



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

NAIC Group Code 0119 0119 NAIC Company Code 95348 Employer's ID Number 31-1154200  
(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 [ ] Dental Service Corporation [ ]  
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [ X ]  
Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [ X ] No [ ]  
Incorporated 08/19/1985 Commenced Business 03/10/1979

Statutory Home Office 655 Eden Park Drive, Suite 400, Cincinnati, OH 45202  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 655 Eden Park Drive, Suite 400  
(Street and Number)  
Cincinnati, OH 45202 513-784-5320  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 740036, Louisville, KY 40201-7436  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 655 Eden Park Drive, Suite 400  
(Street and Number)  
Cincinnati, OH 45202 513-784-5320  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.humana.com

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(Street and Number)  
Cincinnati, OH 45202 800-448-6262  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

**OFFICERS**

President Michael Benedict McCallister Secretary Joan Olliges Lenahan  
Treasurer James Harry Bloem

**VICE PRESIDENTS**

<u>George Grant Bauernfeind</u>	<u>John Michael Bertko</u>	<u>Douglas Rogers Carlisle</u>
<u>Thomas Joseph Liston</u>	<u>Heidi Suzanne Margulis</u>	<u>Steven Oscar Moya</u>
<u>Walter Emerson Neely</u>	<u>Kathleen Stephenson Pellegrino</u>	<u>Stephen Lance Ringel</u>
<u>Robert Eugene Shields</u>	<u>William Joseph Tait #</u>	<u>Sharon Elaine Ware</u>
<u>Larry Dale Savage, CEO Cincinnati Mkt</u>		

**DIRECTORS OR TRUSTEES**

<u>Bruce Jay Goodman #</u>	<u>Jonathan Thomas Lord, M.D.</u>	<u>Michael Benedict McCallister</u>
<u>James Elmer Murray</u>		

State of Kentucky }  
County of Jefferson } 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.

<u>Michael Benedict McCallister</u> President	<u>Joan Olliges Lenahan</u> Secretary	<u>James Harry Bloem</u> Treasurer
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Subscribed and sworn to before me this 27th day of February, 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

Julia Basham  
Notary Public  
January 10, 2005

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds .....	82,250,199		82,250,199	64,929,831
2. Stocks:				
2.1 Preferred stocks .....	4,335,160		4,335,160	7,537,452
2.2 Common stocks .....	0		0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....			(a) 0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....(3,376,585) , Schedule E - Part 1) and short-term investments (\$ .....6,127,274 , Schedule DA - Part 2) .....	2,750,690		2,750,690	20,676,757
6. Other long-term invested assets .....	1,000,000		1,000,000	2,000,000
7. Receivable for securities .....			0	0
8. Aggregate write-ins for invested assets .....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	90,336,049	0	90,336,049	95,144,040
10. Accident and health premiums due and unpaid .....	6,094,417	139,893	5,954,523	3,375,477
11. Health care receivables .....	981,000		981,000	604,957
12. Amounts recoverable from reinsurers .....			0	0
13. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
14. Investment income due and accrued .....	990,904		990,904	1,011,525
15. Amounts due from parent, subsidiaries and affiliates .....			0	4,201,224
16. Amounts receivable relating to uninsured accident and health plans .....	456,284		456,284	1,077,132
17. Furniture and equipment .....	1,311,343	1,311,343	0	0
18. Amounts due from agents .....			0	0
19. Federal and foreign income tax recoverable and interest thereon (including \$ .....3,050,208 net deferred tax asset) .....	4,024,205	973,997	3,050,208	2,903,694
20. Electronic data processing equipment and software .....	275,850		275,850	651,153
21. Other nonadmitted assets .....	696,037	696,037	0	0
22. Aggregate write-ins for other than invested assets .....	1,105,304	1,105,304	0	0
23. Total assets (Lines 9 plus 10 through 22)	106,271,392	4,226,574	102,044,819	108,969,202
<b>DETAILS OF WRITE-INS</b>				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898)(Line 8 above)	0	0	0	0
2201. OTHER CURRENT RECEIVABLES.....	148,458	148,458	0	0
2202. PREPAID COMMISSIONS.....	612,938	612,938	0	0
2203. PREPAID EXPENSES.....	343,908	343,908	0	0
2298. Summary of remaining write-ins for Line 22 from overflow page .....	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298)(Line 22 above)	1,105,304	1,105,304	0	0

(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)	34,830,221	45,559	34,875,780	30,779,740
2. Accrued medical incentive pool and bonus payments	3,263,827		3,263,827	2,023,688
3. Unpaid claims adjustment expenses	994,654		994,654	831,731
4. Aggregate policy reserves	1,411,324		1,411,324	285,000
5. Aggregate claim reserves	24,311	32	24,343	25,119
6. Premiums received in advance	4,097,391		4,097,391	5,617,064
7. General expenses due or accrued	8,615,172		8,615,172	12,110,670
8. Federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) (including \$ ..... net deferred tax liability)			0	0
9. Amounts withheld or retained for the account of others	73,463		73,463	833,814
10. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
11. Amounts due to parent, subsidiaries and affiliates	1,678,179		1,678,179	0
12. Payable for securities			0	0
13. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers)			0	0
14. Reinsurance in unauthorized companies			0	0
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
16. Liability for amounts held under uninsured accident and health plans			0	0
17. Aggregate write-ins for other liabilities (including \$ ..... current)	521,397	0	521,397	721,825
18. Total liabilities (Lines 1 to 17)	55,509,940	45,591	55,555,531	53,228,651
19. Common capital stock	XXX	XXX	1,000	1,000
20. Preferred capital stock	XXX	XXX		0
21. Gross paid in and contributed surplus	XXX	XXX	12,601,893	12,601,893
22. Surplus notes	XXX	XXX		0
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
24. Unassigned funds (surplus)	XXX	XXX	33,886,394	43,137,658
25. Less treasury stock, at cost:				
25.1 ..... shares common (value included in Line 19 \$ ..... )	XXX	XXX		0
25.2 ..... shares preferred (value included in Line 20 \$ ..... )	XXX	XXX		0
26. Total capital and surplus (Lines 19 to 24 Less 25)	XXX	XXX	46,489,288	55,740,551
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	102,044,819	108,969,202
<b>DETAILS OF WRITE-INS</b>				
1701. UNCLAIMED PROPERTY	42,406		42,406	259,945
1702. THIRD PARTY CONTINGENCIES	297,265		297,265	333,761
1703. MISCELLANEOUS	181,726		181,726	128,118
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	521,397	0	521,397	721,825
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	2,260,220	2,256,907
2. Net premium income .....	XXX	407,334,221	367,606,357
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		0
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	4,598
7. Total revenues (Lines 2 to 6) .....	XXX	407,334,221	367,610,955
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits .....	364,621	282,272,786	173,227,525
9. Other professional services .....	87,250	5,062,487	136,764,907
10. Outside referrals .....			0
11. Emergency room and out-of-area .....	1,387	3,079,177	950,809
12. Prescription Drugs .....		55,307,418	
13. Aggregate write-ins for other medical and hospital .....	0	0	0
14. Incentive pool and withhold adjustments .....		123,082	1,201,554
15. Subtotal (Lines 8 to 14) .....	453,258	345,844,949	312,144,794
<b>Less:</b>			
16. Net reinsurance recoveries .....			0
17. Total medical and hospital (Lines 15 minus 16) .....	453,258	345,844,949	312,144,794
18. Claims adjustment expenses .....		9,853,073	7,479,506
19. General administrative expenses .....		55,383,787	45,001,256
20. Increase in reserves for accident and health contracts .....		1,126,324	285,000
21. Total underwriting deductions (Lines 17 through 20) .....	453,258	412,208,134	364,910,557
22. Net underwriting gain or (loss) (Lines 7 minus 21) .....	XXX	(4,873,913)	2,700,398
23. Net investment income earned .....		4,508,587	4,583,863
24. Net realized capital gains or (losses) .....		689,601	1,402,976
25. Net investment gains or (losses) (Lines 23 + 24) .....	0	5,198,188	5,986,838
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			0
27. Aggregate write-ins for other income or expenses .....	0	2,944	19,691
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....	0	327,220	8,706,928
29. Federal and foreign income taxes incurred .....	XXX	(456,164)	(2,189,969)
30. Net income (loss) (Lines 28 minus 29) .....	XXX	783,384	10,896,897
<b>DETAILS OF WRITE-INS</b>			
0601. MISCELLANEOUS HEALTH CARE REVENUE .....	XXX		4,598
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	XXX	0	4,598
1301. ....			
1302. ....			
1303. ....			
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0
2701. MISCELLANEOUS INCOME .....		2,959	17,605
2702. GAIN/(LOSS) ON DISPOSAL .....		(15)	2,086
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....	0	2,944	19,691

**CAPITAL AND SURPLUS ACCOUNT**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>		
31. Capital and surplus prior reporting year .....	55,740,551	40,864,486
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>		
32. Net income or (loss) from Line 30 .....	783,384	10,896,897
33. Change in valuation basis of aggregate policy and claim reserve .....		0
34. Net unrealized capital gains and losses .....	(113,449)	522,155
35. Change in net unrealized foreign exchange capital gain or (loss) .....		0
36. Change in net deferred income tax .....	(2,900,488)	(3,920,327)
37. Change in nonadmitted assets .....	2,979,291	1,166,658
38. Change in unauthorized reinsurance .....	0	0
39. Change in treasury stock .....		0
40. Change in surplus notes .....	0	0
41. Cumulative effect of changes in accounting principles .....		6,210,682
42. Capital Changes:		
42.1 Paid in .....		0
42.2 Transferred from surplus (Stock Dividend) .....		0
42.3 Transferred to surplus .....		0
43. Surplus adjustments:		
43.1 Paid in .....		0
43.2 Transferred to capital (Stock Dividend) .....		0
43.3 Transferred from capital .....		0
44. Dividends to stockholders .....	(10,000,000)	0
45. Aggregate write-ins for gains or (losses) in surplus .....	0	0
46. Net change in capital & surplus (Lines 32 to 45) .....	(9,251,262)	14,876,065
47. Capital and surplus end of reporting year (Line 31 plus 46)	46,489,289	55,740,551
<b>DETAILS OF WRITE-INS</b>		
4501. ....		
4502. ....		
4503. ....		
4598. Summary of remaining write-ins for Line 45 from overflow page .....	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	0	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums and revenues collected net of reinsurance .....	403,201,201	372,036,033
2. Claims and claims adjustment expenses .....	351,180,697	321,016,423
3. General administrative expenses paid .....	58,258,438	44,350,821
4. Other underwriting income (expenses) .....	0	4,598
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(6,237,934)	6,673,387
6. Net investment income .....	4,985,824	4,956,669
7. Other income (expenses) .....	2,944	19,691
8. Federal and foreign income taxes (paid) recovered .....	456,164	2,189,969
9. Net cash from operations (Lines 5 to 8) .....	(793,002)	13,839,716
<b>Cash from Investments</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds .....	156,574,252	97,615,493
10.2 Stocks .....	3,139,685	0
10.3 Mortgage loans .....	0	0
10.4 Real estate .....	0	0
10.5 Other invested assets .....	0	0
10.6 Net gains or (losses) on cash and short-term investments .....	(127)	0
10.7 Miscellaneous proceeds .....	0	0
10.8 Total investment proceeds (Lines 10.1 to 10.7) .....	159,713,810	97,615,493
11. Cost of investments acquired (long-term only):		
11.1 Bonds .....	172,712,351	90,936,942
11.2 Stocks .....	0	0
11.3 Mortgage loans .....	0	0
11.4 Real estate .....	0	0
11.5 Other invested assets .....	0	0
11.6 Miscellaneous applications .....	0	0
11.7 Total investments acquired (Lines 11.1 to 11.6) .....	172,712,351	90,936,942
12. Net Cash from investments (Line 10.8 minus Line 11.7) .....	(12,998,541)	6,678,551
<b>Cash from Financing and Miscellaneous Sources</b>		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in .....	0	0
13.2 Net transfers from affiliates .....	5,879,403	0
13.3 Borrowed funds received .....	0	0
13.4 Other cash provided .....	1,534,471	5,256,872
13.5 Total (Lines 13.1 to 13.4) .....	7,413,874	5,256,872
14. Cash applied:		
14.1 Dividends to stockholders paid .....	10,000,000	0
14.2 Net transfers to affiliates .....	0	0
14.3 Borrowed funds repaid .....	0	0
14.4 Other applications .....	1,548,399	11,338,414
14.5 Total (Lines 14.1 to 14.4) .....	11,548,399	11,338,414
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5) .....	(4,134,525)	(6,081,542)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15) .....	(17,926,068)	14,436,725
17. Cash and short-term investments:		
17.1 Beginning of year .....	20,676,757	6,240,032
17.2 End of year (Line 16 plus Line 17.1) .....	2,750,689	20,676,757

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.**

**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 .....	407,334,221	407,334,221											
2. Change in unearned premium reserves and reserve for rate credit .....	0												
3. Fee-for-service (net of \$ ..... medical expenses) .....	0												
4. Risk revenue.....	0												
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Total revenues (Lines 1 to 5).....	407,334,221	407,334,221	0	0	0	0	0	0	0	0	0	0	0
7. Medical/hospital benefits .....	282,272,786	282,272,786											
8. Other professional services .....	5,062,487	5,062,487											
9. Outside referrals .....	0												
10. Emergency room and out-of-area .....	3,079,177	3,079,177											
11. Prescription Drugs .....	55,307,418	55,307,418											
12. Aggregate write-ins for other medical and hospital .....	0		0	0	0	0	0	0	0	0	0	0	0
13. Incentive pool and withhold adjustments .....	123,082	123,082											
14. Subtotal (Lines 7 to 13) .....	345,844,950	345,844,950	0	0	0	0	0	0	0	0	0	0	0
15. Net reinsurance recoveries .....	0												
16. Total medical and hospital (Lines 14 minus 15) .....	345,844,950	345,844,950	0	0	0	0	0	0	0	0	0	0	0
17. Claims adjustment expenses .....	9,853,073	9,853,073											
18. General administrative expenses .....	55,383,787	55,383,787											
19. Increase in reserves for accident and health contracts .....	1,126,324	1,126,324											
20. Total underwriting deductions (Lines 16 to 19) .....	412,208,134	412,208,134	0	0	0	0	0	0	0	0	0	0	0
21. Total underwriting gain or (loss) (Line 6 minus Line 20) .....	(4,873,913)	(4,873,913)	0	0	0	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>													
0501. ....													
0502. ....													
0503. ....													
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1201. ....													
1202. ....													
1203. ....													
1298. Summary of remaining write-ins for Line 12 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0

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**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) .....	407,334,221			407,334,221
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan Premiums .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other .....				.0
9. Totals	407,334,221	0	0	407,334,221

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.

**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 .....	341,626,603	341,504,638					121,965		
1.2 Reinsurance assumed .....	.0								
1.3 Reinsurance ceded .....	.0								
1.4 Net .....	341,626,603	341,504,638	.0	.0	.0	.0	121,965	.0	.0
2. Paid medical incentive pools and bonuses .....	(1,117,057)	(1,117,057)							
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct .....	34,875,780	34,871,367	.0	.0	.0	.0	4,413	.0	.0
3.3 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net .....	34,875,780	34,871,367	.0	.0	.0	.0	4,413	.0	.0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct .....	24,343	24,343							
4.2 Reinsurance assumed .....	.0								
4.3 Reinsurance ceded .....	.0								
4.4 Net .....	24,343	24,343	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year .....	3,263,827	3,263,827							
6. Amounts recoverable from reinsurers December 31, current year .....	.0								
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct .....	30,779,739	30,653,361	.0	.0	.0	.0	126,378	.0	.0
7.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.4 Net .....	30,779,739	30,653,361	.0	.0	.0	.0	126,378	.0	.0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct .....	25,119	25,119	.0	.0	.0	.0	.0	.0	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net .....	25,119	25,119	.0	.0	.0	.0	.0	.0	.0
9. Accrued medical incentive pools and bonuses, prior year .....	2,023,688	2,023,688							
10. Amounts recoverable from reinsurers December 31, prior year .....	0								
11. Incurred Benefits:									
11.1 Direct .....	345,721,868	345,721,868	.0	.0	.0	.0	.0	.0	.0
11.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
11.4 Net .....	345,721,868	345,721,868	0	0	0	0	0	0	0
12. Incurred medical incentive pools and bonuses .....	123,082	123,082	0	0	0	0	0	0	0

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.

**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 .....	31,096	31,096							
1.2. Reinsurance assumed .....	.0								
1.3. Reinsurance ceded .....	.0								
1.4. Net .....	31,096	31,096	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:									
2.1. Direct .....	34,844,684	34,840,271					4,413		
2.2. Reinsurance assumed .....	.0								
2.3. Reinsurance ceded .....	.0								
2.4. Net .....	34,844,684	34,840,271	.0	.0	.0	.0	4,413	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:									
3.1. Direct .....	.0								
3.2. Reinsurance assumed .....	.0								
3.3. Reinsurance ceded .....	.0								
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:									
4.1. Direct .....	34,875,780	34,871,367	.0	.0	.0	.0	4,413	.0	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net .....	34,875,780	34,871,367	0	0	0	0	4,413	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.

**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 Dec. 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) .....	31,099,165	310,405,473	160,169	34,735,541	31,259,334	30,678,480
2. Medicare Supplement .....					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums .....					0	0
6. Title XVIII - Medicare .....	40,857	81,108	4,413		45,270	126,379
7. Title XIX - Medicaid.....					0	0
8. Other .....					0	0
9. Subtotal .....	31,140,022	310,486,581	164,582	34,735,541	31,304,604	30,804,859
10. Medical incentive pools, accruals and disbursements .....		(1,117,058)		3,263,827	0	2,023,688
11. Totals	31,140,022	309,369,523	164,582	37,999,368	31,304,604	32,828,547

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

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

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior .....	.0	.0	.0	.0	
2. 1998 .....	.0	.0	.0	.0	
3. 1999 .....	XXX	.0	.0	231	
4. 2000 .....	XXX	XXX	.0	28,948	159
5. 2001 .....	XXX	XXX	XXX	280,824	30,940
6. 2002 .....	XXX	XXX	XXX	XXX	310,405

**Section B - Incurred Claims- Hospital and Medical**

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 .....	.0	.0	.0	.0	
2. 1998 .....	.0	.0	.0	.0	
3. 1999 .....	XXX	.0	.0	236	
4. 2000 .....	XXX	XXX	.0	29,128	166
5. 2001 .....	XXX	XXX	XXX	313,335	31,094
6. 2002 .....	XXX	XXX	XXX	XXX	345,141

**Section C - Incurred Year Claims and Claims Adjustment Expense Ratio - Hospital and Medical**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim 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 Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. Prior to 1998.....	XXX			XXX	.0	XXX			.0	XXX
2. 1998.....				0.0	.0	0.0			.0	0.0
3. 1999.....				0.0	.0	0.0			.0	0.0
4. 2000.....		159	5	3.1	164	0.0	7		171	0.0
5. 2001.....		30,940	882	2.9	31,822	0.0	263	7	32,092	0.0
6. 2002.....	407,334	310,405	8,801	2.8	319,206	78.4	34,601	987	354,794	87.1
7. Total (Lines 1 through 6)	XXX	341,504	9,688	XXX	351,192	XXX	34,871	994	387,057	XXX
8. Total (Lines 2 through 6)	407,334	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

**Section A - Paid Claims - Medicare**

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior .....	.0	.0	.0	.0	
2. 1998 .....	.0	.0	.0	.0	
3. 1999 .....	XXX	.0	.0	.40	
4. 2000 .....	XXX	XXX	.0	4,976	
5. 2001 .....	XXX	XXX	XXX	.286	.41
6. 2002 .....	XXX	XXX	XXX	XXX	81

**Section B - Incurred Claims- Medicare**

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 .....	.0	.0	.0	.0	
2. 1998 .....	.0	.0	.0	.0	
3. 1999 .....	XXX	.0	.0	.41	
4. 2000 .....	XXX	XXX	.0	5,101	
5. 2001 .....	XXX	XXX	XXX	.293	.45
6. 2002 .....	XXX	XXX	XXX	XXX	81

**Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Medicare**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim 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 Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. Prior to 1998.....	XXX			XXX	.0	XXX			.0	XXX
2. 1998.....				.0	.0	.0			.0	.0
3. 1999.....				.0	.0	.0			.0	.0
4. 2000.....				.0	.0	.0			.0	.0
5. 2001.....		.41	.1	2.4	.42	.0			.42	.0
6. 2002.....		.81	.2	2.5	.83	.0	.4		.87	.0
7. Total (Lines 1 through 6)	XXX	.122	.3	XXX	.125	XXX	.4	.0	.129	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

**Section A - Paid Claims- Grand Total**

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior .....	.0	.0	.0	.0	.0
2. 1998 .....	.0	.0	.0	.0	.0
3. 1999 .....	XXX	.0	.0	271	.0
4. 2000 .....	XXX	XXX	.0	33,924	159
5. 2001 .....	XXX	XXX	XXX	281,110	30,981
6. 2002 .....	XXX	XXX	XXX	XXX	310,486

**Section B - Incurred Claims - Grand Total**

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 .....	.0	.0	.0	.0	.0
2. 1998 .....	.0	.0	.0	.0	.0
3. 1999 .....	XXX	.0	.0	277	.0
4. 2000 .....	XXX	XXX	.0	34,229	166
5. 2001 .....	XXX	XXX	XXX	313,628	31,139
6. 2002 .....	XXX	XXX	XXX	XXX	345,222

**Section C - Incurred Year Claims and Claims Adjustment Expense Ratio - Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim 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 Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. Prior to 1998.....	XXX	.0	.0	XXX	.0	XXX	.0	.0	.0	XXX
2. 1998.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1999.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2000.....	.0	159	.5	3.1	164	.0	.7	.0	171	.0
5. 2001.....	.0	30,981	883	2.9	31,864	.0	263	.7	32,134	.0
6. 2002.....	407,334	310,486	8,803	2.8	319,289	78.4	34,605	987	354,881	87.1
7. Total (Lines 1 through 6)	XXX	341,626	9,691	XXX	351,317	XXX	34,875	994	387,186	XXX
8. Total (Lines 2 through 6)	407,334	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
<b>POLICY RESERVE</b>									
1. Unearned premium reserves .....	1,411,324	1,411,324							
2. Additional policy reserves (a) .....	.0								
3. Reserve for future contingent benefits .....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income) .....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (Gross) .....	1,411,324	1,411,324	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net)(Page 3, Line 4)	1,411,324	1,411,324	0	0	0	0	0	0	0
<b>CLAIM RESERVE</b>									
9. Present value of amounts not yet due on claims .....	24,343	24,343							
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	24,343	24,343	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net)(Page 3, Line 5)	24,343	24,343	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. TOTALS (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. TOTALS (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... premium deficiency reserve.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	1 Claim Adjustment Expenses	2 General Administration Expenses	3 Investment Expenses	4 Total
1. Rent (\$ ..... for occupancy of own building).....	660,156	3,076,641	3,434	3,740,231
2. Salaries, wages and other benefits.....	6,652,795	34,266,169	34,602	40,953,566
3. Commissions (less \$ ..... ceded plus \$ ..... assumed).....		6,701,032		6,701,032
4. Legal fees and expenses.....		24,047		24,047
5. Certifications and accreditation fees.....				0
6. Auditing, actuarial and other consulting services.....				0
7. Traveling expenses.....		489,649		489,649
8. Marketing and advertising.....		1,761,425		1,761,425
9. Postage, express and telephone.....	449,300	2,150,415	2,337	2,602,052
10. Printing and office supplies.....		1,533,317		1,533,317
11. Occupancy, depreciation and amortization.....	203,959	858,171	1,061	1,063,191
12. Equipment.....		593,667		593,667
13. Cost or depreciation of EDP equipment and software.....	1,080,882	2,661,548	5,622	3,748,052
14. Outsourced services including EDP, claims, and other services.....	805,981	1,914,377	4,192	2,724,550
15. Boards, bureaus and association fees.....		74,145		74,145
16. Insurance, except on real estate.....		1,902,571		1,902,571
17. Collection and bank service charges.....		1,625		1,625
18. Group service and administration fees.....				0
19. Reimbursements by uninsured accident and health plans.....		(18,253,838)		(18,253,838)
20. Reimbursements from fiscal intermediaries.....				0
21. Real estate expenses.....		1,951,398		1,951,398
22. Real estate taxes.....				0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....		(185,057)		(185,057)
23.2 State premium taxes.....		3,836,643		3,836,643
23.3 Regulatory authority licenses and fees.....		493,794		493,794
23.4 Payroll taxes.....		1,647,942		1,647,942
23.5 Other (excluding federal income and real estate taxes).....		8,471		8,471
24. Investment expenses not included elsewhere.....				0
25. Aggregate write-ins for expenses.....	0	7,875,635	0	7,875,635
26. Total expenses incurred (Lines 1 to 25).....	9,853,073	55,383,787	51,248	(a) 65,288,108
27. Add expenses unpaid December 31, prior year.....	831,731	12,110,670		12,942,401
28. Less expenses unpaid December 31, current year.....	994,654	8,615,172		9,609,826
29. Amounts receivable related to uninsured accident and health plans, prior year.....		1,077,132		1,077,132
30. Amounts receivable related to uninsured accident and health plans, current year.....		456,284		456,284
31. Total expenses paid (Lines 26 + 27 - 28 - 29 + 30)	9,690,150	58,258,437	51,248	67,999,835
<b>DETAIL OF WRITE-INS</b>				
2501. Other.....		7,875,635		7,875,635
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above)	0	7,875,635	0	7,875,635

(a) Includes management fees of \$ .....41,923,005 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) 1,046,172	970,784
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 3,160,527	2,983,474
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 322,541	322,541
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) 283,035	283,035
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	4,812,275	4,559,834
11. Investment expenses		(g) 51,247
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		0
16. Total (Lines 11 through 15)		51,247
17. Net Investment Income - (Line 10 minus Line 16)		4,508,587
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 1,264 accrual of discount less \$ 457,880 amortization of premium and less \$ 1,774,932 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 excludes \$ interest on encumbrances.  
 (e) Includes \$ 117,445 accrual of discount less \$ 39,660 amortization of premium and less \$ 39,667 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 \$ 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 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	1,417,506				1,417,506
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	292,754				292,754
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)	(20,532)				(20,532)
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)					0
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments	(126)				(126)
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,689,602	0	0	0	1,689,602
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 10 to 13 and 15 to 20, Column 2 .....	2,425,233	5,873,191	3,447,958
2. Other Non-Admitted Assets:			
2.1 Bills receivable.....			0
2.2 Leasehold improvements.....	696,037	761,382	65,345
2.3 Cash advanced to or in hands of officers and agents.....			0
2.4 Loans on personal security, endorsed or not.....			0
2.5 Commuted commissions.....			0
3. Total (Lines 2.1 to 2.5) .....	696,037	761,382	65,345
4. Aggregate write-ins for other assets.....	1,105,304	571,292	(534,012)
5. Total (Line 1 plus Lines 3 and Line 4)	4,226,574	7,205,864	2,979,291
0401. OTHER CURRENT RECEIVABLES.....	148,458	67,486	(80,972)
0402. PREPAID COMMISSIONS.....	612,938	437,249	(175,689)
0403. PREPAID EXPENSES.....	343,908	66,557	(277,351)
0498. Summary of remaining write-ins for Line 4 from overflow page .....	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	1,105,304	571,292	(534,012)

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.**

**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.....	190,638	193,212	193,794	184,112	177,769	2,260,220
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	190,638	193,212	193,794	184,112	177,769	2,260,220
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

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### NOTES TO FINANCIAL STATEMENTS

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1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

	2002	
1. Net Income, Ohio basis:	\$	783,384
2. State Prescribed Practices (Income):	\$	0
3. State Permitted Practices (Income): Net Income, NAIC SAP	\$	783,384
4. Statutory Surplus, Ohio basis :	\$	46,489,289
5. State Prescribed Practices (Surplus):	\$	0
6. State Permitted Practices (Surplus): Statutory Surplus, NAIC SAP	\$	46,489,289

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company recognizes premium income from members in the period of health care coverage. Premiums billed and collected in advance are recorded as advance premium. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

U.S. Treasury obligations and state and municipal securities are valued at cost or, where discounts or premiums exist, at amortized cost; certificates of deposit are carried at cost; common stocks are market value, and preferred stocks as prescribed by the Securities Valuation Office.

Bonds not backed by other loans are stated at amortized cost using the interest method.

Preferred stocks are carried at cost.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

## NOTES TO FINANCIAL STATEMENTS

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

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### NOTES TO FINANCIAL STATEMENTS

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2. Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio, prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual, effective January 1, 2001, subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual, 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 unassigned funds (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 unassigned funds (surplus), of \$6.2 million as of January 1, 2001. This increase in surplus is primarily attributable to recording a deferred tax asset.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

Not Applicable.

E. Repurchase Agreements

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

a. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

b. In the fourth quarter of 2002, the Company took a \$1 million charge to write down the value of a joint venture investment, Essex Woodlands to an adjusted value of \$1 million. The adjusted book value was derived from the Company's share of current equity.

7. Investment Income

A. Investment income due and accrued was non-admitted when over 90 days past due.

## NOTES TO FINANCIAL STATEMENTS

B. The total amount excluded was \$0.

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

### NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

Not Applicable.

9. Income Taxes

The components of the net DTA recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2002	January 1, 2002
Total of gross deferred tax assets	\$ 4,711,051	\$ 7,886,424
Total of deferred tax liabilities	<u>(686,846)</u>	<u>(961,731)</u>
Net deferred tax asset	4,024,205	6,924,693
Deferred tax asset nonadmitted	<u>(973,997)</u>	<u>(4,020,999)</u>
Net admitted deferred tax asset	\$ 3,050,208	\$ 2,903,694
(Increase) decrease in nonadmitted asset	\$ 3,047,002	

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

	2002	2001
Federal Payable (receivable)	\$ (456,164)	\$ (2,189,696)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2002	January 1, 2002
Deferred tax assets:		
Discounting of unpaid losses	\$ 1,429,662	\$ 841,691
Depreciation	1,304,783	220,665
Nonadmitted assets	760,796	2,231,116
Vacation pay	414,816	419,151
Unearned premium	201,314	344,780
Deferred compensation	31,081	24,239
Nondeductable reserves	16,815	272,895
Net operating loss	0	3,356,182
Other	<u>551,782</u>	<u>175,706</u>
Total deferred tax assets	\$ 4,711,049	\$ 7,886,425
Nonadmitted deferred tax assets	<u>(973,997)</u>	<u>(4,020,999)</u>
Admitted deferred tax assets	\$ 3,737,052	\$ 3,865,426
Deferred tax liabilities:		
Depreciation	\$ 83,648	\$ 291
Intangible amortization	602,200	946,314
Other	<u>996</u>	<u>15,127</u>
Total deferred tax liabilities	\$ 686,844	\$ 961,732
Net admitted deferred tax asset	\$ 3,050,208	\$ 2,903,694

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 separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2002	January 1, 2002	Change
Total deferred tax assets	\$ 4,711,049	\$ 7,886,425	\$ (3,175,376)
Total deferred tax liabilities	<u>686,844</u>	<u>961,732</u>	<u>(274,888)</u>
Net deferred tax asset (liability)	\$ 4,024,205	\$ 6,924,693	\$ (2,900,488)

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

	December 31, 2002	Effective Tax Rate
Provision computed at statutory rate	\$ 114,527	35.00%
STAT/GAAP difference	2,773,718	847.66%
Tax exempt income deduction	(450,606)	-137.71%
Dividends received deduction	(56,792)	-17.36%
Nonadmitted asset deferred tax change effect on rate	(43,489)	-13.29%
Loss incurred add back	76,110	23.26%
Other	<u>36,826</u>	<u>11.25%</u>

## NOTES TO FINANCIAL STATEMENTS

Total	\$	2,450,294	748.81%
Federal taxes incurred (recoverable) 2002	\$	(5,060,333)	-1,546.46%
Federal taxes incurred (recoverable) correction of 2001	4,653,717	1,422.20%	
Change in net deferred income taxes		2,900,488	886.40%
Other		<u>(43,578)</u>	<u>-13.32%</u>
Total statutory income taxes	\$	2,450,294	748.82%

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

## NOTES TO FINANCIAL STATEMENTS

The Company has \$0 net operating loss carry-forwards.

The Company is included in a consolidated federal income tax return with its parent company, Humana Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for any future net losses it may incur.

10. Information Concerning Parent, Subsidiaries and Affiliates

As detailed in Schedule Y, the Company is part of a holding company system, with Humana Inc., being the ultimate parent.

The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2002 and 2001 were approximately \$41.9 million and \$36.3 million, respectively.

As a part of this agreement, Humana makes all cash disbursements on behalf of the Company which includes, but is not limited to, claims payments, general and administrative expenses and payroll. Humana is reimbursed by the Company as expenses are paid. The Company continues to be primarily liable for these payments.

11. Debt

## A. Capital Notes

The Company has no capital notes outstanding.

## B. All other Debt

The Company has no debentures outstanding.

The Company does not have any reverse repurchase agreements

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

## A. Defined Benefit Plan

Not Applicable.

## B. Defined Contribution Plan

Not Applicable.

## C. Multiemployer Plans

Not Applicable.

## D. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement and Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

1) **Savings Account:** On a pre-tax basis, employees are eligible to contribute up to 14% of the participant's annual compensation, not to exceed the 402(g) limit, to the Savings Account. After the participant has met one year of service, on a bi-weekly basis, the Company matches 50% of the participant's contributions up to 6% of the participant's annual compensation. Employees become fully vested in the Company match after five years of service. Effective January 1, 2002 the Company match will start as soon as an employee enters the Plan and will be vested after three years of service.

2) **Retirement Account:** After an employee has completed two years of service and has complied with other service requirements, the Company makes an annual contribution to the Retirement equal to 4% of each employee's qualifying compensation paid during the Plan year, plus 4% of any compensation that exceeds the social security wage base. Contribution amounts are computed

## NOTES TO FINANCIAL STATEMENTS

as of the end of each year and are fully vested once earned.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement and Savings Plan were \$34.5 million for 2002. Of these contributions the Company contributed \$1.1 million. As of December 31, 2002, the fair market value of the Humana Retirement and Savings Plan's assets was \$430.2 million.

E. Deferred Compensation Plans

Not Applicable.

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

### NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1) The company has no par value common stock with 1,000,000 shares authorized and 200,000 shares issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distribution made within the preceding twelve months, exceeds the lesser of (a) ten percent of the Plan's policyholder surplus as of December 31 of the prior year, or (b) the net income, for the twelve month period ending December 31 of the prior year.
- 4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 6) Not Applicable.
- 7) Not Applicable.
- 8) Not Applicable.
- 9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follow:
  - a. Unrealized gains and (losses): \$ (113,449)
  - b. Nonadmitted asset values: \$ 2,979,291
  - c. Provision for reinsurance: \$ 0
- 10) Not Applicable.
- 11) Not Applicable.
- 12) Not Applicable.

14. Contingencies

During the ordinary course of business, the Plan is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Plan's admitted assets, liabilities, and surplus, results of operations or cash flows.

The Company is not aware of any other material contingent liabilities as of December 31, 2002.

15. Leases

A. Lessee Operating Lease

- 1) The Company has entered into operating leases for medical and administrative office space with lease terms ranging from one to ten years. Operating lease rental payments charged to expense for the years ended December 31, 2002 and 2001 was approximately \$2,130,742 and \$2,948,291, respectively.
- 2) Noncancelable Lease Terms:
  - a. At January 1, 2003, the minimum aggregate rental commitments are as follows:

Year ending December 31, 2002 Operating Leases	
2003	\$ 3,386,910
2004	3,501,195
2005	3,503,092
2006	3,505,046
2007	3,512,959
2008 and thereafter	<u>1,772,091</u>
Total Minimum Lease Payments	<u>\$ 19,181,294</u>

- b. Certain rental commitments have renewal options extending through the year 2011. Some of these renewals are subject to adjustments in future periods.
- 3) The Company is not involved in any sales – leaseback transaction.

## NOTES TO FINANCIAL STATEMENTS

B. Other Leases

Not Applicable.

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

- 1) The Company has no investment in Financial Instruments with Off Balance Sheet Risk.
- 2) The Company has no investment in Financial Instruments with Concentration Credit Risk.

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

### NOTES TO FINANCIAL STATEMENTS

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Company participates in a securities lending program and select invested assets. As of December 31, 2002, securities totaling \$9,902,348 were loaned under this program. Restricted collateral is held in connection with this transaction with a fair value greater than 102 percent of the fair value of the loaned securities.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plan:

The gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during 2002:

	(1)	(2)	(3)
	<u>ASO Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASO</u>
a. Net reimbursement for administrative Expenses (including administrative fees) in Excess of actual expenses	\$ 10,687,757	\$	0 \$ 10,687,757
b. Total net other income or expenses (including interest paid to or received from plans)	\$ (33,391)	\$	0 \$ (33,391)
c. Net gain or (loss) from operations	\$ 10,654,366	\$	0 \$ 10,654,366
d. Total claim payment volume	\$158,017,310	\$	0 \$158,017,310

B. ASC Plan:

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract:

Not Applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable.

20. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures

During the fourth quarter of 2002, Humana formalized a plan to right-size the cost structure of the organization by consolidating seven customer service centers into four remaining service centers and by initialing a workforce reduction throughout the organization. In conjunction with this restructuring, the Company accrued severance and employee benefit related expenses of \$.9 million during the

## NOTES TO FINANCIAL STATEMENTS

final quarter of 2002.

Assets in the amount of \$736,166 and \$740,707 at December 31, 2002 and December 31, 2001, respectively, were on deposit with government authorities and trustees as required by law.

- D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

- E. Reinsurance Accounted for as Deposit (P/C and Title companies only)

Not Applicable.

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

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### NOTES TO FINANCIAL STATEMENTS

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- F. Multiple Peril Crop Insurance

Not Applicable.

- G. Mezzanine Real Estate Loans

Not Applicable.

- H. Health Care Receivables

Health Care Receivables are comprised of advances to providers.

- I. September 11 Events

Not Applicable.

- J. Real Estate

Not Applicable

- K. Participating Policies

Not Applicable.

- L. Premium Deficiency Reserves

As of December 31, 2002, the Company held a premium deficiency reserve of \$1.4 million. The Company did not consider anticipated investment income when calculating this reserve.

- M. Intercompany Pooling Arrangements

Not Applicable.

- N. Business Combinations and Goodwill – Assumption Reinsurance

Not Applicable.

- O. Noncash Transactions

Not Applicable.

- P. Business Interruption Insurance Recoveries

Not Applicable.

#### 21. Events Subsequent

The Company is not aware of any events occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition.

## NOTES TO FINANCIAL STATEMENTS

22. Reinsurance

A. Unsecured Reinsurance Recoverables

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

B. Reinsurance Recoverable in Dispute

Not Applicable.

C. Reinsurance Assumed and Ceded

Not Applicable.

D. Uncollectible Reinsurance

Not Applicable.

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Statement as of December 31, 2002 of the Humana Health Plan of Ohio, Inc.

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## NOTES TO FINANCIAL STATEMENTS

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E. Commutation of Ceded Reinsurance

Not Applicable.

F. Retroactive Reinsurance

Not Applicable.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

24. Salvage and Subrogation

Not Applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has decreased by \$0.9 million from \$33.5 million in 2001 to \$32.2 million in 2002 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the commercial HMO line of insurance. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies.

26. Organization and Operation

Humana Health Plan of Ohio, Inc. (the "Company") is organized as a group model, an IPA model and a network model. The subscriber contracts of the Company consist of employer group contracts.

The Company is a wholly-owned subsidiary of Humana Inc. ("Humana") and is licensed to do business in the state of Indiana, Kentucky and Ohio. The Company offers coordinated health insurance coverage as a health maintenance organization ("HMO"). An HMO provides prepaid health insurance coverage to its members through a network of independent primary care physicians, specialty physicians and other health care providers who contract with the HMO to furnish such services. Primary care physicians generally include internists, family practitioners and pediatricians. Generally, access to specialty physicians and other health care providers must be approved by the member's primary care physician. These other health care providers include, among others, hospitals, nursing homes, home health agencies, pharmacies, mental health and substance abuse centers, diagnostic centers, optometrists, outpatient surgery centers, dentists, urgent care centers and durable medical equipment suppliers. Because access to these other health care providers must generally be approved by the primary care physician, the HMO product is the most restrictive form of managed care.

The location of the books and records is Louisville, Kentucky.

27. Minimum Net Worth

Under regulation 27-13-12-3 of the state of Indiana, the Company is required to maintain net worth of \$26,897,803. The Company as of December 31, 2002 reports net worth of \$46,489,289. The Indiana state regulation is quoted because Indiana has the highest net worth requirement of all the states where the Company maintains a license.

## NOTES TO FINANCIAL STATEMENTS

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## 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 .....	10,400,344	11.513	10,400,344	11.513
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		0.000		0.000
1.22 Issued by U.S. government sponsored agencies .....	764,888	0.847	764,888	0.847
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....	259,803	0.288	259,803	0.288
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....	8,733,875	9.668	8,733,875	9.668
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000		0.000
1.43 Revenue and assessment obligations .....	19,120,438	21.166	19,120,438	21.166
1.44 Industrial development and similar obligations .....	11,086,943	12.273	11,086,943	12.273
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA .....		0.000		0.000
1.512 Issued by FNMA and FHLMC .....	22,327,772	24.716	22,327,772	24.716
1.513 Privately issued .....	9,050,142	10.018	9,050,142	10.018
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....		0.000		0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....		0.000		0.000
1.523 All other privately issued .....	505,995	0.560	505,995	0.560
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....		0.000		0.000
2.2 Unaffiliated foreign securities .....		0.000		0.000
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		0.000		0.000
3.22 Unaffiliated .....	4,335,160	4.799	4,335,160	4.799
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated .....		0.000		0.000
3.42 Unaffiliated .....		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		0.000		0.000
3.52 Unaffiliated .....		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development .....		0.000		0.000
4.2 Agricultural .....		0.000		0.000
4.3 Single family residential properties .....		0.000		0.000
4.4 Multifamily residential properties .....		0.000		0.000
4.5 Commercial loans .....		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company .....		0.000	0	0.000
5.2 Property held for the production of income (includes \$ ..... of property acquired in satisfaction of debt) .....		0.000	0	0.000
5.3 Property held for sale (\$ ..... including property acquired in satisfaction of debt) .....		0.000	0	0.000
6. Policy loans .....		0.000		0.000
7. Receivables for securities .....		0.000	0	0.000
8. Cash and short-term investments .....	2,750,690	3.045	2,750,690	3.045
9. Other invested assets .....	1,000,000	1.107	1,000,000	1.107
10. Total invested assets	90,336,049	100.000	90,336,049	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 [  ]
- 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 [  ] NA [  ]
- 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 [  ]
- 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. ....06/30/2001
- 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. ....06/30/2001
- 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). ....07/30/2002
- 3.4 By what department or departments? OH 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 [  ]
- 4.12 renewals? ..... Yes [  ] No [  ]
- 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 [  ]
- 4.22 renewals? ..... Yes [  ] No [  ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [  ] No [  ]
- 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 [  ]
- 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 [  ]
- 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 or 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?  
 Pricewaterhouse Coopers LLC, 500 W. Main, Suite 1800, Louisville, KY 40202-4264 .....
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?  
 John Michael Bertko, Vice President and Chief Actuary, 500 W. Main, Louisville, KY 40202 .....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] NA [ ]

### 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 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 end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |   |           |
|--|---|-----------|
|  | 14.21 To directors or other officers ...                | \$ .....0 |
|  | 14.22 To stockholders not officers ....                 | \$ .....0 |
|  | 14.23 Trustees, supreme or grand (Fraternal only) ..... | \$ .....0 |
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this 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 Statements the nature of each of these obligations.
- 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 [ X ] No [ ]
- 16.2 If answer is yes,
- |  |  |                 |
|--|--|-----------------|
|  | 16.21 Amount paid as losses or risk adjustment ..... | \$ .....        |
|  | 16.22 Amount paid as expenses .....                  | \$ .....105,973 |
|  | 16.23 Other amounts paid .....                       | \$ .....0       |

## GENERAL INTERROGATORIES

(continued)  
INVESTMENT

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

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
					[ ]	[ ]	[ ]	[ ]
Preferred								
Common	1,000	200	0.000	XXX	XXX	XXX	XXX	XXX

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

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

The company participates in a Securities Lending Program.

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 the 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 .....	\$ 9,902,348
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 other securities restricted as to sale .....	\$ .....
19.29	Other .....	\$ .....

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

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

For categories (19.21) and (19.23) above, and for any other 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 [ ] NA [ ]  
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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase, JP Morgan Investor Services, Attn: David Ricketts.....	Brooklyn, NY 11245-0001.....

## GENERAL INTERROGATORIES

(continued)  
INVESTMENT

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

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

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?..... Yes [  ] No [  ]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

### OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....76,483

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
Ohio Association of Health Plans.....	\$.....37,711
	\$ .....
	\$ .....

24.1 Amount of payments for legal expenses, if any?..... \$.....234,836

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

1 Name	2 Amount Paid
	\$ .....
	\$ .....
	\$ .....

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....0

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

1 Name	2 Amount Paid
	\$ .....
	\$ .....
	\$ .....

## 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 earned premium 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 ..... \$ .....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 [ ]
- 4.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ ] No [ X ]
- 4.2 If no, explain:
- 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:
- 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 ..... 1,801
- 7.2 Number of providers at end of reporting year ..... 1,932
- 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 ..... 0
- 8.22 Business with rate guarantees over 36 months ..... 0
- 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contract? ..... 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
Ohio: Adams, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Greene, Hamilton, Miami, Montgomery, Preble, Warren
Indiana: Dearborn, Franklin, Ripley, Ohio, Union
Kentucky: Boone, Campbell, Gallatin, Grant, Kenton, Pendleton
.....
.....
.....

**FIVE-YEAR HISTORICAL DATA**

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>BALANCE SHEET ITEMS (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 23) .....	102,044,819	108,969,202	99,593,495	126,254,458	138,039,614
2. Total liabilities (Page 3, Line 18) .....	55,555,531	53,228,651	58,729,008	86,225,519	63,787,148
3. Statutory surplus .....	46,488,287	55,739,551	0	0	0
4. Total capital and surplus (Page 3, Line 26) .....	46,489,287	55,740,551	40,864,486	40,028,939	74,252,466
<b>INCOME STATEMENT ITEMS (Page 4)</b>					
5. Total revenues (Line 7) .....	407,334,221	367,610,955	407,278,654	422,348,281	387,701,334
6. Total medical and hospital expenses (Line 17) .....	345,844,949	312,144,794	349,735,384	351,161,478	301,276,338
7. Total administrative expenses (Line 19) .....	55,383,787	45,001,256	52,444,591	63,699,116	53,360,452
8. Net underwriting gain (loss) (Line 22) .....	(4,873,913)	2,700,398	0	0	0
9. Net investment gain (loss) (Line 25) .....	5,198,188	5,986,838	0	0	0
10. Total other income (Lines 26 plus 27) .....	2,944	19,691	0	0	0
11. Net income (loss) (Line 30) .....	783,384	8,706,928	0	0	0
<b>RISK - BASED CAPITAL ANALYSIS</b>					
12. Total adjusted capital .....	46,489,288	55,740,551	40,864,486	40,028,940	74,252,465
13. Authorized control level risk-based capital .....	13,857,063	12,575,124	14,263,888	12,041,047	9,585,516
<b>ENROLLMENT (Exhibit 2)</b>					
14. Total members at end of period (Column 5, Line 7) .....	177,769	190,638	207,208	256,855	260,234
15. Total member months (Column 6, Line 7) .....	2,260,220	2,256,907	2,509,363	3,062,447	3,106,939
<b>OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, 3 and 5)</b>					
16. Premiums earned (Line 2 plus 3) .....	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17) .....	84.9	84.9	87.1	84.7	98.3
18. Total underwriting deductions (Line 21) .....	101.2	99.3	0.0	0.0	0.0
19. Total underwriting gain (loss) (Line 22) .....	(1.2)	0.7	0.0	0.0	0.0
<b>UNPAID CLAIMS ANALYSIS (U&amp;I Exhibit, Part 2B)</b>					
20. Total claims incurred for prior years (Line 11, Col. 5) .....	31,304,604	34,506,230	36,460,235	32,309,593	27,517,597
21. Estimated liability of unpaid claims – [prior year (Line 11, Col. 6)] .....	32,828,547	35,988,733	40,311,647	36,959,080	34,563,176

**FIVE-YEAR HISTORICAL DATA (Continued)**

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1) .....	0	0	0	0	0
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1) .....	0	0	0	0	0
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2) .....	0	0	0	0	0
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11) .....	0	0	0	0	0
26. Affiliated mortgage loans on real estate .....		0	0	0	0
27. All other affiliated .....		0	0	0	0
28. Total of above Lines 22 to 27	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Humana Health Plan of Ohio, Inc.**

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States ..... 11,165,232 2. Canada ..... 259,803 3. Other Countries ..... 0 4. Totals ..... 11,425,035	11,509,170 277,575 0 11,786,745	11,421,408 260,935 0 11,682,343	10,600,000 250,000 0 10,850,000
States, Territories and Possessions (Direct and guaranteed)	5. United States ..... 8,733,875 6. Canada ..... 0 7. Other Countries ..... 0 8. Totals ..... 8,733,875	8,843,735 0 0 8,843,735	8,749,964 0 0 8,749,964	7,825,000 0 0 7,825,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States ..... 0 10. Canada ..... 0 11. Other Countries ..... 0 12. Totals ..... 0	0 0 0 0	0 0 0 0	0 0 0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States ..... 50,498,352 14. Canada ..... 0 15. Other Countries ..... 0 16. Totals ..... 50,498,352	51,879,543 0 0 51,879,543	50,665,756 0 0 50,665,756	49,381,013 0 0 49,381,013
Public Utilities (unaffiliated)	17. United States ..... 0 18. Canada ..... 0 19. Other Countries ..... 0 20. Totals ..... 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States ..... 11,592,938 22. Canada ..... 0 23. Other Countries ..... 0 24. Totals ..... 11,592,938	11,980,581 0 0 11,980,581	11,738,254 0 0 11,738,254	11,454,791 0 0 11,454,791
Parent, Subsidiaries and Affiliates	25. Totals ..... 0 26. <b>Total Bonds</b> ..... 82,250,200	0 84,490,604	0 82,836,317	0 79,510,804
<b>PREFERRED STOCKS</b>				
Public Utilities (unaffiliated)	27. United States ..... 1,095,760 28. Canada ..... 0 29. Other Countries ..... 0 30. Totals ..... 1,095,760	1,013,463 0 0 1,013,463	1,098,900 0 0 1,098,900	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States ..... 3,239,400 32. Canada ..... 0 33. Other Countries ..... 0 34. Totals ..... 3,239,400	3,171,800 0 0 3,171,800	3,246,630 0 0 3,246,630	
Industrial and Miscellaneous (unaffiliated)	35. United States ..... 0 36. Canada ..... 0 37. Other Countries ..... 0 38. Totals ..... 0	0 0 0 0	0 0 0 0	
Parent, Subsidiaries and Affiliates	39. Totals ..... 0 40. <b>Total Preferred Stocks</b> ..... 4,335,160	0 4,185,263	0 4,345,530	
<b>COMMON STOCKS</b>				
Public Utilities (unaffiliated)	41. United States ..... 0 42. Canada ..... 0 43. Other Countries ..... 0 44. Totals ..... 0	0 0 0 0	0 0 0 0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States ..... 0 46. Canada ..... 0 47. Other Countries ..... 0 48. Totals ..... 0	0 0 0 0	0 0 0 0	
Industrial and Miscellaneous (unaffiliated)	49. United States ..... 0 50. Canada ..... 0 51. Other Countries ..... 0 52. Totals ..... 0	0 0 0 0	0 0 0 0	
Parent, Subsidiaries and Affiliates	53. Totals ..... 0 54. <b>Total Common Stocks</b> ..... 0	0 0	0 0	
	55. <b>Total Stocks</b> ..... 4,335,160 56. <b>Total Bonds and Stocks</b> ..... 86,585,360	4,185,263 88,675,867	4,345,530 87,181,847	

(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 ..... 72,467,283	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 ..... 172,712,351	6.1 Column 17, Part 1 ..... 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 ..... 0
3.1 Column 16, Part 1 ..... (318,953)	6.3 Column 11, Part 2, Sec. 2 ..... 0
3.2 Column 12, Part 2, Sec. 1 ..... (63,142)	6.4 Column 11, Part 4 ..... 0
3.3 Column 10, Part 2, Sec. 2 ..... 0	
3.4 Column 10, Part 4 ..... (187,970) ..... (570,065)	7. Book/adjusted carrying value at end of current period ..... 86,585,359
4. Total gain (loss), Col. 14, Part 4 ..... 1,689,728	8. Total valuation allowance ..... 0
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 ..... 159,713,938	9. Subtotal (Lines 7 plus 8) ..... 86,585,359
	10. Total nonadmitted amounts ..... 0
	11. Statement value of bonds and stocks, current period ..... 86,585,359

**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only			
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 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. District of Columbia	DC	No				
10. Florida	FL	No				
11. Georgia	GA	No				
12. Hawaii	HI	No				
13. Idaho	ID	No				
14. Illinois	IL	No				
15. Indiana	IN	Yes	2,285,175			
16. Iowa	IA	No				
17. Kansas	KS	No				
18. Kentucky	KY	No	26,081,090			
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	378,967,956			
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. U.S. Virgin Islands	VI	No				
56. Canada	CN	No				
57. Aggregate other alien	OT	XXX	0	0	0	0
58. Total (Direct Business)	XXX	(a) 3	407,334,221	0	0	0
<b>DETAILS OF WRITE-INS</b>						
5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for Line 57 from overflow page			0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)			0	0	0	0

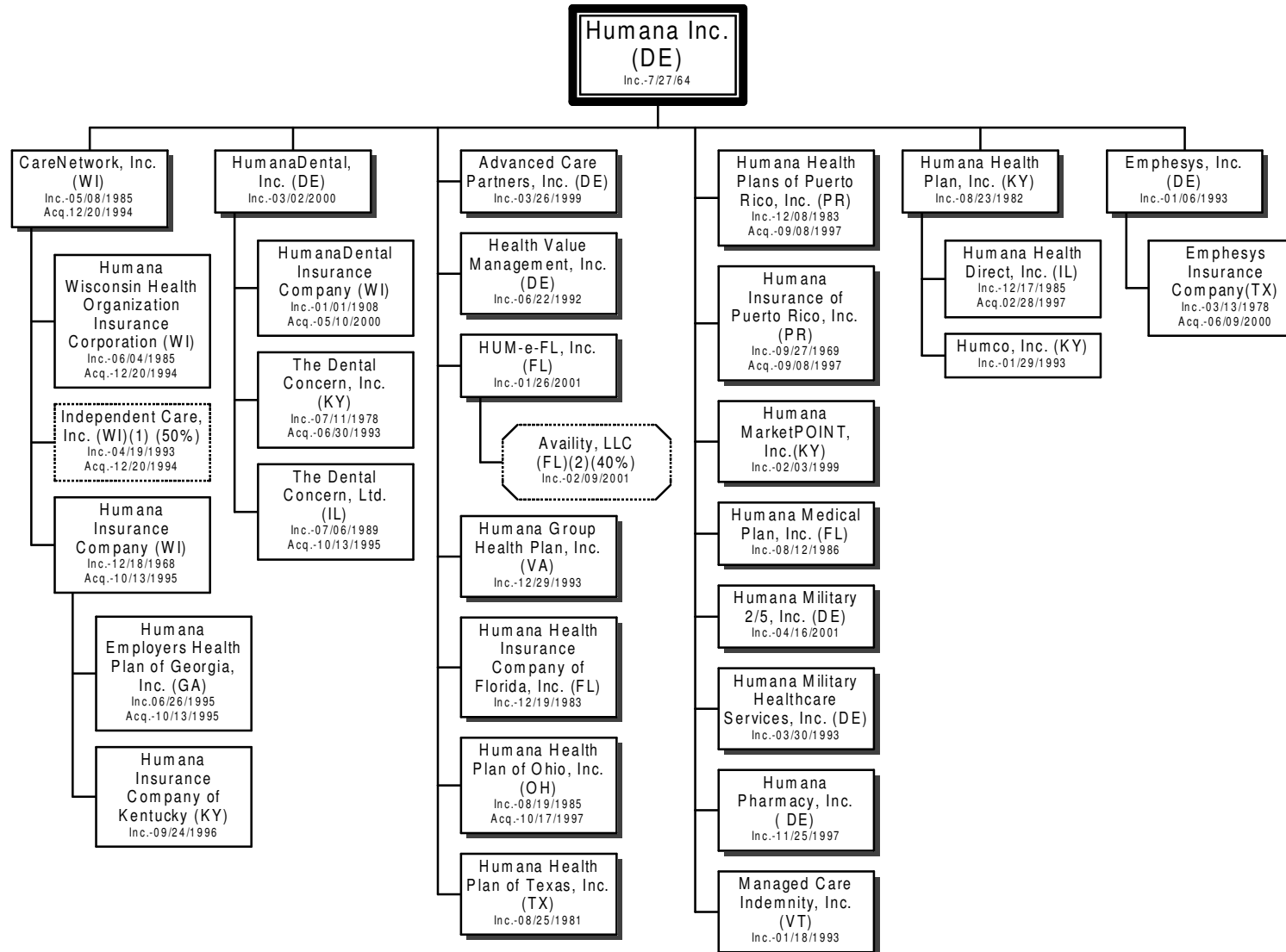
Explanation of basis of allocation by states, Premium revenue is allocated to the states based upon the provider location.  
 premiums by state, etc.:

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

**HUMANA INC. AND SUBSIDIARIES  
DECEMBER 31, 2002**



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