

Amended Statement Cover

Hometown Health Plan originally filed the statement based upon the opinion of our auditors concerning nonadmitted assets. Since then, the auditors have decided that the full amount of reinsurance receivable is now entirely admitted. We are resubmitting all forms and schedules that have been affected as a result of this change.

Additionally, Hometown Health Plan did not originally submit the state required schedules with appropriate barcodes. The revised hard copy filing now includes the appropriately coded state filing pages.



ANNUAL STATEMENT

For the Year Ending December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

HOMETOWN HEALTH PLAN

NAIC Group Code 3058 , 0000 NAIC Company Code 95195 Employer's ID Number 34-1523541
(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[] Vision Service Corporation[] Health Maintenance Organization[X]
 Other[] Is HMO Federally Qualified? Yes[] No[X]

Date Incorporated or Organized 08/14/1986 Date Commenced Business 01/01/1987

Statutory Home Office 100 Lillian Gish Blvd., Suite 301 , Massillon, OH 44647
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 100 Lillian Gish Blvd., Suite 301
(Street and Number)
Massillon, OH 44647 (877)236-2289
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Lillian Gish Blvd., P.O. Box 4816 , Massillon, OH 44648
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 100 Lillian Gish Blvd., Suite 301
(Street and Number)
Massillon, OH 44647 (877)236-2289
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.hometownhealthnet.com

Statement Contact John F. Strah (330)834-2203
(Name) (Area Code)(Telephone Number)(Extension)
JStrah@Hometownhealthnet.com (330)834-2040
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 100 Lillian Gish Blvd., P.O. Box 4816
(Street and Number)
Massillon, OH 44648 (877)236-2289
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)(Extension)

OFFICERS

President William C. Epling
 Secretary Richard J. Streck M.D.
 Treasurer John F. Strah

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Michael Gallucci William C. Epling Thomas Stover M.D. Alan J. Bleyer Ramon Martinez #	Clifford Isroff Calvin Warren Jr. M.D. J. Gregory Feczko D.O. Richard J. Streck M.D.
---	---

State of Ohio
 County of Stark 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)
William C. Epling
(Printed Name)
 President

(Signature)
Richard J. Streck, M.D.
(Printed Name)
 Secretary

(Signature)
John F. Strah
(Printed Name)
 Treasurer

- a. Is this an original filing? Yes[] No[X]
 b. If no, 1. State the amendment number 1
 2. Date filed 03/28/2003
 3. Number of pages attached 9

Subscribed and sworn to before me this
28th day of March, 2003

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	8,829,384		8,829,384	6,018,698
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	3,224,178		3,224,178	4,162,691
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 (\$.....9,949,866, Schedule E - Part 1) and short-term investments (\$.....170,828, Schedule DA - Part 2)	10,120,694		10,120,694	9,337,707
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)	22,174,256		22,174,256	19,519,096
10. Accident and health premiums due and unpaid	144,576	3,415	141,161	821,395
11. Health care receivables				
12. Amounts recoverable from reinsurers	131,411		131,411	208,101
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued	134,976		134,976	104,192
15. Amounts due from parent, subsidiaries and affiliates	109,087		109,087	372,735
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 \$..... net deferred tax asset)				
20. Electronic data processing equipment and software				
21. Other nonadmitted assets	85,715	85,715		0
22. Aggregate write-ins for other than invested assets	1,106,715	271,240	835,475	1,301,812
23. Total assets (Lines 9 plus 10 through 22)	23,886,736	360,370	23,526,367	22,327,330
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. State Deposit (ODI)	478,459		478,459	478,459
2202. Other Receivables - Self Funded RX				405,664
2203. Other Receivables - Capitated Hospital Reimbursements	185,198	147,790	37,409	417,689
2298. Summary of remaining write-ins for Line 22 from overflow page	443,058	123,450	319,608	
2299. TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)	1,106,715	271,240	835,475	1,301,812

(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)	9,646,000		9,646,000	9,552,000
2. Accrued medical incentive pool and bonus payments	246,717		246,717	
3. Unpaid claims adjustment expenses				
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance	4,843,884		4,843,884	3,954,962
7. General expenses due or accrued	1,143,089		1,143,089	917,365
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				
10. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
11. Amounts due to parent, subsidiaries and affiliates				
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				
17. Aggregate write-ins for other liabilities (including \$..... current)				239,247
18. Total liabilities (Lines 1 to 17)	15,879,690		15,879,690	14,663,574
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	15,500,000	11,800,000
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	(7,853,323)	(4,136,244)
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	7,646,677	7,663,756
27. Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	23,526,367	22,327,330
DETAILS OF WRITE-INS				
1701. Capitation Reserve Liability				239,247
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)				239,247
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		

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	7,663,756	3,189,598
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	(3,126,459)	2,228,664
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses	(291,544)	(236,051)
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax		
37. Change in nonadmitted assets	(299,076)	681,545
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	3,700,000	1,800,000
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)	(17,079)	4,474,158
47. Capital and surplus end of reporting year (Line 31 plus 46)	7,646,677	7,663,756
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)		

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	97,509,942	46,052,456					51,457,486		
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	97,509,942	46,052,456					51,457,486		
2. Paid medical incentive pools and bonuses									
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	9,646,000	4,424,000					5,222,000		
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net	9,646,000	4,424,000					5,222,000		
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	246,717	246,717							
6. Amounts recoverable from reinsurers December 31, current year	132,311	99,624					32,687		
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	9,552,000	5,205,000					4,347,000		
7.2 Reinsurance assumed									
7.3 Reinsurance ceded									
7.4 Net	9,552,000	5,205,000					4,347,000		
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	97,603,942	45,271,456					52,332,486		
11.2 Reinsurance assumed									
11.3 Reinsurance ceded	132,311	99,624					32,687		
11.4 Net	97,471,631	45,171,832					52,299,799		
12. Incurred medical incentive pools and bonuses	246,717	246,717							

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	3,415	7,721	4,306
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	356,955	53,572	(303,383)
5. TOTAL (Line 1 plus Line 3 and Line 4)	360,370	61,293	(299,077)
DETAILS OF WRITE-INS			
0401. Prepaid Expenses	85,715	53,572	(32,143)
0402. Other Receivables - Capitated Hospital Reimbursements	147,790		(147,790)
0403. Other Receivables - Refunds/Reimbursements	123,450		(123,450)
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. TOTALS (Lines 0401 through 0403 plus 0498) (Line 4 above)	356,955	53,572	(303,383)

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)	23,526,367	22,327,330	19,424,914	13,829,126	11,317,660
2. Total liabilities (Page 3, Line 18)	15,879,690	14,663,574	16,235,317	11,791,074	9,305,900
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 26)	7,646,677	7,663,756	3,189,598	2,038,052	2,011,760
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	105,319,364	89,107,499	68,380,680	51,463,840	39,174,838
6. Total medical and hospital expenses (Line 17)	97,267,420	75,746,304	63,131,637	47,415,830	33,986,146
7. Total administrative expenses (Line 19)	7,153,173	7,100,796	8,952,131	6,782,093	5,111,605
8. Net underwriting gain (loss) (Line 22)	(4,078,660)	2,094,696	(4,327,529)	(2,031,955)	311,729
9. Net investment gain (loss) (Line 25)	(164,185)	(211,366)	105,664	702,128	239,202
10. Total other income (Lines 26 plus 27)	1,116,386	345,334	222,920		
11. Net income or (loss) (Line 30)	(3,126,459)	2,228,664	(3,998,945)	(2,031,955)	311,729
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	7,646,677	7,663,756	3,189,598	2,038,052	2,011,760
13. Authorized control level risk-based capital	3,831,776	2,972,048	2,658,542		
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	31,805	36,057	32,810	28,086	24,377
15. Total members months (Column 6, Line 7)	404,926	420,435	372,760	329,853	284,827
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)	92.4	85.0	92.3		
18. Total underwriting deductions (Line 21)	103.9	97.6	106.3		
19. Total underwriting gain (loss) (Line 22)	(3.9)	2.4	(6.3)		
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	8,374,226	7,220,013	6,154,809	4,429,541	3,532,108
21. Estimated liability of unpaid claims-[prior year (Line 11, Col. 6)] ..	9,552,000	8,361,000	6,737,000	4,400,000	3,429,288

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)	N O N E				
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27					