned Surplus Restrictions

Unassigned surplus funds are not restricted.

F. Mutual Surplus Advances

Not applicable

G. Company Stock Held for Special Purpose

There are no shares of stock held for special purposes.

H. Changes in Special Surplus Funds

Not applicable

I. Changes in Unassigned Funds

The portion of unassigned surplus increased or (reduced) by each item below is as follows:

Description	Current Year Increase (Decrease) in Surplus
1. Unrealized gain or loss	\$ (16,981,166)
2. Non-admitted assets	\$ 22,591,991
Total Increase	\$ 5,610,825

The current year change displayed above excludes any cumulative effect of changes in accounting principles

NOTES TO FINANCIAL STATEMENTS

due to the adoption of Codification effective January 1, 2001. See Note 2B.

J. Surplus Notes

The Company has no surplus notes.

K. through N. Quasi Reorganizations

The Company had no quasi-reorganizations.

Note 14 - Contingencies

A. Contingent Commitments

The Company has no material contingent liabilities.

B. Guaranty Fund and Other Assessments

The Company is subject to the guaranty fund of the State of Ohio. The Company does not anticipate an assessment by the guarantee fund and, accordingly, no liability has been accrued.

C. Gain Contingencies

Not applicable

D. All Other Contingencies

On March 11, 1998, the Company and Anthem Insurance were named as defendants in a lawsuit, Robert Lee Dardinger, Executor of the Estate of Louise Dardinger v. Anthem Blue Cross and Blue Shield, et al., filed in Licking County Court of Common Pleas in Newark, Ohio. The plaintiff sought compensatory damages and unspecified punitive damages in connection with claims alleging wrongful death, bad faith and negligence arising out of the Company's denial of certain claims for medical treatment for Ms. Dardinger. On September 24, 1999, the jury returned a verdict for the plaintiff, awarding \$1,350 for compensatory damages, \$49.0 million for punitive damages, \$2.5 million for bad faith in claims handling and appeals processing, and unspecified attorneys' fees in an amount to be determined by the court. The court later granted attorneys' fees of \$790,000. An appeal was filed by the defendants on November 19, 1999. On May 22, 2001, the Ohio Court of Appeals (Fifth District) affirmed the jury award of \$1,350 for breach of contract against the Company, affirmed the award of \$2.5 million compensatory damages for bad faith in claims handling and appeals processing against the Company, but dismissed the claims and judgments against Anthem Insurance. The court also reversed the award of \$49.0 million in punitive damages against both the Company and Anthem Insurance, and remanded the question of punitive damages against the Company to the trial court for a new trial. Anthem Insurance and the Company, as well as the plaintiff, appealed certain aspects of the decision of the Ohio Court of Appeals. On October 10, 2001, the Supreme Court of Ohio agreed to hear the plaintiff's appeal, including the question of punitive damages, and denied the cross-appeals of Anthem Insurance and the Company. In December, 2001, the Company paid the award of \$2.5 million compensatory damages for bad faith and \$1,350 for breach of contract, plus accrued interest. On December 20, 2002, the Ohio Supreme Court issued its opinion, reinstating the punitive damages award against both Anthem Insurance and the Company. The Ohio Supreme Court offered the plaintiff a remittitur of the damages award to \$30 million, with \$10 million to be given to the plaintiff, attorneys' fees to plaintiff's attorneys based on the remittitur plus accrued interest, and the remainder to be given to Ohio State University Hospital for an Esther Dardinger Memorial Cancer Fund. The Plaintiff has filed to accept the remittitur. Anthem Insurance and the Company must now decide whether to seek an appeal to the U.S. Supreme Court. The ultimate outcome of the matter cannot be determined at this time.

The Company is also involved in pending and threatened litigation of the character incidental to the business transacted, arising out of its insurance and investment operations and is from time to time involved as a party in various governmental and administrative proceedings. The Company believes that any liability that may result from any of these actions is unlikely to have a material adverse effect on the Company's financial position or results of operations.

Note 15 - Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under various noncancelable operating leases that expire through 2009. Rental Expense for 2002 and 2001 was approximately \$8,951,240 and \$8,298,000 respectively.

Future minimum rental payments are as follows:

NOTES TO FINANCIAL STATEMENTS

Year	Amount
2003	\$ 10,304,082
2004	\$ 6,676,509
2005	\$ 5,592,695
2006	\$ 4,007,878
2007 +	\$ 5,348,811
Total	\$ 33,873,638

2. The company has not entered into any sales and leaseback arrangements.

B. Lessor Leasing Arrangements

1. Operating Leases

Effective January 1, 2001, the Company began leasing certain furniture and equipment to two affiliates; Anthem Insurance Companies, Inc. and Anthem Health Plans of Kentucky. For 2002 and 2001, the Company was paid rent of \$3,825,495 and \$6,024,399 respectively, as reimbursement of the costs related to the leased furniture and equipment. At December 31, 2002, the cost, accumulated depreciation and net book value of the leased furniture and equipment was \$17,485,878, \$10,356,855 and \$7,129,022, respectively. The minimum future rentals for the next five years is as follows:

Year	Amount
2003	\$ 1,586,776
2004	\$ 1,560,587
2005	\$ 1,531,585
2006	\$ 1,515,420
2007	\$ 561,232

2. Leveraged Leases

Not Applicable

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk And With Concentrations of Credit Risk

The Company has no financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2002, there were no significant concentrations.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

Note 18 - Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

The Company provides to certain group business uninsured accident and health plans through ASO plans. The net income from these plans and the related premium equivalents are:

Uninsured Plans	Uninsured Portion of	Total

NOTES TO FINANCIAL STATEMENTS			
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	Partially Insured Plans		
Actual reimbursement in excess of net expenses	\$ 6,431,138	\$ 0	\$ 6,431,138
Other income	\$ 0	\$ 0	\$ 0
Net Gain from Operations	\$ 6,431,138	\$ 0	\$ 6,431,138
Premium equivalents	\$ 1,849,175,551	\$ 0	\$ 1,849,175,551

B. Administrative Services Contract (ASC) Plans

Not Applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not Applicable

Note 19 - Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators

No premiums were written by managing general agents or third-party administrators.

Note 20 - Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

The Company, Paragon Investment Company, LLC. (PIC), and Cincinnati Group Health Associates, Inc. agreed to dissolve their joint venture Paragon Health System, Ltd. (PHS) effective on the close of business December 31, 2002. PHS owner's equity was distributed in accordance with respective ownership interests of 79.99% and 20.01% for the Company and PIC, respectively.

D. Uncollectible Premiums Receivables

At December 31, 2002 and 2001, the Company had admitted assets of \$15,100,922 and \$24,909,859, respectively in premiums receivable due from policyholders, agents and ceding insures. Also, at December 31, 2002 and 2001, the Company had admitted assets of \$31,991,139 and \$39,638,673, respectively in uninsured accident and health plan receivables. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, any uncollectible premiums receivable as of December 31, 2001 are not expected to exceed the nonadmitted amounts totaling \$3,221,772 and, therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

E. Reinsurance Accounted for as a Deposit

Not applicable

F. Multiple Peril Crop Insurance

Not applicable

G. Mezzanine Real Estate Loans

Not applicable

H. Health Care Receivables

1. Pharmaceutical Rebate Receivables

Not applicable

NOTES TO FINANCIAL STATEMENTS

2. Risk Sharing Receivables

Risk Sharing Receivables are calculated based on contractual arrangements with specific provider organizations. Claim expenses are netted against the fund amount to determine the net fund balance. The net fund balance is then shared between CIC and the provider organization based on contractual percentages. If the net fund balance is negative, a receivable may be generated. The collectibility of amounts is considered in the generation of the receivable.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated and Reported in the Prior Year	Risk Sharing Receivable as Estimated and Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected in First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected All Other
2002	2002	N/A	1,306,000		1,306,000				
2002	2003	XXX	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	2001	N/A	1,897,000	1,897,000	0	1,897,000	0	0	0
2001	2002	XXX	N/A	N/A	N/A	N/A	N/A	N/A	N/A

I. September 11 Events

No losses were incurred as a result of the terrorist attacks of September 11, 2001.

J. Real Estate

A fair value appraisal was performed on the Company's real estate properties during 2002. The Company recognized an impairment of \$716,228 on the 1351 Wm. Howard Taft Road location. The impairment was equal to the difference between the fair value and book value of the property of \$5,750,000 and \$6,466,228, respectively.

K. Participating Accident and Health Policies

Not Applicable

L. Premium Deficiency Reserves

The Company recorded \$2,795,000 in Premium Deficiency Reserves as of December 31, 2002. The Company does not anticipate investment income when evaluating the need for any such reserve.

M. Noncash Transactions

Not Applicable

Note 21 - Events Subsequent

There were no events occurring subsequent to December 31, 2002 meriting disclosure.

Note 22 - Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus for an individual reinsurer or 10% of policyholders' surplus in aggregate.

C. Reinsurance Assumed and Ceded

- The Company would not have any return commission due reinsurers if we had canceled all of our reinsurance as of the end of the period covered by this annual statement.
- The Company has accrued \$992,381 of additional contingent commission due reinsurers as a result of existing contractual arrangements on ceded reinsurance.

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance

During 2002, no reinsurance recoverable had been written off as uncollectible.

E. Commutation of Ceded Reinsurance

During 2001, none of the Company's ceded reinsurance contracts were commuted.

F. Retroactive Reinsurance

Not applicable.

Note 23 - Retrospectively Rated Contracts and Contracts subject to Redetermination

A. The Company sells group accident and health policies for which the premiums vary based on loss experience. Future premium adjustments for these retrospective policies are estimated and accrued. The Company estimates these accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing the loss development with that anticipated in the policy contracts to arrive at the best estimate of return or additional retrospective premiums.

B. Net premiums earned for 2002 were 169,016,699 or 6.4% of the total net premiums earned. The Company included premiums of 113,251,354 from its Federal Employee Program ("FEP").

C. The Company nonadmitted 269,021 or 10% of the accrued retrospective premium receivable.

Note 24 - Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expense attributable to insured events of prior year decreased by \$12.668 million during 2002. This is approximately 4% of unpaid losses and loss adjustment expenses of \$304,119,030 as of December 31, 2001. The amount is comprised of the Schedule P unpaid loss redundancy of \$49.398 million, reduced by a \$35 million reclassification of amounts required for prior years to Other Policyholder Liabilities, and offset by a \$1.73 million shortage in unpaid loss adjustment expenses. The redundancy reflects the uncertainty about claims activity associated with the September 11, 2001 attacks, and estimation uncertainty due to migration to a new processing system beginning in April 2001. Increases or decreases in estimated loss and loss adjustment expense typically occur as a result of claims payment during the current year, and as additional information is received regarding claims incurred prior to 2002. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid loss and loss adjustment expense.

Note 25 - Intercompany Pooling Arrangements

Not applicable

Note 26 - Structured Settlements

A. Reserves Released due to Purchase of Annuities

Not applicable

B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus

Not applicable

Note 27 - High Deductibles

Not applicable

Note 28 - Discounting of Liabilities for Unpaid Loss Adjustment Expenses

A. Tabular Discounts

Not applicable

B. Non-Tabular Discounts

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Changes in Discount Assumptions

Not applicable

Note 29 - Asbestos and Environmental Reserves

Not applicable

Note 30 - Subscriber Savings Accounts

Not applicable

Note 31 - Financial Guaranty Exposures

Not applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....	100,732,467	12.2	100,732,467	12.2
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	11,424,714	1.4	11,424,714	1.4
1.22 Issued by U.S. government sponsored agencies.....	32,229,484	3.9	32,229,484	3.9
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	552,857	0.1	552,857	0.1
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....	3,199,765	0.4	3,199,765	0.4
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....	60,051,591	7.3	60,051,591	7.3
1.512 Issued by FNMA and FHLMC.....	157,746,728	19.2	157,746,728	19.2
1.513 Privately issued.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....	51,720,289	6.3	51,720,289	6.3
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....	10,965,046	1.3	10,965,046	1.3
1.523 All other privately issued.....	47,281,806	5.7	47,281,806	5.7
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	309,759,267	37.6	309,759,267	37.6
2.2 Unaffiliated foreign securities.....	8,034,348	1.0	8,034,348	1.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....	2,721,432	0.3	2,721,432	0.3
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....	40,054,832	4.9	40,054,832	4.9
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....	564,788	0.1	564,788	0.1
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....		0.0		0.0
6. Policy loans.....		0.0		0.0
7. Receivables for securities.....	73,512	0.0	73,512	0.0
8. Cash and short-term investments.....	(39,749,511)	(4.8)	(39,749,511)	(4.8)
9. Other invested assets.....	25,795,976	3.1	25,795,976	3.1
10. Total invested assets.....	823,159,391	100.0	823,159,391	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []

1.3 State regulating? Ohio

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1997

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1997

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/23/1998

3.4 By what department or departments? Ohio Department of Insurance

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]

6.2 If yes, give full information: _____

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,
7.21 State the percentage of foreign control.0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, One Indiana Square, Suite 4300 Indianapolis, In 46204
-
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Linda Bronstein, Chief Actuary, Community Insurance Co.
4361 Irwin Simpson Blvd, Mason, OH 45040-9498
-
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

-
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
13. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers \$.....0
- 14.12 To stockholders not officers \$.....0
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$.....0
- 14.22 To stockholders not officers \$.....0
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others \$.....0
- 15.22 Borrowed from others \$.....0
- 15.23 Leased from others \$.....0
- 15.24 Other \$.....0
- Disclose in the Notes to Financial the nature of each obligation.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 16.2 If answer is yes:
- 16.21 Amount paid as losses or risk adjustment \$.....0
- 16.22 Amount paid as expenses \$.....0
- 16.23 Other amounts paid \$.....0

GENERAL INTERROGATORIES (continued)

INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred.....	.....	.....	.....	.....	Yes [].....No [].....	Yes [].....No [].....
Common.....	.....750,000	.....114,231	.....10,000.00	.....XXX.....	.....XXX.....XXX.....	.....XXX.....XXX.....

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 2-Special Deposits? Yes [] No [X]

18.2 If no, give full and complete information relating thereto.

All bonds are in the custody of JP Morgan Chase Bank, Brooklyn, NY.

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 2-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	\$.....0
19.22 Subject to repurchase agreements	\$.....0
19.23 Subject to reverse repurchase agreements	\$.....0
19.24 Subject to dollar repurchase agreements	\$.....0
19.25 Subject to reverse dollar repurchase agreements	\$.....0
19.26 Pledged as collateral	\$.....0
19.27 Placed under option agreements	\$.....0
19.28 Letter stock or securities restricted as to sale	\$.....0
19.29 Other	\$.....0

19.3 For each category above, if any of these assets are held by others, identify by whom held:

- 19.31 _____
- 19.32 _____
- 19.33 _____
- 19.34 _____
- 19.35 _____
- 19.36 _____
- 19.37 _____
- 19.38 _____
- 19.39 _____

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank	Brooklyn, NY

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?

Yes [] No []

22.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
107105	Blackrock Financial Mgmt	New York, NY
104596	Dodge & Cox	San Francisco, CA
106595	Wellington, CA	Boston, MA
105900	Gen Re-New England Asset Mgmt	Farmington, CT

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$.....1,203,395

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Blue Cross Blue Shield Organization	830,461
Consortium Health Plans	304,460

24.1 Amount of payments for legal expenses, if any?

\$.....877,827

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Vorys, Sater, Seymour and Pease LLP	218,394
Thompson Hine	297,411

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$.....129,647

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Ohio Capitol Policy Consultant	105,000

GENERAL INTERROGATORIES (continued)

Part 2 - Property and Casualty Interrogatories

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
1.2	If yes, indicate premium earned on U.S. business only.			\$.....85,673,459
1.3	What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?			\$.....0
1.31	Reason for excluding:			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.			\$.....0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.			\$.....61,533,198
1.6	Individual policies:			
	Most current three years:			
1.61	Total premium earned			\$.....6,768,025
1.62	Total incurred claims			\$.....4,523,587
1.63	Number of covered lives			.....5,356
	All years prior to most current three years:			
1.64	Total premium earned			\$.....45,313,010
1.65	Total incurred claims			\$.....33,153,425
1.66	Number of covered lives			.....21,802
1.7	Group policies:			
	Most current three years:			
1.71	Total premium earned			\$.....18,046,137
1.72	Total incurred claims			\$.....11,594,698
1.73	Number of covered lives			.....14,208
	All years prior to most current three years:			
1.74	Total premium earned			\$.....15,546,287
1.75	Total incurred claims			\$.....12,261,488
1.76	Number of covered lives			.....9,940
2.1	Does the reporting entity issue both participating and non-participating policies?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
2.2	If yes, state the amount of calendar year premiums written on:			
2.21	Participating			\$.....0
2.22	Non-participating policies			\$.....0
3.	For Mutual Reporting Entities and Reciprocal Exchange only:			
3.1	Does the reporting entity issue assessable policies?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.2	Does the reporting entity issue non-assessable policies?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?			.....0.0 %
3.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.			\$.....0
4.	For Reciprocal Exchanges only:			
4.1	Does the exchange appoint local agents?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2	If yes, is the commission paid:			
4.21	Out of Attorney's-in-fact compensation	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
4.22	As a direct expense of the exchange	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
4.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?			
4.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.5	If yes, give full information:			
5.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?			
	The company does not issue worker's compensation contracts.			
5.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:			
	See 5.5			
5.3	What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable property insurance loss?			
	The company does not issue property insurance contracts.			
5.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
5.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.			
	The Company has its health benefit contracts guaranteed by an affiliate, Anthem Insurance Companies, Inc. (AICI). The maximum catastrophic loss for the Company is believed to be less than 1% of AICI surplus. Therefore, no catastrophe reinsurance coverage is needed.			
6.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
6.2	If yes, indicate the number of reinsurance contracts containing such provisions.			.....

GENERAL INTERROGATORIES (continued)

Part 2 - Property and Casualty Interrogatories (continued)

7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]

7.2 If yes, give full information:

8. If the reporting entity has assumed risks from another entity, there should be a charge on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [] N/A [X]

9.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]

9.2 If yes, give full information:

10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

10.11 Unpaid losses \$.....0

10.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0

10.2 Of the amount on Line 10.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$.....0

10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]

10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

10.41 From0.0 %

10.42 To0.0 %

10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]

10.6 If yes, state the amount thereof at December 31 of the current year:

10.61 Letters of credit \$.....0

10.62 Collateral and other funds \$.....0

11.1 What amount of installment notes is owned and now held by the reporting entity? \$.....0

11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [] No [X]

11.3 If yes, what amount? \$.....0

12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....22,606,530

12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]

12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.0

13.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]

13.2 If yes, give full information:

N/A

14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

14.11 Name of real estate holding company N/A

14.12 Number of parcels involved0

14.13 Total book/adjusted carrying value \$.....0

14.2 If yes, provide explanation

N/A

15.1 Does the reporting entity write any warranty business? Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
15.11 Home.....
15.12 Products.....
15.13 Automobile.....
15.14 Other*.....

* Disclose type of coverage:

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	..2,614,373,003	..2,140,314,602	..1,905,059,819	..1,680,231,552	..1,823,517,159
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....					
6. Total (Line 34).....	..2,614,373,003	..2,140,314,602	..1,905,059,819	..1,680,231,552	..1,823,517,159
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	..2,615,123,575	..2,140,283,131	..1,905,865,177	..1,677,938,817	..1,821,465,084
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....					
12. Total (Line 34).....	..2,615,123,575	..2,140,283,131	..1,905,865,177	..1,677,938,817	..1,821,465,084
Statement of Income (Page 4)					
13. Net underwriting gain (Loss) (Line 8).....	.....43,778,750	.....55,340,939	.....(7,465,039)	.....(25,720,295)	.....953,486
14. Net investment gain (loss) (Line 11).....	.....84,371,800	.....70,134,833	.....44,252,361	.....58,805,289	.....60,614,677
15. Total other income (Line 15).....	.....(56)	.....(1,924,549)	.....(1,474,061)	.....(12,736,346)	.....15,539,373
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	.....38,379,523	.....15,970,612	.....24,345,458	.....10,216,281	.....29,875,332
18. Net income (Line 20).....	.....89,770,971	.....107,580,611	.....10,967,803	.....10,132,367	.....47,232,204
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3).....	.....969,979,388	.....931,865,933	.....849,910,402	.....820,183,275	.....898,741,346
20. Agents' balances or uncollected premiums (Page 2, Col. 3):					
20.1 In course of collection (Line 10.1).....	.....15,100,922	.....24,909,859	.....23,511,720	.....35,485,779	.....43,507,697
20.2 Deferred and not yet due (Line 10.2).....					
20.3 Accrued retrospective premiums (Line 10.3).....					
21. Total liabilities excluding Protected Cell (Page 3, Line 24).....	.....712,642,243	.....640,665,989	.....515,459,951	.....459,264,649	.....494,585,813
22. Losses (Page 3, Lines 1 & 2).....	.....323,607,730	.....292,674,030	.....240,906,733	.....251,694,619	.....242,497,147
23. Loss adjustment expenses (Page 3, Line 3).....	.....12,532,000	.....11,445,000	.....10,044,000	.....9,082,000	.....9,549,000
24. Unearned premiums (Page 3, Line 9).....	.....20,945,392	.....35,995,494	.....62,179,293	.....50,120,260	.....58,644,663
25. Capital paid up (Page 3, Lines 28 & 29).....	.....1,142,307	.....1,142,307	.....1,142,307	.....1,000,000	.....1,000,000
26. Surplus as regards policyholders (Page 3, Line 35).....	.....257,337,145	.....291,199,946	.....334,450,451	.....360,918,656	.....404,155,533
Risk-Based Capital Analysis					
27. Total adjusted capital.....	.....257,337,145	.....291,199,946	.....334,450,451	.....360,918,656	.....404,155,533
28. Authorized control level risk-based capital.....	.....114,129,633	.....82,322,571	.....77,344,305	.....68,345,916	.....89,278,055
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1).....	.....96.4	.....87.4	.....68.8	.....63.8	.....62.5
30. Stocks (Lines 2.1 & 2.2).....	.....0.3	.....0.5	.....27.2	.....30.0	.....28.9
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
32. Real estate (Lines 4.1, 4.2 & 4.3).....	.....4.9	.....5.5	.....6.3	.....6.8	.....7.0
33. Cash and short-term investments (Line 5).....	.....(4.8)	.....0.7	.....(5.7)	.....(2.0)	.....(0.4)
34. Other invested assets (Line 6).....	.....3.1	.....5.9	.....3.1	.....1.5	.....1.6
35. Receivable for securities (Line 7).....	.....0.0		.....0.3		.....0.4
36. Aggregate write-ins for invested assets (Line 8).....					
37. Cash and invested assets (Line 9).....	.....100.0	.....100.0	.....100.0	.....100.0	.....100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....					
39. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....					
40. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2).....					
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11).....					
42. Affiliated mortgage loans on real estate.....					
43. All other affiliated.....	.....25,795,976	.....45,977,142	.....22,005,264	.....10,043,466	.....10,868,696
44. Total of above lines 38 to 43.....	.....25,795,976	.....45,977,142	.....22,005,264	.....10,043,466	.....10,868,696
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0).....	.....10.0	.....15.8	.....8.2	.....2.8	.....2.7

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23).....	.....(16,981,166)	.....(10,386,952)	.....(24,128,536)	.....(3,370,271)	.....19,264,493
47. Dividends to stockholders (Line 34).....	.....(107,000,000)	.....(141,000,000)	.....(36,000,000)	.....(47,000,000)	.....
48. Change in surplus as regards policyholders for the year (Line 37).....	.....(33,862,801)	.....(43,250,506)	.....(26,468,207)	.....(43,236,876)	.....75,578,533
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....	.....	.....	.....	.....
50. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....	.....	.....	.....	.....
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	...2,150,343,370	...1,767,873,389	...1,613,550,722	...1,412,015,961	...1,487,112,966
53. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	.....	.....	.....	.....	.....
54. Total (Line 34).....	...2,150,343,370	...1,767,873,389	...1,613,550,722	...1,412,015,961	...1,487,112,966
Net Losses Paid (Page 9, Part 2, Col. 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....	.....	.....	.....	.....
56. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....	.....	.....	.....	.....
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	...2,150,347,357	...1,767,849,812	...1,612,845,118	...1,411,380,303	...1,486,090,040
59. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	.....	.....	.....	.....	.....
60. Total (Line 34).....	...2,150,347,357	...1,767,849,812	...1,612,845,118	...1,411,380,303	...1,486,090,040
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums earned (Line 1).....	.....100.0	.....100.0	.....100.0	.....100.0	.....100.0
62. Losses incurred (Line 2).....	.....83.0	.....84.3	.....84.6	.....84.2	.....83.5
63. Loss expenses incurred (Line 3).....	.....4.5	.....4.9	.....4.3	.....4.6	.....5.4
64. Other underwriting expenses incurred (Line 4).....	.....9.3	.....8.6	.....10.1	.....11.5	.....11.1
65. Net underwriting gain (loss) (Line 8).....	.....1.7	.....2.6	.....(0.4)	.....(1.5)	.....0.1
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0).....	.....10.9	.....8.3	.....11.5	.....13.5	.....10.2
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....87.5	.....89.3	.....88.9	.....88.8	.....88.9
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0).....	.....1,016.2	.....735.0	.....569.8	.....464.9	.....450.7
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	.....(49,397)	.....(23,927)	.....(25,760)	.....2,182	.....(16,485)
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Col. 1 x 100).....	.....(17.0)	.....(7.2)	.....(7.1)	.....0.5	.....(5.0)
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	.....(31,436)	.....(26,820)	.....(2,377)	.....(14,694)	.....(8,008)
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second year end (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0).....	.....(9.4)	.....(7.4)	.....(0.7)	.....(3.6)	.....(2.2)

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States.....	205,543,137	210,223,116	205,928,245	205,094,628
	2. Canada.....	6,759,590	7,141,731	6,754,979	6,605,000
	3. Other Countries.....				
	4. Totals.....	212,302,727	217,364,847	212,683,224	211,699,628
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	215,095,092	215,095,092	215,307,844	212,778,595
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	215,095,092	215,095,092	215,307,844	212,778,595
Public Utilities (unaffiliated)	17. United States.....	15,658,024	15,992,402	15,678,698	15,265,000
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	15,658,024	15,992,402	15,678,698	15,265,000
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	345,876,987	355,410,992	346,393,923	339,469,933
	22. Canada.....				
	23. Other Countries.....	4,765,532	4,927,420	4,785,084	4,675,000
	24. Totals.....	350,642,519	360,338,412	351,179,007	344,144,933
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. Total Bonds.....	793,698,362	808,790,753	794,848,773	783,888,156
PREFERRED STOCKS Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....	2,721,432	3,004,855	2,743,200	
	38. Totals.....	2,721,432	3,004,855	2,743,200	
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. Total Preferred Stocks.....	2,721,432	3,004,855	2,743,200	
COMMON STOCKS Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. Total Common Stocks.....	0	0	0	0
	55. Total Stocks.....	2,721,432	3,004,855	2,743,200	
	56. Total Bonds and Stocks...	796,419,794	811,795,608	797,591,973	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$....540,548,363.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	688,531,010	6. Foreign exchange adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	595,924,941	6.1 Column 17, Part 1.....
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....
3.1 Column 16, Part 1.....	(958,622)	6.3 Column 11, Part 2, Section 2.....
3.2 Column 12, Part 2, Section 1.....	(14,316)	6.4 Column 11, Part 4.....
3.3 Column 10, Part 2, Section 2.....		
3.4 Column 10, Part 4.....	(768,139) (1,741,077)	7. Book/adjusted carrying value at end of current period.....
4. Total gain (loss), Column 14, Part 4.....	3,326,804	796,419,793
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	489,621,885	8. Total valuation allowance.....
		9. Subtotal (Lines 7 plus 8).....
		796,419,793
		10. Total nonadmitted amounts.....
		796,419,793
		11. Statement value of bonds and stocks, current period.....
		796,419,793

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	51					3	169	54	XXX
2. 1993.....			0	(91)	25				(4)	367	(120)	XXX
3. 1994.....			0	4,467	42				1,908	1,077	6,333	XXX
4. 1995.....	297,520	124	297,396	390,876	301				42,778	3,147	433,353	XXX
5. 1996.....	1,296,834	1,250	1,295,584	1,060,195	445				102,381	14,037	1,162,131	XXX
6. 1997.....	1,552,828	1,911	1,550,917	1,284,163	1,370				86,510	33,418	1,369,303	XXX
7. 1998.....	1,820,462	2,052	1,818,410	1,531,452	920				102,203	35,517	1,632,735	XXX
8. 1999.....	1,688,756	2,293	1,686,463	1,394,949	546				75,317	35,202	1,469,720	XXX
9. 2000.....	1,893,001	(805)	1,893,806	1,597,782	355				80,171	34,627	1,677,598	XXX
10. 2001.....	2,156,427	31	2,156,396	1,796,348					108,496	23,894	1,904,844	XXX
11. 2002.....	2,627,263	(751)	2,628,014	1,914,197					104,787	21,114	2,018,984	XXX
12. Totals.....	XXX	XXX	XXX	10,974,389	4,004	0	0	704,550	0	202,569	11,674,935	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....			401									401	XXX
2. 1993.....			134									134	XXX
3. 1994.....			134									134	XXX
4. 1995.....			134									134	XXX
5. 1996.....			134									134	XXX
6. 1997.....			134									134	XXX
7. 1998.....			134									134	XXX
8. 1999.....			133									133	XXX
9. 2000.....			480						14			494	XXX
10. 2001.....	1,421		3,887						206		1,152	5,514	XXX
11. 2002.....	3,516		312,966						12,312		13,556	328,794	XXX
12. Totals..	4,937	0	318,671	0	0	0	0	0	12,532	0	14,708	336,140	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX			XXX	401	0
2. 1993.	39	25	14	0.0	0.0	0.0				134	0
3. 1994.	6,509	42	6,467	0.0	0.0	0.0				134	0
4. 1995.	433,788	301	433,487	145.8	242.7	145.8				134	0
5. 1996.	1,162,710	445	1,162,265	89.7	35.6	89.7				134	0
6. 1997.	1,370,807	1,370	1,369,437	88.3	71.7	88.3				134	0
7. 1998.	1,633,789	920	1,632,869	89.7	44.8	89.8				134	0
8. 1999.	1,470,399	546	1,469,853	87.1	23.8	87.2				133	0
9. 2000.	1,678,447	355	1,678,092	88.7	(44.1)	88.6				480	14
10. 2001.	1,910,358	0	1,910,358	88.6	0.0	88.6				5,308	206
11. 2002.	2,347,778	0	2,347,778	89.4	0.0	89.3				316,482	12,312
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	323,608	12,532

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year
1. Prior.....			3,111	51	51	51	51	51	51	452	401	401
2. 1993.....				(116)	(116)	(116)	(116)	(116)	(116)	18	134	134
3. 1994.....	XXX			8,347	4,658	4,425	4,425	4,425	4,425	4,559	134	134
4. 1995.....	XXX	XXX		565,402	392,739	391,252	390,575	390,575	390,575	390,709	134	134
5. 1996.....	XXX	XXX	XXX	1,066,931	1,061,062	1,060,089	1,059,750	1,059,750	1,059,750	1,059,884	134	134
6. 1997.....	XXX	XXX	XXX	XXX	1,294,442	1,280,650	1,283,457	1,282,793	1,282,793	1,282,927	134	134
7. 1998.....	XXX	XXX	XXX	XXX	XXX	1,534,108	1,534,499	1,530,604	1,531,736	1,530,666	(1,070)	62
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	1,418,396	1,397,195	1,395,003	1,394,536	(467)	(2,659)
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,627,817	1,604,950	1,597,907	(7,043)	(29,910)
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,843,544	1,801,656	(41,888)	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,230,679	XXX	XXX
12. Totals.....											(49,397)	(31,436)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior.....	.000		51	51	51	51	51	51	51	51	XXX	XXX
2. 1993.....			130	(116)	(116)	(116)	(116)	(116)	(116)	(116)	XXX	XXX
3. 1994.....	XXX		5,098	5,807	4,425	4,425	4,425	4,425	4,425	4,425	XXX	XXX
4. 1995.....	XXX	XXX	241,099	393,016	392,139	390,575	390,575	390,575	390,575	390,575	XXX	XXX
5. 1996.....	XXX	XXX	XXX	889,795	1,058,449	1,059,608	1,059,750	1,059,750	1,059,750	1,059,750	XXX	XXX
6. 1997.....	XXX	XXX	XXX	XXX	1,086,924	1,280,483	1,283,962	1,282,793	1,282,793	1,282,793	XXX	XXX
7. 1998.....	XXX	XXX	XXX	XXX	XXX	1,292,936	1,529,709	1,530,954	1,530,532	1,530,532	XXX	XXX
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	1,170,986	1,394,309	1,394,869	1,394,403	XXX	XXX
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,389,446	1,596,487	1,597,427	XXX	XXX
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,560,671	1,796,348	XXX	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,914,197	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	
1. Prior.....			3,060								401
2. 1993.....			791								134
3. 1994.....	XXX		3,744	2,540	233						134
4. 1995.....	XXX	XXX	177,136	172,386	600	677					134
5. 1996.....	XXX	XXX	XXX	177,136	2,613	481					134
6. 1997.....	XXX	XXX	XXX	XXX	207,518	167	(505)				134
7. 1998.....	XXX	XXX	XXX	XXX	XXX	241,172	4,790	(350)	1,204		134
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	247,410	2,886	134		133
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	238,371	8,463		480
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	282,873		3,887
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		312,966

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Pur- chasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	No.....								
2. Alaska.....AK	No.....								
3. Arizona.....AZ	No.....								
4. Arkansas.....AR	No.....								
5. California.....CA	No.....								
6. Colorado.....CO	No.....								
7. Connecticut.....CT	No.....								
8. Delaware.....DE	No.....								
9. District of Columbia.....DC	No.....								
10. Florida.....FL	No.....								
11. Georgia.....GA	No.....								
12. Hawaii.....HI	No.....								
13. Idaho.....ID	No.....								
14. Illinois.....IL	No.....								
15. Indiana.....IN	Yes.....								
16. Iowa.....IA	No.....								
17. Kansas.....KS	No.....								
18. Kentucky.....KY	No.....								
19. Louisiana.....LA	No.....								
20. Maine.....ME	No.....								
21. Maryland.....MD	No.....								
22. Massachusetts.....MA	No.....								
23. Michigan.....MI	No.....								
24. Minnesota.....MN	No.....								
25. Mississippi.....MS	No.....								
26. Missouri.....MO	No.....								
27. Montana.....MT	No.....								
28. Nebraska.....NE	No.....								
29. Nevada.....NV	No.....								
30. New Hampshire.....NH	No.....								
31. New Jersey.....NJ	No.....								
32. New Mexico.....NM	No.....								
33. New York.....NY	No.....								
34. North Carolina.....NC	No.....								
35. North Dakota.....ND	No.....								
36. Ohio.....OH	Yes.....	2,614,373,003	2,627,263,796		2,150,343,370	2,181,277,071	323,607,730		
37. Oklahoma.....OK	No.....								
38. Oregon.....OR	No.....								
39. Pennsylvania.....PA	No.....								
40. Rhode Island.....RI	No.....								
41. South Carolina.....SC	No.....								
42. South Dakota.....SD	No.....								
43. Tennessee.....TN	No.....								
44. Texas.....TX	No.....								
45. Utah.....UT	No.....								
46. Vermont.....VT	No.....								
47. Virginia.....VA	No.....								
48. Washington.....WA	No.....								
49. West Virginia.....WV	No.....								
50. Wisconsin.....WI	No.....								
51. Wyoming.....WY	No.....								
52. American Samoa.....AS	No.....								
53. Guam.....GU	No.....								
54. Puerto Rico.....PR	No.....								
55. US Virgin Islands.....VI	No.....								
56. Canada.....CN	No.....								
57. Aggregate Other Alien.....OT	XXX.....	0	0	0	0	0	0	0	0
58. Totals.....	(a).....2	2,614,373,003	2,627,263,796	0	2,150,343,370	2,181,277,071	323,607,730	0	0
DETAILS OF WRITE-INS									
5701.	XXX.....								
5702.	XXX.....								
5703.	XXX.....								
5798. Summary of remaining write- ins for Line 57 from overflow page	XXX.....	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX.....	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

(a) Insert the number of yes responses except for Canada and Other Alien.

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

PART 1 – ORGANIZATIONAL CHART

NAIC CODE	State of Domicile	FEI Number	Company	NAIC CODE	State of Domicile	FEI Number	Company
	IN	35-2145715	Anthem, Inc.				28207
	IN	35-0781558	Anthem Insurance Companies, Inc.		OH	31-1206558	Anthem Midwest, Inc.
	DE	06-1486838	Anthem East		OH	31-1188944	Anthem Benefit Administrators, Inc.
60049	NY	22-3347426	AnthemHealth & Life Insurance Company of New York		IN	35-1835818	TheAnthem Companies, Inc.
60217	CT	06-1475928	Anthem Health Plans, Inc.	85286	TX	75-1461960	Anthem Alliance Health Insurance Company
	CT	06-1428584	HealthReach Services, Inc.	95120	KY	61-1237516	Anthem Health Plans of Kentucky, Inc.
53579	NH	02-0510530	Anthem Health Plans of New Hampshire, Inc.	61069	IN	35-0980405	AnthemLife Insurance Company
95527	NH	02-0494919	Matthew Thornton Health Plan, Inc.		NM	85-0233869	Consolidated Insurance, Inc.
	NH	02-0449033	Health Initiatives, Inc.		IN	35-1840597	AdminaStar Federal, Inc.
	NH	02-0331321	Northeast Consolidated Services, Inc.		OH	31-1192869	Dayton Services Company
				10345	OH	31-1440175	Community InsuranceCompany
52618	ME	31-1705652	Anthem Health Plans of Maine, Inc.		OH		
						31-1714795	Anthem PrescriptionManagement, LLC
95728	ME	01-0511382	Maine Partners Health Plan, Inc.		KY	61-1079399	Southeastern United Agency, Inc.
	ME	01-0316758	Machigonne, Inc.		KY	61-1147068	SpectraCare, Inc.
	IN	35-1292384	Associated Group, Inc.		IN	35-2129194	Anthem UM Services, Inc.
	DE	35-1898945	Anthem Financial, Inc.		IN	35-2086355	Anthem West, Inc.
	DE	94-3214943	Lease Partners, Inc.	11011	CO	84-0747736	Rocky Mountain Hospital and Medical Service, Inc.
	IN	32-0031791	Anthem Southeast, Inc.	95473	CO	84-1017384	HMO Colorado, Inc.
	VA	54-0946534	Monticello Service Agency, Inc.		DE	84-1050592	Rocky Mountain Health Care Corporation
	DE	51-0320357	Consolidated Holdings Corporation		CO	84-1094892	Occupational Healthcare Management Services
71768	VA	54-1637426	Trigon Health & Life Insurance Company		CO	84-0976041	Health Management Systems, Inc.
	VA	54-1237939	Health Management Corporation	61069	IN	35-0980405	Anthem Life Insurance Company
	MO	43-1542030	Healthy Homecomings, Inc		NM	85-0233869	Consolidated Insurance, Inc.
	MO		Healthy Homecomings, Inc. of St. Louis		CO	84-1149806	Benefit Administration Services, Inc.
95169	VA	54-1356687	Healthkeepers, Inc.				
71835	VA	54-0357120	Anthem Health Plans of Virginia, Inc.				
	VA	54-1769341	Primary Care First, LLC				
	VA	54-1619756	Priority, Inc				
96512	VA	54-1239244	PriorityHealthcare, Inc.				
	VA	54-1619760	Priority Insurance Agency, Inc.				
95167	VA	54-1650230	Peninsula Health Care, Inc.				
	VA	55-0712302	Trigon Services, Inc.				
	VA		Trigon Administrators, Inc.				