



ANNUAL STATEMENT

For the Year Ending December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

DELTA DENTAL PLAN OF OHIO, INC.

NAIC Group Code 0477 , 0477 NAIC Company Code 54402 Employer's ID Number 31-0685339
(Current Period) (Prior Period)

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

Country of Domicile United States of America

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

Date Incorporated or Organized 03/06/1960 Date Commenced Business 04/01/1964

Statutory Home Office 2500 Corporate Exchange Drive, Bldg 3, Suite 230 , Columbus, OH 43231-7601
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 4100 Okemos Road
(Street and Number)
Okemos, MI 48864 (517)349-6000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 30416 , Lansing, MI 48909-7916
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 4100 Okemos Road
(Street and Number)
Okemos, MI 48864 (517)349-6000
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address http://ddpoh.com/

Statement Contact Richard A. Tomlinson (517)347-5270
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Policyowner Relations Contact Linda Mullins 4100 Okemos Road
(Street and Number)
Okemos, MI 48864 (517)347-5451
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)(Extension)

OFFICERS

President Thomas J. Fleszar
 Chairperson Larry Metzger, D.D.S.
 Secretary James P. Hallan
 Treasurer Thomas P. Moore, II

VICE CHAIRPERSON

Jeffrey A. Keller

DIRECTORS OR TRUSTEES

Frank Buzaki, Jr. Ann Fiermoen D.D.S. Kerry Kaysserian D.D.S. Penelope K. Majeske Ph.D. Thomas P. Moore II	Larry D. Crawford, D.D.S. James P. Hallan Jeffrey A. Keller Larry Metzger D.D.S. Michael Schaeffer D.D.S.
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State of Michigan
 County of Ingham ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)
Thomas J. Fleszar
(Printed Name)
 President

(Signature)
James P. Hallan
(Printed Name)
 Secretary

(Signature)
Thomas P. Moore, II
(Printed Name)
 Treasurer

a. Is this an original filing? Yes[X] No[]
 b. If no, 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

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

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Kelly Jubb Scheiderer RHIA, MHA
Steven B. Stratton
Colleen Vienna D.D.S.

Laura O. Stearns
Thomas A. Sullivan

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	9,992,922		9,992,922	13,709,760
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	1,902,165		1,902,165	1,743,800
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 \$..... encumbrances)			(a).....	
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....(1,535,964), Schedule E - Part 1) and short-term investments (\$.....15,230,677, Schedule DA - Part 2)	13,694,713		13,694,713	10,559,778
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)	25,589,800		25,589,800	26,013,338
10. Accident and health premiums due and unpaid	1,806,476		1,806,476	1,765,771
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	186,732		186,732	309,991
15. Amounts due from parent, subsidiaries and affiliates	1,098,689		1,098,689	219,828
16. Amounts receivable relating to uninsured accident and health plans	6,075,638		6,075,638	6,471,695
17. Furniture and equipment				
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including \$..... net deferred tax asset)				
20. Electronic data processing equipment and software				
21. Other nonadmitted assets				
22. Aggregate write-ins for other than invested assets	269,504		269,504	658,325
23. Total assets (Lines 9 plus 10 through 22)	35,026,839		35,026,839	35,438,948
DETAILS OF WRITE-INS				
0801				
0802				
0803				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)				
2201. Stabilization Reserve Withhold	243,869		243,869	442,762
2202. Other Miscellaneous	25,635		25,635	215,563
2203				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)	269,504		269,504	658,325

(a) \$..... 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 \$..... reinsurance ceded)	6,350,000		6,350,000	7,831,000
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses				
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance	1,704,050		1,704,050	827,235
7. General expenses due or accrued	1,220,168		1,220,168	1,354,454
8. Federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)) (including \$..... net deferred tax liability)				
9. Amounts withheld or retained for account of others	3,302,289		3,302,289	3,748,154
10. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
11. Amounts due to parent, subsidiaries and affiliates	111,430		111,430	344,180
12. Payable to securities				
13. Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... 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	2,774,233		2,774,233	2,825,462
17. Aggregate write-ins for other liabilities (including \$..... current)	26,790		26,790	26,790
18. Total liabilities (Lines 1 to 17)	15,488,960		15,488,960	16,957,275
19. Common capital stock	X X X	X X X		
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X	9,655,323	9,655,323
22. Surplus notes	X X X	X X X	5,358,061	5,358,061
23. Aggregate write-ins for other than special surplus funds	X X X	X X X	3,637	3,637
24. Unassigned funds (surplus)	X X X	X X X	4,520,858	3,464,652
25. Less treasury stock, at cost:	X X X	X X X		
25.1 shares common (value included in Line 19 \$.....)	X X X	X X X		
25.2 shares preferred (value included in Line 20 \$.....)	X X X	X X X		
26. Total capital and surplus (Lines 19 to 25)	X X X	X X X	19,537,879	18,481,673
27. Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	35,026,839	35,438,948
DETAILS OF WRITE-INS				
1701. Accrued Interest on Surplus Note	26,790		26,790	26,790
1702				
1703				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above)	26,790		26,790	26,790
2301. Assigned funds	X X X	X X X	3,637	3,637
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	3,637	3,637

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	5,540,578	5,431,777
2. Net premium income	X X X	102,472,385	101,626,901
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$..... medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate Write-Ins for Other health care related revenues	X X X	(39,135)	
7. Total revenues (Lines 2 to 6)	X X X	102,433,250	101,626,901
Medical and Hospital:			
8. Hospital/medical benefits			
9. Other Professional Services		91,136,574	90,871,309
10. Outside Referrals			
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)		91,136,574	90,871,309
LESS:			
16. Net reinsurance recoveries			
17. Total medical and hospital (Lines 15 minus 16)		91,136,574	90,871,309
18. Claims adjustment expenses		4,949,596	4,390,735
19. General administrative expenses		7,932,620	9,455,797
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)		104,018,790	104,717,841
22. Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	(1,585,540)	(3,090,940)
23. Net investment income earned		491,801	820,502
24. Net realized capital gains or (losses)		101,570	(269,597)
25. Net investment gains or (losses) (Lines 23 plus 24)		593,371	550,905
26. Net gain or (Loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
27. Aggregate write-ins for other income or expenses		2,371,478	3,927,119
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		1,379,309	1,387,084
29. Federal and foreign income taxes incurred	X X X		
30. Net income (loss) (Lines 28 minus 29)	X X X	1,379,309	1,387,084
DETAILS OF WRITE-INS			
0601. Net ASO/ASC business	X X X	(39,135)	
0602	X X X		
0603	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	(39,135)	
1301			
1302			
1303			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)			
2701. Stabilization Reserve Withhold		2,370,551	3,926,684
2702. Miscellaneous Income		927	435
2703			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)		2,371,478	3,927,119

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	18,481,673	15,083,755
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	1,379,309	1,387,084
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses	(368,730)	(24,213)
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax		
37. Change in nonadmitted assets	45,626	1,388,291
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		646,756
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus		
46. Net change in capital and surplus (Lines 32 to 45)	1,056,205	3,397,918
47. Capital and surplus end of reporting year (Line 31 plus 46)	19,537,878	18,481,673
DETAILS OF WRITE-INS		
4501		
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)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance	103,269,360	100,289,120
2.	Claims and claims adjustment expenses	97,567,170	98,355,044
3.	General administrative expenses paid	8,066,906	8,631,505
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(2,364,716)	(6,697,429)
6.	Net investment income	623,355	743,453
7.	Other income (expenses)	2,371,478	3,927,119
8.	Federal and foreign income taxes (paid) recovered		
9.	Net cash from operations (Line 5 to 8)	630,117	(2,026,857)
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds	3,810,705	3,020,815
10.2	Stocks		232,192
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)	3,810,705	3,253,007
11.	Cost of investments acquired (long-term only):		
11.1	Bonds		5,815,970
11.2	Stocks	527,094	1,159,859
11.3	Mortgage loans		
11.4	Real estate		
11.5	Other invested assets		
11.6	Miscellaneous applications	592	
11.7	Total investments acquired (Lines 11.1 to 11.6)	527,686	6,975,829
12.	Net cash from investments (Line 10.8 minus Line 11.7)	3,283,019	(3,722,822)
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in		646,756
13.2	Net transfers from affiliates		198,322
13.3	Borrowed funds received		
13.4	Other cash provided	830,504	5,056,222
13.5	Total (Lines 13.1 to 13.4)	830,504	5,901,300
14.	Cash applied:		
14.1	Dividends to stockholder paid		
14.2	Net transfers to affiliates	1,111,611	
14.3	Borrowed funds repaid		
14.4	Other applications	497,094	
14.5	Total (Lines 14.1 to 14.4)	1,608,705	
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(778,201)	5,901,300
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	3,134,935	151,621
17.	Cash and short-term investments:		
17.1	Beginning of year	10,559,778	10,408,158
17.2	End of year (Line 16 plus Line 17.1)	13,694,713	10,559,779

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 Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other
1. Net premium income	102,472,385				102,472,385								
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$..... medical expenses)													
4. Risk revenue													
5. Aggregate write-ins for other health care related revenues	(39,135)				(39,135)								
6. Total revenues (Lines 1 to 5)	102,433,250				102,433,250								
7. Medical/hospital benefits													
8. Other professional services	91,136,574				91,136,574								
9. Outside referrals													
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)	91,136,574				91,136,574								
15. Net reinsurance recoveries													
16. Total medical and hospital (Lines 14 minus 15)	91,136,574				91,136,574								
17. Claims adjustment expenses	4,949,596				4,949,596								
18. General administrative expenses	7,932,620				7,932,620								
19. Increase in reserves for accident and health contracts													
20. Total underwriting deductions (Lines 16 to 19)	104,018,790				104,018,790								
21. Net underwriting gain or (loss) (Line 6 minus Line 20)	(1,585,540)				(1,585,540)								
DETAILS OF WRITE-INS													
0501. Net ASO/ASC business	(39,135)				(39,135)								
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. TOTAL (Lines 0501 through 0503 plus 0598) (Line 5 above)	(39,135)				(39,135)								
1201. 0													
1202. 0													
1203.													
1298. Summary of remaining write-ins for Line 12 from overflow page													
1299. TOTAL (Lines 1201 through 1203 plus 1298) (Line 12 above)													

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (medical and hospital) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only	102,472,385	.....	.....	102,472,385
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan Premiums .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....
7.	Title XIX - Medicaid .....	.....	.....	.....	.....
8.	Other .....	.....	.....	.....	.....
9.	TOTALS	102,472,385	.....	.....	102,472,385

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (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	92,617,574			92,617,574					
1.2	Reinsurance assumed									
1.3	Reinsurance ceded									
1.4	Net	92,617,574			92,617,574					
2.	Paid medical incentive pools and bonuses									
3.	Claim liability December 31, current year from Part 2A:									
3.1	Direct	6,350,000			6,350,000					
3.2	Reinsurance assumed									
3.3	Reinsurance ceded									
3.4	Net	6,350,000			6,350,000					
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	7,831,000			7,831,000					
7.2	Reinsurance assumed									
7.3	Reinsurance ceded									
7.4	Net	7,831,000			7,831,000					
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	91,136,574			91,136,574					
11.2	Reinsurance assumed									
11.3	Reinsurance ceded									
11.4	Net	91,136,574			91,136,574					
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	Compre- hensive (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									
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net									
2. Incurred but Unreported:									
2.1 Direct	6,350,000			6,350,000					
2.2 Reinsurance assumed									
2.3 Reinsurance ceded									
2.4 Net	6,350,000			6,350,000					
3. Amounts 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	6,350,000			6,350,000					
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net	6,350,000			6,350,000					

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	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (medical and hospital)						
2. Medicare Supplement						
3. Dental only	6,989,911	85,627,663	71,000	6,279,000	7,060,911	7,831,000
4. Vision only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other						
9. Subtotal	6,989,911	85,627,663	71,000	6,279,000	7,060,911	7,831,000
10. Medical incentive pools, accrual and disbursements						
11. TOTALS	6,989,911	85,627,663	71,000	6,279,000	7,060,911	7,831,000

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND 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	3,028,448				
2. 1998	35,389,828	4,609,467			
3. 1999	X X X	41,880,858	4,497,944		
4. 2000	X X X	X X X	49,447,075	6,522,567	
5. 2001	X X X	X X X	X X X	82,648,885	6,989,911
6. 2002	X X X	X X X	X X X	X X X	85,627,663

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	27,032,965	26,997,965	26,997,965	26,997,965	26,997,965
2. 1998	40,445,828	40,030,295	39,999,295	39,999,295	39,999,295
3. 1999	X X X	47,583,858	46,435,802	46,378,802	46,378,802
4. 2000	X X X	X X X	55,521,075	56,034,642	55,969,642
5. 2001	X X X	X X X	X X X	90,414,885	89,709,796
6. 2002	X X X	X X X	X X X	X X X	91,924,932

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 Claim 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		6,989,911	339,143	5	7,329,054		71		7,329,125	
6. 2002	102,472,385	85,627,663	4,610,453	5	90,238,116	88	6,279		90,244,395	88
7. TOTAL (Lines 1 through 6)	X X X	92,617,574	4,949,596	X X X	97,567,170	X X X	6,350		97,573,520	X X X
8. TOTAL (Lines 2 through 6)	102,472,385	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Total

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND 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	3,028,448				
2. 1998	35,389,828	4,609,467			
3. 1999	X X X	41,880,858	4,497,944		
4. 2000	X X X	X X X	49,447,075	6,522,567	
5. 2001	X X X	X X X	X X X	82,648,885	6,989,911
6. 2002	X X X	X X X	X X X	X X X	85,627,663

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	27,032,965	26,997,965	26,997,965	26,997,965	26,997,965
2. 1998	40,445,828	40,030,295	39,999,295	39,999,295	39,999,295
3. 1999	X X X	47,583,858	46,435,802	46,378,802	46,378,802
4. 2000	X X X	X X X	55,521,075	56,034,642	55,969,642
5. 2001	X X X	X X X	X X X	90,414,885	89,709,796
6. 2002	X X X	X X X	X X X	X X X	91,924,932

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 Claim 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		6,989,911	339,143	5	7,329,054		71		7,329,125	
6. 2002	102,472,385	85,627,663	4,610,453	5	90,238,116	88	6,279		90,244,395	88
7. TOTAL (Lines 1 through 6)	X X X	92,617,574	4,949,596	X X X	97,567,170	X X X	6,350		97,573,520	X X X
8. TOTAL (Lines 2 through 6)	102,472,385	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Dental Only

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE
- 13 Underwriting Invest Exh Pt 2D - A & H Reserve - NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

		1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1.	Rent (\$..... for occupancy of own building)	117,267	149,249		266,516
2.	Salaries, wages and other benefits	4,687,078	4,722,181	22,748	9,432,007
3.	Commissions (less \$..... ceded plus \$..... assumed)		2,117,134		2,117,134
4.	Legal fees and expenses		73,400		73,400
5.	Certifications and accreditation fees				
6.	Auditing, actuarial and other consulting services		23,666		23,666
7.	Traveling expenses	48,610	360,302	821	409,733
8.	Marketing and advertising	7,053	492,974		500,027
9.	Postage, express and telephone	379,177	638,190	8	1,017,375
10.	Printing and office supplies	137,970	185,113	520	323,603
11.	Occupancy, depreciation and amortization	112,680	185,169		297,849
12.	Equipment	98,241	81,015	196	179,452
13.	Cost or depreciation of EDP equipment and software	899,648	74,102	5,870	979,620
14.	Outsourced services including EDP, claims, and other services		54,523	43,421	97,944
15.	Boards, bureaus and association fees		309,342		309,342
16.	Insurance, except on real estate		78,808		78,808
17.	Collection and bank service charges		79,056	18,796	97,852
18.	Group service and administration fees				
19.	Reimbursements by uninsured accident and health plans	(1,880,266)	(3,013,466)		(4,893,732)
20.	Reimbursements from fiscal intermediaries				
21.	Real estate expenses	79,494	101,289		180,783
22.	Real estate taxes				
23.	Taxes, licenses and fees:				
23.1	State and local insurance taxes				
23.2	State premium taxes		986,413		986,413
23.3	Regulator authority licenses and fees		34,300		34,300
23.4	Payroll taxes	262,644	199,860	1,068	463,572
23.5	Other (excluding federal income and real estate taxes)				
24.	Investment expenses not included elsewhere				
25.	Aggregate write-ins for expenses			66	66
26.	Total expenses incurred (Lines 1 to 25)	4,949,596	7,932,620	93,514	(a) 12,975,730
27.	Add expenses unpaid December 31, prior year		1,354,454		1,354,454
28.	Less expenses unpaid December 31, current year		1,220,168		1,220,168
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 minus 29 plus 30)	4,949,596	8,066,906	93,514	13,110,016
DETAILS OF WRITE-INS					
2501.	Miscellaneous expenses			66	66
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)			66	66

(a) Includes management fees of \$.....14,165,728 to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a)..... 558,531	..... 477,131
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a)..... 287,297	..... 245,438
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	..... 17,075	..... 17,075
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash/short-term investments	(e)..... 167,153	..... 167,153
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 1,030,056	..... 906,797
11.	Investment expenses .....	.....	(g)..... 93,512
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g).....
13.	Interest expense .....	.....	(h)..... 321,484
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) .....	.....	..... 414,996
17.	Net Investment income (Line 10 minus Line 16) .....	.....	..... 491,801
DETAILS OF WRITE-INS			
0901	.....	.....	.....
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	.....	.....	.....
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 \$.....28,235 accrual of discount less \$.....35,939 amortization of premium and less \$..... paid for accrued interest on purchases.
(b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.
(c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
(d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.
(e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
(f) Includes \$..... accrual of discount less \$..... amortization of premium.
(g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$.....321,484 interest on surplus notes and \$..... interest on capital notes.
(i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds .....	..... 101,570	.....	.....	.....	..... 101,570
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) .....	.....	.....	..... (368,730)	.....	..... (368,730)
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) .....	..... 101,570	.....	..... (368,730)	.....	..... (267,160)
DETAILS OF WRITE-INS						
0901	.....	.....	.....	.....	.....	.....
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			
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Leasehold improvements			
2.3 Cash advanced to or in the 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		45,626	45,626
5. TOTAL (Line 1 plus Line 3 and Line 4)		45,626	45,626
DETAILS OF WRITE-INS			
0401. Prepaid Expenses		45,626	45,626
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)		45,626	45,626

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						
2. Provider Service Organizations						
3. Preferred Provider Organizations	176,720	177,248	179,855	184,216	174,969	2,171,316
4. Point of Service						
5. Indemnity Only	292,086	280,903	282,117	276,705	271,916	3,369,262
6. Aggregate write-ins for other lines of business						
7. TOTAL	468,806	458,151	461,972	460,921	446,885	5,540,578
DETAILS OF WRITE-INS						
0601						
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 Statement

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	4,091,195	15.988	4,091,195	15.988
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	3,003,839	11.738	3,003,839	11.738
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 (includes 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)	2,897,889	11.324	2,897,889	11.324
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	1,892,145	7.394	1,892,145	7.394
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	10,020	0.039	10,020	0.039
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 \$..... of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$..... including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	13,694,713	53.516	13,694,713	53.516
9. Other invested assets				
10. Total invested assets	25,589,801	100.000	25,589,801	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[] No[X]
- 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[] No[] N/A[X]
- 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).09/04/2001
- 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
.....

- 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
- 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?
 Deloitte and Touche, 600 Renaissance Center, Suite 900, Detroit, MI 48243-1704
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?
 Ed Kiernan, 4100 Okemos Road, Okemos, MI 48864 - Employee
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? Yes[] No[] N/A[X]
 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[] No[] N/A[X]
 10.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]
 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes?

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 \$
 - 14.12 To stockholders not officers \$
 - 14.13 Trustees, supreme or grand (Fraternal only) \$
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$
 - 14.22 To stockholders not officers \$
 - 14.23 Trustees, supreme or grand (Fraternal only) \$
- 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 \$
 - 15.22 Borrowed from others \$
 - 15.23 Leased from others \$
 - 15.24 Other \$
- 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 \$
 - 16.22 Amount paid as expenses \$
 - 16.23 Other amounts paid \$

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

	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?
1. Preferred	Yes[] No[X] N/A[]	Yes[] No[X] N/A[]
2. Common	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:
Investments held for safekeeping with Standard Federal Bank

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

19.3 For each category above, if any of these assets are held by other, 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. \$

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[]

22.1 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
22.1001	Standard Federal Bank	77 Monroe Center, Grand Rapids, MI 49501-1707

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 [X]

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 advisers, 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

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

\$ 235,517

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
Delta Dental Plans Association .....	..... 235,517

24.1 Amount of payments for legal expenses, if any?

\$ 73,400

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

1 Name	2 Amount Paid
Vory's, Sater, Seymour and Pease .....	..... 66,448

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

\$

25.2 List the name of 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 department of government during the period covered by this statement.

1 Name	2 Amount Paid

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: | \$ |
| 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? | \$ |
| 1.31 Reason for excluding: | \$ |
| 1.4 Indicate amount of premium earned attributable to Canadian and/or Other Alien not included in Item (1.2) above. | \$ |
| 1.5 Indicate total incurred claims on all Medicare Supplement insurance. | \$ |
| 1.6 Individual policies - Most current three years: | \$ |
| 1.61 Total premium earned | \$ |
| 1.62 Total incurred claims | \$ |
| 1.63 Number of covered lives | \$ |
| All years prior to most current three years: | \$ |
| 1.64 Total premium earned | \$ |
| 1.65 Total incurred claims | \$ |
| 1.66 Number of covered lives | \$ |
| 1.7 Group policies - Most current three years: | \$ |
| 1.71 Total premium earned | \$ |
| 1.72 Total incurred claims | \$ |
| 1.73 Number of covered lives | \$ |
| All years prior to most current three years: | \$ |
| 1.74 Total premium earned | \$ |
| 1.75 Total incurred claims | \$ |
| 1.76 Number of covered lives | \$ |
| 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:
The company's reserves are adequate for the amount of exposure | |
| 4.3 Maximum retained risk (see instructions): | \$ |
| 4.31 Comprehensive Medical | \$ |
| 4.32 Medical Only | \$ |
| 4.33 Medicare Supplement | \$ |
| 4.34 Dental | \$ |
| 4.35 Other Limited Benefit Plan | \$ |
| 4.36 Other | \$ |
| 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:
The company has both a hold harmless provisions and provisions requiring the providers to continue rendering services | |
| 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 | 3748 |
| 7.2 Number of providers at end of reporting year | 3777 |
| 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 | 19340750 |
| 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 | \$ |
| 9.22 Amount actually paid for year bonuses | \$ |
| 9.23 Maximum amount payable withholds | \$ |
| 9.24 Amount actually paid for year withholds | \$ |
| 10. List service areas in which reporting entity is licensed to operate: | |

1
Name of Service Area
State of Ohio

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	35,026,839	35,438,948	34,903,552	28,403,804	20,721,438
2. Total liabilities (Page 3, Line 18)	15,488,960	16,957,275	19,819,796	14,911,003	15,306,509
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 26)	19,537,879	18,481,673	15,083,756	13,492,801	5,414,929
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	102,433,250	101,626,901	105,696,908	79,042,196	70,319,528
6. Total medical and hospital expenses (Line 17)	91,136,574	90,871,309	92,110,073	69,421,392	63,563,180
7. Total administrative expenses (Line 19)	7,932,620	9,455,797	10,044,146	6,605,208	6,067,357
8. Net underwriting gain (loss) (Line 22)	(1,585,540)	(3,090,940)	(105,157)	(568,826)	(3,029,710)
9. Net investment gain (loss) (Line 25)	593,371	550,905	845,045	204,058	171,444
10. Total other income (Lines 26 plus 27)	2,371,478	3,927,119	2,315,713	1,566,205	3,379,791
11. Net income or (loss) (Line 30)	1,379,309	1,387,084	3,055,601	1,201,437	521,525
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	19,537,879	18,481,673	15,083,756	13,492,801	5,414,929
13. Authorized control level risk-based capital	3,348,161	3,258,832	3,474,866	2,676,677	1,285,188
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	446,885	1,408,738	17,049,848		
15. Total members months (Column 6, Line 7)	5,540,578	5,431,777	17,049,848		
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	88.9	89.4	87.1	87.8	90.4
18. Total underwriting deductions (Line 21)	101.5	103.0	100.1	100.7	104.3
19. Total underwriting gain (loss) (Line 22)	(1.5)	(3.0)	(0.1)	(0.7)	(4.3)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	7,060,911	6,587,567	7,039,034	7,181,514	5,492,128
21. Estimated liability of unpaid claims-[prior year (Line 11, Col. 6)]	7,831,000	10,924,000	8,124,000	7,760,000	5,413,000

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)	NONE				
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27					

SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1	2	3	4
	Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 7,095,034	2. Canada 7,473,219	3. Other Countries 7,106,999	4. Totals 7,000,000
	2. Canada 7,095,034	3. Other Countries 7,473,219	4. Totals 7,106,999	5. Totals 7,000,000
States, Territories and Possessions (Direct and Guaranteed)	5. United States	6. Canada	7. Other Countries	8. Totals
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9. United States	10. Canada	11. Other Countries	12. Totals
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	14. Canada	15. Other Countries	16. Totals
Public Utilities (unaffiliated)	17. United States 507,081	18. Canada 507,081	19. Other Countries 517,065	20. Totals 500,000
	21. United States 507,081	22. Canada 507,081	23. Other Countries 517,065	24. Totals 500,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	25. United States 2,390,807	26. Canada 2,415,617	27. Other Countries 2,371,705	28. Totals 2,400,000
	29. United States 2,390,807	30. Canada 2,415,617	31. Other Countries 2,371,705	32. Totals 2,400,000
Parent, Subsidiaries and Affiliates	33. Totals	34. Totals	35. Totals	36. Totals
	37. Total Bonds 9,992,922	38. Total Bonds 10,395,917	39. Total Bonds 9,995,769	40. Total Bonds 9,900,000
PREFERRED STOCKS				
Public Utilities (unaffiliated)	41. United States	42. Canada	43. Other Countries	44. Totals
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	46. Canada	47. Other Countries	48. Totals
Industrial and Miscellaneous (unaffiliated)	49. United States	50. Canada	51. Other Countries	52. Totals
Parent, Subsidiaries and Affiliates	53. Totals	54. Totals	55. Totals	56. Totals
	57. Total Preferred Stocks	58. Total Preferred Stocks	59. Total Preferred Stocks	60. Total Preferred Stocks
COMMON STOCKS				
Public Utilities (unaffiliated)	61. United States	62. Canada	63. Other Countries	64. Totals
Banks, Trust and Insurance Companies (unaffiliated)	65. United States	66. Canada	67. Other Countries	68. Totals
Industrial and Miscellaneous (unaffiliated)	69. United States 1,902,165	70. Canada 1,902,165	71. Other Countries 2,417,546	72. Totals 2,417,546
	73. United States 1,902,165	74. Canada 1,902,165	75. Other Countries 2,417,546	76. Totals 2,417,546
Parent, Subsidiaries and Affiliates	77. Totals	78. Totals	79. Totals	80. Totals
	81. Total Common Stocks 1,902,165	82. Total Common Stocks 1,902,165	83. Total Common Stocks 2,417,546	84. Total Common Stocks 2,417,546
	85. Total Stocks 1,902,165	86. Total Stocks 1,902,165	87. Total Stocks 2,417,546	88. Total Stocks 2,417,546
	89. Total Bonds and Stocks 11,895,087	90. Total Bonds and Stocks 12,298,082	91. Total Bonds and Stocks 12,413,315	92. Total Bonds and Stocks 12,413,315

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

SCHEDULE D - Verification Between Years

1. Book/adjusted carrying value of bonds and stocks, prior year.....	15,453,562	6. Foreign Exchange Adjustment	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	527,094	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.....	(9,777)	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	
3.3 Column 10, Part 2, Section 2.....	(366,949)	7. Book/adjusted carrying value at end of current period.....	11,895,087
3.4 Column 10, Part 4.....	2,229	8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....	99,633	9. Subtotal (Lines 7 plus 8).....	11,895,087
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4.....	3,810,705	10. Total nonadmitted assets.....	
		11. Statement value of bonds and stocks, current period.....	11,895,087

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only			6 Federal Employees Health Benefits Program Premiums
				3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	
1.	Alabama	AL	No	No			
2.	Alaska	AK	No	No			
3.	Arizona	AZ	No	No			
4.	Arkansas	AR	No	No			
5.	California	CA	No	No			
6.	Colorado	CO	No	No			
7.	Connecticut	CT	No	No			
8.	Delaware	DE	No	No			
9.	District of Columbia	DC	No	No			
10.	Florida	FL	No	No			
11.	Georgia	GA	No	No			
12.	Hawaii	HI	No	No			
13.	Idaho	ID	No	No			
14.	Illinois	IL	No	No			
15.	Indiana	IN	No	No			
16.	Iowa	IA	No	No			
17.	Kansas	KS	No	No			
18.	Kentucky	KY	No	No			
19.	Louisiana	LA	No	No			
20.	Maine	ME	No	No			
21.	Maryland	MD	No	No			
22.	Massachusetts	MA	No	No			
23.	Michigan	MI	No	No			
24.	Minnesota	MN	No	No			
25.	Mississippi	MS	No	No			
26.	Missouri	MO	No	No			
27.	Montana	MT	No	No			
28.	Nebraska	NE	No	No			
29.	Nevada	NV	No	No			
30.	New Hampshire	NH	No	No			
31.	New Jersey	NJ	No	No			
32.	New Mexico	NM	No	No			
33.	New York	NY	No	No			
34.	North Carolina	NC	No	No			
35.	North Dakota	ND	No	No			
36.	Ohio	OH	No	Yes	102,472,385		
37.	Oklahoma	OK	No	No			
38.	Oregon	OR	No	No			
39.	Pennsylvania	PA	No	No			
40.	Rhode Island	RI	No	No			
41.	South Carolina	SC	No	No			
42.	South Dakota	SD	No	No			
43.	Tennessee	TN	No	No			
44.	Texas	TX	No	No			
45.	Utah	UT	No	No			
46.	Vermont	VT	No	No			
47.	Virginia	VA	No	No			
48.	Washington	WA	No	No			
49.	West Virginia	WV	No	No			
50.	Wisconsin	WI	No	No			
51.	Wyoming	WY	No	No			
52.	American Samoa	AS	No	No			
53.	Guam	GU	No	No			
54.	Puerto Rico	PR	No	No			
55.	U.S. Virgin Islands	VI	No	No			
56.	Canada	CN	No	No			
57.	Aggregate other alien	OT	X X X	X X X			
58.	TOTAL (Direct Business)	X X X	(a)..... 1		102,472,385		

DETAILS OF WRITE-INS								
5701								
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)							

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

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