

ANNUAL STATEMENT

For the Year Ending December 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

PARAMOUNT INSURANCE COMPANY

|                                       |   |   |  |            |                      |           |
|---------------------------------------|---|---|--|------------|----------------------|-----------|
| NAIC Group Code                       | 1212  | 1212  | NAIC Company Code  | 11518      | Employer's ID Number | 010580404 |
|                                       | (Current Period)  | (Prior Period)  |  |            |                      |           |
| Organized under the Laws of           | Ohio  |   | State of Domicile or Port of Entry   | Ohio       |                      |           |
| Country of Domicile                   | United States of America  |   |  |            |                      |           |
| Licensed as business type:            | Life, Accident & Health[X]<br>Dental Service Corporation[ ]<br>Other[ ] | Property/Casualty[ ]<br>Vision Service Corporation[ ]<br>Is HMO Federally Qualified? Yes[ ] No[X] | Hospital, Medical & Dental Service or Indemnity[ ]<br>Health Maintenance Organization[ ] |            |                      |           |
| Date Incorporated or Organized        | 04/19/2002  |   | Date Commenced Business  | 09/26/2002 |                      |           |
| Statutory Home Office                 | 1901 Indian Wood Circle   |   | Maumee, OH 43537   |            |                      |           |
|                                       | (Street and Number)   |   | (City, or Town, State and Zip Code)  |            |                      |           |
| Main Administrative Office            | 1901 Indian Wood Circle   |   |  |            |                      |           |
|                                       | (Street and Number)   |   |  |            |                      |           |
|                                       | Maumee, OH 43537  |   | (419)887-2500  |            |                      |           |
|                                       | (City or Town, State and Zip Code)                                      |   | (Area Code) (Telephone Number)   |            |                      |           |
| Mail Address                          | 1901 Indian Wood Circle   |   | Maumee, OH 43537   |            |                      |           |
|                                       | (Street and Number or P.O. Box)   |   | (City, or Town, State and Zip Code)  |            |                      |           |
| Primary Location of Books and Records | 1901 Indian Wood Circle   |   |  |            |                      |           |
|                                       | (Street and Number)   |   |  |            |                      |           |
|                                       | Maumee, OH 43537  |   | (419)887-2500  |            |                      |           |
|                                       | (City, or Town, State and Zip Code)                                     |   | (Area Code) (Telephone Number)   |            |                      |           |
| Internet Website Address              | www.paramounthealthcare.com   |   |  |            |                      |           |
| Statutory Statement Contact           | Jeffrey William Martin, Mr.   |   | (419)887-2959  |            |                      |           |
|                                       | (Name)  |   | (Area Code)(Telephone Number)(Extension)   |            |                      |           |
|                                       | jeff.martin@promedica.org   |   | (419)887-2020  |            |                      |           |
|                                       | (E-Mail Address)  |   | (Fax Number)   |            |                      |           |
| Policyowner Relations Contact         | 1901 Indian Wood Circle   |   |  |            |                      |           |
|                                       | (Street and Number)   |   |  |            |                      |           |
|                                       | Maumee, OH 43537  |   | (419)887-2500  |            |                      |           |
|                                       | (City, or Town, State and Zip Code)                                     |   | (Area Code) (Telephone Number)(Extension)  |            |                      |           |

OFFICERS

|           |                             |
|-----------|-----------------------------|
| Chairman  | Jay Clifford Hall Mr.       |
| President | John Charles Randolph Mr.   |
| Treasurer | Kathleen Sheline Hanley Ms. |
| Secretary | Jeffrey Craig Kuhn Mr.      |

VICE PRESIDENTS

|                          |                      |
|--------------------------|----------------------|
| Robert James Kolodgy Mr. | Mark Henry Moser Mr. |
| Neeraj Kumar Kanwal Dr.  |                      |

DIRECTORS OR TRUSTEES

|                                 |                           |
|---------------------------------|---------------------------|
| Alan William Brass Mr.          | Harold Lee Dunn Mr.       |
| Thomas Henry Gross Dr.          | Jay Clifford Hall Mr. #   |
| Robert Henry Hartwig Dr.        | Harley Jay Kripke Mr.     |
| Ronald Richard Langenderfer Mr. | Jeffrey Ray Lewis Dr.     |
| Jane Miller Ms.                 | John Charles Randolph Mr. |

|           |          |
|-----------|----------|
| State of  | Ohio     |
| County of | Lucas ss |

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

|                       |                    |                       |
|-----------------------|--------------------|-----------------------|
| (Signature)           | (Signature)        | (Signature)           |
| John Charles Randolph | Jeffrey Craig Kuhn | Robert James Kolodgy  |
| (Printed Name)        | (Printed Name)     | (Printed Name)        |
| President             | Secretary          | Senior Vice President |

|  |                                |              |
|--|--------------------------------|--------------|
| Subscribed and sworn to before me this<br>_____ day of _____, 2004 | 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    | _____        |

\_\_\_\_\_  
(Notary Public Signature)



|     |  |      |
|-----|--|------|
| E01 | Schedule A - Part 1 Real Estate Owned - .....              | NONE |
| E02 | Schedule A - Part 2 Real Estate Aquired - .....            | NONE |
| E03 | Schedule A - Part 3 Real Estate Sold - .....               | NONE |
| E04 | Schedule B - Part 1 Mortgage Loans Owned - .....           | NONE |
| E05 | Schedule B - Part 2 Mortgage Loans Sold - .....            | NONE |
| E06 | Schedule BA - Part 1 Invested Assets Owned - .....         | NONE |
| E07 | Schedule BA - Part 2 Invested Assets Sold - .....          | NONE |
| E08 | Schedule D - Part 1 LT Bonds Owned - .....                 | NONE |
| E09 | Schedule D - Part 2 Sn 1 Prfrd Stocks Owned - .....        | NONE |
| E10 | Schedule D - Part 2 Sn 2 Common Stocks Owned - .....       | NONE |
| E11 | Schedule D - Part 3 LT Bonds/Stock Aquired - .....         | NONE |
| E12 | Schedule D - Part 4 LT Bonds/Stock Sold - .....            | NONE |
| E13 | Schedule D - Part 5 LT Bonds/Stocks Aquired/Disp - .....   | NONE |
| E14 | Schedule D - Part 6 Sn 1 - .....                           | NONE |
| E14 | Schedule D - Part 6 Sn 2 - .....                           | NONE |
| E15 | Schedule DA - Part 1 ST Investments Owned - .....          | NONE |
| E16 | Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned - .....      | NONE |
| E16 | Schedule DB - Part A Sn 2 Opt/Cap/Floor Aquired - .....    | NONE |
| E17 | Schedule DB - Part A Sn 3 Opt/Cap/Floor Term - .....       | NONE |
| E17 | Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force - .....   | NONE |
| E18 | Schedule DB - Part B Sn 2 Opt/Cap/Floor Written - .....    | NONE |
| E18 | Schedule DB - Part B Sn 3 Opt/Cap/Floor Term - .....       | NONE |
| E19 | Schedule DB - Part C Sn 1 Col/Swap/Frwr Open - .....       | NONE |
| E19 | Schedule DB - Part C Sn 2 Col/Swap/Frwr Opened - .....     | NONE |
| E20 | Schedule DB - Part C Sn 3 Col/Swap/Frwr Term - .....       | NONE |
| E20 | Schedule DB - Part D Sn 1 Futures Contracts Open - .....   | NONE |
| E21 | Schedule DB - Part D Sn 2 Futures Contracts Opened - ..... | NONE |
| E21 | Schedule DB - Part D Sn 3 Futures Contracts Term - .....   | NONE |
| E22 | Schedule DB - Part E Sn 1 Counterparty Exposure - .....    | NONE |
| E23 | Schedule DM - .....  | NONE |

SCHEDULE E - PART 1 - CASH

| 1   |                  |       | 2                | 3                                       | 4  | 5         | 6     |
|---|------------------|-------|------------------|---|--|-----------|-------|
| Depository  |                  |       | Rate of Interest | Amount of Interest Received During Year | Amount of Interest Accrued December 31 of Current Year | Balance   | *     |
| open depositories   |                  |       |                  |   |  |           |       |
| Sky Bank .....  | Maumee, OH ..... | ..... | 1.700            | 965                                     |  | 3,371,247 | X X X |
| Sky Bank .....  | Maumee, OH ..... | ..... |                  |   |  |           | X X X |
| Sky Bank .....  | Maumee, OH ..... | ..... |                  |   |  |           | X X X |
| Sky Bank .....  | Maumee, OH ..... | ..... |                  |   |  |           | X X X |
| 0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....      |                  |       | X X X ..         |   |  |           | X X X |
| 0199999 Totals - Open Depositories .....  |                  |       | X X X ..         | 965                                     |  | 3,371,247 | X X X |
| 0299998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories ..... |                  |       | X X X ..         |   |  |           | X X X |
| 0299999 Totals - Suspended Depositories .....   |                  |       | X X X ..         |   |  |           | X X X |
| 0399999 Total Cash On Deposit .....   |                  |       | X X X ..         | 965                                     |  | 3,371,247 | X X X |
| 0499999 Cash in Company's Office .....  |                  |       | X X X ..         | X X X ..                                | X X X ..   |           | X X X |
| 0599999 Total Cash .....  |                  |       | X X X ..         | 965                                     |  | 3,371,247 | X X X |

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

|                   |       |                |       |                    |       |                    |       |
|-------------------|-------|----------------|-------|--------------------|-------|--------------------|-------|
| 1. January .....  | ..... | 4. April ..... | ..... | 7. July .....      | ..... | 10. October .....  | ..... |
| 2. February ..... | ..... | 5. May .....   | ..... | 8. August .....    | ..... | 11. November ..... | ..... |
| 3. March .....    | ..... | 6. June .....  | ..... | 9. September ..... | ..... | 12. December ..... | ..... |

**E25      Schedule E - Part 2 - Cash Equivalents - ..... NONE**

**E26      Schedule E - Part 3 Special   Deposits - ..... NONE**