

ANNUAL STATEMENT

Including Supplements

OF THE

CIGNA Dental Health

of **Ohio, Inc.**

in the state of **Ohio**

TO THE

Insurance Department

OF THE

STATE OF Ohio

**FOR THE YEAR ENDED
December 31, 2002**

HEALTH

2002



47805200220100100

HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
CIGNA Dental Health of Ohio, Inc.

NAIC Group Code 0901 (Current Period) 0901 (Prior Period) NAIC Company Code 47805 Employer's ID Number 59-2579774

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

Country of Domicile United States

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

Date Incorporated or Organized: June 17, 1985 Date Commenced Business: November 6, 1985

Statutory Home Office: 300 N.W. 82nd Avenue Suite 700 Plantation, FL 33324

Main Administrative Office: 300 N.W. 82nd Avenue Suite 700 Plantation, FL 33324 954-423-5800

Mail Address: P.O. Box 189060 Plantation, FL 33318-9060

Primary Location of Books and Records: 300 N.W. 82nd Avenue Suite 700 Plantation, FL 33324 954-423-5800

Internet Website Address: www.cigna.com

Statement Contact: Lillie Xavier 954-423-5712 0

lillie.xavier.cigna.com 954-423-5498
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 300 N.W. 82nd Avenue Suite 700 Plantation, FL 33324 954-423-5800 0

OFFICERS

Chairman of the Board
Samuel Lee Westover

President #Karen Critzer Myers

Secretary Gail Murphy Garcia

Treasurer Michele Iris Haas

Actuary #Ruth Ann Woodley

Vice-Presidents

Gail Murphy Garcia Michele Iris Haas Benjamin Keith Haynes Barry Richard McHale
Karen Kelley Piacentini #David Mathew Porcello #Allen Lee West #Lynn Marie Wyltas

DIRECTORS OR TRUSTEES

#Samuel Lee Westover Gail Murphy Garcia Michele Iris Haas

State of FL
County of Broward ss

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) (Signature) (Signature)
Karen Critzer Myers Gail Murphy Garcia Michele Iris Haas
(Printed Name) (Printed Name) (Printed Name)
President Secretary 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	4 Net Admitted Assets
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)			(a)	
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 199,857, Schedule E-Part 1) and short-term investments (\$ 2,096,690, Schedule DA-Part 2)	2,296,547		2,296,547	2,081,649
6. Other long-term invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotal cash and invested assets (Lines 1 to 8)	2,296,547		2,296,547	2,081,649
10. Accident and health premiums due and unpaid	127,804	11,914	115,890	171,055
11. Health care receivables				
12. Amounts recoverable from reinsurers				
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued				
15. Amounts due from parent, subsidiaries and affiliates	104,057	620	103,437	781,454
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment				
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including \$ 34,566 net deferred tax asset)	99,815		99,815	130,970
20. Electronic data processing equipment and software				
21. Other nonadmitted assets				
22. Aggregate write-ins for other than invested assets				
23. Total assets (Lines 9 plus 10 through 22)	2,628,223	12,534	2,615,689	3,165,128
DETAILS OF WRITE-INS				
0801.	NONE			
0802.	NONE			
0803.	NONE			
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)				
2201.	NONE			
2202.	NONE			
2203.	NONE			
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)				

(a) \$ 0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	421,485	50,667	472,152	497,104
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses	5,876		5,876	8,311
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance	9,420		9,420	22,922
7. General expenses due or accrued	108,917		108,917	35,619
8. Federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))(including \$ 0 net deferred tax liability)				
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
11. Amounts due to parent, subsidiaries and affiliates	798		798	134,433
12. Payable for securities				
13. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
14. Reinsurance in unauthorized companies				
15. Net adjustments in assets and liabilities due to foreign exchange rates				
16. Liability for amounts held under uninsured accident and health plans				
17. Aggregate write-ins for other liabilities (including \$ 0 current)				
18. Total liabilities (Lines 1 to 17)	546,496	50,667	597,163	698,389
19. Common capital stock	X X X	X X X	100	100
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X	273,258	273,258
22. Surplus notes	X X X	X X X		
23. Aggregate write-ins for other than special surplus funds	X X X	X X X		
24. Unassigned funds (surplus)	X X X	X X X	1,745,168	2,193,381
25. Less treasury stock, at cost:				
25.1 0 shares common (value included in Line 19 \$ 0)	X X X	X X X		
25.2 0 shares preferred (value included in Line 20 \$ 0)	X X X	X X X		
26. Total capital and surplus (Lines 19 to 25)	X X X	X X X	2,018,526	2,466,739
27. Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	2,615,689	3,165,128
DETAILS OF WRITE-INS				
1701. State Income Taxes Payable				
1702. State Premium Taxes				
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. Totals (Lines 1701 through 1703 plus 1798) (Line 17 above)				
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		

NONE

NONE

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	1,091,985	1,148,732
2. Net premium income	X X X	12,621,885	12,870,675
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Total revenues (Lines 2 to 6)	X X X	12,621,885	12,870,675
Medical and Hospital:			
8. Hospital/medical benefits			
9. Other professional services	1,362	6,853,380	7,083,779
10. Outside referrals	477,997	477,997	517,039
11. Emergency room and out-of-area			
12. Prescription Drugs			
13. Aggregate write-ins for other medical and hospital			
14. Incentive pool and withhold adjustments			
15. Subtotal (Lines 8 to 14)	479,359	7,331,377	7,600,818
Less:			
16. Net reinsurance recoveries			
17. Total medical and hospital (Lines 15 minus 16)	479,359	7,331,377	7,600,818
18. Claims adjustment expenses		94,185	93,811
19. General administrative expenses		1,679,584	1,449,049
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	479,359	9,105,146	9,143,678
22. Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	3,516,739	3,726,997
23. Net investment income earned		36,241	115,786
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Lines 23 plus 24)		36,241	115,786
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]			
27. Aggregate write-ins for other income or expenses			
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		3,552,980	3,842,783
29. Federal and foreign income taxes incurred	X X X	1,244,136	1,331,689
30. Net income (loss)(Lines 28 minus 29)	X X X	2,308,844	2,511,094
DETAILS OF WRITE-INS			
0601.	NONE	X X X	
0602.	NONE	X X X	
0603.	NONE	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	
DETAILS OF WRITE-INS			
1301.	NONE		
1302.	NONE		
1303.	NONE		
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)			
DETAILS OF WRITE-INS			
2701.	NONE		
2702.	NONE		
2703.	NONE		
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	2,466,739	4,426,365
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	2,308,844	2,511,094
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses		
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax	4,981	(13,284)
37. Change in nonadmitted assets	(12,038)	(305)
38. Change in unauthorized reinsurance		
39. Change in treasury stock		
40. Change in surplus notes		
41. Cumulative effect of changes in accounting principles		
42. Capital Changes:		
42.1 Paid in		
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in		
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders	(2,750,000)	(4,500,000)
45. Aggregate write-ins for gains or (losses) in surplus		42,869
46. Net change in capital and surplus (Lines 32 to 45)	(448,213)	(1,959,626)
47. Capital and surplus end of reporting year (Line 31 plus 46)	2,018,526	2,466,739
DETAILS OF WRITE-INS		
4501. Changes related to codification implementation-Deferred Taxes		42,869
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page		
4599. Totals (Lines 4501 through 4503 plus 4598) (Line 45 above)		42,869

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	12,651,786	12,974,577
2. Claims and claims adjustment expenses	7,452,949	7,682,512
3. General administrative expenses paid	1,606,286	1,626,673
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	3,592,551	3,665,392
6. Net investment income	36,241	115,786
7. Other income (expenses)		
8. Federal and foreign income taxes (paid) recovered	(1,208,000)	(1,441,431)
9. Net cash from operations (Lines 5 to 8)	2,420,792	2,339,747
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		
10.2 Stocks		
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Lines 10.1 to 10.7)		
11. Cost of investments acquired (long-term only):		
11.1 Bonds		
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)		
12. Net cash from investments (Line 10.8 minus Line 11.7)		
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		
13.2 Net transfers from affiliates	544,106	
13.3 Borrowed funds received		
13.4 Other cash provided		
13.5 Total (Lines 13.1 to 13.4)	544,106	
14. Cash applied:		
14.1 Dividends to stockholder paid	2,750,000	4,500,000
14.2 Net transfers to affiliates		359,654
14.3 Borrowed funds repaid		
14.4 Other applications		
14.5 Total (Lines 14.1 to 14.4)	2,750,000	4,859,654
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(2,205,894)	(4,859,654)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	214,898	(2,519,907)
17. Cash and short-term investments:		
17.1 Beginning of year	2,081,649	4,601,556
17.2 End of year (Line 16 plus Line 17.1)	2,296,547	2,081,649

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other
1. Net premium income	12,621,885				12,621,885								
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$ 0 medical expenses)													
4. Risk revenue													
5. Aggregate write-ins for other health care related revenues													
6. Total revenues (Lines 1 to 5)	12,621,885				12,621,885								
7. Medical/hospital benefits													
8. Other professional services	6,853,380				6,853,380								
9. Outside referrals	477,997				477,997								
10. Emergency room and out-of-area													
11. Prescription Drugs													
12. Aggregate write-ins for other medical and hospital													
13. Incentive pool and withhold adjustments													
14. Subtotal (Lines 7 to 13)	7,331,377				7,331,377								
15. Net reinsurance recoveries													
16. Total medical and hospital (Lines 14 minus 15)	7,331,377				7,331,377								
17. Claims adjustment expenses	94,185				94,185								
18. General administrative expenses	1,679,584				1,679,584								
19. Increase in reserves for accident and health contracts													
20. Total underwriting deductions (Lines 16 to 19)	9,105,146				9,105,146								
21. Net underwriting gain or (loss) (Line 6 minus Line 20)	3,516,739				3,516,739								
DETAILS OF WRITE-INS													
0501.					NONE								
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)													
1201.					NONE								
1202.													
1203.													
1298. Summary of remaining write-ins for Line 12 from overflow page													
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)													

7

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (medical and hospital)				
2. Medicare Supplement				
3. Dental only	12,621,885			12,621,885
4. Vision only				
5. Federal Employees Health Benefits Plan Premiums				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid				
8. Other				
9. Totals	12,621,885			12,621,885

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct	7,356,329			7,356,329					
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	7,356,329			7,356,329					
2. Paid medical incentive pools and bonuses									
3. Claim Liability December 31, current year from Part 2A:									
3.1 Direct	472,152			472,152					
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net	472,152			472,152					
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct									
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net									
5. Accrued medical incentive pools and bonuses, current year									
6. Amounts recoverable from reinsurers December 31, current year									
7. Claim Liability December 31, prior year from Part 2A:									
7.1 Direct	497,104			497,104					
7.2 Reinsurance assumed									
7.3 Reinsurance ceded									
7.4 Net	497,104			497,104					
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct									
8.2 Reinsurance assumed									
8.3 Reinsurance ceded									
8.4 Net									
9. Accrued medical incentive pools and bonuses, prior year									
10. Amounts recoverable from reinsurers December 31, prior year									
11. Incurred benefits:									
11.1 Direct	7,331,377			7,331,377					
11.2 Reinsurance assumed									
11.3 Reinsurance ceded									
11.4 Net	7,331,377			7,331,377					
12. Incurred medical incentive pools and bonuses									

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in Process of Adjustment:									
1.1 Direct	214,768			214,768					
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	214,768			214,768					
2. Incurred but Unreported:									
2.1 Direct	257,384			257,384					
2.2 Reinsurance assumed									
2.3 Reinsurance ceded									
2.4 Net	257,384			257,384					
3. Amount Withheld from Paid Claims and Capitations:									
3.1 Direct									
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net									
4. TOTALS:									
4.1 Direct	472,152			472,152					
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net	472,152			472,152					

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (medical and hospital)						
2. Medicare Supplement						
3. Dental Only	414,858	6,941,471		472,152	414,858	497,104
4. Vision Only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other						
9. Subtotal	414,858	6,941,471		472,152	414,858	497,104
10. Medical incentive pools, accruals and disbursements						
11. Totals	414,858	6,941,471		472,152	414,858	497,104

UNDERWRITING AND INVESTMENT EXHIBIT

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
(000 Omitted)**

**Hospital & Medical
Section A - Paid Claims**

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. Prior to 1998	X X X			X X X		X X X				X X X
2. 1998										
3. 1999										
4. 2000										
5. 2001										
6. 2002										
7. Total (Lines 1 through 6)	X X X			X X X		X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X		X X X		X X X	X X X	X X X	

1
2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Medicare Supplement

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent	
1. Prior to 1998	X X X			X X X		X X X				X X X	
2. 1998											
3. 1999					NONE						
4. 2000											
5. 2001											
6. 2002											
7. Total (Lines 1 through 6)	X X X			X X X			X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X			X X X		X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Dental Only

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	390				
2. 1998	7,441	351			
3. 1999	X X X	8,175	362		
4. 2000	X X X	X X X	7,868	478	
5. 2001	X X X	X X X	X X X	7,113	415
6. 2002	X X X	X X X	X X X	X X X	6,941

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	7,529	7,529	7,529	7,529	7,529
2. 1998	7,848	7,792	7,792	7,792	7,792
3. 1999	X X X	8,596	8,537	8,537	8,537
4. 2000	X X X	X X X	8,355	8,346	8,346
5. 2001	X X X	X X X	X X X	7,610	7,528
6. 2002	X X X	X X X	X X X	X X X	7,413

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. Prior to 1998	X X X	7,529		X X X	7,529	X X X			7,529	X X X
2. 1998	12,700	7,792			7,792	61.354			7,792	61.354
3. 1999	15,005	8,537			8,537	56.894			8,537	56.894
4. 2000	14,508	8,346			8,346	57.527			8,346	57.527
5. 2001	12,871	7,528	92	1.222	7,620	59.203			7,620	59.203
6. 2002	12,622	6,941	97	1.397	7,038	55.760	472	6	7,516	59.547
7. Total (Lines 1 through 6)	X X X	46,673	189	X X X	46,862	X X X	472	6	47,340	X X X
8. Total (Lines 2 through 6)	67,706	X X X	X X X	2.620	X X X	290.738	X X X	X X X	X X X	294.525

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Vision Only

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent	
1. Prior to 1998	X X X			X X X		X X X				X X X	
2. 1998											
3. 1999					NONE						
4. 2000											
5. 2001											
6. 2002											
7. Total (Lines 1 through 6)	X X X			X X X			X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X			X X X		X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Federal Employees Health Benefits Plan Premiums

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent	
1. Prior to 1998	X X X			X X X		X X X				X X X	
2. 1998											
3. 1999					NONE						
4. 2000											
5. 2001											
6. 2002											
7. Total (Lines 1 through 6)	X X X			X X X			X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X			X X X		X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Title XVIII - Medicare

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent	
1. Prior to 1998	X X X			X X X		X X X				X X X	
2. 1998											
3. 1999					NONE						
4. 2000											
5. 2001											
6. 2002											
7. Total (Lines 1 through 6)	X X X			X X X			X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X			X X X		X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Title XIX - Medicaid

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent	
1. Prior to 1998	X X X			X X X		X X X				X X X	
2. 1998											
3. 1999					NONE						
4. 2000											
5. 2001											
6. 2002											
7. Total (Lines 1 through 6)	X X X			X X X			X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X			X X X		X X X	X X X	X X X	

1
2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)

Other

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X	NONE			
4. 2000	X X X				
5. 2001	X X X		X X X		
6. 2002	X X X		X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent	
1. Prior to 1998	X X X			X X X		X X X				X X X	
2. 1998											
3. 1999					NONE						
4. 2000											
5. 2001											
6. 2002											
7. Total (Lines 1 through 6)	X X X			X X X			X X X				X X X
8. Total (Lines 2 through 6)		X X X	X X X			X X X		X X X	X X X	X X X	

UNDERWRITING AND INVESTMENT EXHIBIT

**PART 2C - DEVELOPMENT OF INCURRED CLAIMS
(000 Omitted)**

Grand Total

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	390				
2. 1998	7,441	351			
3. 1999	X X X	8,175	362		
4. 2000	X X X	X X X	7,868	478	
5. 2001	X X X	X X X	X X X	7,113	415
6. 2002	X X X	X X X	X X X	X X X	6,941

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	7,529	7,529	7,529	7,529	7,529
2. 1998	7,848	7,792	7,792	7,792	7,792
3. 1999	X X X	8,596	8,537	8,537	8,537
4. 2000	X X X	X X X	8,355	8,346	8,346
5. 2001	X X X	X X X	X X X	7,610	7,528
6. 2002	X X X	X X X	X X X	X X X	7,413

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. Prior to 1998	X X X	7,529		X X X	7,529	X X X			7,529	X X X
2. 1998	12,700	7,792			7,792	61.354			7,792	61.354
3. 1999	15,005	8,537			8,537	56.894			8,537	56.894
4. 2000	14,508	8,346			8,346	57.527			8,346	57.527
5. 2001	12,871	7,528	92	1.222	7,620	59.203			7,620	59.203
6. 2002	12,622	6,941	97	1.397	7,038	55.760	472	6	7,516	59.547
7. Total (Lines 1 through 6)	X X X	46,673	189	X X X	46,862	X X X	472	6	47,340	X X X
8. Total (Lines 2 through 6)	67,706	X X X	X X X	2.620	X X X	290.738	X X X	X X X	X X X	294.525

NONE **Underwriting and Investment Exhibit - Part 2D**

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES**

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent (\$ 0 for occupancy of own building)		25,816		25,816
2. Salaries, wages and other benefits	89,254	365,745		454,999
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)		229,030		229,030
4. Legal fees and expenses		233		233
5. Certifications and accreditation fees				
6. Auditing, actuarial and other consulting services		35,691		35,691
7. Traveling expenses		17,067		17,067
8. Marketing and advertising		1,918		1,918
9. Postage, express and telephone		50,054		50,054
10. Printing and office supplies		35,136		35,136
11. Occupancy, depreciation and amortization		415		415
12. Equipment				
13. Cost or depreciation of EDP equipment and software		68,802		68,802
14. Outsourced services including EDP, claims, and other services				
15. Boards, bureaus and association fees				
16. Insurance, except on real estate				
17. Collection and bank service charges		154		154
18. Group service and administration fees		576,681		576,681
19. Reimbursements by uninsured accident and health plans				
20. Reimbursements from fiscal intermediaries				
21. Real estate expenses				
22. Real estate taxes				
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes		148,886		148,886
23.2 State premium taxes		89,567		89,567
23.3 Regulator authority licenses and fees		14,180		14,180
23.4 Payroll taxes	4,932	20,209		25,141
23.5 Other (excluding federal income and real estate taxes)				
24. Investment expenses not included elsewhere				
25. Aggregate write-ins for expenses				
26. Total expenses incurred (Lines 1 to 25)	94,186	1,679,584		(a) 1,773,770
27. Add expenses unpaid December 31, prior year	8,311	35,619		43,930
28. Less expenses unpaid December 31, current year	5,876	108,917		114,793
29. Amounts receivable relating to uninsured accident and health plans, prior year				
30. Amounts receivable relating to uninsured accident and health plans, current year				
31. Total expenses paid (Lines 26 plus 27 minus 28 plus 29 plus 30)	96,621	1,606,286		1,702,907
DETAILS OF WRITE-INS				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 + 2598) (Line 25 above)				

NONE

(a) Includes management fees of \$ 1,365,116 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)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
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)	
5. Contract loans		
6. Cash/short-term investments	(e) 36,241	36,241
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	36,241	36,241
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net investment income - (Line 10 minus Line 16)		36,241
DETAILS OF WRITE-INS		
0901.	NONE	
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.	NONE	
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		
(a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(b) Includes \$ 0 accrual of discount less \$ 0 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 \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.		
(e) Includes \$ 0 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 \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
DETAILS OF WRITE-INS					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 10 to 13 and 15 to 20, Column 2	12,534	496	(12,038)
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Leasehold improvements			
2.3 Cash advanced to or in hands of officers and agents			
2.4 Loans on personal security, endorsed or not			
2.5 Commuted commissions			
3. Total (Lines 2.1 to 2.5)			
4. Aggregate write-ins for other assets			
5. Total (Line 1 plus Line 3 and 4)	12,534	496	(12,038)
DETAILS OF WRITE-INS			
0401. Deferred Income Taxes	NONE		
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 through 0403 plus 0498) (Line 4 above)			

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	93,721	93,020	91,393	89,582	88,372	1,091,985
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	93,721	93,020	91,393	89,582	88,372	1,091,985
DETAILS OF WRITE-INS						
0601.		NONE				
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)						

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements have been prepared in conformity with accounting practices prescribed or permitted by the State of Ohio Department of Insurance and reflect management's estimates and assumptions that affect the recorded amounts. The National Association of Insurance Commissioner's (NAIC) Accounting Practices and Procedures Manual, version effective January 1, 2001, has been adopted as a component of prescribed or permitted practices by the State of Ohio. These accounting practices vary in certain respects from generally accepted accounting principles followed in determining financial position and results of operations and cash flows. The differences arise from the treatment of certain assets designated as "non-admitted assets" which are charged against accumulated earnings, whereas under generally accepted accounting principles they are considered assets. Non-admitted assets aggregated \$12,534 and \$496 at December 31, 2002 and 2001, respectively, and primarily consist of accounts receivable greater than ninety days past due. Significant estimates used in determining claims payable, allowances for uncollectible amounts and deferred tax assets are discussed throughout the Notes to Statutory Financial Statements.

Cash and Short-term Investments: Investments with a maturity of one year or less at the time of purchase are included as short-term investments. Short-term investments consist of an overnight repurchase agreement and money market funds.

Claims Payable: Claims payable include amounts billed and not paid and an estimate of costs incurred for unbilled services provided as of the balance sheet date.

Premium Revenue: The Company charges monthly fees (premiums) to member groups under contracts entitling subscribers to certain dental care. Premiums are recognized as revenue in the month for which coverage is provided. Unearned premiums represent that portion of premiums received for which coverage is still due.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual, version effective January 1, 2001, are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to surplus in the period of the change in accounting principle. 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. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased surplus by \$42,869 as of January 1, 2001.

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL N/A

NOTE 4 – DISCONTINUED OPERATIONS N/A

NOTE 5 – INVESTMENTS

Investments with a maturity of one year or less at the time of purchase are included as short-term investments. Short-term investments consist of an overnight repurchase agreement and money market funds. For the overnight repurchase agreement, the counter-party is required to post collateral, which the Company may make a claim to if the counter-party fails to return the invested cash. Collateral is limited to securities issued by the U.S. government or federal government agencies.

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES N/A

NOTE 7 – INVESTMENT INCOME DUE AND ACCRUED N/A

NOTE 8 – DERIVATIVE INSTRUMENTS N/A

NOTE 9 – INCOME TAXES

The Company's federal income tax returns are routinely audited by the Internal Revenue Service (IRS) and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits of all years through 1999. The settlement of the audit had no material effect on

NOTES TO FINANCIAL STATEMENTS

earnings. In management's opinion, adequate tax liabilities have been established for all years.

The components of the net deferred tax asset recognized in the Company's Statutory Balance Sheets are as follows:

as follows:

	<u>Dec. 31, 2002</u>	<u>Dec. 31, 2001</u>
Total deferred tax assets	\$34,957	\$29,976
Total deferred tax liabilities	<u>(391)</u>	<u>(391)</u>
Net deferred tax asset	<u>34,566</u>	<u>29,585</u>
Net admitted deferred tax asset	<u>\$34,566</u>	<u>\$29,585</u>

The Company has recognized all deferred tax liability amounts as described in Statements of Statutory Accounting Principle No. 10.

The provisions for incurred taxes on earnings for the years ended December 31 are:

	<u>2002</u>	<u>2001</u>
Federal income taxes	<u>\$1,244,136</u>	<u>\$1,331,689</u>
Federal income taxes incurred	<u>\$1,244,136</u>	<u>\$1,331,689</u>

Deferred federal income taxes and benefits are generally recognized when assets and liabilities have different values for financial statement and tax reporting purposes. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	<u>Dec. 31, 2002</u>	<u>Dec. 31, 2001</u>
<u>Deferred tax assets:</u>		
Unearned premium reserves	\$ 659	\$ 1,604
Loss reserve discounting	4,581	5,079
Bad debt reserve	2,104	67
Miscellaneous receivable	4,388	-
Specialty care accrual	<u>23,225</u>	<u>23,226</u>
Total deferred tax assets	<u>34,957</u>	<u>29,976</u>
Admitted deferred tax assets	<u>34,957</u>	<u>29,976</u>
 <u>Deferred tax liabilities:</u>		
Miscellaneous other	<u>391</u>	<u>391</u>
Total deferred tax liabilities	<u>391</u>	<u>391</u>
Net admitted deferred tax asset	<u>\$34,566</u>	<u>\$29,585</u>

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported from the change in net deferred income taxes in the Company's Statements of Capital and Surplus):

	<u>Dec. 31, 2002</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Total deferred tax assets	\$34,957	\$29,976	\$4,981
Total deferred tax liabilities	<u>391</u>	<u>391</u>	<u>-</u>
Net deferred tax asset	<u>\$34,566</u>	<u>\$29,585</u>	<u>4,981</u>
Change in net deferred income tax			4,981
Less: Change in deferred tax on nonadmitted assets			<u>4,388</u>
Adjusted change in net deferred income tax			<u>\$ 593</u>

NOTES TO FINANCIAL STATEMENTS

The provision for federal 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:

	<u>Dec. 31, 2002</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$1,243,543	35.0%
Total	<u>\$1,243,543</u>	<u>35.0%</u>
Federal income taxes incurred	\$1,244,136	35.0%
Change in net deferred income taxes	(593)	0.0%
Total statutory income taxes	<u>\$1,243,543</u>	<u>35.0%</u>

The Company has no net operating loss carryforwards and no net capital loss carryforwards.

The Company has federal income taxes incurred in prior periods available for recoupment in the event of future net losses as follows:

<u>Year</u>	<u>Amount</u>
2002	\$1,244,136
2001	1,331,689
2000	1,554,431

The amounts above are subject to CIGNA's Consolidated Federal Income Tax Agreement (the "Agreement").

CIGNA's indirectly wholly-owned domestic subsidiary insurance companies have entered into the Agreement which became effective as of April 1, 1982. The Agreement sets forth the method of allocation of federal income taxes for CIGNA and its wholly-owned domestic subsidiaries, including insurance subsidiaries. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are used to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provision, are liable for payments determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return.

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

The Company paid dividends of \$2,750,000 and \$4,500,000 to the Parent during the years ended December 31, 2002 and 2001, respectively.

Pursuant to arrangements with certain affiliated companies, the Company's products are sold by affiliated companies as a single product or in conjunction with other CIGNA products. Related premiums billed on behalf of the Company were \$9,062,730 and \$8,446,209 for the years ended December 31, 2002 and 2001, respectively. Net accounts receivable from these affiliated companies were \$41,783 and \$461,047 at December 31, 2002 and 2001, respectively.

Included in commissions and marketing expenses are \$158,052 and \$142,769 for the years ended December 31, 2002 and 2001, respectively, which represent amounts paid to affiliates for sales compensation, marketing expenses and other distribution costs.

Fees of \$1,950,046 and \$2,045,007 for the years ended December 31, 2002 and 2001, respectively, charged by an affiliated company were incurred for administrative and management services and services critical to the delivery of dental care. Included in these fees were charges for administrative and management services of \$1,268,411 and \$1,339,932 for the years ended December 31, 2002 and 2001, respectively, reflected as management fees charges from an affiliated company, charges for claims adjustment expense of \$96,621 and \$91,573 for the years ended December 31, 2002 and 2001, respectively, and charges for services critical to the delivery of dental care of \$585,014 and \$613,502 for the years ended December 31, 2002 and 2001, respectively, included in other professional services.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – DEBT N/A

**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION,
POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER
POST RETIREMENT BENEFIT PLANS** N/A

**NOTE 13 – CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND
RESTRICTIONS AND QUASI-REORGANIZATIONS**

The distribution of dividends is restricted by regulatory authorities based on the amount of the Company's unassigned surplus and net gain from operations. There are also state notification requirements for dividends. At December 31, 2002 and 2001, the Company met these requirements.

NOTE 14 – CONTINGENCIES

A) Regulatory and Industry Developments: The Company is subject to a changing social, economic, legal, legislative and regulatory environment. Some of the changes include initiatives to increase healthcare regulations and restrict insurance pricing and the application of underwriting standards.

Efforts at the federal and state level to increase regulation of the healthcare industry could have an adverse effect on operations if they reduce marketplace competition and innovation or result in increased medical or administrative costs without improving quality of care. Due to the uncertainty associated with the timing and content of any proposals ultimately adopted, the effect on the Company's results of operations, liquidity or financial condition cannot be reasonably estimated at this time.

In 1998, the National Association of Insurance Commissioners (NAIC) adopted risk-based capital guidelines for health maintenance organizations (HMOs). The Company expects to continue to be adequately capitalized under these standards.

The eventual effect on the Company of the changing environment in which it operates remains uncertain.

B) Concentration of Business: The Company monitors concentrations within its business in order to identify dependency on one or a few customers, brokers, agents and others. The Company has one major member group which accounted for approximately 18% and 19% of the Company's premium revenue in 2002 and 2001, respectively. Net fees receivable from this group were \$200,692 at December 31, 2002. There were no net fees receivable from this group at December 31, 2001. In 2002 and 2001, no broker or agent relationship was considered a significant concentration.

C) Litigation: CIGNA and several healthcare industry competitors are defendants in proposed class action lawsuits. In addition, the Company is involved in lawsuits arising, for the most part, in the ordinary course of business. While the outcome of all litigation involving the Company cannot be determined, litigation is not expected to result in losses that would be material to results of operations, liquidity or financial condition.

NOTE 15 – LEASES N/A

**NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH
OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH
CONCENTRATIONS OF CREDIT RISK** N/A

**NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND
EXTINGUISHMENTS OF LIABILITIES** N/A

**NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H
PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**
N/A

**NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL
AGENTS/THIRD PARTY ADMINISTRATORS** N/A

NOTE 20 – OTHER ITEMS N/A

NOTES TO FINANCIAL STATEMENTS

NOTE 21 – EVENTS SUBSEQUENT **N/A**

NOTE 22 – REINSURANCE **N/A**

NOTE 23 – RETROSPECTIVELY RATED CONTRACTS **N/A**

NOTE 24 – ORGANIZATION AND OPERATION

CIGNA Dental Health of Ohio, Inc. (Company) is a wholly-owned subsidiary of CIGNA Dental Health, Inc. (Parent), and ultimately of CIGNA Corporation (CIGNA). The Company was incorporated on June 17, 1985 under the laws of the State of Ohio and received a certificate of authority on November 6, 1985, to operate as a Specialized Insuring Corporation from the State of Ohio Department of Insurance. The Company is a dental plan, which provides comprehensive dental health services to subscribers for predetermined prepaid monthly fees. The Company pays monthly fees for dental care services provided to its subscribers by participating dental care providers based generally upon the number of individuals enrolled in the plan. When the subscriber is referred to an outside specialist, the Company pays fees based primarily upon the nature of the specific care provided.

NOTE 25 – SALVAGE AND SUBROGATION **N/A**

NOTE 26 – CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Reserve for incurred claims and claim adjustment expenses attributable to insured events has decreased by \$27,387 from \$505,415 in 2001 to \$478,028 in 2002 as a result of reestimation of unpaid claims and claim adjustment expenses. This decrease is generally the result of ongoing analysis of recent loss development trends.

NOTE 27 – MINIMUM NET WORTH

The Company is a regulated entity under the State of Ohio Insurance Statutes. As such, the Company is required to maintain a deposit equal to \$75,000. The Company maintains a certificate of deposit for \$100,000, reflected as restricted assets, to satisfy the requirement. Furthermore, the Company is required to be covered by a fidelity bond on its officers and employees in an amount not less than \$50,000. Additionally, admitted assets must be equal to or greater than 110% of liabilities and surplus must be greater than \$250,000. As of December 31, 2002 and 2001, the Company has met these requirements.

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				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (including residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	2,296,547	100.000	2,296,547	100.000
9. Other invested assets				
10. Total invested assets	2,296,547	100.000	2,296,547	100.000

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. 09/30/2000
-
- 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. 09/30/2000
-
- 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). 09/20/2001
-
- 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 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
	00000	
	00000	
	00000	
	00000	
	00000	

- 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 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (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?
 PriceWaterhouseCoopers LLP
 100 Pearl Street Hartford, Ct 06103
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? Ruth Ann Woodley
 900 Cottage Grove Road Bloomfield, CT 06001
 Actuary - CIGNA Corporation
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?
 N/A
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

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 stockholder 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 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	0	0	0	0	Yes [] No [X]	Yes [] No [X]
Common	1,000	100	1	X X X	X X X X X X	X X X X X X

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 CIGNA Corporation
900 Cottage Grove Road
Bloomfield, CT 06001

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 other, identify by whom held:

19.31 0
19.32 0
19.33 0
19.34 0
19.35 0
19.36 0
19.37 0
19.38 0
19.39 0

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
		0
		0
		0
		0
		0

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
N/A	N/A

GENERAL INTERROGATORIES
(Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? YES [] NO [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$ 0
- 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. \$ 0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives \$ 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives \$ 0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives \$ 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives \$ 0
- 2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? YES [] NO [X]
- 2.2 If yes, give particulars:
- 3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? YES [X] NO []
- 3.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? YES [] NO [X]
- 4.1 Does the reporting entity have stop-loss reinsurance? YES [] NO [X]
- 4.2 If no, explain: Not required for Prepaid Dental Plans
- 4.3 Maximum retained risk (see instructions)
- 4.31 Comprehensive Medical \$ 0
- 4.32 Medical Only \$ 0
- 4.33 Medicare Supplement \$ 0
- 4.34 Dental \$ 0
- 4.35 Other Limited Benefit Plan \$ 0
- 4.36 Other \$ 0
5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements: Hold harmless and extension of benefit provisions are included in the provider contracts. Conversion privileges are included in group contracts and member plan booklets.
- 6.1 Does the reporting entity set up its claim liability for provider services on a service data base? YES [X] NO []
- 6.2 If no, give details
7. Provide the following information regarding participating providers:
- 7.1 Number of providers at start of reporting year 737
- 7.2 Number of providers at end of reporting year 698
- 8.1 Does the reporting entity have business subject to premium rate guarantees? YES [X] NO []
- 8.2 If yes, direct premium earned:
- 8.21 Business with rate guarantees between 15-36 months 1,688,141
- 8.22 Business with rate guarantees over 36 months 0
- 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contracts? YES [] NO [X]
- 9.2 If Yes:
- 9.21 Maximum amount payable bonuses \$ 0
- 9.22 Amount actually paid for year bonuses \$ 0
- 9.23 Maximum amount payable withholds \$ 0
- 9.24 Amount actually paid for year withholds \$ 0
10. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area		
Ashland	Ashtabula	Butler
Champaign	Clark	Clermont
Clinton	Columbiana	Coshocton
Crawford	Cuyahoga	Darke
Defiance	Delaware	Erie
Fairfield	Fayette	Franklin
Geauga	Greene	Hamilton
Hancock	Hardin	Harrison
Henry	Huron	Jefferson
Knox	Lake	Lawrence

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2002	2001	2000	1999	1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	2,615,689	3,165,128	5,386,106	5,554,222	5,036,615
2. Total liabilities (Page 3, Line 18)	597,163	698,389	959,741	1,005,588	844,113
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 26)	2,018,526	2,466,739	4,426,365	4,548,634	4,192,502
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	12,621,885	12,870,675	14,507,843	15,004,584	12,699,912
6. Total medical and hospital expenses (Line 17)	7,331,377	7,600,818	8,295,108	8,540,126	7,776,190
7. Total administrative expenses (Line 19)	1,679,584	1,449,049	2,015,507	2,224,378	1,953,296
8. Net underwriting gain (loss) (Line 22)	3,516,739	3,726,997	4,197,228	4,240,080	2,970,426
9. Net investment gain (loss) (Line 25)	36,241	115,786	235,726	156,823	192,582
10. Total other income (Line 26 plus 27)					
11. Net income or (loss) (Line 30)	2,308,844	2,511,094	2,881,421	2,857,987	2,055,955
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	2,018,526	2,466,739	4,426,365	4,548,634	4,192,502
13. Authorized control level risk-based capital	240,026	247,713	256,077	261,354	164,906
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	88,372	93,721	108,568	117,656	108,080
15. Total members months (Column 6, Line 7)	1,091,985	1,148,732	1,335,884	1,397,729	1,247,064
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5)					
16. Premiums earned (Line 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	58.0	59.1	57.2	56.9	61.2
18. Total underwriting deductions (Line 21)	72.0	71.0	71.1	71.7	76.6
19. Total underwriting gain (loss) (Line 22)	28.0	29.0	28.9	28.3	23.4
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	414,857	477,765	361,817	351,105	389,925
21. Estimated liability of unpaid claims - [prior year (Line 11, Col. 6)]	497,104	487,224	421,786	407,334	462,184

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27					

- NONE** **Schedule A, B and BA Verification**
- NONE** **Schedule D - Summary and Verification**
- NONE** **Schedule D - Part 1A - Sect 1 (3 pgs)**
- NONE** **Schedule D - Part 1A - Sect 2 (3 pgs)**

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1	2	Direct Business Only			
			3	4	5	6
	Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1. Alabama	AL	NO				
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. Dist. 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	NO				
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	NO	12,621,885			
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	X X X				
58. Total (Direct Business)	X X X	(a)	1	12,621,885		
DETAILS OF WRITE-INS						
5701.			NONE			
5702.						
5703.						
5798.	Summary of remaining write-ins for Line 57 from overflow page					
5799.	Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)					
Explanation of basis of allocation by states, premiums by state, 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

0901	CIGNA	00000		00-0000000	CIGNA Corporation
0901	CIGNA	00000		00-0000000	CIGNA Holdings Inc.
0901	CIGNA	00000		00-0000000	CIGNA Investment Group Inc.
0901	CIGNA	00000		00-0000000	CIGNA International Finance Inc.
0901	CIGNA	00000		00-0000000	CIGNA International Investment Advisors Ltd.
0901	CIGNA	00000		00-0000000	CIGNA Investments Inc.
0901	CIGNA	00000		00-0000000	TimeSquare Capital Management Inc.
0901	CIGNA	00000		00-0000000	TimeSquare Funds Management Ltd.
0901	CIGNA	00000		00-0000000	Connecticut General Corporation
0901	CIGNA	00000		00-0000000	*Arbor Reinsurance company Ltd. (Bermuda)
0901	CIGNA	00000		00-0000000	CIGNA Bank & Trust Company FSB
0901	CIGNA	00000		00-0000000	CIGNA Benefits Processing Ireland Ltd.
0901	CIGNA	00000		00-0000000	CIGNA Behavioral Health Inc.
0901	CIGNA	00000		00-0000000	CIGNA Dental Health Inc.
0901	CIGNA	00000	CA	59-2600475	CIGNA Dental Health of California Inc.
0901	CIGNA	11175	CO	59-2675861	CIGNA Dental Health of Colorado Inc.
0901	CIGNA	95380	DE	59-2676987	CIGNA Dental Health of Delaware Inc.
0901	CIGNA	52021	FL	59-1611217	CIGNA Dental Health of Florida Inc.
0901	CIGNA	52024	KS	59-2625350	CIGNA Dental Health of Kansas Inc.
0901	CIGNA	52108	KY	59-2619589	CIGNA Dental Health of Kentucky Inc.
0901	CIGNA	48119	DE	59-2740468	CIGNA Dental Health of Maryland Inc.
0901	CIGNA	11160		06-1582068	CIGNA Dental Health of Missouri Inc.
0901	CIGNA	11167	NJ	59-2308062	CIGNA Dental Health of New Jersey Inc.
0901	CIGNA	47001	NM	95-4452999	CIGNA Dental Health of New Mexico Inc.
0901	CIGNA	95179	NC	56-1803464	CIGNA Dental Health of North Carolina Inc.
0901	CIGNA	47805	OH	59-2579774	CIGNA Dental Health of Ohio Inc.
0901	CIGNA	47041	PA	52-1220578	CIGNA Dental Health of Pennsylvania Inc.
0901	CIGNA	95037	TX	59-2676977	CIGNA Dental Health of Texas Inc.
0901	CIGNA	52617	VA	52-2188914	CIGNA Dental Health of Virginia Inc.
0901	CIGNA	47013	AZ	86-0807222	CIGNA Dental Health Plan of Arizona Inc..
0901	CIGNA	00000		00-0000000	CIGNA Financial Partners Inc.
0901	CIGNA	00000		00-0000000	CIGNA Financial Services Inc.
0901	CIGNA	00000		00-0000000	CIGNA Health Corporation
0901	CIGNA	00000		00-0000000	Healthsource Inc.
0901	CIGNA	00000	AZ	86-0334392	CIGNA HealthCare of Arizona Inc.
0901	CIGNA	00000		00-0000000	CIGNA Community Choice Inc.
0901	CIGNA	00000	CA	95-3310115	CIGNA HealthCare of California Inc.
0901	CIGNA	00000	CO	84-1004500	CIGNA HealthCare of Colorado Inc.
0901	CIGNA	95660	CT	06-1141174	CIGNA HealthCare of Connecticut Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

0901	CIGNA	00000	DE	52-1347731	CIGNA HealthCare of Delaware Inc.
0901	CIGNA	00000	FL	59-2089259	CIGNA HealthCare of Florida Inc.
0901	CIGNA	95602	DE	36-3385638	CIGNA HealthCare of Illinois Inc.
0901	CIGNA	95178	KY	61-1275797	CIGNA HealthCare of Kentucky Inc. (Dissolved 09/30/02)
0901	CIGNA	95600	LA	75-2076466	CIGNA HealthCare of Louisiana Inc.
0901	CIGNA	95447	ME	01-0418220	CIGNA HealthCare of Maine Inc.
0901	CIGNA	95220	MA	02-0402111	CIGNA HealthCare of Massachusetts Inc.
0901	CIGNA	95599	MD	52-1404350	CIGNA HealthCare Mid-Atlantic Inc.
0901	CIGNA	95493	NH	02-0387749	CIGNA HealthCare New Hampshire Inc.
0901	CIGNA	95500	NJ	22-2720890	CIGNA HealthCare of New Jersey Inc.
0901	CIGNA	95209	OH	31-1146142	CIGNA HealthCare of Ohio Inc.
0901	CIGNA	95121	PA	23-2301807	CIGNA HealthCare of Pennsylvania Inc.
0901	CIGNA	95635	MO	36-3359925	CIGNA HealthCare of St. Louis Inc.
0901	CIGNA	95518	UT	62-1230908	CIGNA HealthCare of Utah Inc.
0901	CIGNA	96563	VA	54-1252797	CIGNA HealthCare of Virginia Inc.
0901	CIGNA	00000		00-0000000	Healthsource South Inc. (NH)
0901	CIGNA	95499	AR	71-0742124	CIGNA HealthCare of Arkansas Inc. (Dissolved 09/30/02)
0901	CIGNA	96229	GA	58-1641057	CIGNA HealthCare of Georgia Inc.
0901	CIGNA	95383	TX	74-2767437	CIGNA HealthCare of Texas Inc.
0901	CIGNA	87980	NH	02-0441070	*CIGNA Insurance Group Inc.
0901	CIGNA	00000		00-0000000	Healthsource Indiana Inc. (NH)
0901	CIGNA	95525	IN	35-1679172	CIGNA HealthCare of Indiana Inc.
0901	CIGNA	00000		00-0000000	Healthsource Management Inc.
0901	CIGNA	00000	NY	11-2758941	CIGNA HealthCare of New York Inc.
0901	CIGNA	95606	TN	62-1218053	CIGNA HealthCare of Tennessee Inc.
0901	CIGNA	00000		00-0000000	Heathsource Health Plans Inc.
0901	CIGNA	95132	NC	56-1479515	CIGNA HealthCare of North Carolina Inc.
0901	CIGNA	00000		00-0000000	CIGNA Healthcare of North Carolina Administrators Inc.
0901	CIGNA	00000		00-0000000	Physicians' Health Systems Inc.
0901	CIGNA	63405	SC	57-0937292	*CIGNA Insurance Services Company (72% remaining interest owned Healthsource Management I
0901	CIGNA	95708	SC	06-1185590	CIGNA HealthCare of South Carolina Inc.
0901	CIGNA	00000	NM	06-0327237	Lovelace Health Systems Inc. (sold 01/15/03)
0901	CIGNA	00000		00-0000000	*Temple Insurance Company Limited (Bermuda)
0901	CIGNA	00000		00-0000000	*CIGNA Life Insurance Company of Canada (Canada)
0901	CIGNA	64548		13-2556568	*CIGNA Life Insurance Company of New York
0901	CIGNA	00000		00-0000000	CIGNA Vision Care Inc.
0901	CIGNA	62308	CT	06-0303370	*Connecticut General Life Insurance Company
0901	CIGNA	00000		00-0000000	C G Ballston L.L.C.
0901	CIGNA	00000		00-0000000	C G Erieview L.L.C.
0901	CIGNA	00000		00-0000000	C G Galleria L.L.C.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

0901	CIGNA	00000		00-0000000	C G Merrick L.L.C.
0901	CIGNA	00000		00-0000000	C G Pinnacle L.L.C.
0901	CIGNA	00000		00-0000000	C G Wacker Drive L.L.C.
0901	CIGNA	00000		00-0000000	CIGNA Dulles Town L L C
0901	CIGNA	93629	CT	06-1050034	*CIGNA Life Insurance Company
0901	CIGNA	00000		00-0000000	CIGNA Retirement Benefits Services Inc.
0901	CIGNA	00000		00-0000000	Congen Properties Inc.
0901	CIGNA	00000		00-0000000	CORAC L.L.C.
0901	CIGNA	00000		00-0000000	CORAC Laidley L.L.C.
0901	CIGNA	00000		00-0000000	CORAC Nashville L.L.C.
0901	CIGNA	00000		00-0000000	CORAC Northland L.L.C.
0901	CIGNA	00000		00-0000000	CORAC Westland L.L.C.
0901	CIGNA	00000		00-0000000	Houston Properties L.L.C.
0901	CIGNA	00000		00-0000000	KCI Investment Company L.L.C.
0901	CIGNA	00000		00-0000000	Ridgedale REIT Inc. (49.9%) remaining interests owned by unaffiliated parties
0901	CIGNA	00000		00-0000000	Southland REIT Inc. (49.9%) remaining interests owned by unaffiliated parties
0901	CIGNA	00000		00-0000000	Global Portfolio Strategies Inc.
0901	CIGNA	00000		00-0000000	International Rehabilitation Associates Inc. d/b/a INTRACORP
0901	CIGNA	65498	PA	23-1503749	*Life Insurance Company of North America
0901	CIGNA	00000		00-0000000	Tel-Drug Inc.
0901	CIGNA	00000		00-0000000	CIGNA Global Holdings Inc.
0901	CIGNA	00000		00-0000000	CIGNA Brazil Holdings Inc.
0901	CIGNA	00000		00-0000000	CIGNA Brasil Participacoes Ltda.
0901	CIGNA	00000		00-0000000	CIGNA Saude Ltda (Brazil) (99.99%)
0901	CIGNA	00000		00-0000000	*CIGNA Global Reinsurance Company Ltd.(Bermuda)
0901	CIGNA	00000		00-0000000	CIGNA Holdings Overseas Inc.
0901	CIGNA	00000		00-0000000	*CIGNA Life Insurance Company of Europe S.A. - N.V. (Belgium)
0901	CIGNA	00000		00-0000000	*CIGNA Europe Insurance Company S.A.-N.V. (Belgium) (99.999%)
0901	CIGNA	00000		00-0000000	*CIGNA Seguros S.A. (Mexico)
0901	CIGNA	00000		00-0000000	*CIGNA Seguradora S.A. (Brazil) (99.7%) (remaining interest owned by CIGNA Brasil Participacoes
0901	CIGNA	00000		00-0000000	*CIGNA Life Insurance New Zealand Limited (New Zealand)
0901	CIGNA	00000		00-0000000	*CIGNA Argentina Compania de Seguros S.A. (Argentina)
0901	CIGNA	00000		00-0000000	*Empresa Guatemalteca CIGNA de Seguros Sociedad Anonima (Guatemala) (97.375%)
0901	CIGNA	00000		00-0000000	Inversiones CIGNA Limitada (Chile)
0901	CIGNA	00000		00-0000000	CIGNA Compania de Sesgueros de Vida (Chile) S.A. (98.64%)
0901	CIGNA	90859	DE	23-2088429	*CIGNA Worldwide Insurance Company
0901	CIGNA	00000		00-0000000	*P.T. Asuransi CIGNA (Indonesia) (80%)
0901	CIGNA	00000		00-0000000	*CIGNA STU S.A. (Poland) (7.5%)
0901	CIGNA	00000		00-0000000	*Philippine Health Care Providers Inc. (Philippines) (30%)

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**

OVERFLOW PAGE FOR WRITE-INS
