



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2002
of the Condition and Affairs of the

Medical Health Insuring Corporation of Ohio

NAIC Group Code..... 730, 730 (Current Period) (Prior Period) NAIC Company Code..... 95828 Employer's ID Number..... 34-1442712

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO Country of Domicile USA

Licensed as Business Type Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Date Incorporated or Organized..... July 13, 1984 Date Commenced Business..... January 1, 1985

Statutory Home Office 2060 E. 9th Street..... Cleveland Oh 44115-1355
(Street and Number) (City or Town, State and Zip Code)

Address of Main Administrative Office 2060 E. 9th Street..... Cleveland Oh 44115-1355 216-687-7000
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 2060 E. 9th Street..... Cleveland Oh 44115-1355
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 2060 E. 9th Street..... Cleveland Oh 44115-1355 216-687-7000
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.mmoh.com

Statement Contact Meg Sommers 216-687-7390
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(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President KENT W. CLAPP Treasurer VACANT Secretary VACANT

VICE PRESIDENTS

SUSAN M. TYLER, EVP JOHN S. DORRELL, ESQ

DIRECTORS OR TRUSTEES

Kent W. Clapp	Paul Beddia	Ralph E. Schey	Glenna Watson
Samuel H. Miller	James V. Patton	David Young	Charles A. Bryan

State of..OHIO.....
County of...CUYAHOGA..

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) KENT W. CLAPP _____ (Printed Name) President	_____ (Signature) VACANT _____ (Printed Name) Secretary	_____ (Signature) SUSAN M. TYLER _____ (Printed Name) EVP & CFO
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Subscribed and sworn to before me this

.....day of, 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.....

Medical Health Insuring Corporation of Ohio

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds.....	20,394,820		20,394,820	430,631
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.0 encumbrances).....			(a) 0	
4.2 Properties held for the production of income (less \$.0 encumbrances).....			0	
4.3 Properties held for sale (less \$.0 encumbrances).....			0	
5. Cash (\$....34,723,749, Schedule E, Part 1) and short-term investments (\$.....0, Schedule DA, Part 2).....	34,723,749		34,723,749	40,556,222
6. Other long-term invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotal cash and invested assets (Lines 1 to 8).....	55,118,569	0	55,118,569	40,986,853
10. Accident and health premiums due and unpaid.....	2,026,295		2,026,295	6,245,127
11. Health care receivables.....	1,289,227	1,142,273	146,954	1,783,065
12. Amounts recoverable from reinsurers.....	79,972		79,972	
13. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
14. Investment income due and accrued.....	258,080		258,080	17,943
15. Amounts due from parent, subsidiaries and affiliates.....			0	2,632,392
16. Amounts receivable relating to uninsured accident and health plans.....			0	
17. Furniture and equipment.....			0	
18. Amounts due from agents.....			0	
19. Federal and foreign income tax recoverable and interest thereon (including \$....830,000 net deferred tax asset).....	830,000		830,000	
20. Electronic data processing equipment and software.....			0	
21. Other nonadmitted assets.....			0	
22. Aggregate write-ins for other than invested assets.....	0	0	0	500,000
23. Total assets (Lines 9 plus 10 through 22).....	59,602,143	1,142,273	58,459,870	52,165,380

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2201. Deposits.....			0	500,000
2202.			0	
2203.			0	
2298. Summary of remaining write-ins for Line 22 from overflow page.....	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above).....	0	0	0	500,000

(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).....	22,411,522		22,411,522	29,832,810
2. Accrued medical incentive pool and bonus payments.....	275,000		275,000	498,300
3. Unpaid claims adjustment expenses.....	640,635		640,635	974,365
4. Aggregate policy reserves.....			0	
5. Aggregate claim reserves.....			0	
6. Premiums received in advance.....	460,667		460,667	958,159
7. General expenses due or accrued.....			0	
8. Federal and foreign income tax payable and interest thereon (including \$.....0 (on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	200,000		200,000	
9. Amounts withheld or retained by company for the account of others.....			0	
10. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
11. Amounts due to parent, subsidiaries and affiliates.....	461,588		461,588	
12. Payable for securities.....			0	
13. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
14. Reinsurance in unauthorized companies.....			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
16. Liability for amounts held under uninsured accident and health plans.....			0	
17. Aggregate write-ins for other liabilities (including \$.....0 current).....	4,296,490	0	4,296,490	3,505,176
18. Total liabilities (Lines 1 to 17).....	28,745,902	0	28,745,902	35,768,810
19. Common capital stock.....	XXX	XXX	4,000,000	4,000,000
20. Preferred capital stock.....	XXX	XXX		
21. Gross paid in and contributed surplus.....	XXX	XXX	76,757,163	76,757,163
22. Surplus notes.....	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
24. Unassigned funds (surplus).....	XXX	XXX	(51,043,195)	(64,360,593)
25. Less treasury stock, at cost:				
25.1 .....0.000 shares common (value included in Line 19 \$.....0).....	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 \$.....0).....	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less Line 25).....	XXX	XXX	29,713,968	16,396,570
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX	XXX	58,459,870	52,165,380

DETAILS OF WRITE-INS

1701. Risk Corridor Reserve.....	20,000		20,000	1,433,000
1702. Provider Payable.....	1,362,570		1,362,570	1,315,313
1703. Accrued Premium Taxes.....	1,532,930		1,532,930	
1798. Summary of remaining write-ins for Line 17 from overflow page.....	1,380,990	0	1,380,990	756,863
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above).....	4,296,490	0	4,296,490	3,505,176
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	838,733	1,501,750
2. Net premium income.....	.XXX	200,967,480	273,699,760
3. Change in unearned premium reserves and reserve for rate credits.....	.XXX		
4. Fee-for-service (net of \$.0 medical expenses).....	.XXX		
5. Risk revenue.....	.XXX		
6. Aggregate write-ins for other health care related revenues.....	.XXX	0	0
7. Total revenues (Lines 2 to 6).....	.XXX	200,967,480	273,699,760
Medical and Hospital:			
8. Hospital/medical benefits.....		72,001,795	115,922,176
9. Other professional services.....		10,577,550	17,118,781
10. Outside referrals.....			
11. Emergency room and out-of-area.....		6,700,568	12,347,304
12. Prescription drugs.....		42,151,890	51,489,899
13. Aggregate write-ins for other medical and hospital.....	0	36,333,852	60,389,891
14. Incentive pool and withhold adjustments.....		81,425	356,570
15. Subtotal (Lines 8 to 14).....	0	167,847,080	257,624,621
Less:			
16. Net reinsurance recoveries.....		422,812	282,406
17. Total medical and hospital (Lines 15 minus 16).....	0	167,424,268	257,342,215
18. Claims adjustment expenses.....		4,390,690	8,222,049
19. General administrative expenses.....		13,989,227	17,653,144
20. Increase in reserves for accident and health contracts.....			
21. Total underwriting deductions (Lines 17 through 20).....	0	185,804,185	283,217,408
22. Total underwriting gain or (loss) (Lines 7 minus 21).....	.XXX	15,163,295	(9,517,648)
23. Net investment income earned.....		1,086,355	1,220,096
24. Net realized capital gains or (losses).....		3,863	
25. Net investment gains or (losses) (Lines 23 plus 24).....	0	1,090,219	1,220,096
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.....	0	(1,375,000)	(340,198)
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27).....	0	14,878,514	(8,637,750)
29. Federal and foreign income taxes incurred.....	.XXX	200,000	
30. Net income (loss) (Lines 28 minus 29).....	.XXX	14,678,514	(8,637,750)

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. Outpatient.....		34,878,478	55,740,996
1302. Care management, Utilization Review and Other.....		1,455,374	4,648,895
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	36,333,852	60,389,891
2701. Other expense, net of other income.....		(1,375,000)	86,531
2702. Write-Off Intangible Assets.....			(426,729)
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	(1,375,000)	(340,198)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year.....	16,396,570	15,953,831
GAINS AND LOSSES TO CAPITAL AND SURPLUS		
32. Net income or (loss) from Line 30.....	14,678,514	(8,637,750)
33. Change in valuation basis of aggregate policy and claim reserves.....		
34. Net unrealized capital gains and losses.....		(1,406)
35. Change in net unrealized foreign exchange capital gain or (loss).....		
36. Change in net deferred income tax.....	830,000	
37. Change in nonadmitted assets.....	(700,970)	2,581,895
38. Change in unauthorized reinsurance.....		
39. Change in treasury stock.....		
40. Change in surplus notes.....		
41. Cumulative effect of changes in accounting principles.....	(1,490,146)	
42. Capital Changes:		
42.1 Paid in.....		
42.2 Transferred from surplus (stock dividend).....		
42.3 Transferred to surplus.....		
43. Surplus adjustments:		
43.1 Paid in.....		6,500,000
43.2 Transferred to capital (stock dividend).....		
43.3 Transferred from capital.....		
44. Dividends to stockholders.....		
45. Aggregate write-ins for gains or (losses) in surplus.....	0	0
46. Net change in capital and surplus (Lines 32 to 45).....	13,317,398	442,739
47. Capital and surplus end of reporting year (Line 31 plus 46).....	29,713,968	16,396,570

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

Medical Health Insuring Corporation of Ohio

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance.....	204,688,820	271,672,648
2. Claims and claims adjustment expenses.....	181,019,758	259,300,873
3. General administrative expenses paid.....	13,989,227	17,653,144
4. Other underwriting income (expenses).....	7,819	6,364,601
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	9,687,654	1,083,232
6. Net Investment income.....	907,413	1,215,563
7. Other income (expenses).....		(340,198)
8. Federal and foreign income taxes (paid) recovered.....		
9. Net cash from operations (Lines 5 to 8).....	10,595,067	1,958,597
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....	1,523,326	400,000
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).....	1,523,326	400,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....	21,544,846	431,260
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).....	21,544,846	431,260
12. Net cash from investments (Line 10.8 minus Line 11.7).....	(20,021,520)	(31,260)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in.....		6,500,000
13.2 Net transfers from affiliates.....	3,093,980	31,292,762
13.3 Borrowed funds received.....		
13.4 Other cash provided.....	500,000	736,123
13.5 Total (Lines 13.1 to 13.4).....	3,593,980	38,528,885
14. Cash applied:		
14.1 Dividends to stockholders paid.....		
14.2 Net transfers to affiliates.....		
14.3 Borrowed funds repaid.....		
14.4 Other applications.....		
14.5 Total (Lines 14.1 to 14.4).....	0	0
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	3,593,980	38,528,885
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15).....	(5,832,473)	40,456,222
17. Cash and short-term investments:		
17.1 Beginning of year.....	40,556,222	100,000
17.2 End of year (Line 16 plus Line 17.1).....	34,723,749	40,556,222

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

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
1. Net premium income.....	200,967,480	184,557,912		147,225			15,627,631		634,712				
2. Change in unearned premium reserves and reserve for rate credit.....	.0												
3. Fee-for-service (net of \$.....0 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).....	200,967,480	184,557,912	.0	147,225	.0	.0	15,627,631	.0	634,712	.0	.0	.0	.0
7. Medical/hospital benefits.....	72,001,795	66,936,377		72,862			5,041,455		(48,899)				
8. Other professional services.....	10,577,550	9,864,708		9,401			707,573		(4,132)				
9. Outside referrals.....	.0												
10. Emergency room and out-of-area.....	6,700,568	6,259,757		3,526			442,233		(4,948)				
11. Prescription drugs.....	42,151,890	38,453,773					3,728,263		(30,146)				
12. Aggregate write-ins for other medical and hospital.....	36,333,852	33,579,807	.0	32,886	.0	.0	2,737,680	.0	(16,521)	.0	.0	.0	.0
13. Incentive pool and withhold adjustments.....	81,425	44,164					37,261						
14. Subtotal (Lines 7 to 13).....	167,847,080	155,138,586	.0	118,675	.0	.0	12,694,465	.0	(104,646)	.0	.0	.0	.0
15. Net reinsurance recoveries.....	422,812	422,812											
16. Total medical and hospital (Lines 14 minus 15).....	167,424,268	154,715,774	.0	118,675	.0	.0	12,694,465	.0	(104,646)	.0	.0	.0	.0
17. Claims adjustment expenses.....	4,390,690	4,095,766		3,503			291,421						
18. General administrative expenses.....	13,989,227	13,392,723		11,159			585,345						
19. Increase in reserves for accident and health contracts.....	.0												
20. Total underwriting deductions (Lines 16 to 19).....	185,804,185	172,204,263	.0	133,337	.0	.0	13,571,231	.0	(104,646)	.0	.0	.0	.0
21. Net underwriting gain or (loss) (Line 6 minus Line 20).....	15,163,295	12,353,649	.0	13,888	.0	.0	2,056,400	.0	739,358	.0	.0	.0	.0

DETAILS OF WRITE-INS

0501. ....	.0												
0502. ....	.0												
0503. ....	.0												
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. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1201. Outpatient.....	34,878,478	32,209,872		31,730			2,653,397		(16,521)				
1202. Care management, Utilization Review and Other.....	1,455,374	1,369,935		1,156			84,283						
1203. ....	.0												
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. Total (Lines 1201 thru 1203 plus 1298) (Line 12 above).....	36,333,852	33,579,807	.0	32,886	.0	.0	2,737,680	.0	(16,521)	.0	.0	.0	.0

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).....	184,633,392		75,480	184,557,912
2. Medicare supplement.....	147,225			147,225
3. Dental only.....				0
4. Vision only.....				0
5. Federal employees health benefits plan premiums.....	15,627,631			15,627,631
6. Title XVIII - Medicare.....				0
7. Title XIX - Medicaid.....	634,712			634,712
8. Other.....				0
9. Totals.....	201,042,960	0	75,480	200,967,480

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct.....	175,186,943	161,319,897	112,692			12,803,665		950,689	
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	342,840	342,840							
1.4 Net.....	174,844,103	160,977,057	112,692	0	0	12,803,665	0	950,689	0
2. Paid medical incentive pools and bonuses.....	304,725	250,596				54,129			
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct.....	22,411,522	20,918,613	25,698			1,457,211		10,000	
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	22,411,522	20,918,613	25,698	0	0	1,457,211	0	10,000	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.....	275,000	237,739				37,261			
6. Amounts recoverable from reinsurers December 31, current year.....	79,972	79,972							
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct.....	29,832,810	27,144,088	19,715			1,603,672		1,065,335	
7.2 Reinsurance assumed.....	0								
7.3 Reinsurance ceded.....	0								
7.4 Net.....	29,832,810	27,144,088	19,715	0	0	1,603,672	0	1,065,335	0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct.....	0								
8.2 Reinsurance assumed.....	0								
8.3 Reinsurance ceded.....	0								
8.4 Net.....	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year.....	498,300	444,171				54,129			
10. Amounts recoverable from reinsurers December 31, prior year.....	0								
11. Incurred benefits:									
11.1 Direct.....	167,765,655	155,094,422	118,675	0	0	12,657,204	0	(104,646)	0
11.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded.....	422,812	422,812	0	0	0	0	0	0	0
11.4 Net.....	167,342,843	154,671,610	118,675	0	0	12,657,204	0	(104,646)	0
12. Incurred medical incentive pools and bonuses.....	81,425	44,164	0	0	0	37,261	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in process of adjustment:									
1.1 Direct.....	.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.....	22,411,522	20,918,613	25,698			1,457,211		10,000	
2.2 Reinsurance assumed.....	.0								
2.3 Reinsurance ceded.....	.0								
2.4 Net.....	22,411,522	20,918,613	25,698	.0	.0	1,457,211	.0	10,000	.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.....	22,411,522	20,918,613	25,698	.0	.0	1,457,211	.0	10,000	.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.....	22,411,522	20,918,613	25,698	.0	.0	1,457,211	.0	10,000	.0

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 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).....	23,968,020	136,929,065	1,294,013	19,624,600	25,262,033	27,144,088
2. Medicare supplement.....	30,752	81,940		25,698	30,752	19,715
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan premiums.....	1,660,974	11,142,691	7,363	1,449,848	1,668,337	1,603,672
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....	950,689		10,000		960,689	1,065,335
8. Other.....					0	
9. Subtotal.....	26,610,435	148,153,696	1,311,376	21,100,146	27,921,811	29,832,810
10. Medical incentive pools, accruals and disbursements.....	304,725			275,000	304,725	498,300
11. Totals.....	26,915,160	148,153,696	1,311,376	21,375,146	28,226,536	30,331,110

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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.....	XXX				
4. 2000.....	XXX	XXX			
5. 2001.....	XXX	XXX	XXX	13,818	15,529
6. 2002.....	XXX	XXX	XXX	XXX	11,143

SECTION B - INCURRED CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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.....	XXX				
4. 2000.....	XXX	XXX			
5. 2001.....	XXX	XXX	XXX	15,460	15,537
6. 2002.....	XXX	XXX	XXX	XXX	12,630

SECTION C - INCURRED YEAR CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
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.....	15,157	15,529	150	1.0	15,679	103.4	7		15,686	103.5
6. 2002.....	15,628	11,143	146	1.3	11,289	72.2	1,487	42	12,818	82.0
7. Total (Lines 1 through 6).....	XXX	26,672	296	XXX	26,968	XXX	1,494	42	28,504	XXX
8. Total (Lines 2 through 6).....	30,785	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

12.FE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....	NONE				
2. 1998.....					
3. 1999.....					
4. 2000.....					
5. 2001.....					
6. 2002.....					

SECTION B - INCURRED CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....	NONE				
2. 1998.....					
3. 1999.....					
4. 2000.....					
5. 2001.....					
6. 2002.....					

SECTION C - INCURRED YEAR CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

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

12.XV

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves.....	0								
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	0								
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	0	0	0	0	0	0	0	0	0
CLAIM RESERVE									
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	NONE							
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 5).....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0595) (Line 5 above).....	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 11911) (Line 11 above).....	0	0	0	0	0	0	0	0	0

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(a) Includes \$.....0 premium deficiency reserve.

Medical Health Insuring Corporation of Ohio 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).....	240,613	720,850		961,463
2. Salaries, wages and other benefits.....	2,041,193	4,891,380		6,932,573
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....		2,088,979		2,088,979
4. Legal fees and expenses.....		456,890		456,890
5. Certifications and accreditation fees.....				0
6. Auditing, actuarial and other consulting services.....	25,907	277,486		303,393
7. Traveling expenses.....	24,026	258,110		282,136
8. Marketing and advertising.....		127,646		127,646
9. Postage, express and telephone.....	351,106	179,278		530,384
10. Printing and office supplies.....	88,642	192,214		280,856
11. Occupancy, depreciation and amortization.....				0
12. Equipment.....	10,385	161,859		172,244
13. Cost or depreciation of EDP equipment and software.....	1,145,064	2,086,845		3,231,909
14. Outsourced services including EDP, claims, and other services.....	305,375	631,902		937,277
15. Boards, bureaus and association fees.....	159	10,936		11,095
16. Insurance, except on real estate.....		92,086		92,086
17. Collection and bank service charges.....				0
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.....				0
23.2 State premium taxes.....		1,532,930		1,532,930
23.3 Regulatory authority licenses and fees.....		7,534		7,534
23.4 Payroll taxes.....	158,220	272,302		430,522
23.5 Other (excluding federal income and real estate taxes).....				0
24. Investment expenses not included elsewhere.....			4,903	4,903
25. Aggregate write-ins for expenses.....	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	4,390,690	13,989,227	4,903	(a).....18,384,820
27. Add expenses unpaid December 31, prior year.....	974,365			974,365
28. Less expenses unpaid December 31, current year.....	640,635			640,635
29. Amounts receivable relating to uninsured accident and health plans, prior year.....				0
30. Amounts receivable relating to uninsured accident and health plans, current year.....				0
31. Total expenses paid (Lines 26 plus 27 minus 28 minus 29 plus 30).....	4,724,420	13,989,227	4,903	18,718,550

DETAILS OF WRITE-INS

2501.				0
2502.				0
2503.				0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....226,367	.....314,684
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....220,060	.....323,613
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).....453,640	.....452,960
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....900,067	.....1,091,257
11. Investment expenses.....	.....	(g).....4,903
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).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....4,903
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,086,354

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 thru 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. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....249,576 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 \$.....0 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 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. government bonds.....	.....3,863	.....	.....	.....	.....3,863
1.1 Bonds exempt from U.S. tax.....0
1.2 Other bonds (unaffiliated).....0
1.3 Bonds of affiliates.....0
2.1 Preferred stocks (unaffiliated).....0
2.11 Preferred stocks of affiliates.....0
2.2 Common stocks (unaffiliated).....0
2.21 Common stocks of affiliates.....0
3. Mortgage loans.....0
4. Real estate.....0
5. Contract loans.....0
6. Cash/short-term investments.....0
7. Derivative instruments.....0
8. Other invested assets.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....3,863	.....0	.....0	.....0	.....3,863

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....	.....	.....0
0902. ....	.....	.....	.....	.....	.....0
0903. ....	.....	.....	.....	.....	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page..	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 10 to 16 and 19 to 20, Column 2.....	1,142,274	441,304	(700,970)
2. Other nonadmitted assets:			
2.1 Bills receivable.....			0
2.2 Leasehold improvements.....			0
2.3 Cash advanced to or in hands of officers and agents.....			0
2.4 Loans on personal security, endorsed or not.....			0
2.5 Commuted commissions.....			0
3. Total (Lines 2.1 to 2.5).....	0	0	0
4. Aggregate write-ins for other than invested assets.....	0	0	0
5. Total (Line 1 plus Lines 3 and 4).....	1,142,274	441,304	(700,970)

DETAILS OF WRITE-INS

0401.			0
0402.			0
0403.			0
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	0	0

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.....	100,860	76,819	74,880	65,421	59,579	838,733
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total.....	100,860	76,819	74,880	65,421	59,579	838,733

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.0	.0	.0	.0	.0	.0

Medical Health Insuring Corporation of Ohio

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of Medical Health Insuring Corporation of Ohio (the Company) have been prepared in accordance with the NAIC's *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance (ODI).

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

The preparation of financial statements of insurance companies requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

C. Accounting Policy

Premiums - Premiums are earned pro rata over the terms of the policies. Premium payments received prior to the period of coverage are classified as premiums received in advance.

Cash and Invested Assets - Cash equivalents are short-term, highly liquid investments with original maturities of one year or less at the time of acquisition and are principally stated at amortized cost. Investments in bonds are reported at amortized cost or market value based on their National Association of Insurance Commissioners (NAIC) rating. Bonds are stated at amortized cost using the interest method. Realized capital gains and losses are determined using the first-in, first-out cost method for investments sold.

Nonadmitted Assets - Certain assets designated as "nonadmitted", principally provider receivables, not identified as admitted assets in the NAIC Accounting Practices and Procedures Manual, are excluded from the accompanying balance sheets and are charged directly to capital and surplus.

Unpaid Claims and Claims Adjustment Expenses - Unpaid claims represent management's best estimate of the liability for claims reported to the Company but not yet paid, plus the liability for claims incurred but not yet reported, less the amount for estimated claim overpayments and subrogation. Claim adjustment expenses represent the estimated adjustment expenses related to those claims. The unpaid claim liability is actuarially estimated based on a review of historical claim payment patterns and claim trends. The estimates are subject to the effects of trends in claim severity and frequency, and a reasonable allowance for adverse development has been incorporated in management's best estimate.

Although considerable variability is inherent in such estimates, management believes that the amounts reported for unpaid claims and claim adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

Data Processing Software - Depreciation and amortization for data processing software has been provided over the estimated useful lives of the assets using the straight-line method. There was no depreciation expense in 2002, as all software was either sold or fully depreciated at December 31, 2001.

Risk Corridor Reserve - The risk corridor reserve represents the estimated liability for claims costs that exceed contractually defined thresholds in connection with certain hospital provider arrangements. These costs are accrued in the period in which health care services are provided to a member and are based on estimation techniques similar to those used by management in establishing unpaid claims liabilities.

Reclassifications - Certain amounts in the 2001 financial statements have been reclassified to conform to the 2002 method of presentation.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

A. Describe material changes in accounting principles and/or correction of errors.

During 2002, the Company changed its method of accounting for premium taxes from accruing the related liability based on the lien date to accrual during the period in which the premiums are earned. The cumulative effect of this change in accounting principle resulted in a reduction in capital and surplus of \$1,490,000 as of January 1, 2002.

B. Disclose the cumulative effect of changes in accounting principles as a result of the initial implementation of Codification.

There was \$0 effect on capital and surplus as a result of the initial implementation of codification.

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4. DISCONTINUED OPERATIONS

Not applicable

5. INVESTMENTS

Not applicable

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable

Medical Health Insuring Corporation of Ohio

NOTES TO FINANCIAL STATEMENTS

7. INVESTMENT INCOME

(A) The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued,

Not applicable

(B) The total amount excluded.

Not applicable

8. DERIVATIVE INSTRUMENTS

Not applicable

9. INCOME TAXES

The Company is taxed as a stock property and casualty insurance company and files a consolidated federal income tax return with its Parent, Medical Mutual of Ohio (MMO) and other MMO subsidiaries. Under a written tax sharing agreement, the Company pays or receives refunds from MMO for the amount of taxes or benefits determined as if the Company filed a separate return. There was no amount due to the Parent for federal income tax at December 31, 2001 and 2002.

The Company generated net operating losses for tax purposes in 2001 and accordingly, no federal income taxes were paid or payable to MMO in 2001. The Company's effective tax rate is different from the statutory rate primarily due to the use of net operating losses. No federal tax was paid in 2002 or 2001.

At December 31, 2002, the Company had net operating loss carryforwards for federal income tax purposes of approximately \$25,500,000 expiring through 2019.

Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31	
	2002	2001
	<i>(In Thousand)</i>	
Deferred tax assets:		
Claims and other reserves	\$ 930	\$ 1,246
Net operating losses	8,900	12,950
Taxes and other items	830	173
Total deferred tax assets	10,660	14,369
Less amount not admitted	9,830	14,369
Admitted tax asset	\$ 830	\$ -

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial statement purposes and the amounts used for income taxes.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

The Company is a wholly-owned subsidiary of Medical Mutual of Ohio (MMO). MMO and certain other MMO subsidiaries provide certain administrative services including billing, accounting, marketing, provider relations, claims adjudication, and management information systems to the Company. In 2002 and 2001, charges to the Company for these services totaled \$14,961,000 and \$21,390,000, respectively. The Company paid MMO approximately \$1,150,000 and \$2,335,000 for care management and other utilization review services provided during 2002 and 2001, respectively. During 2002, net transfers between MMO and the Company to settle intercompany balances totaled approximately \$14,498,000.

11. DEBT

Not applicable

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

Not applicable

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

(1) The Company has 25,000 shares authorized; 10,000 shares issued and outstanding. All shares have a par value of \$400.

(2) The Company has no preferred stock outstanding.

(3) The Company may not declare or pay dividends unless its net worth is in excess of certain limits established by the ODI specifically for the Company.

(4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

NOTES TO FINANCIAL STATEMENTS

(5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(6) There were no advances to surplus not repaid.

(7) The total amount of stock held by the company, including stock of affiliated companies, for special purposes such as:

a. Conversion of preferred stock

Not applicable.

b. Employee stock options

Not applicable.

c. Stock purchase warrants;

Not applicable.

(8) A description of the reasons for changes in the balances of any special surplus funds from the prior period.

Not applicable.

(9) The portion of unassigned funds (surplus) represented or reduced by each of the following items:

a. Unrealized gains and losses: \$678,095

b. Nonadmitted asset values: \$1,142,273

c. Provision for reinsurance.

Not applicable.

(10) Surplus Notes

Not applicable

(11) The impact of the restatement in a quasi-reorganization as long as financial statements for the period of the reorganization are presented.

Not applicable.

(12) The effective date of a quasi-reorganization for a period of ten years following the reorganization.

Not applicable.

14. CONTINGENCIES

A. Contingent Commitments

The Company provides health coverage to federal employees under the Federal Employees Health Benefits Program (FEHBP). Under the terms of the contract, the Company has a deficit carryforward in the amount of \$3.0 million at December 31, 2002. Management does not expect to pay FEHBP any of the deficit carryforward balance. However, should the FEHBP contract with the Company terminate, it is reasonably possible that the Company will be required to pay all or portion to FEHBP. No accrual of a liability has been reflected in the accompanying financial statements at December 31, 2002.

Various lawsuits against the Company have arisen in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty at this time, management believes they will not have a material adverse effect on the Company's financial position.

B. Assessments

Not applicable

C. Gain Contingencies

Not applicable

D. All Other Contingencies

Not applicable

15. LEASES

Not applicable

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

Not applicable

20. OTHER ITEMS**A. Extraordinary Items**

Not applicable

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

During 2001, the Company decided to cease operations in the Medicaid market. Effective January 1, 2002, the Company has no Medicaid enrollees. Premium and claims attributed to Medicaid business in 2001 were \$42,874,000 and \$38,728,000, respectively.

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

Asset balances that exceed 90 days are nonadmitted and any balances deemed uncollectible are written off. At December 31, 2002, no material amounts are deemed uncollectible.

21. EVENTS SUBSEQUENT

Not applicable

22. REINSURANCE**A. Unsecured Reinsurance Recoverables**

Not applicable

B. Reinsurance Recoverable in Dispute

Not applicable

C. Reinsurance Assumed and Ceded

The Company entered into a stop loss reinsurance agreement with General Reinsurance Corporation to provide coverage for claims in excess of \$750,000 up to \$2,000,000 per covered person for all at-risk business. The Company remains obligated for amounts ceded in the event that the reinsurer does not meet its obligation. Amounts recoverable under this agreement during 2002 were \$422,000.

In 2001, MMO provided stop loss reinsurance to the Company for certain Medicaid claims. Premiums paid to MMO related to this agreement were \$938,000 during 2001, and the claims ceded to MMO were \$282,000 for the same period. The Company remains obligated for amounts ceded in the event that MMO cannot meet its obligation.

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable

24. SALVAGE AND SUBROGATION

The reserve for unpaid claims and unpaid claim adjustment expenses at December 31, 2002 and 2001 has been reduced by \$360,000 and \$905,000 respectively, related to anticipated subrogation claims recoverable.

Medical Health Insuring Corporation of Ohio
NOTES TO FINANCIAL STATEMENTS

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

As indicated in the Underwriting and Investment Exhibit - Parts 2B and 2C, the estimated liability for claims and CAE at December 31, 2002 and 2001 exceeded the actual incurred claims. The redundancies are due to actual claim trends emerging at lower levels than anticipated.

26. ORGANIZATION AND OPERATION

The Company is a for-profit health maintenance organization which is wholly-owned by MMO, a nonprofit mutual casualty insurance organization. The Company operates principally in the State of Ohio and provides health insurance and health care management.

27. MINIMUM NET WORTH

The Company is subject to certain Risk-Based Capital (RBC) requirements specified by the NAIC as modified by the ODI in accordance with House Bill 714. Under those requirements, the amount of capital and surplus maintained by the Company is determined based on various risk factors. At December 31, 2002, the Company meets the RBC requirements as modified by ODI. MMO has guaranteed that the Company will maintain the minimum capital and surplus as required by Ohio Law.

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.....		0.0		0.0
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	10,546,424	19.1	10,546,424	19.1
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....		0.0		0.0
1.512 Issued by FNMA and FHLMC.....		0.0		0.0
1.513 Privately issued.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....		0.0		0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....		0.0		0.0
1.523 All other privately issued.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	9,848,395	17.9	9,848,395	17.9
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....		0.0		0.0
6. Policy loans.....		0.0		0.0
7. Receivables for securities.....		0.0		0.0
8. Cash and short-term investments.....	34,723,749	63.0	34,723,749	63.0
9. Other invested assets.....		0.0		0.0
10. Total invested assets.....	55,118,568	100.0	55,118,568	100.0

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 [X] 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 [X] No [] N/A []

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. 12/31/2000

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. 12/31/2000

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). 08/15/2001

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 a 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

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.0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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?
Ernst & Young, LLP
925 Euclid Ave. Cleveland OH 44115-1356
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?
Mr. John C. Lloyd, FSA, MAAA Senior Manager Ernst & Young LLP
600 Peach Street NE, Suite 2800 Atlanta, GA 30308
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

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

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers \$.....0
- 14.12 To stockholders not officers \$.....0
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$.....0
- 14.22 To stockholders not officers \$.....0
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 15.1 Were any 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 \$.....0
- 15.22 Borrowed from others \$.....0
- 15.23 Leased from others \$.....0
- 15.24 Other \$.....0
- Disclose in the 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 \$.....0
- 16.22 Amount paid as expenses \$.....0
- 16.23 Other amounts paid \$.....0

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 [].....	Yes [].....No [].....
Common.....	.....25,000,000	.....10,000,000	.....400.00	.....XXX.....	.....XXX.....XXX.....	.....XXX.....XXX.....

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

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

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on 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	\$.....0
19.22 Subject to repurchase agreements	\$.....0
19.23 Subject to reverse repurchase agreements	\$.....0
19.24 Subject to dollar repurchase agreements	\$.....0
19.25 Subject to reverse dollar repurchase agreements	\$.....0
19.26 Pledged as collateral	\$.....0
19.27 Placed under option agreements	\$.....0
19.28 Letter stock or securities restricted as to sale	\$.....0
19.29 Other	\$.....0

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

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

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

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

21.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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
Fifth Third Bank	38 Fountain Square Plaza Cincinnati, OH 45263

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
N/A	Fifth Third Bank	March 2002	New Account Opened

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
6790	Fifth Third Bank	1404 E. 9th St. Cleveland OH. 44114

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$.....0

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
None	

24.1 Amount of payments for legal expenses, if any? \$.....0

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
None	

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

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

1 Name	2 Amount Paid
None	

Medical Health Insuring Corporation of Ohio GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X]	No []
1.2	If yes, indicate premium earned on U.S. business only		\$.....	147,225
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$.....	0
1.31	Reason for excluding			
<hr/>				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$.....	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$.....	118,675
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		\$.....	147,225
1.65	Total incurred claims		\$.....	118,675
1.66	Number of covered lives		.....	71
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:			
<hr/>				
3.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?		Yes [X]	No []
3.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?		Yes []	No [X]
4.1	Does the reporting entity have stop-loss reinsurance?		Yes [X]	No []
4.2	If no, explain:			
<hr/>				
4.3	Maximum retained risk (see instructions):			
4.31	Comprehensive medical		\$.....	750,000
4.32	Medical only		\$.....	0
4.33	Medicare supplement		\$.....	0
4.34	Dental		\$.....	0
4.35	Other limited benefit plan		\$.....	0
4.36	Other		\$.....	0
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: Hold harmless provisions, conversion privileges with parent, covered service provisions.			
<hr/>				
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:			
<hr/>				
7.	Provide the following information regarding participating providers:			
7.1	Number of providers at start of reporting year		.....	18,387
7.2	Number of providers at end of reporting year		.....	20,256
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 the rate guarantees between 15-36 months		\$.....	1,560,231
8.22	Business with rate guarantees over 36 months		\$.....	0
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		\$.....	275,000
9.22	Amount actually paid for year bonuses		\$.....	0
9.23	Maximum amount payable withholds		\$.....	0
9.24	Amount actually paid for year withholds		\$.....	0
10.	List service areas in which reporting entity is licensed to operate:			
	<div style="text-align: center;">1</div> <div style="text-align: center;">Name of Service Area</div> <div style="text-align: center;">Please refer to application for Certificate of Authority</div>			

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).....	58,459,870	51,165,380	56,874,258	46,896,123	40,722,741
2. Total liabilities (Page 3, Line 18).....	28,745,902	34,768,810	40,920,427	31,882,767	28,845,957
3. Statutory surplus.....	25,713,968	12,396,570	11,953,831	11,013,356	7,876,784
4. Total capital and surplus (Page 3, Line 26).....	29,713,968	16,396,570	15,953,831	15,013,356	11,876,784
Income Statement Items (Page 4)					
5. Total revenues (Line 7).....	200,967,480	273,699,760	289,053,245	266,759,075	234,525,794
6. Total medical and hospital expenses (Line 17).....	167,424,268	257,624,621	270,060,706	241,484,644	218,122,965
7. Total administrative expenses (Line 19).....	13,989,227	17,653,144	19,525,239	26,356,362	21,936,976
8. Net underwriting gain (loss) (Line 22).....	15,163,295	(9,517,648)	(8,001,635)	(8,423,448)	(16,042,273)
9. Net investment gain (loss) (Line 25).....	1,090,219	1,220,096	1,978,509	18,236	11,491
10. Total other income (Lines 26 plus 27).....	(1,375,000)	(340,198)	273,350	83,833	
11. Net income or (loss) (Line 30).....	14,678,514	(8,637,750)	(5,749,776)	(8,321,379)	(16,030,782)
Risk-Based Capital Analysis					
12. Total adjusted capital.....	29,713,968	16,396,570	15,953,831	15,013,356	11,876,784
13. Authorized control level risk-based capital.....	5,781,256	7,173,142	8,653,564	6,898,816	5,587,262
Enrollment (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7).....	59,579	100,860	149,834	165,139	173,870
15. Total member months (Column 6, Line 7).....	838,733	1,501,750	1,834,221	1,906,837	1,761,749
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5)					
16. Premiums earned (Lines 2 plus 3).....	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17).....	83.3	94.1	93.4	90.5	93.0
18. Total underwriting deductions (Line 21).....	92.5	103.5	102.8	103.2	106.8
19. Total underwriting gain (loss) (Line 22).....	7.5	(3.5)	(2.8)	(3.2)	(6.8)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5).....	28,226,536	22,941,313	24,607,889	18,698,347	14,875,672
21. Estimated liability of unpaid claims - prior year (Line 11, Col. 6)	30,331,110	24,997,043	23,706,933	17,894,767	13,960,000

Medical Health Insuring Corporation of Ohio

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.....					
28. Total of above Lines 22 to 27.....	0	0	0	0	0

NONE

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.....	10,546,424	10,831,985	10,552,951	10,500,000
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	10,546,424	10,831,985	10,552,951	10,500,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (unaffiliated)	17. United States.....	502,382	545,455	502,840	500,000
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	502,382	545,455	502,840	500,000
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	9,346,013	9,864,998	9,399,622	9,125,000
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	9,346,013	9,864,998	9,399,622	9,125,000
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. Total Bonds.....	20,394,820	21,242,438	20,455,413	20,125,000
PREFERRED STOCKS					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. Total Preferred Stocks.....	0	0	0	0
COMMON STOCKS					
Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. Total Common Stocks.....	0	0	0	0
	55. Total Stocks.....	0	0	0	0
	56. Total Bonds and Stocks...	20,394,820	21,242,438	20,455,413	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....0.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	430,631	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	21,544,846	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.....	(59,964)	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....		7. Book/adjusted carrying value at end of current period.....	20,394,820
3.4 Column 10, Part 4.....	(1,231)	8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....	3,863	9. Subtotal (Lines 7 plus 8).....	20,394,820
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	1,523,325	10. Total nonadmitted amounts.....	
		11. Statement value of bonds and stocks, current period.....	20,394,820

Medical Health Insuring Corporation of Ohio

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only			6 Federal Employees Health Benefits Program Premiums
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	
1. Alabama.....AL		No				
2. Alaska.....AK		No				
3. Arizona.....AZ		No				
4. Arkansas.....AR		No				
5. California.....CA		No				
6. Colorado.....CO		No				
7. Connecticut.....CT		No				
8. Delaware.....DE		No				
9. District of Columbia.....DC		No				
10. Florida.....FL		No				
11. Georgia.....GA		No				
12. Hawaii.....HI		No				
13. Idaho.....ID		No				
14. Illinois.....IL		No				
15. Indiana.....IN		No				
16. Iowa.....IA		No				
17. Kansas.....KS		No				
18. Kentucky.....KY		No				
19. Louisiana.....LA		No				
20. Maine.....ME		No				
21. Maryland.....MD		No				
22. Massachusetts.....MA		No				
23. Michigan.....MI		No				
24. Minnesota.....MN		No				
25. Mississippi.....MS		No				
26. Missouri.....MO		No				
27. Montana.....MT		No				
28. Nebraska.....NE		No				
29. Nevada.....NV		No				
30. New Hampshire.....NH		No				
31. New Jersey.....NJ		No				
32. New Mexico.....NM		No				
33. New York.....NY		No				
34. North Carolina.....NC		No				
35. North Dakota.....ND		No				
36. Ohio.....OH	No	Yes	184,780,617		634,712	15,627,631
37. Oklahoma.....OK		No				
38. Oregon.....OR		No				
39. Pennsylvania.....PA		No				
40. Rhode Island.....RI		No				
41. South Carolina.....SC		No				
42. South Dakota.....SD		No				
43. Tennessee.....TN		No				
44. Texas.....TX		No				
45. Utah.....UT		No				
46. Vermont.....VT		No				
47. Virginia.....VA		No				
48. Washington.....WA		No				
49. West Virginia.....WV		No				
50. Wisconsin.....WI		No				
51. Wyoming.....WY		No				
52. American Samoa.....AS		No				
53. Guam.....GU		No				
54. Puerto Rico.....PR		No				
55. U.S. Virgin Islands.....VI		No				
56. Canada.....CN		No				
57. Aggregate Other alien.....OT	XXX	XXX	0	0	0	0
58. Total (Direct Business).....	XXX	(a) 1	184,780,617	0	634,712	15,627,631

DETAILS OF WRITE-INS

5701.					
5702.					
5703.					
5798. Summary of remaining write-ins for line 57 from overflow page.....			0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....			0	0	0

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

(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

