

ANNUAL STATEMENT

Including Supplements

OF THE

Vantage Health Plan, Inc.

of **Sandusky**

in the state of **Ohio**

TO THE

Insurance Department

OF THE

STATE OF Ohio

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

HEALTH

2002



95671200220100100

HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

Vantage Health Plan, Inc.

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 95671 Employer's ID Number 34-1817412

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

Country of Domicile

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

Date Incorporated or Organized: December 5, 1995 Date Commenced Business: January 1, 1996

Statutory Home Office: 4602 Timber Commons Drive Sandusky, OH 44870

Main Administrative Office: 4602 Timber Commons Drive Sandusky, OH 44870 419-621-9858

Mail Address: 2570 Technical Drive Miamisburg, OH 45342

Primary Location of Books and Records: 2570 Technical Drive Miamisburg, OH 45342 937-866-6660

Internet Website Address: www.vantagehealthplan.com

Statement Contact: Anne Wassum 937-866-6660 129

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(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 4602 Timber Commons Drive Sandusky, OH 44870 419-621-9858 0

OFFICERS

President William Schuchardt, MD

Secretary Charles P. Duncan

Treasurer Richard Keller, MD

Actuary

Vice-Presidents

Bryan Kuns, DO
[Empty lines for other vice-presidents]

DIRECTORS OR TRUSTEES

William Schuchardt, MD Richard Keller, MD Brian Baxter, MD Bryan Kuns, DO
Jacqueline Forestall Susan Gallagher, MD Daniel Moncher James Preston, DO
Charles Duncan Kim Knight, MD Harold Bischoff Dennis Sokol
Douglas Talkington Patrick McGuinn, MD James Wible Lee Wieber
Glenn McLaughlin, MD Benjamin Murcek, MD Lawrence McCormack, MD

State of Ohio
County of Erie ss

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

(Signature) (Signature) (Signature)
William Schuchardt, MD Charles P. Duncan Richard Keller, MD
(Printed Name) (Printed Name) (Printed Name)
President Secretary Treasurer

Subscribed and sworn to before me this
28th 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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	1,592,569		1,592,569	1,949,341
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)			(a)	
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,667,344, Schedule E-Part 1) and short-term investments (\$ 0, Schedule DA-Part 2)	1,667,344		1,667,344	1,798,207
6. Other long-term invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets	878		878	878
9. Subtotal cash and invested assets (Lines 1 to 8)	3,260,791		3,260,791	3,748,426
10. Accident and health premiums due and unpaid	24,575		24,575	24,535
11. Health care receivables				
12. Amounts recoverable from reinsurers	8,033		8,033	
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued	32,294		32,294	38,082
15. Amounts due from parent, subsidiaries and affiliates	25,785		25,785	35,054
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment				1,049
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including \$ 0 net deferred tax asset)				
20. Electronic data processing equipment and software				
21. Other nonadmitted assets				
22. Aggregate write-ins for other than invested assets	264,917	241,186	23,731	25,854
23. Total assets (Lines 9 plus 10 through 22)	3,616,395	241,186	3,375,209	3,873,000
DETAILS OF WRITE-INS				
0801. Investment in Vantage Occupational Health Plan	878		878	878
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)	878		878	878
2201. Miscellaneous Receivable	23,731		23,731	13,854
2202. Note Receivable - OHP Inc.				12,000
2203. Note Receivable - ACMG Inc.	224,000	224,000		
2298. Summary of remaining write-ins for Line 22 from overflow page	17,186	17,186		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	264,917	241,186	23,731	25,854

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

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	1,928,007	109,774	2,037,781	1,315,605
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses	58,517		58,517	38,605
4. Aggregate policy reserves	100,000		100,000	
5. Aggregate claim reserves				
6. Premiums received in advance	249,700		249,700	437,135
7. General expenses due or accrued	104,693		104,693	60,184
8. Federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))(including \$ 0 net deferred tax liability)				
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
11. Amounts due to parent, subsidiaries and affiliates				
12. Payable for securities				
13. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
14. Reinsurance in unauthorized companies				
15. Net adjustments in assets and liabilities due to foreign exchange rates				
16. Liability for amounts held under uninsured accident and health plans				
17. Aggregate write-ins for other liabilities (including \$ 0 current)	19,397		19,397	45,963
18. Total liabilities (Lines 1 to 17)	2,460,314	109,774	2,570,088	1,897,492
19. Common capital stock	X X X	X X X	3,160,290	3,160,290
20. Preferred capital stock	X X X	X X X		
21. Gross paid in and contributed surplus	X X X	X X X		
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	(2,144,929)	(1,007,167)
25. Less treasury stock, at cost:				
25.1 0 shares common (value included in Line 19 \$ 0)	X X X	X X X	210,240	177,615
25.2 0 shares preferred (value included in Line 20 \$ 0)	X X X	X X X		
26. Total capital and surplus (Lines 19 to 25)	X X X	X X X	805,121	1,975,508
27. Total liabilities, capital and surplus (Lines 18 and 26)	X X X	X X X	3,375,209	3,873,000
DETAILS OF WRITE-INS				
1701. PPO Claims Payable	19,397		19,397	5,976
1702. PPO Retention				8,487
1703. Premium Deficiency Reserve				31,500
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. Totals (Lines 1701 through 1703 plus 1798) (Line 17 above)	19,397		19,397	45,963
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	67,475	52,348
2. Net premium income	X X X	13,260,420	8,798,493
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Total revenues (Lines 2 to 6)	X X X	13,260,420	8,798,493
Medical and Hospital:			
8. Hospital/medical benefits	698,713	5,868,697	3,841,220
9. Other professional services	147,713	3,486,640	1,950,821
10. Outside referrals			
11. Emergency room and out-of-area	27,104	445,859	271,621
12. Prescription Drugs		2,008,173	1,154,301
13. Aggregate write-ins for other medical and hospital	136,507	1,212,727	707,396
14. Incentive pool and withhold adjustments		(543,368)	(398,188)
15. Subtotal (Lines 8 to 14)	1,010,037	12,478,728	7,527,171
Less:			
16. Net reinsurance recoveries		94,788	31,599
17. Total medical and hospital (Lines 15 minus 16)	1,010,037	12,383,940	7,495,572
18. Claims adjustment expenses		19,912	22,605
19. General administrative expenses		2,213,345	1,510,304
20. Increase in reserves for accident and health contracts		68,500	31,500
21. Total underwriting deductions (Lines 17 through 20)	1,010,037	14,685,697	9,059,981
22. Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	(1,425,277)	(261,488)
23. Net investment income earned		175,423	182,683
24. Net realized capital gains or (losses)		27,296	
25. Net investment gains or (losses) (Lines 23 plus 24)		202,719	182,683
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]			
27. Aggregate write-ins for other income or expenses		7,048	146,497
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		(1,215,510)	67,692
29. Federal and foreign income taxes incurred	X X X		
30. Net income (loss)(Lines 28 minus 29)	X X X	(1,215,510)	67,692
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
1301. Other	136,507	1,212,727	707,396
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	136,507	1,212,727	707,396
2701. PPO Revenue		25,515	27,887
2702. BWC Revenue		85,731	84,620
2703. Interest on Note Receivable		27,262	34,102
2798. Summary of remaining write-ins for Line 27 from overflow page		(131,460)	(112)
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		7,048	146,497

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	1,975,508	1,819,205
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	(1,215,510)	67,692
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses		931
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax		
37. Change in nonadmitted assets	77,748	80,968
38. Change in unauthorized reinsurance		
39. Change in treasury stock	(32,625)	(2,478)
40. Change in surplus notes		
41. Cumulative effect of changes in accounting principles		
42. Capital Changes:		
42.1 Paid in		9,190
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in		
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus		
46. Net change in capital and surplus (Lines 32 to 45)	(1,170,387)	156,303
47. Capital and surplus end of reporting year (Line 31 plus 46)	805,121	1,975,508
DETAILS OF WRITE-INS		
4501.		
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page		
4599. Totals (Lines 4501 through 4503 plus 4598) (Line 45 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	13,072,945	9,041,506
2. Claims and claims adjustment expenses	11,669,797	6,912,192
3. General administrative expenses paid	2,168,837	1,576,754
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(765,689)	552,560
6. Net investment income	198,578	176,418
7. Other income (expenses)	244,104	168,555
8. Federal and foreign income taxes (paid) recovered		
9. Net cash from operations (Lines 5 to 8)	(323,007)	897,533
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	1,328,616	350,000
10.2 Stocks		
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Lines 10.1 to 10.7)	1,328,616	350,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds	1,103,847	1,176,383
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)	1,103,847	1,176,383
12. Net cash from investments (Line 10.8 minus Line 11.7)	224,769	(826,383)
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		9,190
13.2 Net transfers from affiliates		
13.3 Borrowed funds received		
13.4 Other cash provided		
13.5 Total (Lines 13.1 to 13.4)		9,190
14. Cash applied:		
14.1 Dividends to stockholder paid		
14.2 Net transfers to affiliates		
14.3 Borrowed funds repaid		
14.4 Other applications	32,625	2,478
14.5 Total (Lines 14.1 to 14.4)	32,625	2,478
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(32,625)	6,712
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	(130,863)	77,862
17. Cash and short-term investments:		
17.1 Beginning of year	1,798,207	1,720,345
17.2 End of year (Line 16 plus Line 17.1)	1,667,344	1,798,207

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	13,260,420	13,260,420											
2. Change in unearned premium reserves and reserve for rate credit													
3. Fee-for-service (net of \$ 0 medical expenses)													
4. Risk revenue													
5. Aggregate write-ins for other health care related revenues													
6. Total revenues (Lines 1 to 5)	13,260,420	13,260,420											
7. Medical/hospital benefits	5,868,697	5,868,697											
8. Other professional services	3,486,640	3,486,640											
9. Outside referrals													
10. Emergency room and out-of-area	445,859	445,859											
11. Prescription Drugs	2,008,173	2,008,173											
12. Aggregate write-ins for other medical and hospital	1,212,727	1,212,727											
13. Incentive pool and withhold adjustments	(543,368)	(543,368)											
14. Subtotal (Lines 7 to 13)	12,478,728	12,478,728											
15. Net reinsurance recoveries	94,788	94,788											
16. Total medical and hospital (Lines 14 minus 15)	12,383,940	12,383,940											
17. Claims adjustment expenses	19,912	19,912											
18. General administrative expenses	2,213,345	2,213,345											
19. Increase in reserves for accident and health contracts	68,500	68,500											
20. Total underwriting deductions (Lines 16 to 19)	14,685,697	14,685,697											
21. Net underwriting gain or (loss) (Line 6 minus Line 20)	(1,425,277)	(1,425,277)											
DETAILS OF WRITE-INS													
0501.													
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)													
1201. Other	1,212,727	1,212,727											
1202.													
1203.													
1298. Summary of remaining write-ins for Line 12 from overflow page													
1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)	1,212,727	1,212,727											

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)	13,520,287		259,867	13,260,420
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan Premiums				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid				
8. Other				
9. Totals	13,520,287		259,867	13,260,420

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	11,756,552	11,756,552							
1.2 Reinsurance assumed									
1.3 Reinsurance ceded	86,755	86,755							
1.4 Net	11,669,797	11,669,797							
2. Paid medical incentive pools and bonuses									
3. Claim Liability December 31, current year from Part 2A:									
3.1 Direct	2,037,781	2,037,781							
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net	2,037,781	2,037,781							
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	8,033	8,033							
7. Claim Liability December 31, prior year from Part 2A:									
7.1 Direct	1,315,605	1,315,605							
7.2 Reinsurance assumed									
7.3 Reinsurance ceded									
7.4 Net	1,315,605	1,315,605							
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	12,478,728	12,478,728							
11.2 Reinsurance assumed									
11.3 Reinsurance ceded	94,788	94,788							
11.4 Net	12,383,940	12,383,940							
12. Incurred medical incentive pools and bonuses									

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in Process of Adjustment:									
1.1 Direct	718,647	718,647							
1.2 Reinsurance assumed									
1.3 Reinsurance ceded									
1.4 Net	718,647	718,647							
2. Incurred but Unreported:									
2.1 Direct	1,319,134	1,319,134							
2.2 Reinsurance assumed									
2.3 Reinsurance ceded									
2.4 Net	1,319,134	1,319,134							
3. Amount Withheld from Paid Claims and Capitations:									
3.1 Direct									
3.2 Reinsurance assumed									
3.3 Reinsurance ceded									
3.4 Net									
4. TOTALS:									
4.1 Direct	2,037,781	2,037,781							
4.2 Reinsurance assumed									
4.3 Reinsurance ceded									
4.4 Net	2,037,781	2,037,781							

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (medical and hospital)	1,230,097	10,439,700		2,029,748	1,230,097	1,315,605
2. Medicare Supplement						
3. Dental Only						
4. Vision Only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other						
9. Subtotal	1,230,097	10,439,700		2,029,748	1,230,097	1,315,605
10. Medical incentive pools, accruals and disbursements						
11. Totals	1,230,097	10,439,700		2,029,748	1,230,097	1,315,605

UNDERWRITING AND INVESTMENT EXHIBIT

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

Hospital & Medical

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	243				
2. 1998	2,502	587			
3. 1999	X X X	3,714	981		
4. 2000	X X X	X X X	4,765	491	
5. 2001	X X X	X X X	X X X	6,421	1,230
6. 2002	X X X	X X X	X X X	X X X	10,440

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998	3,074	557			
3. 1999	X X X	4,716	981		
4. 2000	X X X	X X X	5,515	491	
5. 2001	X X X	X X X	X X X	7,736	1,230
6. 2002	X X X	X X X	X X X	X X X	12,113

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. Prior to 1998	X X X			X X X		X X X				X X X
2. 1998	3,604									
3. 1999	5,661									
4. 2000	6,818	1			1	0.015		1		0.015
5. 2001	8,798	1,229			1,229	13.969		1,229		13.969
6. 2002	13,260	10,440			10,440	78.733	2,038	59	12,537	94.548
7. Total (Lines 1 through 6)	X X X	11,670		X X X	11,670	X X X	2,038	59	13,767	X X X
8. Total (Lines 2 through 6)	38,141	X X X	X X X		X X X	92.717	X X X	X X X	X X X	108.531

UNDERWRITING AND INVESTMENT EXHIBIT

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

Medicare Supplement

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS

(000 Omitted)

Dental Only

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Vision Only

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Federal Employees Health Benefits Plan Premiums

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Title XVIII - Medicare

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Title XIX - Medicaid

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Other

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998					
3. 1999	X X X				
4. 2000	X X X	X X X			
5. 2001	X X X	X X X	X X X		
6. 2002	X X X	X X X	X X X	X X X	

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Grand Total

Section A - Paid Claims

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	243				
2. 1998	2,502	587			
3. 1999	X X X	3,714	981		
4. 2000	X X X	X X X	4,765	491	
5. 2001	X X X	X X X	X X X	6,421	1,230
6. 2002	X X X	X X X	X X X	X X X	10,440

Section B - Incurred Claims

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior					
2. 1998	3,074	557			
3. 1999	X X X	4,716	981		
4. 2000	X X X	X X X	5,515	491	
5. 2001	X X X	X X X	X X X	7,736	1,230
6. 2002	X X X	X X X	X X X	X X X	12,113

Section C - Incurred Year Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claims and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. Prior to 1998	X X X			X X X		X X X				X X X
2. 1998	3,604									
3. 1999	5,661									
4. 2000	6,818	1			1	0.015			1	0.015
5. 2001	8,798	1,229			1,229	13.969			1,229	13.969
6. 2002	13,260	10,440			10,440	78.733	2,038	59	12,537	94.548
7. Total (Lines 1 through 6)	X X X	11,670		X X X	11,670	X X X	2,038	59	13,767	X X X
8. Total (Lines 2 through 6)	38,141	X X X	X X X		X X X	92.717	X X X	X X X	X X X	108.531

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
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)	100,000	100,000							
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ 0) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)	100,000	100,000							
7. Reinsurance ceded									
8. Total (Net) (Page 3, Line 4)	100,000	100,000							
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. Total (Net) (Page 3, Line 5)									
DETAILS OF WRITE-INS									
0501.		NONE							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)									
DETAILS OF WRITE-INS									
1101.		NONE							
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$ 31,500 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 (\$ 0 for occupancy of own building)		72,047		72,047
2. Salaries, wages and other benefits		1,073,330		1,073,330
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)		576,236		576,236
4. Legal fees and expenses				
5. Certifications and accreditation fees				
6. Auditing, actuarial and other consulting services		60,070		60,070
7. Traveling expenses		27,557		27,557
8. Marketing and advertising		44,642		44,642
9. Postage, express and telephone		113,855		113,855
10. Printing and office supplies		69,065		69,065
11. Occupancy, depreciation and amortization		15,260		15,260
12. Equipment		9,335		9,335
13. Cost or depreciation of EDP equipment and software				
14. Outsourced services including EDP, claims, and other services	19,912	11,328		31,240
15. Boards, bureaus and association fees		2,954		2,954
16. Insurance, except on real estate		18,215		18,215
17. Collection and bank service charges		1,755		1,755
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		250		250
23.3 Regulator authority licenses and fees		10,914		10,914
23.4 Payroll taxes		89,559		89,559
23.5 Other (excluding federal income and real estate taxes)				
24. Investment expenses not included elsewhere				
25. Aggregate write-ins for expenses		16,973		16,973
26. Total expenses incurred (Lines 1 to 25)	19,912	2,213,345		(a) 2,233,257
27. Add expenses unpaid December 31, prior year	38,605	60,184		98,789
28. Less expenses unpaid December 31, current year	58,517	104,693		163,210
29. Amounts receivable relating to uninsured accident and health plans, prior year				
30. Amounts receivable relating to uninsured accident and health plans, current year				
31. Total expenses paid (Lines 26 plus 27 minus 28 plus 29 plus 30)		2,168,836		2,168,836
DETAILS OF WRITE-INS				
2501. Credentialing Expense		8,061		8,061
2502. Meeting Expense		4,633		4,633
2503. Miscellaneous		4,279		4,279
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 + 2598) (Line 25 above)		16,973		16,973

(a) Includes management fees of \$ 0 to affiliates and \$ 1,478,947 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 156,078	135,855
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	32,812	32,463
6. Cash/short-term investments	(e) 19,890	7,105
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	208,780	175,423
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net investment income - (Line 10 minus Line 16)		175,423
DETAILS OF WRITE-INS		
0901.	NONE	
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.	NONE	
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		

- (a) Includes \$ 6,494 accrual of discount less \$ 29,332 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 4,732 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	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)	27,296				27,296
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)	27,296				27,296
DETAILS OF WRITE-INS					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 10 to 13 and 15 to 20, Column 2			
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Leasehold improvements			
2.3 Cash advanced to or in hands of officers and agents			
2.4 Loans on personal security, endorsed or not			
2.5 Commuted commissions			
3. Total (Lines 2.1 to 2.5)			
4. Aggregate write-ins for other assets	241,186	318,934	77,748
5. Total (Line 1 plus Line 3 and 4)	241,186	318,934	77,748
DETAILS OF WRITE-INS			
0401. Prepaid Insurance and Expense	17,186	14,451	(2,735)
0402. Note Receivable - ACMG Inc.	224,000	304,483	80,483
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 through 0403 plus 0498) (Line 4 above)	241,186	318,934	77,748

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	4,981	5,588	5,733	5,709	5,431	67,475
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	4,981	5,588	5,733	5,709	5,431	67,475
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)						

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Vantage Health Plan, Inc. have been completed in accordance with the NAIC *Accounting Practices and Procedures* manual and Annual Statement Instructions.

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. Actual results could differ from those estimates.

C. Accounting Policy

The Plan recognizes premium from members as income in the period to which health care coverage relates. Premiums billed and collected in advance are recorded as unearned premiums.

In addition, the Plan uses the following accounting policies:

- (1) Short-term investments with a maturity of three months or less at the time of purchase are reported as cash equivalents and are stated at amortized cost.
- (2) Bonds are stated at amortized cost.
- (3) Accrued medical claims and related expenses (hospitalization and other outside medical services) include amounts billed and not paid and an estimate of costs incurred for unbilled services provided to the balance sheet date. 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.

2. Accounting Changes and Corrections of Errors

The Plan prepares its statutory financial statements in conformity with accounting practices prescribed 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 – Version effective January 1, 2001, subject to any deviations prescribed by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to 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 Plan reported no adjustment to unassigned funds (surplus) as of January 1, 2001.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

NOTES TO FINANCIAL STATEMENTS

Not applicable

5. Investments

A. Mortgage Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

None

E. Repurchase Agreements

None

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

7. Investment Income

No investment income was excluded from the financial statements.

8. Derivative Instruments

Not applicable

9. Income Taxes

A deferred income tax benefit has not been recorded as its realization is not considered imminent. As of December 31, the Plan has net operating loss carryforwards that will expire as follows:

2017	\$187,000
2018	\$185,000
2019	\$144,000
2020	\$154,000

10. Information Concerning Parent, Subsidiaries and Affiliates

Not applicable

11. Debt

Not applicable

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

NOTES TO FINANCIAL STATEMENTS

Not applicable

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

The Plan has common stock authorized and outstanding as follows:

Class A, no par value, 90,000 shares authorized, 15,052 shares outstanding
Class B, no par value, 90,000 shares authorized, 71,348 shares outstanding
Class C, no par value, 90,000 share authorized, 45,000 shares outstanding
Class D, no par value, 30,000 shares authorized, 15,000 shares outstanding
Class E, no par value, 15,000 shares authorized, 1,838 shares outstanding
Class F, no par value, 50,000 shares authorized, no share outstanding
Class G, no par value, 50,000 shares authorized, no shares outstanding

14. Contingencies

None

15. Leases

None

16. Information About Financials Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable

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

Not applicable

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

Not applicable

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

None

20. Other Items

A. Extraordinary Items

None

B. Troubled Debt Restructuring

None

C. Other Disclosures

None

21. Events Subsequent

None

NOTES TO FINANCIAL STATEMENTS

22. Reinsurance

A. Unsecured Reinsurance Recoverables

None

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

Not applicable

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

The Plan has reported in its operations in the current year as a result of commutation of reinsurance with Employers Reinsurance Corporation, amounts which are reflected as:

(1) Losses incurred	\$94,015
(2) Loss adjustment expenses incurred	\$ 0
(3) Premiums earned	\$259,867

F. Retroactive Reinsurance

Not applicable

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

24. Salvage and Subrogation

None

25. Change in Incurred Claims and Claim Adjustment Expense

Not applicable

26. Organization and Operation

Vantage Health Plan, Inc. was incorporated on December 5, 1996 for the purpose of arranging, managing and furnishing health care services through a preferred provider organization (PPO) as well as operating as an IPA model health-insuring corporation (HIC) in the State of Ohio.

The PPO began operations in January 1996, marketing and negotiating alternative rate health care agreements for member hospitals, clinics and physicians in and around Sandusky, Ohio.

The HIC began operations in March 1997, after receiving a Certificate of Authority from the State of Ohio, and provides comprehensive medical services to employer group members, primarily through contractual arrangements with a network of hospitals and physicians located in the North Central Ohio service area. These contracts with participating physicians allow for a pre-determined amount to be withheld from the allowable fees. This withhold is maintained as a

NOTES TO FINANCIAL STATEMENTS

liability of the Plan. This withhold is returned to the providers at the discretion of the Plan's Board of Directors.

The Plan has a management agreement with ACMG, Inc., an Ohio corporation, to provide managerial services to the Plan, including providing employees necessary to carry out its responsibilities under the agreement to manage the Plan's activities with the exception of the Medical Director.

27. Minimum Net Worth

The Plan is regulated by the Ohio Department of Insurance. Net worth of at least one million five hundred thousand dollars must be maintained at all times.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (including residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	1,592,569	48.840	1,592,569	48.840
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	1,667,344	51.133	1,667,344	51.133
9. Other invested assets	878	0.027	878	0.027
10. Total invested assets	3,260,791	100.000	3,260,791	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 1.3 State Regulating? Ohio
-
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended. _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 09/30/2000
-
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 09/30/2000
-
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/07/2001
-
- 3.4 By what department or departments? Office of Financial Regulation Services
-
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	00000	
	00000	
	00000	
	00000	
	00000	

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement) Yes [] No [X]
- 6.2 If yes, give full information _____
-
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager, or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES
(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Swindon, Springer & Company
4130 Gibson Drive Tipp City, Ohio 45371

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? Chris Sipes
333 West Vine Street Suite 1000 Lexington, KY 40507
Actuary associated with an actuarial consulting firm

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 [X]

10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]

10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [X] N/A []

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 [] No [X]

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 the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 14.21 To directors or other officers \$ _____
 14.22 To stockholder not officers \$ _____ 224,000
 14.23 Trustees, supreme or grand (Fraternal only) \$ _____

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

15.2 If yes, state the amount thereof at December 31 of the current year:
 15.21 Rented from others \$ _____
 15.22 Borrowed from others \$ _____
 15.23 Leased from others \$ _____
 15.24 Other \$ _____

Disclose in Notes to Financial the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

16.2 If answer is yes:
 16.21 Amount paid as losses or risk adjustment \$ _____
 16.22 Amount paid as expenses \$ _____
 16.23 Other amounts paid \$ _____

GENERAL INTERROGATORIES
(continued)
INVESTMENT

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

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	200,000	148,238	20	X X X	X X X X X X	X X X X X X

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

18.2 If no, give full and complete information, relating thereto Held by Robert W. Baird & Co.-Nashville, TN;KeyBank-Sandusky, OH;Merill Lynch-Sandusky, OH
0
0

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1). Yes [] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

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

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

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

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

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

(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 [X] 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 brokers/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? \$ _____

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
	\$
	\$
	\$
	\$

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

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 department 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 (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 [X] NO []
- 4.1 Does the reporting entity have stop-loss reinsurance? YES [X] NO []
- 4.2 If no, explain: _____
- 4.3 Maximum retained risk (see instructions)
- 4.31 Comprehensive Medical \$ _____ 129,000
- 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: To protect Vantage subscribers and their dependents against risk of insolvency, the Plan maintains a \$400,000 restricted certificate of deposit. Also, under participating provider contracts, Vantage providers agree to hold harmless members in the event the Plan cannot or will not pay for services.
- 6.1 Does the reporting entity set up its claim liability for provider services on a service data base? YES [X] NO []
- 6.2 If no, give details _____
7. Provide the following information regarding participating providers:
- 7.1 Number of providers at start of reporting year _____ 3,261
- 7.2 Number of providers at end of reporting year _____ 3,976
- 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 _____ 478,989
- 8.22 Business with rate guarantees over 36 months _____
- 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contracts? YES [X] NO []
- 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		
Erie County	Sandusky County	Seneca County
Lorain County	Ottawa County	Huron County

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)	3,375,209	3,873,000	3,013,103	3,352,420	2,878,389
2. Total liabilities (Page 3, Line 18)	2,570,088	1,897,492	1,193,898	1,464,398	835,263
3. Statutory surplus	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
4. Total capital and surplus (Page 3, Line 26)	805,121	1,975,508	1,819,205	1,888,022	2,043,126
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	13,260,420	8,798,493	6,817,776	5,661,419	3,603,742
6. Total medical and hospital expenses (Line 17)	12,383,940	7,495,572	5,318,625	4,606,137	2,871,437
7. Total administrative expenses (Line 19)	2,213,345	1,510,304	1,629,232	1,198,997	916,303
8. Net underwriting gain (loss) (Line 22)	(1,425,277)	(261,488)			
9. Net investment gain (loss) (Line 25)	202,719	182,683			
10. Total other income (Line 26 plus 27)	7,048	146,497			
11. Net income or (loss) (Line 30)	(1,215,510)	67,692	(130,081)	(143,715)	(183,998)
RISK-BASED CAPITAL ANALYSIS					
12. Total adjusted capital	805,121	1,975,508	1,819,205	1,888,022	2,043,126
13. Authorized control level risk-based capital	800,651	481,277	405,183	313,960	148,723
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	5,431	4,981	3,239	3,304	2,517
15. Total members months (Column 6, Line 7)	67,475	52,348	40,113	36,075	24,980
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5)					
16. Premiums earned (Line 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	0.9	0.9	0.9	0.9	0.9
18. Total underwriting deductions (Line 21)	1.1	1.0			
19. Total underwriting gain (loss) (Line 22)	(0.1)	(0.0)			
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	1,230,097	491,406	981,304	586,502	242,839
21. Estimated liability of unpaid claims - [prior year (Line 11, Col. 6)]	1,315,605	749,413	1,002,841	572,844	250,436

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated	878	878			
28. Total of above Lines 22 to 27	878	878			

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States				
	2. Canada				
	3. Other Countries				
	4. Totals				
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	258,270	234,567	263,978	250,000
	18. Canada				
	19. Other Countries				
	20. Totals	258,270	234,567	263,978	250,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	1,334,299	1,334,142	1,476,462	1,450,000
	22. Canada				
	23. Other Countries				
	24. Totals	1,334,299	1,334,142	1,476,462	1,450,000
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	1,592,569	1,568,709	1,740,440	1,700,000
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	1,592,569	1,568,709	1,740,440	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 1,579,069.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	<u>1,949,341</u>	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	<u>1,103,847</u>	6.1 Column 17, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1	<u>(149,137)</u>	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	<u>1,592,569</u>
3.4 Column 10, Part 4	<u>(10,162)</u>	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4	<u>27,296</u>	9. Subtotal (Lines 7 plus 8)	<u>1,592,569</u>
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	<u>1,328,616</u>	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	<u>1,592,569</u>

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1	2	Direct Business Only			
			3	4	5	6
	Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1. Alabama	AL	NO				
2. Alaska	AK	NO				
3. Arizona	AZ	NO				
4. Arkansas	AR	NO				
5. California	CA	NO				
6. Colorado	CO	NO				
7. Connecticut	CT	NO				
8. Delaware	DE	NO				
9. Dist. Columbia	DC	NO				
10. Florida	FL	NO				
11. Georgia	GA	NO				
12. Hawaii	HI	NO				
13. Idaho	ID	NO				
14. Illinois	IL	NO				
15. Indiana	IN	NO				
16. Iowa	IA	NO				
17. Kansas	KS	NO				
18. Kentucky	KY	NO				
19. Louisiana	LA	NO				
20. Maine	ME	NO				
21. Maryland	MD	NO				
22. Massachusetts	MA	NO				
23. Michigan	MI	NO				
24. Minnesota	MN	NO				
25. Mississippi	MS	NO				
26. Missouri	MO	NO				
27. Montana	MT	NO				
28. Nebraska	NE	NO				
29. Nevada	NV	NO				
30. New Hampshire	NH	NO				
31. New Jersey	NJ	NO				
32. New Mexico	NM	NO				
33. New York	NY	NO				
34. North Carolina	NC	NO				
35. North Dakota	ND	NO				
36. Ohio	OH	NO	13,520,287			
37. Oklahoma	OK	NO				
38. Oregon	OR	NO				
39. Pennsylvania	PA	NO				
40. Rhode Island	RI	NO				
41. South Carolina	SC	NO				
42. South Dakota	SD	NO				
43. Tennessee	TN	NO				
44. Texas	TX	NO				
45. Utah	UT	NO				
46. Vermont	VT	NO				
47. Virginia	VA	NO				
48. Washington	WA	NO				
49. West Virginia	WV	NO				
50. Wisconsin	WI	NO				
51. Wyoming	WY	NO				
52. American Samoa	AS	NO				
53. Guam	GU	NO				
54. Puerto Rico	PR	NO				
55. US Virgin Islands	VI	NO				
56. Canada	CN	NO				
57. Aggregate Other Alien	OT	X X X				
58. Total (Direct Business)	X X X	(a)	1	13,520,287		
DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for Line 57 from overflow page						
5799. Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)						
Explanation of basis of allocation by states, premiums by state, etc.						

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

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

NONE

OVERFLOW PAGE FOR WRITE-INS

OVERFLOW PAGE FOR WRITE-INS

**Page 2 - Continuation
ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets

REMAINING WRITE-INS AGGREGATED AT LINE 08 FOR INVESTED ASSETS

0804.				
0805.				
0806.				
0807.				
0808.				
0809.				
0810.				
0811.				
0812.				
0813.				
0814.				
0815.				
0816.				
0817.				
0818.				
0819.				
0820.				
0821.				
0822.				
0823.				
0824.				
0825.				
0897. Totals (Lines 0804 through 0825) (Page 2, Line 0898)				

REMAINING WRITE-INS AGGREGATED AT LINE 22 FOR OTHER THAN INVESTED ASSETS

2204. Prepaid Insurance and Expense	17,186	17,186		
2205.				
2206.				
2207.				
2208.				
2209.				
2210.				
2211.				
2212.				
2213.				
2214.				
2215.				
2216.				
2217.				
2218.				
2219.				
2220.				
2221.				
2222.				
2223.				
2224.				
2225.				
2297. Totals (Lines 2204 through 2225) (Page 2, Line 2298)	17,186	17,186		

OVERFLOW PAGE FOR WRITE-INS

**Page 4 - Continuation
STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total

REMAINING WRITE-INS AGGREGATED AT LINE 06 FOR OTHER HEALTH CARE RELATED REVENUES

0604.	XXX		
0605.	XXX		
0606.	XXX		
0607.	XXX		
0608.	XXX		
0609.	XXX		
0610.	XXX		
0611.	XXX		
0612.	XXX		
0613.	XXX		
0614.	XXX		
0615.	XXX		
0616.	XXX		
0617.	XXX		
0618.	XXX		
0619.	XXX		
0620.	XXX		
0621.	XXX		
0622.	XXX		
0623.	XXX		
0624.	XXX		
0625.	XXX		
0697. Totals (Lines 0604 through 0625) (Page 4, Line 0698)	XXX		

REMAINING WRITE-INS AGGREGATED AT LINE 13 FOR OTHER MEDICAL AND HOSPITAL

1304.			
1305.			
1306.			
1307.			
1308.			
1309.			
1310.			
1311.			
1312.			
1313.			
1314.			
1315.			
1316.			
1317.			
1318.			
1319.			
1320.			
1321.			
1322.			
1323.			
1324.			
1325.			
1397. Totals (Lines 1304 through 1325) (Page 4, Line 1398)			

REMAINING WRITE-INS AGGREGATED AT LINE 27 FOR OTHER INCOME OR EXPENSES

2704. Loss on Investment in Vantage Occupational Health Plan			(112)
2705. Net Unrealized Capital Losses		(136,460)	
2706. Miscellaneous Income		5,000	
2707.			
2708.			
2709.			
2710.			
2711.			
2712.			
2713.			
2714.			
2715.			
2716.			
2717.			
2718.			
2719.			
2720.			
2721.			
2722.			
2723.			
2724.			
2725.			
2797. Totals (Lines 2704 through 2725) (Page 4, Line 2798)		(131,460)	(112)