



**HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE  
DAYTON AREA HEALTH PLAN**

NAIC Group Code \_\_\_\_\_ (Current Period) NAIC Company Code 95201 Employer's ID Number 31-1143265  
(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 [ ] No [ X ]  
Incorporated 06/12/1985 Commenced Business 10/01/1988

Statutory Home Office ONE SOUTH MAIN STREET, DAYTON, OH 45402  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office ONE SOUTH MAIN STREET  
(Street and Number) DAYTON, OH 45402 937-224-3300  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address ONE SOUTH MAIN STREET, DAYTON, OH 45402  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records ONE SOUTH MAIN STREET  
(Street and Number) DAYTON, OH 45402 937-531-2229  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.caresource.com

Statement Contact RAYMOND DEBROSSE 937-531-2229  
(Name) (Area Code) (Telephone Number) (Extension)  
rdebrosse@care-source.com 937-531-2995  
(E-mail Address) (FAX Number)

Policyowner Relations Contact \_\_\_\_\_  
(Street and Number) \_\_\_\_\_  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

**OFFICERS**

President PAMELA B. MORRIS Secretary/Treasurer WILLIAM F. MARSTELLER  
Chairperson ELLEN LEFFAK

**VICE PRESIDENTS**

**DIRECTORS OR TRUSTEES**

MORRIS L BROWN MD PAMELA B. MORRIS MORTON NELSON MD  
ELLEN LEFFAK WILLIAM F. MARSTELLER

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss

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

PAMELA B. MORRIS WILLIAM F. MARSTELLER ELLEN LEFFAK  
PRESIDENT SECRETARY/TREASURER CHAIRPERSON

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 03/01/2003  
3. Number of pages attached







Exhibit 6 - Amounts Due From Parent, Subs

**NONE**

Exh 7-Amount Due to Parent, Subs

**NONE**



**EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED**

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment .....	1,471,798		847,170			624,628
2. Medical furniture, equipment and fixtures .....						
3. Pharmaceuticals and surgical supplies .....						
4. Durable medical equipment .....						
5. Other property and equipment						
6. Total	1,471,798	0	847,170	0	0	624,628



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

DAYTON AREA HEALTH PLAN DBA CARESOURCE

2. DIVISION

(LOCATION)

NAIC Group Code

BUSINESS IN THE STATE OF Ohio

DURING THE YEAR 2002

NAIC Company Code

95201

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	171,860								171,860	
2. First Quarter .....	182,710								182,710	
3. Second Quarter .....	204,556								204,556	
4. Third Quarter .....	214,286								214,286	
5. Current Year	245,731								245,731	
6. Current Year Member Months	2,469,454								2,469,454	
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	0									
8. Non-Physician .....	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	88,829								88,829	
11. Number of Inpatient Admissions	26,532								26,532	
12. Premiums Collected .....	383,728,687								383,728,687	
13. Premiums Earned	373,116,251								373,116,251	
14. Amount Paid for Provision of Health Care Services .....	321,418,963								321,418,963	
15. Amount Incurred for Provision of Health Care Services	335,462,268								335,462,268	

34.OH



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

DAYTON AREA HEALTH PLAN DBA CARESOURCE

2. DIVISION

(LOCATION)

NAIC Group Code

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2002

NAIC Company Code

95201

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	171,860	0	0	0	0	0	0	0	171,860	0
2. First Quarter .....	182,710	0	0	0	0	0	0	0	182,710	0
3. Second Quarter .....	204,556	0	0	0	0	0	0	0	204,556	0
4. Third Quarter .....	214,286	0	0	0	0	0	0	0	214,286	0
5. Current Year	245,731	0	0	0	0	0	0	0	245,731	0
6. Current Year Member Months	2,469,454	0	0	0	0	0	0	0	2,469,454	0
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	0	0	0	0	0	0	0	0	0	0
8. Non-Physician .....	0	0	0	0	0	0	0	0	0	0
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	88,829	0	0	0	0	0	0	0	88,829	0
11. Number of Inpatient Admissions	26,532	0	0	0	0	0	0	0	26,532	0
12. Premiums Collected .....	383,728,687	0	0	0	0	0	0	0	383,728,687	0
13. Premiums Earned	373,116,251	0	0	0	0	0	0	0	373,116,251	0
14. Amount Paid for Provision of Health Care Services .....	321,418,963	0	0	0	0	0	0	0	321,418,963	0
15. Amount Incurred for Provision of Health Care Services	335,462,268	0	0	0	0	0	0	0	335,462,268	0

34.GT

### SCHEDULE A VERIFICATION BETWEEN YEARS

- 1. Book/adjusted carrying value, December 31, prior year (prior year statement).....
- 2. Increase (decrease) by adjustment:
  - 2.1 Totals, Part 1, Column 10 .....
  - 2.2 Totals, Part 3, Column 7 .....
- 3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9) .....
- 4. Cost of additions and permanent improvements:
  - 4.1 Totals, Part 1, Column 13.....
  - 4.2 Totals, Part 3, Column 9 .....
- 5. Total profit (loss) on sales, Part 3, Column 14 .....
- 6. Increase (decrease) by foreign exchange adjustment:
  - 6.1 Totals, Part 1, Column 11.....
  - 6.2 Totals, Part 3, Column 8 .....
- 7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 12 .....
- 8. Book/adjusted carrying value at end of current period .....
- 9. Total valuation allowance .....
- 10. Subtotal (Lines 8 plus 9) .....
- 11. Total nonadmitted amounts .....
- 12. Statement value, current period (Page 2, real estate lines, current period) .....

**NONE**

### SCHEDULE B VERIFICATION BETWEEN YEARS

- 1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year .....
- 2. Amount loaned during year:
  - 2.1 Actual cost at time of acquisitions .....
  - 2.2 Additional investment made after acquisitions .....
- 3. Accrual of discount and mortgage interest points and commitment fees .....
- 4. Increase (decrease) by adjustment .....
- 5. Total profit (loss) on sale .....
- 6. Amounts paid on account or in full during the year .....
- 7. Amortization of premium .....
- 8. Increase (decrease) by foreign exchange adjustment .....
- 9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....
- 10. Total valuation allowance .....
- 11. Subtotal (Lines 9 plus 10) .....
- 12. Total nonadmitted amounts .....
- 13. Statement value of mortgages owned at end of current period .....

**NONE**

### SCHEDULE BA VERIFICATION BETWEEN YEARS

- 1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....
- 2. Cost of acquisitions during year:
  - 2.1 Actual cost at time of acquisitions .....
  - 2.2 Additional investment made after acquisitions .....
- 3. Accrual of discount .....
- 4. Increase (decrease) by adjustment .....
- 5. Total profit (loss) on sale .....
- 6. Amounts paid on account or in full during the year .....
- 7. Amortization of premium .....
- 8. Increase (decrease) by foreign exchange adjustment .....
- 9. Book/adjusted carrying value of long-term invested assets at end of current period .....
- 10. Total valuation allowance .....
- 11. Subtotal (Lines 9 plus 10) .....
- 12. Total nonadmitted amounts .....
- 13. Statement value of long-term invested assets at end of current period .....

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Class 1	5,032,123	14,503,933	1,865,766	1,999,072		23,400,894	38.3	31,137,977	80.2	23,400,894	
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0		
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0		
1.7 Totals	5,032,123	14,503,933	1,865,766	1,999,072	0	23,400,894	38.3	31,137,977	80.2	23,400,894	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Class 1						0	0.0	0	0.0		
2.2 Class 2						0	0.0	0	0.0		
2.3 Class 3						0	0.0	0	0.0		
2.4 Class 4						0	0.0	0	0.0		
2.5 Class 5						0	0.0	0	0.0		
2.6 Class 6						0	0.0	0	0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. States, Territories and Possessions etc., Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Class 1						0	0.0	0	0.0		
3.2 Class 2						0	0.0	0	0.0		
3.3 Class 3						0	0.0	0	0.0		
3.4 Class 4						0	0.0	0	0.0		
3.5 Class 5						0	0.0	0	0.0		
3.6 Class 6						0	0.0	0	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Class 1						0	0.0	0	0.0		
4.2 Class 2						0	0.0	0	0.0		
4.3 Class 3						0	0.0	0	0.0		
4.4 Class 4						0	0.0	0	0.0		
4.5 Class 5						0	0.0	0	0.0		
4.6 Class 6						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Class 1						0	0.0	0	0.0		
5.2 Class 2						0	0.0	0	0.0		
5.3 Class 3						0	0.0	0	0.0		
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0		
5.6 Class 6						0	0.0	0	0.0		
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1 .....						.0	.0.0	.0	.0.0		
6.2 Class 2 .....						.0	.0.0	.0	.0.0		
6.3 Class 3 .....						.0	.0.0	.0	.0.0		
6.4 Class 4 .....						.0	.0.0	.0	.0.0		
6.5 Class 5 .....						.0	.0.0	.0	.0.0		
6.6 Class 6 .....						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1 .....	.0	35,345,724	2,393,325	.0	.0	37,739,049	61.7	7,680,749	19.8	37,739,049	
7.2 Class 2 .....						.0	0.0	.0	0.0		
7.3 Class 3 .....						.0	0.0	.0	0.0		
7.4 Class 4 .....						.0	0.0	.0	0.0		
7.5 Class 5 .....						.0	0.0	.0	0.0		
7.6 Class 6 .....						0	0.0	0	0.0		
7.7 Totals	0	35,345,724	2,393,325	0	0	37,739,049	61.7	7,680,749	19.8	37,739,049	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1 .....						.0	0.0	.0	0.0		
8.2 Class 2 .....						.0	0.0	.0	0.0		
8.3 Class 3 .....						.0	0.0	.0	0.0		
8.4 Class 4 .....						.0	0.0	.0	0.0		
8.5 Class 5 .....						.0	0.0	.0	0.0		
8.6 Class 6 .....						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1 .....						.0	0.0	.0	0.0		
9.2 Class 2 .....						.0	0.0	.0	0.0		
9.3 Class 3 .....						.0	0.0	.0	0.0		
9.4 Class 4 .....						.0	0.0	.0	0.0		
9.5 Class 5 .....						.0	0.0	.0	0.0		
9.6 Class 6 .....						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	5,032,123	49,849,657	4,259,091	1,999,072	.0	61,139,943	100.0	XXX	XXX	61,139,943	.0
10.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.7 Totals	5,032,123	49,849,657	4,259,091	1,999,072	.0	61,139,943	100.0	XXX	XXX	61,139,943	.0
10.8 Line 10.7 as a % of Col. 6	8.2	81.5	7.0	3.3	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	.0	38,818,726	.0	.0	.0	XXX	XXX	38,818,726	100.0	38,818,726	.0
11.2 Class 2	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.3 Class 3	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.4 Class 4	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.5 Class 5	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Class 6	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 Totals	.0	38,818,726	.0	.0	.0	XXX	XXX	38,818,726	100.0	38,818,726	.0
11.8 Line 11.7 as a % of Col. 8	0.0	100.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	5,032,123	49,849,657	4,259,091	1,999,072	.0	61,139,943	100.0	38,818,726	100.0	61,139,943	XXX
12.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals	5,032,123	49,849,657	4,259,091	1,999,072	.0	61,139,943	100.0	38,818,726	100.0	61,139,943	XXX
12.8 Line 12.7 as a % of Col. 6	8.2	81.5	7.0	3.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	8.2	81.5	7.0	3.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ ..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ ..... current year, \$ ..... prior year of bonds with Z designations and \$ ..... prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ ..... current year, \$ ..... prior year of bonds with 5\* designations and \$ ..... current year, \$ ..... prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE D - PART 1A - SECTION 2**

**Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues**

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations	5,032,123	14,503,933	1,865,766	1,999,072		23,400,894	38.3	31,137,977	80.2	23,400,894	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0		0	0.0	0	0.0		
1.7 Totals	5,032,123	14,503,933	1,865,766	1,999,072	0	23,400,894	38.3	31,137,977	80.2	23,400,894	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations						0	0.0	0	0.0		
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
2.3 Defined						0	0.0	0	0.0		
2.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
2.5 Defined						0	0.0	0	0.0		
2.6 Other						0	0.0	0	0.0		
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. States, Territories, and Possessions Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations						0	0.0	0	0.0		
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
3.3 Defined						0	0.0	0	0.0		
3.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
3.5 Defined						0	0.0	0	0.0		
3.6 Other						0	0.0	0	0.0		
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations						0	0.0	0	0.0		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
4.3 Defined						0	0.0	0	0.0		
4.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
4.5 Defined						0	0.0	0	0.0		
4.6 Other						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations						0	0.0	0	0.0		
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
5.3 Defined						0	0.0	0	0.0		
5.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
5.5 Defined						0	0.0	0	0.0		
5.6 Other						0	0.0	0	0.0		
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations .....						0	0.0	0	0.0		
6.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined .....						0	0.0	0	0.0		
6.4 Other .....						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined .....						0	0.0	0	0.0		
6.6 Other .....						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations .....	0	35,345,724	2,393,325			37,739,049	61.7	7,680,749	19.8	37,739,049	
7.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined .....						0	0.0	0	0.0		
7.4 Other .....						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined .....						0	0.0	0	0.0		
7.6 Other .....						0	0.0	0	0.0		
7.7 Totals	0	35,345,724	2,393,325	0	0	37,739,049	61.7	7,680,749	19.8	37,739,049	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations .....						0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parents, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations .....						0	0.0	0	0.0		
9.2 Single Class Mortgage-Backed/Asset-Based Securities .....						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined .....						0	0.0	0	0.0		
9.4 Other .....						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined .....						0	0.0	0	0.0		
9.6 Other .....						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

**Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues**

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	5,032,123	49,849,657	4,259,091	1,999,072	0	61,139,943	100.0	XXX	XXX	61,139,943	0
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	5,032,123	49,849,657	4,259,091	1,999,072	0	61,139,943	100.0	XXX	XXX	61,139,943	0
10.8 Line 10.7 as a % of Col. 6	8.2	81.5	7.0	3.3	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	0	38,818,726	0	0	0	XXX	XXX	38,818,726	100.0	38,818,726	0
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.3 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	0	38,818,726	0	0	0	XXX	XXX	38,818,726	100.0	38,818,726	0
11.8 Line 11.7 as a % of Col. 8	0.0	100.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	5,032,123	49,849,657	4,259,091	1,999,072	0	61,139,943	100.0	38,818,726	100.0	61,139,943	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	5,032,123	49,849,657	4,259,091	1,999,072	0	61,139,943	100.0	38,818,726	100.0	61,139,943	XXX
12.8 Line 12.7 as a % of Col. 6	8.2	81.5	7.0	3.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	8.2	81.5	7.0	3.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

42

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE DA - PART 2**

Verification of SHORT-TERM INVESTMENTS Between Years

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year .....	0	0	0	0	0
2. Cost of short-term investments acquired .....	3,519,980	3,519,980			
3. Increase (decrease) by adjustment .....	(10,237)	(10,237)			
4. Increase (decrease) by foreign exchange adjustment .....	0	0			
5. Total profit (loss) on disposal of short-term investments .....	0	0			
6. Consideration received on disposal of short-term investments .....	0	0			
7. Book/adjusted carrying value, current year .....	3,509,743	3,509,743	0	0	0
8. Total valuation allowance .....	0	0			
9. Subtotal (Lines 7 plus 8) .....	3,509,743	3,509,743	0	0	0
10. Total nonadmitted amounts .....	0	0			
11. Statement value (Lines 9 minus 10) .....	3,509,743	3,509,743	0	0	0
12. Income collected during year .....	0	0			
13. Income earned during year .....	13,674	13,674			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

Schedule DB - Part A - VBY

**NONE**

Schedule DB - Part B - VBY

**NONE**

Schedule DB - Part C - VBY

**NONE**

Schedule DB - Part D - VBY

**NONE**

Schedule DB - Part E - VBY

**NONE**

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**





**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DAYTON AREA HEALTH PLAN DBA CARESOURCE**

**SCHEDULE S - PART 3 - SECTION 2**

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
66346	58-0828824	03/01/2001	RISK BASED SOLUTIONS	FLORIDA	OTH/L	3,999,550						
0199999 - Total Affiliates						3,999,550						
0399999 Totals						3,999,550						

50



**Schedule S-Part 5**  
**Five-Year Exhibit of Reinsurance Ceded Business**  
**(000 Omitted)**

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>A. OPERATIONS ITEMS</b>					
1. Premiums.....	0	0	0	0	0
2. Title XVIII-Medicare.....	0	0	0	0	0
3. Title XIX-Medicaid.....	3,999	0	1,163	1,825	2,028
4. Commissions and reinsurance expense allowance.....		0	0	0	0
5. Total medical and hospital expenses.....	(2,283)	(1,317)	(956)	(1,348)	(698)
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable.....	0	0	0	0	0
7. Claims payable.....	0	0	0	0	0
8. Reinsurance recoverable on paid losses.....	1,087	304	227	279	426
9. Experience rating refunds due or unpaid.....		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid.....		0	0	0	0
11. Unauthorized reinsurance offset.....	0	0	0	0	0
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
12. Funds deposited by and withheld from (F).....	0	0	0	0	0
13. Letters of credit (L).....	0	0	0	0	0
14. Trust agreements (T).....	0	0	0	0	0
15. Other (O).....	0	0	0	0	0

**SCHEDULE S-PART 6**

**Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance**

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 9) .....	98,514,256		98,514,256
2. Amounts recoverable from reinsurers (Line 12) .....	1,087,183		1,087,183
3. Accident and health premiums due and unpaid (Line 10).....	4,049,959		4,049,959
4. Net credit for ceded reinsurance.....	XXX	1,087,183	1,087,183
5. All other admitted assets (Balance).....	7,965,880		7,965,880
6. Total assets (Line 23)	111,617,278	1,087,183	112,704,461
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1).....	37,270,000	0	37,270,000
8. Accrued medical incentive pool and bonus payments (Line 2).....	0		0
9. Premiums received in advance (Line 6).....	35,794,850		35,794,850
10. Reinsurance in unauthorized companies (Line 14).....	0		0
11. All other liabilities (Balance).....	4,569,523		4,569,523
12. Total liabilities (Line 18).....	77,634,373	0	77,634,373
13. Total capital and surplus (Line 26).....	33,982,905	XXX	33,982,905
14. Total liabilities, capital and surplus (Line 27)	111,617,278	0	111,617,278
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
15. Claims unpaid.....	0		0
16. Accrued medical incentive pool.....	0		0
17. Premiums received in advance .....	0		0
18. Reinsurance recoverable on paid losses .....	1,087,183		1,087,183
19. Other ceded reinsurance recoverables .....	0		0
20. Total ceded reinsurance recoverables .....	1,087,183		1,087,183
21. Premiums receivable .....	0		0
22. Unauthorized reinsurance .....	0		0
23. Other ceded reinsurance payables/offsets .....	0		0
24. Total ceded reinsurance payable/offsets .....	0		0
25. Total net credit for ceded reinsurance	1,087,183		1,087,183



# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**MARCH FILING**

- 1. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?..... Yes [ ] No [ ]
- 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?..... Yes [ ] No [ ]
- 3. Will an actuarial certification be filed by March 1?..... Yes [ ] No [ ]
- 4. Will the Risk-based Capital Report be filed with the NAIC by March 1?..... Yes [ ] No [ ]
- 5. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?..... Yes [ ] No [ ]
- 6. Will the SVO Compliance Certification be filed by March 1? ..... Yes [ ] No [ ]

**APRIL FILING**

- 7. Will Management's Discussion and Analysis be filed by April 1?..... Yes [ ] No [ ]
- 8. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?..... Yes [ ] No [ ]
- 9. Will the Investment Risks Interrogatories be filed by April 1? ..... Yes [ ] No [ ]

**JUNE FILING**

- 10. Will an audited financial report be filed by June 1 with the state of domicile? ..... Yes [ ] No [ ]

**EXPLANATIONS:**

**BAR CODE:**

OVERFLOW PAGE FOR WRITE-INS

M014 Additional Aggregate Lines for Page 14 Line 25.

*EXEXP				
2504.	Lobbyist.....	14,402	57,608	72,010
2505.	Consulting.....	128,067	361,838	489,905
2506.	Utilization Review.....	.11	.46	.57
2507.	QI Honorarium Fees.....	.840	3,360	4,200
2508.	Board Fees.....	4,546	18,185	22,731
2509.	Parking.....	56,502	90,653	147,155
2510.	Lease Copier.....	17,813	27,484	45,297
2511.	Lease Postage.....	4,616	7,587	12,203
2512.	Lease Mail.....	1,692	2,538	4,230
2513.	Repairs & Maintenance.....	9,546	10,940	20,486
2514.	Office Maintenance.....	13,198	23,094	36,292
2515.	Support Agreements.....	458,974	1,060,611	1,519,585
2516.	Supplies.....	67,850	123,004	190,854
2517.	Publications.....	4,489	15,472	19,961
2518.	Temporary Services.....	72,266	100,168	172,434
2519.	Computer Consultling.....	172,710	177,967	350,677
2520.	Recruitment.....	13,405	49,663	63,068
2521.	Answering Service.....	4,197	16,786	20,983
2522.	Paging System Rental.....	590	590	1,180
2523.	Contract Services.....	32,138	95,331	127,469
2524.	Credentials Verficiation.....	3,229	12,918	16,147
2525.	Transportation.....	1,889	7,556	9,445
2526.	Interest Expense.....	227	864	1,091
2527.	Medical Records.....	57	228	285
2528.	Fees & Penalties.....	1,000	4,000	5,000
2529.	Claims Admin Reserve.....	1,450	5,799	7,249
2530.	Other Admin Exp.....	8,614	26,816	35,430
2531.	Printing.....	180,063	303,474	483,537
2532.	Gift Certificates.....	43,835	175,341	219,176
2533.	Creative Design.....	3,895	13,819	17,714
2534.	Community Gifts.....	5,892	23,568	29,460
2535.	Loss on Disposal of Fixed Asset.....	1,750	7,002	8,752
2536.	Contribution Expense.....	5,020	20,080	25,100
2537.	Misc. Expense.....	(98)	(98)	(196)
2597.	Summary of remaining write-ins for Line 25 from Page 14	1,334,675	2,844,292	4,178,967