



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2002
 OF THE CONDITION AND AFFAIRS OF THE
QualMed Plans for Health of Ohio and West Virginia, Inc.

NAIC Group Code 0623 0623 NAIC Company Code 95687 Employer's ID Number 25-1803681
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
 Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
 Vision Service Corporation [] Other [] Health Maintenance Organization [X]
 Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [X] No []
 Incorporated 09/30/1996 Commenced Business 03/31/1997

Statutory Home Office 1835 Market Street, 10th Floor, Philadelphia, PA 19103-2968
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office PO Box 904
(Street and Number) 800-848-4747
(Area Code) (Telephone Number)
Shelton, CT 06484-0944
(City or Town, State and Zip Code)

Mail Address PO Box 904, Shelton, CT 06484-0944
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 21650 Oxnard Street, 24th Floor
(Street and Number) 818-676-6793
(Area Code) (Telephone Number)
Woodland Hills, CA 91367-7824
(City or Town, State and Zip Code)

Internet Website Address www.health.net

Statement Contact Carmela Camino 818-676-6793
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Policyowner Relations Contact PO Box 904
(Street and Number) 800-848-4747
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Shelton, CT 06484-0944
(City or Town, State and Zip Code)

OFFICERS

President Joseph R. Singer MD Secretary Eileen O'Donnell Esq #
 Chief Financial Officer Marc M. Stein

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Kenneth B. Allen Esq John W. Hannon Sr. Joseph R. Singer MD

State of Pennsylvania } ss
 County of Philadelphia

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.

Joseph R. Singer, MD
 President

Eileen O'Donnell, Esq.
 Secretary

Marc M. Stein
 Chief Financial Officer

Subscribed and sworn to before me this
23rd day of January, 2003

- a. Is this an original filing? Yes [X] No []
 b. If no
 1. State the amendment number
 2. Date filed 02/28/2003
 3. Number of pages attached

John D. Toth
 Notary Public
 March 8, 2006

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	64,230		64,230	104,093
2. Stocks:				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	101,795		101,795	100,784
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$1,183,716 , Schedule E - Part 1) and short-term investments (\$727,026 , Schedule DA - Part 2)	1,910,742		1,910,742	1,565,597
6. Other long-term invested assets	0		0	0
7. Receivable for securities			0	0
8. Aggregate write-ins for invested assets	0	0	0	320,934
9. Subtotals, cash and invested assets (Lines 1 to 8)	2,076,767	0	2,076,767	2,091,408
10. Accident and health premiums due and unpaid			0	0
11. Health care receivables			0	0
12. Amounts recoverable from reinsurers			0	0
13. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
14. Investment income due and accrued	1,611		1,611	1,213
15. Amounts due from parent, subsidiaries and affiliates			0	3,810
16. Amounts receivable relating to uninsured accident and health plans			0	0
17. Furniture and equipment			0	0
18. Amounts due from agents			0	0
19. Federal and foreign income tax recoverable and interest thereon (including \$501 net deferred tax asset)	501	501	0	0
20. Electronic data processing equipment and software			0	0
21. Other nonadmitted assets			0	0
22. Aggregate write-ins for other than invested assets	0	0	0	0
23. Total assets (Lines 9 plus 10 through 22)	2,078,879	501	2,078,378	2,096,431
DETAILS OF WRITE-INS				
0801. Ohio Statutory Deposit-CD.....			0	320,934
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898)(Line 8 above)	0	0	0	320,934
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298)(Line 22 above)	0	0	0	0

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

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	7,820		7,820	3,735
2. Accrued medical incentive pool and bonus payments			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate policy reserves			0	0
5. Aggregate claim reserves			0	0
6. Premiums received in advance			0	0
7. General expenses due or accrued	17,039		17,039	45,737
8. Federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) (including \$ net deferred tax liability)			0	97,571
9. Amounts withheld or retained for the account of others			0	0
10. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
11. Amounts due to parent, subsidiaries and affiliates	97,882		97,882	6,959
12. Payable for securities			0	0
13. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
14. Reinsurance in unauthorized companies			0	0
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
16. Liability for amounts held under uninsured accident and health plans			0	0
17. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
18. Total liabilities (Lines 1 to 17)	122,741	0	122,741	154,002
19. Common capital stock	XXX	XXX	1,000,000	1,000,000
20. Preferred capital stock	XXX	XXX		0
21. Gross paid in and contributed surplus	XXX	XXX	10,885,573	10,885,573
22. Surplus notes	XXX	XXX		0
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
24. Unassigned funds (surplus)	XXX	XXX	(9,929,936)	(9,943,144)
25. Less treasury stock, at cost:				
25.1 shares common (value included in Line 19 \$)	XXX	XXX		0
25.2 shares preferred (value included in Line 20 \$)	XXX	XXX		0
26. Total capital and surplus (Lines 19 to 24 Less 25)	XXX	XXX	1,955,637	1,942,429
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	2,078,378	2,096,431
DETAILS OF WRITE-INS				
1701.				
1702.				
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	0	174
2. Net premium income	XXX	0	66,819
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Total revenues (Lines 2 to 6)	XXX	0	66,819
Medical and Hospital:			
8. Hospital/medical benefits		7,447	23,594
9. Other professional services			0
10. Outside referrals			0
11. Emergency room and out-of-area			0
12. Prescription Drugs			
13. Aggregate write-ins for other medical and hospital	0	0	0
14. Incentive pool and withhold adjustments			0
15. Subtotal (Lines 8 to 14)	0	7,447	23,594
Less:			
16. Net reinsurance recoveries			0
17. Total medical and hospital (Lines 15 minus 16)	0	7,447	23,594
18. Claims adjustment expenses			0
19. General administrative expenses		4,852	34,890
20. Increase in reserves for accident and health contracts			0
21. Total underwriting deductions (Lines 17 through 20)	0	12,299	58,484
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	(12,299)	8,335
23. Net investment income earned		26,538	143,810
24. Net realized capital gains or (losses)			0
25. Net investment gains or (losses) (Lines 23 + 24)	0	26,538	143,810
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
27. Aggregate write-ins for other income or expenses	0	0	0
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	14,239	152,145
29. Federal and foreign income taxes incurred	XXX	4,984	63,889
30. Net income (loss) (Lines 28 minus 29)	XXX	9,255	88,256
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
1301.			
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
31. Capital and surplus prior reporting year	1,942,429	3,611,825
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32. Net income or (loss) from Line 30	9,255	88,256
33. Change in valuation basis of aggregate policy and claim reserve		0
34. Net unrealized capital gains and losses		9
35. Change in net unrealized foreign exchange capital gain or (loss)		0
36. Change in net deferred income tax		0
37. Change in nonadmitted assets	3,953	90,339
38. Change in unauthorized reinsurance	0	0
39. Change in treasury stock		0
40. Change in surplus notes	0	0
41. Cumulative effect of changes in accounting principles		0
42. Capital Changes:		
42.1 Paid in		0
42.2 Transferred from surplus (Stock Dividend)		0
42.3 Transferred to surplus		0
43. Surplus adjustments:		
43.1 Paid in		(1,848,000)
43.2 Transferred to capital (Stock Dividend)		0
43.3 Transferred from capital		0
44. Dividends to stockholders		0
45. Aggregate write-ins for gains or (losses) in surplus	0	0
46. Net change in capital & surplus (Lines 32 to 45)	13,208	(1,669,396)
47. Capital and surplus end of reporting year (Line 31 plus 46)	1,955,637	1,942,429
DETAILS OF WRITE-INS		
4501.		
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	0	178,929
2. Claims and claims adjustment expenses	3,362	703,606
3. General administrative expenses paid	33,550	33,540
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(36,912)	(558,217)
6. Net investment income	26,140	166,558
7. Other income (expenses)	0	0
8. Federal and foreign income taxes (paid) recovered	(102,555)	(63,882)
9. Net cash from operations (Lines 5 to 8)	(113,327)	(455,541)
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	39,543	731,342
10.2 Stocks	406,111	0
10.3 Mortgage loans	0	0
10.4 Real estate	0	0
10.5 Other invested assets	0	0
10.6 Net gains or (losses) on cash and short-term investments	0	0
10.7 Miscellaneous proceeds	0	0
10.8 Total investment proceeds (Lines 10.1 to 10.7)	445,654	731,342
11. Cost of investments acquired (long-term only):		
11.1 Bonds	0	0
11.2 Stocks	407,122	100,784
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Miscellaneous applications	(1,331)	0
11.7 Total investments acquired (Lines 11.1 to 11.6)	405,791	100,784
12. Net Cash from investments (Line 10.8 minus Line 11.7)	39,863	630,558
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in	0	(1,848,000)
13.2 Net transfers from affiliates	94,733	0
13.3 Borrowed funds received	0	0
13.4 Other cash provided	324,887	411,405
13.5 Total (Lines 13.1 to 13.4)	419,620	(1,436,595)
14. Cash applied:		
14.1 Dividends to stockholders paid	0	0
14.2 Net transfers to affiliates	0	45,440
14.3 Borrowed funds repaid	0	0
14.4 Other applications	1,011	8,844
14.5 Total (Lines 14.1 to 14.4)	1,011	54,284
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	418,609	(1,490,879)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	345,145	(1,315,862)
17. Cash and short-term investments:		
17.1 Beginning of year	1,565,597	2,881,459
17.2 End of year (Line 16 plus Line 17.1)	1,910,742	1,565,597

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE QualMed Plans for Health of Ohio and West Virginia, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other
1. Net premium income	0												
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of \$ medical expenses)	0												
4. Risk revenue	0												
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Total revenues (Lines 1 to 5)	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Medical/hospital benefits	7,447	7,447											
8. Other professional services	0												
9. Outside referrals	0												
10. Emergency room and out-of-area	0												
11. Prescription Drugs	0												
12. Aggregate write-ins for other medical and hospital	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Incentive pool and withhold adjustments	0												
14. Subtotal (Lines 7 to 13)	7,447	7,447	0	0	0	0	0	0	0	0	0	0	0
15. Net reinsurance recoveries	0												
16. Total medical and hospital (Lines 14 minus 15)	7,447	7,447	0	0	0	0	0	0	0	0	0	0	0
17. Claims adjustment expenses	0												
18. General administrative expenses	4,852	4,852											
19. Increase in reserves for accident and health contracts	0												
20. Total underwriting deductions (Lines 16 to 19)	12,299	12,299	0	0	0	0	0	0	0	0	0	0	0
21. Total underwriting gain or (loss) (Line 6 minus Line 20)	(12,299)	(12,299)	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501.													
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0
1201.													
1202.													
1203.													
1298. Summary of remaining write-ins for Line 12 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (medical and hospital)				
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				

NONE

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE QualMed Plans for Health of Ohio and West Virginia, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct	3,362	3,362							
1.2 Reinsurance assumed .....	.0								
1.3 Reinsurance ceded .....	.0								
1.4 Net	3,362	3,362	.0	.0	.0	.0	.0	.0	.0
2. Paid medical incentive pools and bonuses .....	.0								
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	7,820	7,820	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	7,820	7,820	.0	.0	.0	.0	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct .....	.0								
4.2 Reinsurance assumed .....	.0								
4.3 Reinsurance ceded .....	.0								
4.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year .....	.0								
6. Amounts recoverable from reinsurers December 31, current year .....	.0								
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	3,735	3,735	.0	.0	.0	.0	.0	.0	.0
7.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.4 Net	3,735	3,735	.0	.0	.0	.0	.0	.0	.0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Accrued medical incentive pools and bonuses, prior year .....	.0								
10. Amounts recoverable from reinsurers December 31, prior year	0								
11. Incurred Benefits:									
11.1 Direct	7,447	7,447	.0	.0	.0	.0	.0	.0	.0
11.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0
11.4 Net	7,447	7,447	0	0	0	0	0	0	0
12. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0

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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 .....	.0								
1.2. Reinsurance assumed .....	.0								
1.3. Reinsurance ceded .....	.0								
1.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:									
2.1. Direct	7,820	7,820							
2.2. Reinsurance assumed .....	.0								
2.3. Reinsurance ceded .....	.0								
2.4. Net	7,820	7,820	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:									
3.1. Direct .....	.0								
3.2. Reinsurance assumed .....	.0								
3.3. Reinsurance ceded .....	.0								
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:									
4.1. Direct	7,820	7,820	.0	.0	.0	.0	.0	.0	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net	7,820	7,820	0	0	0	0	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE QualMed Plans for Health of Ohio and West Virginia, Inc.

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (medical and hospital)	3,362		7,820		11,182	3,735
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....					0	0
8. Other					0	0
9. Subtotal	3,362	0	7,820	0	11,182	3,735
10. Medical incentive pools, accruals and disbursements					0	0
11. Totals	3,362	0	7,820	0	11,182	3,735

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

Section A - Paid Claims- Grand Total

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

Section B - Incurred Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior .....	.0	.0	.0	.0	.0
2. 1998 .....	.0	.0	.0	.0	.0
3. 1999	XXX	.0	.0	.0	.0
4. 2000	XXX	XXX	.0	.0	.0
5. 2001	XXX	XXX	XXX	.0	.0
6. 2002	XXX	XXX	XXX	XXX	0

Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. Prior to 1998.....	XXX	.0	.0	XXX	.0	XXX	.0	.0	.0	XXX
2. 1998.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1999.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2000.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2001.....	.0	.0	.0	.0	.0	.0	.8	.0	.8	.0
6. 2002.....	0	0	0	0.0	0	0.0	0	0	0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	8	0	8	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

Section A - Paid Claims - Hospital and Medical

Year in Which Losses Were Incurred	Net Amounts Paid				
	1	2	3	4	5
1. Prior					
2.					
3.	XXX				
4.	XXX	XXX			
5.	XXX	XXX	XXX		
6.	XXX	XXX	XXX	XXX	

Section B - Incurred Claims- Hospital and Medical

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1	2	3	4	5
1. Prior					
2.					
3.	XXX				
4.	XXX	XXX			
5.	XXX	XXX	XXX		
6.	XXX	XXX	XXX	XXX	

Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. Prior to 1998.....	XXX			XXX	.0	XXX			.0	XXX
2. 1998.....				0.0	.0	0.0			.0	0.0
3. 1999.....				0.0	.0	0.0			.0	0.0
4. 2000.....				0.0	.0	0.0			.0	0.0
5. 2001.....				0.0	.0	0.0	8		.8	0.0
6. 2002.....				0.0	.0	0.0			.0	0.0
7. Total (Lines 1 through 6)	XXX	0	0	XXX	0	XXX	8	0	8	XXX
8. Total (Lines 2 through 6)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 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 (Lines 0501 thru 0503 plus 0598)(Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 thru 1103 plus 1198)(Line 11 above)									
(a) Includes \$ premium deficiency reserve.									

NONE

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE QualMed Plans for Health of Ohio and West Virginia, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administration Expenses	3 Investment Expenses	4 Total
1. Rent (\$ for occupancy of own building).....				.0
2. Salaries, wages and other benefits.....				.0
3. Commissions (less \$ ceded plus \$ assumed).....				.0
4. Legal fees and expenses.....				.0
5. Certifications and accreditation fees.....				.0
6. Auditing, actuarial and other consulting services.....				.0
7. Traveling expenses.....				.0
8. Marketing and advertising.....				.0
9. Postage, express and telephone.....				.0
10. Printing and office supplies.....				.0
11. Occupancy, depreciation and amortization.....				.0
12. Equipment.....				.0
13. Cost or depreciation of EDP equipment and software.....				.0
14. Outsourced services including EDP, claims, and other services.....				.0
15. Boards, bureaus and association fees.....				.0
16. Insurance, except on real estate.....				.0
17. Collection and bank service charges.....		1,906	1,100	3,006
18. Group service and administration fees.....				.0
19. Reimbursements by uninsured accident and health plans.....				.0
20. Reimbursements from fiscal intermediaries.....				.0
21. Real estate expenses.....				.0
22. Real estate taxes.....				.0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....		1,403		1,403
23.2 State premium taxes.....				.0
23.3 Regulatory authority licenses and fees.....		1,542		1,542
23.4 Payroll taxes.....				.0
23.5 Other (excluding federal income and real estate taxes).....				.0
24. Investment expenses not included elsewhere.....				.0
25. Aggregate write-ins for expenses.....	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	.0	4,852	1,100 (a)	5,952
27. Add expenses unpaid December 31, prior year.....		45,737		45,737
28. Less expenses unpaid December 31, current year.....		17,039		17,039
29. Amounts receivable related to uninsured accident and health plans, prior year.....				.0
30. Amounts receivable related to uninsured accident and health plans, current year.....				.0
31. Total expenses paid (Lines 26 + 27 - 28 - 29 + 30)	0	33,550	1,100	34,650
DETAIL OF WRITE-INS				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 5,709	5,709
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) 20,318	21,929
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	26,027	27,638
11. Investment expenses		(g) 1,100
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		1,100
17. Net Investment Income - (Line 10 minus Line 16)		26,538
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds					
1.1 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 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	501	3,846	3,345
2. Other Non-Admitted Assets:			
2.1 Bills receivable.....		0	0
2.2 Leasehold improvements.....		0	0
2.3 Cash advanced to or in hands of officers and agents.....		0	0
2.4 Loans on personal security, endorsed or not.....			0
2.5 Commuted commissions.....			0
3. Total (Lines 2.1 to 2.5)	0	0	0
4. Aggregate write-ins for other assets.....	0	1,488	1,488
5. Total (Line 1 plus Lines 3 and Line 4)	501	5,334	4,833
0401. Unrealized Gain or Loss.....		1,488	1,488
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	0	1,488	1,488

Exhibit 2
NONE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

QualMed Plans for Health of Ohio and West Virginia, Inc. (The Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance (the Department). Effective January 1, 2001, the Department 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* (subsequently updated effective March 2001) subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

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

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

C. Accounting Policies

Revenue Recognition - Premium revenue includes HMO and POS premiums from employer groups and individuals who have purchased supplemental benefit coverage, which premiums are based on a predetermined prepaid fee. Revenue is recognized in the month in which the related enrollees are entitled to health care services. Premiums collected in advance are recorded as Received in Advance.

Health Care Services - The cost of health care services is recognized in the period in which services are provided and includes an estimate of the cost of services that have been incurred but not yet reported. Such costs include payments to primary care physicians, specialists, hospitals, outpatient care facilities and the costs associated with managing the extent of such care. The Company estimates the amount of the provision for service costs incurred but not reported using standard actuarial methodologies based upon historical data including the period between the date services are rendered and the date claims are received and paid, denied claim activity, expected medical cost inflation, seasonality patterns and changes in membership. The estimates for service costs incurred but not reported are made on an accrual basis and adjusted in future periods as required. Any adjustments to the prior period estimates are included in the current period. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of claims and losses paid are dependent on future developments, management is of the opinion that the recorded reserves are adequate to cover such costs.

Additional Accounting Policies - The company uses the following additional accounting policies:

1. Bonds are stated at amortized cost. Premiums and discounts are amortized or accreted to investment income using the effective yield method over the contractual lives of the bonds or, in the case of loan-backed bonds, over the estimated life of the bond based upon anticipated prepayments at the date of purchase. Significant changes in prepayment assumptions are accounted for using the prospective adjustment method, based upon prepayment assumptions obtained from Bloomberg Financial Markets, which are consistent with the current interest rate and economic environment. Realized gains and losses on the sale of bonds are determined using the specific identification method.
2. Preferred stocks are stated at cost.
3. The Company has no investment in common stocks.
4. The company has no investment in mortgage loans on real estate.
5. Short-term investments include bonds and commercial paper with maturities of one year or less at the date of acquisition. Short-term investments are stated at amortized cost, which approximates market value. Premiums and discounts on short-term investments are amortized or accreted to net investment income using the effective yield method over the contractual lives of the short-term investments.
6. The Company has no investment in subsidiaries, controlled or affiliated companies.
7. The Company has no ownership interest in joint ventures.
8. The Company has no investments in derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. Correction of Errors

None

B. Cumulative Effect of Changes in Accounting Principles

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance (the Department). Effective January 1, 2001, the Department 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* (subsequently updated effective March 2001) subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of the *NAIC Accounting Practices and Procedures Manual – Version effective January 1, 2001* (subsequently updated effective March 2001) are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased unassigned funds (surplus), of \$0 as of January 1, 2001.

3. BUSINESS COMBINATIONS AND GOODWILL

None

4. DISCONTINUED OPERATIONS

The Company's management notified the West Virginia Department of Insurance that it would exit the West Virginia marketplace effective December 31, 2000. The Company's management notified the Ohio Department of Insurance that it would exit the Eastern Ohio marketplace effective February 4, 2001.

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

The Company does not invest in joint ventures, partnerships or limited liability companies.

7. INVESTMENT INCOME

NOTES TO FINANCIAL STATEMENTS

The Company did not nonadmit any investment income due and accrued on the accompanying financial statements.

8. DERIVATIVE INSTRUMENTS

The Company does not invest in derivative financial instruments.

9. INCOME TAXES

The Company's operations are included in HNI's consolidated federal and state income tax returns. Under HNI's tax allocation method, a tax provision or tax benefit is allocated to the Company based upon a calculation of the Company's income taxes as if it filed separate income tax returns.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

At December 31, 2002, all outstanding shares of the Company are owned by Health Net, Inc. (HNI), a corporation incorporated in the State of Delaware.

A-D, F. Transactions with Affiliates

The Company paid an extraordinary dividend/distribution to the parent company, HNI, on November 20, 2001, totaling \$1,848,000. This was done with permission granted by the Ohio Department of Insurance on November 14, 2001.

The Company is a party to several Interdivisional Activity Agreements with HNI and with affiliates that are also wholly-owned subsidiaries of HNI. Certain business functions and administrative services of the Company are performed by HNI or one of its wholly-owned subsidiaries on behalf of the Company and vice versa. Net expenses incurred by the Company under these agreements totaled \$0 and \$19,711 for the years ended December 31, 2002 and December 31, 2001, respectively, and are included in either health care costs or selling, general, and administrative expenses, as appropriate. As of December 31, 2002 and December 31, 2001, net payables under these agreements totaled \$0 and \$0, respectively.

E. Guarantees

The Company has not made any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that would result in a material contingent exposure of the Company's or any related party's assets or liabilities.

G-J. Investment in Parent, Subsidiaries or Affiliates

The Company does not hold any direct or indirect investment in its Parent, subsidiaries, controlled or affiliated companies and did not recognize any impairment write down for any investments in subsidiaries, controlled or related or liabilities.

11. DEBT

A. Capital Notes

None

B. All Other Debt

None

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATION OTHER POSTRETIREMENT BENEFIT PLANS

None

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATION

NOTES TO FINANCIAL STATEMENTS

1. The Company's authorized capital consists of 1,000,000 shares of \$1.00 par value common stock, of which 1,000,000 shares are issued and outstanding.
2. The Company has no preferred capital stock.
3. Under the Ohio Insurance Code, unless otherwise approved by the Director of the Department, dividends to shareholders may be declared and paid only from earned surplus. Aggregate dividends or other distributions in any consecutive twelve-month period may not exceed the greater of: (a) ten percent of capital and surplus as of the 31st day of December immediately preceding or (b) net income for the twelve-month period ending the 31st day of December immediately preceding. Based on the preceding, ordinary dividends to shareholders in 2003 are limited to \$196,000, however, in no event may a dividend be declared or paid that would reduce capital and surplus below the required minimum net worth set forth in the Ohio Insurance Code.
4. Within the limitations of the preceding paragraph, there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to shareholders.
5. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
6. There are no advances to surplus not repaid.
7. No stock of the Company is being held for special purposes, such as for conversions of preferred stock, employee stock options or stock purchase warrants.
8. The Company does not have any special surplus funds.
9. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a) Net unrealized capital gains or losses	\$	0
b) Nonadmitted asset values	\$	501
c) Provision for unauthorized reinsurance	\$	0
10. The Company has no surplus debentures or similar obligations.
11. The Company had no quasi-reorganization.

14. CONTINGENCIES

A. Contingent Commitments

None

B. Assessments

None

C. All Other Contingencies

The Company is involved in various legal proceedings which are routine to its business. In the opinion of management, based upon current facts and circumstances known by the Company, the resolution of these matters should not have a material adverse effect on the financial position or results of operations of the Company.

A *qui tam* action has been filed against several HMOs and related entities. The action is pending before the United States District Court for the District of Colorado and is currently under seal. The United States government has declined to intervene in the action. Given the fact that the action is sealed, no further information about the action may be disclosed at this time.

15. LEASES

None

NOTES TO FINANCIAL STATEMENTS

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL CONCENTRATIONS OF CREDIT RISK

None

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

None

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED AND REINSURED PLANS

None

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS

None

20. OTHER ITEMS

A. Extraordinary Items

None

B. Troubled Debt Restructuring

None

C. Other Disclosures

Under the laws of the States of Ohio and West Virginia, the Company is required to maintain deposits amounting to \$350,000. A certificate of deposit and interest-bearing US Treasury bill in the amount of \$426,938 and \$421,718 at December 31, 2002 and 2001, respectively, were on deposit for the benefit of plan members as required by the Ohio and West Virginia Insurance Codes. Further details with respect to this deposit are presented in Schedule E – Part 2 of this filing.

D. Uncollectible Balances

None

E. Reinsurance Accounted for as a Deposit

None

F. Multiple Peril Crop Insurance

None

G. Mezzanine Real Estate Loans

None

H. Health Care Receivables

None

I. September 11th Events

1. The Company has recognized no losses or related reinsurance recoveries as a result of the September 11th terrorist attacks.
2. Management is not aware of any material contingencies related to the September 11th terrorist attacks that would reasonably be expected to impact the Company's financial statements in the near term.
3. Management is not aware of any other disclosures with respect to risks and uncertainties related to the September 11th terrorist attacks that should be disclosed in accordance with SAP.
4. Management is not aware that the Company is obligated with respect to any environmental remediation resulting from the September 11th terrorist attacks.

NOTES TO FINANCIAL STATEMENTS

21. EVENTS SUBSEQUENT

None

22. REINSURANCE

None

23. RETROSPECTIVELY RATED CONTRACTS

None

24. ORGANIZATION AND OPERATION

QualMed Plans for Health of Ohio and West Virginia, Inc., is a federally qualified, state licensed health maintenance organization (HMO). The Company no longer markets its health care programs and ceased operations on February 4, 2001.

25. SALVAGE AND SUBROGATION

Loss reserves reported at December 31, 2002 and December 31, 2001 on the accompanying financial statements have not been reduced for salvage and subrogation.

26. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

No changes in the reserves for incurred claims or claims adjustment expenses reported at December 31, 2002 and December 31, 2001, respectively, on the accompanying financial statements are attributable to insured events of prior years.

27. MINIMUM NET WORTH

Under the laws of the State of Ohio, the Company is required to maintain minimum net worth equal to at least one hundred ten per cent of the liabilities of the corporation. However, at no time shall the corporation's net worth be less than one million seven hundred thousand dollars.

Net worth reported at December 31, 2002 on the accompanying financial statements is \$1,955,637. Required net worth at December 31, 2002 is \$1,700,000.

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 .....		.0 000		.0 000
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		.0 000		.0 000
1.22 Issued by U.S. government sponsored agencies .....		.0 000		.0 000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....		.0 000		.0 000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....		.0 000		.0 000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		.0 000		.0 000
1.43 Revenue and assessment obligations .....		.0 000		.0 000
1.44 Industrial development and similar obligations .....		.0 000		.0 000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA .....		.0 000		.0 000
1.512 Issued by FNMA and FHLMC .....		.0 000		.0 000
1.513 Privately issued .....		.0 000		.0 000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....		.0 000		.0 000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	64,230	7.192	64,230	3.093
1.523 All other privately issued .....		.0 000		.0 000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....		.0 000		.0 000
2.2 Unaffiliated foreign securities .....		.0 000		.0 000
2.3 Affiliated securities .....		.0 000		.0 000
3. Equity interests:				
3.1 Investments in mutual funds	101,795	11.399	101,795	4.902
3.2 Preferred stocks:				
3.21 Affiliated .....		.0 000		.0 000
3.22 Unaffiliated .....		.0 000		.0 000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		.0 000		.0 000
3.32 Unaffiliated .....		.0 000		.0 000
3.4 Other equity securities:				
3.41 Affiliated .....		.0 000		.0 000
3.42 Unaffiliated .....		.0 000		.0 000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		.0 000		.0 000
3.52 Unaffiliated .....		.0 000		.0 000
4. Mortgage loans:				
4.1 Construction and land development .....		.0 000		.0 000
4.2 Agricultural .....		.0 000		.0 000
4.3 Single family residential properties .....		.0 000		.0 000
4.4 Multifamily residential properties .....		.0 000		.0 000
4.5 Commercial loans .....		.0 000		.0 000
5. Real estate investments:				
5.1 Property occupied by the company .....		.0 000	0	.0 000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt) .....		.0 000	0	.0 000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt) .....		.0 000	0	.0 000
6. Policy loans .....		.0 000		.0 000
7. Receivables for securities .....		.0 000	0	.0 000
8. Cash and short-term investments	727,026	81.409	1,910,742	92.006
9. Other invested assets .....		.0 000		.0 000
10. Total invested assets	893,051	100.000	2,076,767	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 1.3 State Regulating? OHIO.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change:
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1997
- 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.12/31/1997
- 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).06/01/1998
- 3.4 By what department or departments? OHIO DEPARTMENT OF INSURANCE
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 NONE.....
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?
 Donald J. Martineau, Deloitte and Touche LLP, Two Hilton Court, Parsippany, NJ 07054.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers .. \$.....
- 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 of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others \$.....
- 15.22 Borrowed from others \$.....
- 15.23 Leased from others \$.....
- 15.24 Other \$.....
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] 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	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
					[]	[]	[]	[]
Preferred								
Common	1,000,000	1,000,000	1.000	XXX	XXX	XXX	XXX	XXX

18.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes [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 other securities restricted as to sale	\$
19.29	Other	\$

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

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

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

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA []
If no, attach a description with this statement.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
BANC ONE SECURITIES.....	WHEELING, WV.....

GENERAL INTERROGATORIES

(continued)
INVESTMENT

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

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

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

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

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

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

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

OTHER

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

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 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 departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

GENERAL INTERROGATORIES

(continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives \$0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives \$0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives \$0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives \$0
- 2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 2.2 If yes, give particulars:
- 3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes [X] No []
- 3.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
- 4.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 4.2 If no, explain:
 THERE ARE NO POLICYHOLDERS
- 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:
 Provider contracts contain "hold harmless" language approved by the Department of Health. Also, the HMO has an insolvency rider on the insurance policy
- 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 year0
- 7.2 Number of providers at end of reporting year0
- 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 months0
- 8.22 Business with rate guarantees over 36 months0
- 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contract? Yes [] No [X]
- 9.2 If yes:
- 9.21 Maximum amount payable bonuses \$
- 9.22 Amount actually paid for year bonuses \$
- 9.23 Maximum amount payable withholds \$
- 9.24 Amount actually paid for year withholds \$
10. List service areas in which reporting entity is licensed to operate:

GENERAL INTERROGATORIES

(continued)

PART 2 - HEALTH INTERROGATORIES

1 Name of Service Area
Belmont County, OH.....
Columbiana County, OH.....
Guernsey County, OH.....
Hancock County, OH.....
Harrison County, OH.....
Jefferson County, OH.....
Mahoning County, OH.....
Monroe County, OH.....
Muskingham County, OH.....
Stark County, OH.....
Trumbull County, OH.....
Washington County, OH.....
Boone County, WV.....
Brooke County, WV.....
Clay County, WV.....
Doddridge County, WV.....
Harrison County, WV.....
Kanawha County, WV.....
Lewis County, WV.....
Lincoln County, WV.....
Marion County, WV.....
Marshall County, WV.....
Monongalia County, WV.....
Ohio County, WV.....
Pleasants County, WV.....
Preston County, WV.....
Putnam County, WV.....
Taylor County, WV.....
Tyler County, WV.....
Wetzel County, WV.....
Wood County, WV.....

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	2,078,378	2,096,431	4,638,897	7,918,207	11,060,345
2. Total liabilities (Page 3, Line 18)	122,741	154,002	1,164,398	3,361,535	8,250,932
3. Statutory surplus	10,885,573	10,885,573	12,733,572	12,733,572	12,733,572
4. Total capital and surplus (Page 3, Line 26)	1,955,637	1,942,429	3,474,499	4,556,672	2,809,413
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	0	66,819	9,944,885	19,542,210	25,441,257
6. Total medical and hospital expenses (Line 17)	7,447	23,594	10,754,042	15,557,791	29,307,351
7. Total administrative expenses (Line 19)	4,852	34,890	1,546,170	3,628,078	2,886,781
8. Net underwriting gain (loss) (Line 22)	(12,299)	8,335	0	0	0
9. Net investment gain (loss) (Line 25)	26,538	143,810	0	0	0
10. Total other income (Lines 26 plus 27)	0	0	220,483	336,965	424,968
11. Net income (loss) (Line 30)	9,255	152,145	(1,531,021)	1,083,135	(5,136,773)
RISK - BASED CAPITAL ANALYSIS					
12. Total adjusted capital	1,955,637	1,942,429	3,474,499	4,556,672	2,824,485
13. Authorized control level risk-based capital	750,075	350,147	743,440	1,079,645	1,095,447
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	0	0	1,779	9,384	14,349
15. Total member months (Column 6, Line 7)	0	174	56,893	129,227	201,346
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 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)	0.0	35.3	110.6	81.0	117.2
18. Total underwriting deductions (Line 21)	0.0	87.5	0.0	0.0	0.0
19. Total underwriting gain (loss) (Line 22)	0.0	12.5	0.0	0.0	0.0
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	11,182	614,782	0	0	0
21. Estimated liability of unpaid claims – [prior year (Line 11, Col. 6)]	3,735	683,747	2,542,959	4,590,479	7,091,687

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)	0	0	0	0	0
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
26. Affiliated mortgage loans on real estate		0	0	0	0
27. All other affiliated		0	0	0	0
28. Total of above Lines 22 to 27	0	0	0	0	0

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	0	0	0
	2. Canada	0	0	0
	3. Other Countries	0	0	0
	4. Totals	0	0	0
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0
	6. Canada	0	0	0
	7. Other Countries	0	0	0
	8. Totals	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0
	10. Canada	0	0	0
	11. Other Countries	0	0	0
	12. Totals	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	0	0	0
	14. Canada	0	0	0
	15. Other Countries	0	0	0
	16. Totals	0	0	0
Public Utilities (unaffiliated)	17. United States	0	0	0
	18. Canada	0	0	0
	19. Other Countries	0	0	0
	20. Totals	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	64,230	64,230	63,818
	22. Canada	0	0	0
	23. Other Countries	0	0	0
	24. Totals	64,230	64,230	63,818
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0
	26. Total Bonds	64,230	64,230	63,818
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States	0	0	0
	28. Canada	0	0	0
	29. Other Countries	0	0	0
	30. Totals	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0
	32. Canada	0	0	0
	33. Other Countries	0	0	0
	34. Totals	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0
	36. Canada	0	0	0
	37. Other Countries	0	0	0
	38. Totals	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0
	40. Total Preferred Stocks	0	0	0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States	0	0	0
	42. Canada	0	0	0
	43. Other Countries	0	0	0
	44. Totals	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0
	46. Canada	0	0	0
	47. Other Countries	0	0	0
	48. Totals	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States	101,795	101,795	101,795
	50. Canada	0	0	0
	51. Other Countries	0	0	0
	52. Totals	101,795	101,795	101,795
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0
	54. Total Common Stocks	101,795	101,795	101,795
	55. Total Stocks	101,795	101,795	101,795
	56. Total Bonds and Stocks	166,025	166,025	165,613

(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	204,876	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3	407,122	6.1 Column 17, Part 1
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1
3.1 Column 16, Part 1	(39)	6.3 Column 11, Part 2, Sec. 2
3.2 Column 12, Part 2, Sec. 1	0	6.4 Column 11, Part 4
3.3 Column 10, Part 2, Sec. 2	0	
3.4 Column 10, Part 4	(280)	7. Book/adjusted carrying value at end of current period
4. Total gain (loss), Col. 14, Part 4	(319)	166,025
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	445,654	8. Total valuation allowance
		166,025
		9. Subtotal (Lines 7 plus 8)
		166,025
		10. Total nonadmitted amounts
		166,025
		11. Statement value of bonds and stocks, current period
		166,025

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

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

NONE

Explanation of basis of allocation by states, premiums by state, etc.:

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

