

AMENDED EXPLANATION COVER



HEALTH ANNUAL STATEMENT

AS OF DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

Mount Carmel Health Plan, Inc

NAIC Group Code 2838 (Current Period) NAIC Company Code 95655 (Prior Period) Employer's ID Number 311471229

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

Country of Domicile US

Licensed as business type:

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

Incorporated August 6, 1996 Commenced Business April 1, 1997

Statutory Home Office 495 Cooper Road Suite 200, Westerville, Ohio 43081
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 495 Cooper Road Suite 200, Westerville, Ohio 43081 614-898-8750
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 495 Cooper Road Suite 200, Westerville, Ohio 43081
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 495 Cooper Road Suite 200, Westerville, Ohio 43081
(Street and Number, City or Town, State and Zip Code)
614-898-8750
(Area Code) (Telephone Number)

Internet Website Address N/A

Statement Contact Veronica Leigh Szydlowski 614-898-8735
(Name) (Area Code) (Telephone Number) (Extension)
vszydlowski@mchs.com 614-898-8587
(E-Mail Address) (Fax Number)

Policyowners 495 Cooper Road Suite 200, Westerville, Ohio 43081 614-898-8750
Relations (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)
Contact and Phone Number

OFFICERS

President Mark Richardson
Secretary Russell Gardner
Controller Veronica Szydlowski

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Joseph Calvaruso
Jaren Bombach, MD
Sister Barbara Hahl, CSC
Jeffrey Burnich
Russell Gardner
Stephen Smith, MD
Kathy Blair

State of Ohio }
County of US } 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.

Mark Richardson President

Russell Gardner Secretary

Veronica Szydlowski Controller

Subscribed and sworn to before me this
day of

NOTARY PUBLIC (Seal)

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	1,819,598		1,819,598	1,819,598
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			(a)	
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 37,826,234 , Schedule E - Part 1) and short-term investments (\$ 239,444 , Schedule DA - Part 2)	38,065,677		38,065,677	12,751,654
6. Other long-term invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotal cash and invested assets (Line 1 to Line 8)	39,885,276		39,885,276	14,571,252
10. Accident and health premiums due and unpaid	53,860		53,860	22,497
11. Health care receivables	18,893	10,128	8,765	50,363
12. Amounts recoverable from reinsurers				
13. Net adjustments in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued	35,640		35,640	35,640
15. Amounts due from parent, subsidiaries and affiliates				10,551,368
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment	65,515		65,515	155,978
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including \$ net deferred tax asset)				
20. Electronic data processing equipment and software				
21. Other nonadmitted assets	9,029	9,029		
22. Aggregate write-ins for other than invested assets	205,189		205,189	678,525
23. Total assets (Line 9 plus Line 10 through Line 22)	40,273,402	19,157	40,254,245	26,065,623
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)				
2201. Periodic Interim Payment Reserve				678,525
2202. Miscellaneous Receivables	205,189		205,189	
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Line 2201 through Line 2203 plus Line 2298) (Line 22 above)	205,189		205,189	678,525

(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)	11,190,893		11,190,893	9,422,000
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses	78,989		78,989	78,989
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance	8,034,525		8,034,525	8,646,163
7. General expenses due or accrued	205,888		205,888	41,045
8. Federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) (including \$ net deferred tax liability)				
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
11. Amounts due to parent, subsidiaries and affiliates				
12. Payable for securities				
13. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
14. Reinsurance in unauthorized companies				
15. Net adjustments in assets and liabilities due to foreign exchange rates				
16. Liability for amounts held under uninsured accident and health plans				
17. Aggregate write-ins for other liabilities (including \$ current)				
18. Total liabilities (Line 1 to Line 17)	19,510,295		19,510,295	18,188,197
19. Common capital stock	X X X	X X X	100	100
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X	42,422,434	40,922,434
22. Surplus notes	X X X	X X X		
23. Aggregate write-ins for other than special surplus funds	X X X	X X X		
24. Unassigned funds (surplus)	X X X	X X X	(21,678,584)	(33,045,108)
25. Less treasury stock, at cost:				
25.1 shares common (value included in Line 19 \$)	X X X	X X X		
25.2 shares preferred (value included in Line 20 \$)	X X X	X X X		
26. Total capital and surplus (Line 19 to Line 24 less Line 25)	X X X	X X X	20,743,950	7,877,426
27. Total liabilities, capital and surplus (Line 18 and Line 26)	X X X	X X X	40,254,245	26,065,623
DETAILS OF WRITE-INS				
1701.				
1702.				
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. Totals (Line 1701 through Line 1703 plus Line 1798) (Line 17 above)				
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	192,362	205,256
2. Net premium income	XXX	112,533,192	105,602,905
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Total revenues (Line 2 to Line 6)	XXX	112,533,192	105,602,905
Medical and Hospital:			
8. Hospital/medical benefits		91,206,682	95,548,815
9. Other professional services			
10. Outside referrals			
11. Emergency room and out-of-area			
12. Prescription drugs		4,892,831	
13. Aggregate write-ins for other medical and hospital			10,675,053
14. Incentive pool and withhold adjustments			
15. Subtotal (Line 8 to Line 14)		96,099,513	106,223,868
Less:			
16. Net reinsurance recoveries			(55,283)
17. Total medical and hospital (Line 15 minus Line 16)		96,099,513	106,279,151
18. Claims adjustment expenses			
19. General administrative expenses		5,354,690	6,407,125
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Line 17 through Line 20)		101,454,203	112,686,276
22. Net underwriting gain or (loss) (Line 7 minus Line 21)	XXX	11,078,989	(7,083,371)
23. Net investment income earned		221,947	430,856
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Line 23 plus Line 24)		221,947	430,856
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ (amount charged off \$)]			
27. Aggregate write-ins for other income or expenses			
28. Net income or (loss) before federal income taxes (Line 22 plus Line 25 plus Line 26 plus Line 27)		11,300,936	(6,652,515)
29. Federal and foreign income taxes incurred	XXX		
30. Net income (loss) (Line 28 minus Line 29)	XXX	11,300,936	(6,652,515)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	XXX		
1301. Pharmacy			10,675,053
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. Totals (Line 1301 through Line 1303 plus Line 1398) (Line 13 above)			10,675,053
2701. Miscellaneous Income			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)			

STATEMENT OF REVENUE AND EXPENSES (continued)

	1	2
	Current Year	Prior Year
CAPITAL AND SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	7,877,426	1,555,387
GAINS AND LOSSES TO CAPITAL AND SURPLUS		
32. Net income or (loss) from Line 30	11,300,936	(6,652,515)
33. Change in valuation basis of aggregate policy and claims reserves		
34. Net unrealized capital gains and losses		
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax		
37. Change in nonadmitted assets	65,588	38,635
38. Change in unauthorized reinsurance		
39. Change in treasury stock		
40. Change in surplus notes		
41. Cumulative effect of changes in accounting principles		
42. Capital Changes:		
42.1 Paid in		
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in	1,500,000	12,935,919
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus		
46. Net change in capital and surplus (Line 32 to Line 45)	12,866,524	6,322,039
47. Capital and surplus end of reporting period (Line 31 plus Line 46)	20,743,950	7,877,426
DETAILS OF WRITE-INS		
4501. Prior Period Expenses from Q2, understatement of expense		
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page		
4599. Totals (Line 4501 through Line 4503 plus Line 4598) (Line 45 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	112,501,829	105,580,408
2. Claims and claims adjustment expenses	96,099,513	106,236,356
3. General administrative expenses paid	5,148,494	6,361,480
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	11,253,822	(7,017,428)
6. Net investment income	221,947	430,856
7. Other income (expenses)		(361,679)
8. Federal and foreign income taxes (paid) recovered		
9. Net cash from operations (Line 5 to Line 8)	11,475,769	(6,948,251)
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		
10.2 Stocks		
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Line 10.1 to Line 10.7)		
11. Cost of investments acquired (long-term only):		
11.1 Bonds		
11.2 Stocks		
11.3 Mortgage Loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Line 11.1 to Line 11.6)		
12. Net cash from investments (Line 10.8 minus Line 11.7)		
Cash from Financing and Miscellaneous Sources		
13. Cash Provided:		
13.1 Surplus notes, capital and surplus paid in	1,500,000	12,935,919
13.2 Net transfers from affiliates	10,551,368	(7,149,083)
13.3 Borrowed funds received		
13.4 Other cash provided	1,786,886	
13.5 Total (Line 13.1 to Line 13.4)	13,838,254	5,786,836
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates		
14.3 Borrowed funds repaid		
14.4 Other applications		1,936,262
14.5 Total (Line 14.1 to Line 14.4)		1,936,262
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	13,838,254	3,850,574
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	25,314,023	(3,097,677)
17. Cash and short-term investments:		
17.1 Beginning of year	12,751,653	15,849,330
17.2 End of year (Line 16 plus Line 17.1)	38,065,676	12,751,653

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 and 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	112,535,192		112,535,192										
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$ medical expenses)													
4. Risk revenue													
5. Aggregate write-ins for other health care related revenues													
6. Total revenues (Line 1 to Line 5)	112,535,192		112,535,192										
7. Medical/hospital benefits	91,206,682		91,206,682										
8. Other professional services													
9. Outside referrals													
10. Emergency room and out-of-area													
11. Prescription drugs	4,892,831		4,892,831										
12. Aggregate write-ins for other medical and hospital													
13. Incentive pool and withhold adjustments													
14. Subtotal (Line 7 to Line 13)	96,099,513		96,099,513										
15. Net reinsurance recoveries													
16. Total medical and hospital (Line 14 minus Line 15)	96,099,513		96,099,513										
17. Claim adjustment expenses													
18. General administrative expenses	5,354,690		5,354,690										
19. Increase in reserves for accident and health contracts													
20. Total underwriting deductions (Line 16 to Line 19)	101,454,203		101,454,203										
21. Net underwriting gain or (loss) (Line 6 minus Line 20)	11,080,989		11,080,989										
DETAILS OF WRITE-INS													
0501.													
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)													
1201.													
1202.													
1203.													
1298. Summary of remaining write-ins for Line 12 from overflow page													
1299. Total (Line 1201 through Line 1203 plus Line 1298) (Line 12 above)													

UNDERWRITING AND INVESTMENT EXHIBIT

Part1 - Premiums

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (medical and hospital)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan Premiums				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	112,533,192			112,533,192
8. Other				
9. Totals	112,533,192			112,533,192

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and 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	94,330,620						94,330,620		
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	94,330,620						94,330,620		
2. Paid medical incentive pools and bonuses									
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	11,190,893						11,190,893		
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net	11,190,893						11,190,893		
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct									
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net									
5. Accrued medical incentive pools and bonuses, current year									
6. Amounts recoverable from reinsurers December 31, current year									
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	9,422,000						9,422,000		
7.2 Reinsurance assumed									
7.3 Reinsurance ceded									
7.4 Net	9,422,000						9,422,000		
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct									
8.2 Reinsurance assumed									
8.3 Reinsurance ceded									
8.4 Net									
9. Accrued medical incentive pools and bonuses, prior year									
10. Amounts recoverable from reinsurers December 31, prior year									
11. Incurred benefits:									
11.1 Direct	96,099,513						96,099,513		
11.2 Reinsurance assumed									
11.3 Reinsurance ceded									
11.4 Net	96,099,513						96,099,513		
12. Incurred medical incentive pools and bonuses									

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in Process of Adjustment:									
1.1 Direct	1,080,156						1,080,156		
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	1,080,156						1,080,156		
2. Incurred but Unreported:									
2.1 Direct	10,110,737						10,110,737		
2.2 Reinsurance assumed									
2.3 Reinsurance ceded									
2.4 Net	10,110,737						10,110,737		
3. Amounts Withheld from Paid Claims and Capitations:									
3.1 Direct									
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net									
4. TOTALS:									
4.1 Direct	11,190,893						11,190,893		
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net	11,190,893						11,190,893		

UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (medical and hospital)						
2. Medicare Supplement						
3. Dental Only						
4. Vision Only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare	7,828,216	86,502,404		11,190,893	7,828,216	9,422,000
7. Title XIX - Medicaid						
8. Other						
9. Subtotal	7,828,216	86,502,404		11,190,893	7,828,216	9,422,000
10. Medical incentive pools, accruals and disbursements						
11. Totals	7,828,216	86,502,404		11,190,893	7,828,216	9,422,000

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Mount Carmel Health Plan, Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

Section A - Paid Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					(290)
2. 1998				148	(4,724)
3. 1999	XXX			26,362	(17,062)
4. 2000	XXX	XXX		738,760	146,551
5. 2001	XXX	XXX	XXX	45,256,124	7,699,199
6. 2002	XXX	XXX	XXX	XXX	77,084,946

Section B - Incurred Claims - Title XVIII 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					(290)
2. 1998					(4,724)
3. 1999	XXX				(17,062)
4. 2000	XXX	XXX			146,551
5. 2001	XXX	XXX	XXX		7,699,199
6. 2002	XXX	XXX	XXX	XXX	88,275,839

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio - Title XVIII Medicare

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 + 7 + 8)	10 (Column 9 / 1) Percent
1. Prior to 1998	XXX			XXX		XXX		7,898	7,898	XXX
2. 1998	34,057,949	54,420,443			54,420,443	159,788		7,899	54,428,342	159,811
3. 1999	59,945,206	59,136,122			59,136,122	98,650		7,899	59,144,021	98,663
4. 2000	75,457,662	66,377,299			66,377,299	87,966		7,899	66,385,198	87,977
5. 2001	105,602,905	95,677,952			95,677,952	90,602		7,899	95,685,851	90,609
6. 2002	112,533,192	81,569,472			81,569,472	72,485	11,190,893	39,495	92,799,860	82,464
7. Total (Line 1 through Line 6)	XXX	357,181,288		XXX	357,181,288	XXX	11,190,893	78,989	368,451,170	XXX
8. Total (Line 2 through Line 6)	387,596,914	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Mount Carmel Health Plan, 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					(290)
2. 1998				148	(4,724)
3. 1999	XXX			26,362	(17,062)
4. 2000	XXX	XXX		738,760	146,551
5. 2001	XXX	XXX	XXX	45,256,124	7,699,199
6. 2002	XXX	XXX	XXX	XXX	77,084,946

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					(290)
2. 1998					(4,724)
3. 1999	XXX				(17,062)
4. 2000	XXX	XXX			146,551
5. 2001	XXX	XXX	XXX		7,699,199
6. 2002	XXX	XXX	XXX	XXX	88,275,839

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 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 + 7 + 8)	10 (Column 9 / 1) Percent
1. Prior to 1998	XXX			XXX		XXX		7,898	7,898	XXX
2. 1998	34,057,949	54,420,443			54,420,443	159,788		7,899	54,428,342	159,811
3. 1999	59,945,206	59,136,122			59,136,122	98,650		7,899	59,144,021	98,663
4. 2000	75,457,662	66,377,299			66,377,299	87,966		7,899	66,385,198	87,977
5. 2001	105,602,905	95,677,952			95,677,952	90,602		7,899	95,685,851	90,609
6. 2002	112,533,192	81,569,472			81,569,472	72,485	11,190,893	39,495	92,799,860	82,464
7. Total (Line 1 through Line 6)	XXX	357,181,288		XXX	357,181,288	XXX	11,190,893	78,989	368,451,170	XXX
8. Total (Line 2 through Line 6)	387,596,914	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**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 and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)									
CLAIM RESERVE									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 5)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Line 0501 through Line 0503 plus Line 05098) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent (\$ for occupancy of own building)		248,108		248,108
2. Salaries, wages and other benefits		3,331,712		3,331,712
3. Commissions (less \$ ceded plus \$ assumed)				
4. Legal fees and expenses		229		229
5. Certifications and accreditation fees		29,300		29,300
6. Auditing, actuarial and other consulting services		17,417		17,417
7. Traveling expenses		9,776		9,776
8. Marketing and advertising		301,543		301,543
9. Postage, express, and telephone		427,223		427,223
10. Printing and office supplies		78,920		78,920
11. Occupancy, depreciation and amortization		86,694		86,694
12. Equipment				
13. Cost or depreciation of EDP equipment and software				
14. Outsourced services including EDP, claims, and other services		799,630		799,630
15. Boards, bureaus and association fees		23,354		23,354
16. Insurance, except on real estate				
17. Collection and bank service charges		784		784
18. Group service and administration fees				
19. Reimbursements by uninsured accident and health plans				
20. Reimbursements from fiscal intermediaries				
21. Real estate expenses				
22. Real estate taxes				
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes				
23.2 State premium taxes				
23.3 Regulator authority licenses and fees				
23.4 Payroll taxes				
23.5 Other (excluding federal income and real estate taxes)				
24. Investment expenses not included elsewhere				
25. Aggregate write-ins for expenses				
26. Total expenses incurred (Line 1 to Line 25)		5,354,690		(a) 5,354,690
27. Add expenses unpaid December 31, prior year		41,045		41,045
28. Less expenses unpaid December 31, current year		247,241		247,241
29. Amounts receivable relating to uninsured accident and health plans, prior year				
30. Amounts receivable relating to uninsured accident and health plans, current year				
31. Total expenses paid (Line 26 plus Line 27 minus Line 28 minus Line 29 plus Line 30)		5,148,494		5,148,494
DETAILS OF WRITE-INS				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 186,307	221,947
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e)	
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	186,307	221,947
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		
17. Net investment income (Line 10 minus Line 16)		221,947
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of items Page 2, Lines 10 to 13 and 15 to 20, Column 2	10,128	33,263	23,135
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Leasehold improvements	9,029	51,482	42,453
2.3 Cash advanced to or in hands of officers and agents			
2.4 Loans on personal security, endorsed or not			
2.5 Commuted commissions			
3. Total (Line 2.1 to Line 2.5)	9,029	51,482	42,453
4. Aggregate write-ins for other than invested assets			
5. Total (Line 1 plus Line 3 and Line 4)	19,157	84,745	65,588
DETAILS OF WRITE-INS			
0401.			
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Line 0401 through Line 0403 plus Line 0498) (Line 4 above)			

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	17,631	16,332	15,992	15,832	15,384	192,362
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	17,631	16,332	15,992	15,832	15,384	192,362
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)						

NOTES TO FINANCIAL STATEMENTS

1. Organization and Operation

a. Mount Carmel Health Plan, Inc. (the Plan) was incorporated on August 7, 1996 as a subsidiary of Mount Carmel Health System (the Corporation). The Plan is a for profit network model health maintenance organization (HMO) organized to provide healthcare services to enrolled subscribers for a fixed premium. The Plan is participating in a demonstration project sponsored by the Centers for Medicare and Medicaid Services (CMS). The product being offered as part of this project is MediGold, which is a Medicare risk-based contract. Enrollment in the Plan began on April 1, 1997. As of December 31, 2002, all enrollees to date have been participants in the MediGold program.

b. The Plan has contracted with various health care providers, including hospitals, freestanding facilities and physician practices owned and/or operated by the Corporation or its subsidiaries as well as independent physicians, hospitals, multi-specialty group practices and ancillary providers. The Corporation owns and operates three acute care hospitals in Columbus: Mount Carmel Medical Center, Mount Carmel East Hospital, and St. Ann's Hospital. These Hospitals are major providers of service to subscribers of the Plan.

2. Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements of the Plan have been prepared in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance (the Department).

The Ohio Department of Insurance 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, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The State has adopted certain prescribed accounting practices that differ from those found in the NAIC SAP. Specifically, the state of Ohio has permitted all Health Insuring Corporations to follow either codification principles or Ohio Revised Code 1751.28(A)(1). The Plan implemented codification in 2001 and continues to report admitted assets under the codification guidelines.

b. Cash and Cash Equivalents

Short-term investments with a maturity of three months or less at the time of purchase are reported as cash equivalents.

c. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method based on five years, or the estimated useful lives of the assets. Upon asset retirement or disposal, the cost and accumulated depreciation accounts are adjusted and the gain or loss reflected in operations.

d. Accrued Medical Claims

Claims are charged to income based upon the date services are rendered and represent the estimated remaining ultimate net cost of unpaid claims, both reported and unreported, during the year. The Plan does not discount claim reserves. The reserves for unpaid claims are estimated using an actuarially determined cost model. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for claims are adequate. The estimates are reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

e. Premiums

Subscriber premiums are included in income in the period earned. The unearned portion of premiums are recorded as unearned premiums and subsequently credited to income as earned during the coverage period.

f. Minimum Net Worth Requirements

Under the laws of the State of Ohio, the Plan is required at all times to maintain total admitted assets equal to at least one hundred and ten percent of its liabilities. The required minimum net worth is \$1,500,000 by January 1, 2001. The Plan has satisfied the minimum net worth requirements for 2002 and 2001.

g. Administrative Service Only Contracts

None.

h. Change in Accounting Estimates

None.

i. Long-Term Investments

Investments are reported at cost adjusted for amortization of premiums or discounts. Amortization is calculated using the straight-line method. Realized gains and losses, determined on the specific identification basis, are included in income. The fixed maturity bonds at December 31, 2002 have maturities at amortized cost of \$1,819,598 due after years five through ten years.

3. Related Parties

NOTES TO FINANCIAL STATEMENTS

a. The Plan leases the services of certain employees and its office space from the Corporation. Expenses related to services provided by the Corporation were \$4,006,211 and \$4,701,417 in 2002 and 2001, respectively. At December 31, 2002 and 2001 the Corporation owes the Plan \$0 and \$10,551,368, respectively, due to minimum net worth contributions.

4. Income Taxes

a. No provision or benefit for federal income taxes is reflected in the accompanying financial statement due to the Plan's net operating loss. At December 31, 2001, Mount Carmel Health Plan, Inc. has net operating loss carryforwards of approximately \$31.4 million for financial reporting and federal income tax purposes which will begin to expire in the year 2011.

5. Retirement Plans, Deferred Compensation and Other Post-retirement Benefit Plans
None.

6. Dividend Restrictions
None.

7. Commitments and Contingencies
The Plan sustained an operating profit of \$11,300,936 and an operating loss of \$6,652,515 for the years ended December 31, 2002 and 2001, respectively. The Plan maintained sufficient net worth to be in compliance with Ohio's minimum net worth requirements through contributions from Mount Carmel Health System in 2001. The Mount Carmel Health System Board of Trustees had resolved to financially support the Plan to the point of break-even.

8. Uncollectible Reinsurance
None.

9. Commutation of Reinsurance
None.

10. Events Subsequent
None.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	1,819,598	4.562	1,819,598	4.562
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publically traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	38,065,677	95.438	38,065,677	95.438
9. Other invested assets				
10. Total invested assets	39,885,275	100.000	39,885,275	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes () No (X)
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes () No () N/A (X)
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made: 12/31/2002
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2001
- 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). 06/01/2002
- 3.4 By what department or departments?
The Ohio Department of Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.11 sales of new business? Yes () No (X)
 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.21 sales of new business? Yes () No (X)
 4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any reporting entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes () No (X)
- 6.2 If yes, give full information:
.....
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)
- 7.2 If yes,
 7.21 State the percentage of foreign control; %
 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the reporting entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g.; individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES - Lines 5.2 (continued)

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

State the entities that ceased to exist as a result of the merger or consolidations

NONE

05.2 - State the entities that ceased to exist as a result of the merger or consolidations

GENERAL INTERROGATORIES - Lines 7.22 (continued)

1 Nationality	2 Type of Entity
------------------	---------------------

Directly or indirectly control 10% or more of the reporting entity

NONE

07.22 - Directly or indirectly control 10% or more of the reporting entity

GENERAL INTERROGATORIES (continued)

- 8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte and Touche
127 Public Square, Suite 2500, Cleveland, Ohio 44114
- 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?
Timoth Gustafson, Deloitte and Touche
180 N. Stetson Ave, Chicago, IL 60601

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 14.11 To directors or other officers \$
 - 14.12 To stockholders not officers \$
 - 14.13 Trustees, supreme or grand (Fraternal only) \$
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 14.21 To directors or other officers \$
 - 14.22 To stockholders not officers \$
 - 14.23 Trustees, supreme or grand (Fraternal only) \$
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes () No (X)
- 15.2 If yes, state the amount thereof at December 31 of the current year:
 - 15.21 Rented from others \$
 - 15.22 Borrowed from others \$
 - 15.23 Leased from others \$
 - 15.24 Other \$

Disclose in Notes to Financial Statements the nature of each obligation.

- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes () No (X)
- 16.2 If answer is yes:
 - 16.21 Amount paid as losses or risk adjustment \$
 - 16.22 Amount paid as expenses \$
 - 16.23 Other amounts paid \$

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes () No (X)	Yes () No (X)
Common	1		100.00	XXX	XXX XXX	XXX XXX

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

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

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

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

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

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

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

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

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

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

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

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

22.01 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
.....
.....

GENERAL INTERROGATORIES - Lines 19.4 (continued)

1 Nature of Restriction	2 Description	3 Amount
Letter stock or securities restricted as to sale		
NONE		
19.4 - Letter stock or securities restricted as to sale		

GENERAL INTERROGATORIES - Lines 22.01 (continued)

1 Name of Custodian(s)	2 Custodian's Address

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

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

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

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

22.05 Identify all investment 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? \$ 21,114

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
American Association of Health Plans	\$ 9,770
Ohio Association of Health Plans	\$ 11,344
.....	\$
.....	\$

24.1 Amount of payments for legal expenses, if any? \$ 229

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
Benesch & Friedlander	\$ 229
.....	\$
.....	\$
.....	\$

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

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 department of government during the period covered by this statement.

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

GENERAL INTERROGATORIES - Lines 22.02 (continued)

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

Agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook

NONE

22.02 - Agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook

GENERAL INTERROGATORIES - Lines 22.04 (continued)

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

Changes, including name changes, in the custodian(s) identified in 22.01 during the current year

NONE

22.04 - Changes, including name changes, in the custodian(s) identified in 22.01 during the current year

GENERAL INTERROGATORIES - Lines 22.05 (continued)

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

Investment advisors, broker/dealers or individuals that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity

National City Investments Veronica Szydlowski 495 Cooper Road, Suite 200, Westerville, Ohio 43081

National City Investments Mark Richardson 495 Cooper Road, Suite 200, Westerville, Ohio 43081

22.05 - Investment advisors, broker/dealers or individuals that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity

GENERAL INTERROGATORIES - Lines 23.2 (continued)

1 Name	2 Amount Paid
-----------	------------------

GENERAL INTERROGATORIES - Lines 24.2 (continued)

1 Name	2 Amount Paid
-----------	------------------

GENERAL INTERROGATORIES - Lines 25.2 (continued)

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 \$
- 1.62 Total incurred claims \$
- 1.63 Number of covered lives
- All years prior to most current three years:
- 1.64 Total premium earned \$
- 1.65 Total incurred claims \$
- 1.66 Number of covered lives
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$
- 1.72 Total incurred claims \$
- 1.73 Number of covered lives
- All years prior to most current three years:
- 1.74 Total premium earned \$
- 1.75 Total incurred claims \$
- 1.76 Number of covered lives
- 2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes () No (X)
- 2.2 If yes, give particulars:
.....
- 3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes (X) No ()
- 3.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes () No (X)
- 4.1 Does the reporting entity have stop-loss reinsurance? Yes () No (X)
- 4.2 If no, explain:
The costs of maintaining stop loss reinsurance far exceeded the benefit. Since the majority of the Plan's business is performed within Mount Carmel
- 4.3 Maximum retained risk (see instructions):
- 4.31 Comprehensive Medical \$
- 4.32 Medical Only \$
- 4.33 Medicare Supplement \$
- 4.34 Dental \$
- 4.35 Other Limited Benefit Plan \$
- 4.36 Other \$
5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Plan has deposits on hold at National City Bank, in the name of the Ohio Department of Insurance and the Plan, as required by state statutes. The
- 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
- 7.2 Number of providers at end of reporting year 2,327
- 8.1 Does the reporting entity have business subject to premium rate guarantees? Yes () No (X)
- 8.2 If yes, direct premium earned:
- 8.21 Business with rate guarantees between 15-36 months \$
- 8.22 Business with rate guarantees over 36 months \$
- 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contracts? Yes () No (X)
- 9.2 If yes:
- 9.21 Maximum amount payable bonuses \$
- 9.22 Amount actually paid for year bonuses \$
- 9.23 Maximum Amount payable withholds \$
- 9.24 Amount actually paid for year withholds \$
10. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Central Ohio (Franklin, Delaware, Pickaway, Union,
Ross County
Fayette County

GENERAL INTERROGATORIES - Line 10 (continued)

1
Name of Service Area

Name of Service Area
Central Ohio
- Name of Service Area

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2002	2001	2000	1999	1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	40,254,245	26,065,623	19,484,615	20,002,811	11,087,393
2. Total liabilities (Page 3, Line 18)	19,510,295	18,188,197	17,929,228	18,098,148	9,190,723
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 26)	20,743,950	7,877,426	1,555,387	3,127,027	1,896,670
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	112,533,192	105,602,905	75,457,662	59,945,206	34,214,202
6. Total medical and hospital expenses (Line 17)	96,099,513	106,279,151	76,024,912	63,175,709	33,291,400
7. Total administrative expenses (Line 19)	5,354,690	6,407,125	7,104,672	5,866,498	4,831,490
8. Net underwriting gain (loss) (Line 22)	11,078,989	(7,083,371)	(7,671,922)	(9,095,388)	(3,908,688)
9. Net investment gain (loss) (Line 25)	221,947	430,856	764,189	634,617	391,495
10. Total other income (Line 26 plus Line 27)					
11. Net income or (loss) (Line 30)	11,300,936	(6,652,515)	(6,906,220)	(8,460,771)	(3,517,193)
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	20,743,950	7,877,426			
13. Authorized control level risk-based capital	4,110,961	4,592,934			
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	15,384	17,631	15,291	13,419	9,109
15. Total members months (Column 6, Line 7)	192,362	205,256	166,134	150,768	86,122
OPERATING PERCENTAGES (Page 4) (Item divided by Page 4, sum of Line 2, Line 3 and Line 5)					
16. Premiums earned (Line 2 plus Line 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	85.4	100.6	100.8	105.4	97.7
18. Total underwriting deductions (Line 21)	90.2	106.7	111.6	115.2	111.9
19. Total underwriting gain (loss) (Line 22)	9.8	6.7	10.2	15.2	11.5
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
20. Total claims incurred for prior year (Line 11, Column 5)	7,828,216	11,150,220	11,977,122	3,813,304	2,186,948
21. Estimated liability of unpaid claims - prior year (Line 11, Column 6)	9,422,000	13,100,000	11,862,491	4,610,326	1,898,701

FIVE - YEAR HISTORICAL DATA (Continued)

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

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	1,819,598	1,967,748	1,813,903	1,800,000
	2. Canada				
	3. Other Countries				
	4. Totals	1,819,598	1,967,748	1,813,903	1,800,000
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	1,819,598	1,967,748	1,813,903	1,800,000
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	1,819,598	1,967,748	1,813,903	

(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	1,819,598	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3		6.1 Column 17, Part 1
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1
3.1 Column 16, Part 1		6.3 Column 11, Part 2, Section 2
3.2 Column 12, Part 2, Section 1		6.4 Column 11, Part 4
3.3 Column 10, Part 2, Section 2		7. Book/adjusted carrying value at end of current period
3.4 Column 10, Part 4		8. Total valuation allowance
4. Total gain (loss), Column 14, Part 4		9. Subtotal (Line 7 plus Line 8)
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4		10. Total nonadmitted amounts
		11. Statement value of bonds and stocks, current period

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	2	Direct Business Only			
			3	4	5	6
	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1. Alabama	AL	No				
2. Alaska	AK	No				
3. Arizona	AZ	No				
4. Arkansas	AR	No				
5. California	CA	No				
6. Colorado	CO	No				
7. Connecticut	CT	No				
8. Delaware	DE	No				
9. 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	No				
16. Iowa	IA	No				
17. Kansas	KS	No				
18. Kentucky	KY	No				
19. Louisiana	LA	No				
20. Maine	ME	No				
21. Maryland	MD	No				
22. Massachusetts	MA	No				
23. Michigan	MI	No				
24. Minnesota	MN	No				
25. Mississippi	MS	No				
26. Missouri	MO	No				
27. Montana	MT	No				
28. Nebraska	NE	No				
29. Nevada	NV	No				
30. New Hampshire	NH	No				
31. New Jersey	NJ	No				
32. New Mexico	NM	No				
33. New York	NY	No				
34. North Carolina	NC	No				
35. North Dakota	ND	No				
36. Ohio	OH	Yes		112,533,192		
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				
58. Total (Direct Business)		(a) 1		112,533,192		

DETAILS OF WRITE-INS

- 5701.
- 5702.
- 5703.
- 5798. Summary of remaining write-ins for Line 57 from overflow page
- 5799. Total (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)

Explanation of basis of allocation by states, premiums by state, ect.

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

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

PART 1 - ORGANIZATIONAL CHART

Mount Carmel Helath System



Mount Carmel Health Plan, Inc.