



# HEALTH ANNUAL STATEMENT

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

## Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070  
(Current Period) (Prior Period)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

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 [ ]  
Hospital, Medical & Dental Service or Indemnity [ x ] Is HMO, Federally Qualified? Yes [ ] No [ X ]

Incorporated 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 550 Twelfth Street, S.W., Washington, DC 20065  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 550 Twelfth Street, S.W.  
(Street and Number) Washington, DC 20065 202-479-8000  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 550 Twelfth Street, S.W., Washington, DC 20065  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 550 Twelfth Street, S.W.  
(Street and Number) Washington, DC 20065 202-479-8000  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statement Contact William Vincent Stack 410-998-7011  
(Name) (Area Code) (Telephone Number) (Extension)  
bill.stack@carefirst.com 410-998-6850  
(E-mail Address) (FAX Number)

Policyowner Relations Contact 550 Twelfth Street, S.W.  
(Street and Number) Washington, D.C. 20065 410-998-7011  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President William Lockwood Jews Secretary John Anthony Picciotto  
Treasurer Geoffrey Stewart Clasper

### VICE PRESIDENTS

<u>Eric Randolph Baugh M.D.</u>	<u>Geoffrey Stewart Clasper</u>	<u>David Donald Wolf</u>
<u>Gregory Mark Chaney</u>	<u>Gregory Allen Devou</u>	<u>Leon Kaplan</u>
<u>John Anthony Picciotto</u>	<u>Michael Joseph Arens</u>	<u>Booker T. Carter, Jr.</u>
<u>Linda Ann Dean</u>	<u>Michael Bruce Edwards</u>	<u>Mary Anne Heckwolf</u>
<u>Patricia Ann Malone</u>	<u>Gwendolyn Denise Skillern</u>	<u>Edward William O'Neil</u>
<u>Pamela Sue Deuterman</u>	<u>Michael John Felber</u>	<u>Robert James Huber</u>
<u>Michael A. McShane</u>	<u>William Vincent Stack</u>	<u>Raymond Wayne Blossse'</u>
<u>Livio Renato Broccolino Esq.</u>	<u>Andrew James Fitzsimmons</u>	<u>Sharon Jean Vecchioni</u>
<u>Judy Stocker</u>	<u>Janice Elizabeth Carman</u>	<u>Rita Ann Costello</u>
<u>Frances Price Doherty</u>	<u>Ann Teat Gallant</u>	<u>Jeanne Ann Kennedy</u>
	<u>Joseph Gabriel Rampone</u>	<u>Jeffrey Scott Joy</u>

### DIRECTORS OR TRUSTEES

<u>Father William James Byron S.J.</u>	<u>Michel Llewellyn Daley</u>	<u>Floretta Dukes McKenzie Ed.D.</u>
<u>Sister Carol Ann Keehan RN,MS</u>	<u>George Burch Wilkes III</u>	<u>Edward John Baran</u>

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.

William Lockwood Jews John Anthony Picciotto Geoffrey Stewart Clasper  
President Secretary Treasurer

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



Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**













**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
480081-AD-0.	Jones Apparel Group Conv Sr Nt Zer.....		.0.000	MATR.	02/01/2021.	02/01/2004.	55.440	386,616	700,000	54.8750	384,125	385,943	0	0	674	0	0	2.	07/01/2002.	0.349
492386-AP-2.	Kerr-Mcgee 5.25% 02/15/10 Conv.....		.5.250	FA.	02/15/2010.			314,724	300,000	108.3750	325,125	319,420	5,950	15,750	(1,755)	0	0	2.	03/21/2000.	4.502
49337W-AC-4.	Keyspan Corp. 8%.....		.8.000	MN.	11/15/2030.			757,671	605,000	128.0750	774,854	758,230	6,184	24,200	(559)	0	0	1.	09/25/2002.	6.198
524660-AR-8.	Leggett & Platt Inc 7.65% 2/15/05.....		.7.650	FA.	02/15/2005.			511,778	500,000	109.1720	545,860	521,535	14,450	38,250	(5,020)	0	0	1PE.	12/27/2000.	6.549
530715-AF-8.	Liberty Media 4.00% Of 11/15/29.....		.4.000	MN.	11/15/2029.			415,921	400,000	53.8750	215,500	417,000	2,044	16,000	(374)	0	0	2.	01/05/2000.	3.816
530715-AM-3.	Liberty Media AT&T Corp. Conv.....		.3.500	JJ.	01/15/2031.			200,841	200,000	64.1250	128,250	200,875	3,228	7,000	(18)	0	0	2.	01/04/2001.	3.507
539830-AE-9.	LOCKHEED MARTIN 7.65%.....		.7.650	MN.	05/01/2016.			891,750	850,000	123.5430	1,050,116	898,372	10,838	65,025	(1,854)	0	0	2PE.	04/28/1999.	7.205
539830-AF-6.	LOCKHEED MARTIN 7.75%.....		.7.750	MN.	05/01/2026.			794,851	800,000	121.5170	972,136	794,446	10,333	62,000	76	0	0	2PE.	07/24/1996.	7.963
55263E-AF-2.	MBNA Corp. 6.15%.....		.6.150	FA.	10/01/2003.			642,918	640,000	102.6830	657,171	648,174	14,869	39,360	(3,698)	0	0	2PE.	07/24/2001.	5.600
5526E0-AH-6.	MBNA America Bank NA 7.75%.....		.7.750	MS.	09/15/2005.			510,431	500,000	109.7490	548,745	516,755	11,410	38,750	(3,393)	0	0	2.	01/24/2001.	7.011
56418H-AC-4.	Manpower Inc. Zero Coupon.....		.0.000	MATR.	08/17/2021.			419,958	700,000	61.0000	427,000	416,962	0	0	2,996	0	0	2.	09/27/2002.	2.781
571748-AB-8.	Marsh & McLennan Cos. 6.625%.....		.6.625	JD.	06/15/2004.			508,787	500,000	106.8080	534,040	517,145	1,472	33,125	(5,655)	0	0	1.	07/02/2001.	5.426
571748-AD-4.	Marsh & McLennan Cos. Inc. 5.375%.....		.5.375	MS.	03/15/2007.			686,804	640,000	107.3410	686,982	689,370	10,129	0	(2,566)	0	0	1.	10/01/2002.	5.521
577778-BB-8.	May Department Stores 7.625%.....		.7.625	FA.	08/15/2013.			1,583,588	1,500,000	116.1130	1,741,695	1,593,090	43,208	114,375	(5,200)	0	0	1PE.	02/08/2001.	6.995
577778-BN-2.	MAY DEPARTMENT STORES CO. NOTE 8%.....		.8.000	JJ.	07/15/2012.			999,145	1,000,000	118.0600	1,180,600	999,010	36,889	80,000	58	0	0	1PE.	07/11/2000.	8.174
58013M-DE-1.	McDonalds Corp MTN 5.95% 1/15/08.....		.5.950	JJ.	01/15/2008.			1,998,723	2,000,000	110.9930	2,219,860	1,998,360	54,872	119,000	211	0	0	1PE.	03/27/2001.	6.054
585055-AA-4.	Medtronic Inc. 1.250%.....		.1.250	MS.	09/15/2021.			189,302	180,000	104.7500	188,550	189,767	666	2,275	(451)	0	0	1.	12/20/2001.	0.951
585055-AB-2.	Medtronic Inc. Conv. 1.25%.....		.1.250	MS.	09/15/2021.			484,578	470,000	104.7500	492,325	484,718	1,730	2,188	(140)	0	0	1PE.	11/20/2002.	1.071
590188-4K-5.	MERRILL LYNCH 6.375% OF 10/08.....		.6.375	AO.	10/15/2008.			473,917	500,000	111.0010	555,005	464,180	6,729	31,875	3,482	0	0	1PE.	12/29/1999.	7.643
604074-AA-2.	Minnesota Life Ins. Co. 8.25%.....		.8.250	MS.	09/15/2025.			1,113,465	1,000,000	116.7860	1,167,860	1,115,460	24,292	82,500	(1,938)	0	0	1PE.	12/20/2001.	7.356
616880-BM-1.	MORGAN J P 6.7%.....		.6.700	MN.	11/01/2007.			481,420	500,000	109.8370	549,185	473,215	5,583	33,500	3,072	0	0	1.	02/17/2000.	7.779
626717-AA-0.	MURPHY OIL 7.05% 5/01/.....		.7.050	MN.	05/01/2029.			221,430	225,000	109.0200	245,295	221,281	2,644	15,863	45	0	0	2PE.	05/05/2001.	7.314
637432-CH-6.	NAT RURAL UTL 5.50% 01/05.....		.5.500	JJ.	01/15/2005.			470,788	485,000	105.9730	513,969	453,194	12,300	26,675	6,266	0	0	1PE.	12/19/1999.	7.193
654730-AJ-2.	Nisource Finance Corp. 7.875.....		.7.875	MN.	11/15/2010.			332,748	300,000	109.9030	329,709	336,528	3,019	23,625	(3,156)	0	0	2.	10/17/2001.	6.201
655664-AG-5.	NORDSTROM 5.625% DUE 1/15/09.....		.5.625	JJ.	01/15/2009.			885,848	1,000,000	104.1170	1,041,170	868,080	25,938	56,250	14,186	0	0	1PE.	09/26/2001.	8.211
667294-AW-2.	Northwest Airlines Inc. 7.041%.....		.7.041	AO.	04/01/2022.			1,047,981	1,000,000	94.9410	949,410	1,049,580	17,603	70,410	(1,208)	0	0	1.	08/30/2001.	6.706
66938F-JT-2.	Norwest 6.75% Of 6/15/07.....		.6.750	JD.	06/15/2007.			1,032,595	1,000,000	114.0980	1,140,980	1,042,220	3,000	67,500	(6,224)	0	0	1PE.	06/05/2001.	5.995
69334T-AC-2.	PG & E Nat'l Energy 10.375%.....		10.375	MN.	05/16/2011.			427,500	1,125,000	108.0000	427,500	1,110,229	14,590	58,359	(683,269)	0	0	6.	05/17/2001.	34.591
742718-BM-0.	Procter & Gamble 6.87% Of 9/15/09.....		.6.875	MS.	09/15/2009.			485,374	500,000	117.9540	589,770	481,016	10,122	34,375	1,630	0	0	1PE.	02/17/2000.	7.575
742718-BW-8.	Procter & Gamble Co. 4.75%.....		.4.750	JD.	06/15/2007.			499,581	500,000	107.2210	536,105	499,535	1,056	12,139	46	0	0	1.	06/10/2002.	4.828
743263-AC-9.	Progress Energy Inc. Sr. Note 6.75.....		.6.750	MS.	03/01/2006.			1,047,085	1,000,000	107.4070	1,074,070	1,063,110	22,500	67,500	(13,363)	0	0	2.	10/17/2001.	5.187
743670-AC-8.	Protective Life U S Fdg Ser 144A 5.....		.5.875	FA.	08/15/2006.			523,581	500,000	108.0600	540,300	525,385	11,097	0	(1,804)	0	0	1PE.	09/12/2002.	4.501
74834L-AF-7.	Quest Diagnostic 1.75% 11/30/2021.....		.1.750	MN.	11/30/2021.			281,305	280,000	104.5000	292,600	281,293	422	4,149	7	0	0	2.	08/20/2002.	1.729
74913E-AL-4.	Qwest Capital Funding 5.875%.....		.5.875	FA.	08/03/2004.			420,000	500,000	84.0000	420,000	504,715	12,076	29,620	(84,136)	0	0	5.	08/09/2001.	18.658
750236-AE-1.	Radian Group Inc. 2.25%.....		.2.250	JJ.	01/01/2022.			196,479	175,000	102.0000	178,500	197,044	1,969	1,859	(565)	0	0	1.	06/03/2002.	1.511
750236-AF-8.	Radian Group Inc. 2.25% 01/01/2022.....		.2.250	JJ.	01/01/2022.			367,390	350,000	102.0000	357,000	367,651	3,938	0	(261)	0	0	1PE.	08/15/2002.	1.946
754603-AB-4.	RAYCHEM 7.2% 10/15/.....		.7.200	AO.	10/15/2008.			2,408,175	2,500,000	96.3270	2,408,175	2,466,605	38,000	188,889	(65,005)	0	0	3.	08/15/1999.	7.544
755111-AF-8.	RAYTHEON CO 7.2%.....		.7.200	FA.	08/15/2027.			1,200,291	1,200,000	109.3110	1,311,732	1,200,398	32,640	86,400	(6)	0	0	2PE.	10/23/1997.	7.326
755111-AU-5.	RAYTHEON.....		.6.400	JD.	12/15/2018.			1,195,612	1,200,000	99.1290	1,189,548	1,195,044	3,413	76,800	154	0	0	2PE.	12/09/1998.	6.541
755111-BH-3.	Raytheon Co. 8.30%.....		.8.300	MS.	03/01/2010.			809,755	750,000	118.8640	891,480	814,590	20,750	31,125	(4,835)	0	0	2.	03/25/2002.	6.992
758110-AD-2.	Reebok 4.25% Conv.....		.4.250	MS.	03/01/2021.			354,593	350,000	109.2500	382,375	354,894	4,958	14,875	(168)	0	0	2PE.	03/07/2001.	4.190
758940-AG-5.	Regions Financial 6.375%.....		.6.375	MN.	05/15/2012.			505,597	500,000	111.5260	557,630	505,860	4,073	15,938	(263)	0	0	1.	05/22/2002.	6.312
760759-AB-6.	Republic Services 6.625% 05/15/04.....		.6.625	MN.	05/15/2004.			741,569	730,000	104.9770	766,332	752,396	6,180	48,363	(7,905)	0	0	2PE.	08/13/2001.	5.485
78004V-AB-9.	Royal & Sun Alliance Ins. 8.95%.....		.8.950	AO.	10/15/2029.			548,872	800,000	68.6090	548,872	873,827	15,116	71,600	(324,837)	0	0	3.	12/20/2001.	13.685
780153-AK-8.	Royal Caribbean Cruises Zero Cpn.....		.0.000	MATR.	02/02/2021.			508,750	1,375,000	37.0000	508,750	546,890	0	0	(61,354)	0	0	3.	02/12/2001.	5.447
78387G-AF-0.	SBC Communications Inc. 5.75%.....		.5.750	MN.	05/02/2006.			754,230	750,000	108.4510	813,383	755,910	7,068	43,125	(1,124)	0	0	1PE.	06/25/2001.	5.640
786429-AD-2.	Safeco Corp 7.875%.....		.7.875	AO.	04/01/2005.			1,250,711	1,250,000	101.0910	1,263,638	1,251,563	24,609	98,438	(278)	0	0	2PE.	08/24/1999.	8.001
792860-AD-0.	St. Paul Cos. Note 8.125% 04/15/10.....		.8.125	AO.	04/15/2010.			896,502	900,000	115.9590	1,043,631	895,644	15,438	73,125	339	0	0	2PE.	04/12/2000.	8.365
80311T-CF-7.	Sara Lee Corp. 6.15%.....		.6.150	MS.	06/19/2008.			995,416	1,000,000	112.0090	1,120,090	994,140	18,108	61,500	684	0	0	1PE.	01/25/2001.	6.348
805901-AP-0.	Scana Corp MTN 6.875%.....		.6.875	MN.	05/15/2011.			1,136,189	1,000,000	112.6920	1,126,920	1,139,470	8,785	34,375	(3,281)	0	0	2PE.	10/01/2002.	4.934
812404-BC-4.	Sears Roebuck Accep Corp. 6%.....		.6.000	MS.	03/20/2003.			1,053,065	1,050,000	100.0540	1,050,567	1,071,998	17,675	63,000	(13,494)	0	0	2.	07/31/2001.	4.710
834182-AK-3.	Soletron Corp. Zero Of 05/08/20.....		.0.000	MATR.	05/08/2020.			183,763	305,000	60.2500	183,763	198,301	0	0	35,838	0	0	3.	10/18/2000.	2.228
844030-AC-0.	SOUTHERN UNION CO.....		.8.250	MN.	11/15/2029.			779,002	750,000	102.2810	767,108	779,888	7,906	61,875	(308)	0	0	2.	11/16/1999.	8.057
86787G-AC-6.	SunTrust Bank 5.45%.....		.5.450	JD.	12/01/2017.			2,016,287	2,000,000	103.1680	2,063,360	2,016,340	8,175	0	(53)	0	0	1PE.	11/27/2002.	5.442
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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
872287-AE-7	TCL Communications 6.875%		6.875	FA	02/15/2006			496,723	500,000	105.7000	528,500	494,765	12,986	34,375	906	0	0	2PE	09/28/2000	7.239
87244H-AB-1	TIAA Global Markets 4.125%		4.125	MN	11/15/2007			497,601	500,000	103.4380	517,190	497,605	3,495	0	(4)	0	0	1PE	10/24/2002	4.280
87612E-AF-3	Target Corp. 7%		7.000	JJ	07/15/2031			589,233	515,000	113.2780	583,382	589,541	16,623	0	(308)	0	0	1	09/10/2002	6.033
881685-BH-3	Texaco Cap 5.70% 12/01/08		5.700	JD	12/01/2008			485,504	500,000	105.6740	528,370	481,675	2,375	28,500	1,966	0	0	1PE	12/22/2000	6.393
883556-AH-5	Thermo Electron Corp. 4%		4.000	JJ	01/15/2005			358,823	375,000	98.0000	367,500	344,063	6,917	15,000	7,204	0	0	2	12/12/2000	6.389
887315-AW-9	Time Warner Inc. Notes 8.11%		8.110	FA	08/15/2006			1,057,551	1,000,000	106.3750	1,063,750	1,080,120	30,638	81,100	(13,731)	0	0	2	04/27/2001	6.408
88731E-AF-7	TIME WARNER ENTMT 8.375%		8.375	MS	03/15/2023			2,103,229	2,000,000	112.5280	2,250,560	2,109,420	49,319	167,500	(2,062)	0	0	2	02/02/2000	8.019
887364-AE-7	TIMES MIRROR CONV ZERO CPN 4/15/		0.000	MATR	04/15/2017			205,510	300,000	68.3750	197,130	197,130	0	0	5,369	0	0	2	06/05/2001	2.683
891492-AA-8	Tosco Corp. 8.58%		8.580	MS	03/01/2010			888,567	800,000	120.6130	964,904	899,856	22,880	68,640	(9,387)	0	0	1	10/15/2001	6.725
893485-AM-4	Transamerica Corp 6.75% 11/15/06		6.750	MN	11/15/2006			2,046,865	2,000,000	110.5470	2,210,940	2,064,760	17,250	135,000	(10,438)	0	0	1PE	03/27/2001	6.154
893830-AG-4	Transocean Sedco Forex 6.50%		6.500	AO	04/15/2003			732,593	730,000	101.0180	737,431	744,673	10,017	49,275	(8,635)	0	0	2PE	08/02/2001	5.321
902118-AK-4	Tyco Intl. Group 6.875%		6.875	JJ	01/15/2029			440,000	500,000	88.0000	440,000	478,455	15,851	34,375	(38,459)	0	0	3	12/26/2001	7.371
902124-AC-0	Tyco International Ltd.		0.000	MATR	11/17/2020			358,125	500,000	71.6250	358,125	383,750	0	0	(29,008)	0	0	3	05/08/2001	1.365
903290-AD-6	USF&G CONV ZERO CPN 3/03/		0.000	MATR	03/03/2009			193,328	250,000	77.3750	193,438	166,273	0	0	7,885	0	0	2PE	05/13/1999	4.252
90332U-AN-3	US Airways Pass Thru Crtf 7.076%		7.076	WTLY	03/20/2021	09/20/2022	100.000	971,783	967,494	0.0000	971,783	972,389	6,247	34,230	(278)	0	0	1	01/23/2001	7.162
904764-AF-4	Unilever Cap Corp 6.875 11/01/05		6.875	MN	11/01/2005			511,319	560,610	112.1220	560,610	518,255	5,229	34,375	(3,561)	0	0	1	12/27/2000	6.085
907833-AB-3	Union Pacific RR Pass-Thru 7.06%		7.060	MN	05/15/2003			999,477	1,000,000	0.0000	999,477	998,030	9,166	70,600	1,341	0	0	1PE	08/15/1999	7.335
907833-AF-4	UNION PACIFIC RR 6.85%		6.850	JJ	01/02/2019			691,916	691,916	0.0000	691,916	691,916	23,566	47,396	0	0	0	1PE	09/17/1998	6.967
907833-AG-2	UNION PACIFIC RR		6.330	JJ	01/02/2020			916,257	916,257	0.0000	916,257	916,257	28,838	57,999	0	0	0	1PE	12/02/1998	6.430
909317-AV-1	United Airfls Pass Thru Ctf Cl A 2		7.186	AO	04/01/2011			1,015,304	981,577	79.9310	784,584	1,021,093	17,634	70,872	(3,124)	0	0	2	02/01/2001	6.733
911312-AB-2	United Parcel Svc. 1.75%		1.750	MS	09/27/2007			200,155	200,000	106.0000	212,000	200,225	914	3,500	(31)	0	0	1	09/22/2000	1.740
91529Y-AC-0	Unum Provident Corp. Note 7.625%		7.625	MS	03/01/2011			941,178	945,000	99.8670	943,743	940,606	24,019	72,056	326	0	0	2PE	03/02/2001	7.841
918866-AH-7	Valassis Comms. Zero Coupon		0.000	MATR	06/06/2021			525,943	960,000	57.0000	513,000	521,608	0	0	4,335	0	0	2	11/27/2002	2.958
92344G-AL-0	Verizon Global Funding 7.25%		7.250	JD	12/01/2010			809,542	750,000	113.6530	852,398	815,670	4,531	54,375	(5,732)	0	0	1	12/05/2001	6.066
92931B-AA-4	Wps Res Corp 7.0% 11/01/09		7.000	MN	11/01/2009			2,185,291	2,000,000	110.9640	2,219,280	2,191,180	23,333	35,000	(4,314)	0	0	1PE	11/15/2002	5.449
931142-BE-2	WAL MART 6.875% OF 8/09		6.875	FA	08/10/2009			492,263	500,000	117.7970	588,985	490,005	13,464	34,375	887	0	0	1	04/17/2000	7.302
939322-AD-5	Washington Mutual Inc. 7.50%		7.500	FA	08/15/2006			731,085	700,000	112.4460	787,122	743,414	19,833	52,500	(7,450)	0	0	2	04/23/2001	6.209
939640-AC-2	Washington Post Co. 5.5%		5.500	FA	02/15/2009			1,225,221	1,250,000	106.5650	1,332,063	1,220,882	25,972	68,750	3,272	0	0	1PE	11/29/2001	5.977
947074-AB-6	Weatherford Intl Inc. Conv Zero Co.		0.000	MATR	06/30/2020			214,300	300,000	63.6250	190,875	207,696	0	0	4,081	0	0	2	05/15/2001	1.941
94975C-AJ-6	Wells Fargo Financial 6.125%		6.125	AO	04/18/2012			1,654,783	1,500,000	102.0000	1,530,000	1,658,220	18,630	45,938	(3,437)	0	0	1	09/27/2002	4.796
961548-AT-1	Westvaco Corp. 6.85%		6.850	MN	11/15/2004			624,994	600,000	106.3750	638,250	632,010	5,252	20,550	(7,016)	0	0	2PE	06/11/2002	4.557
963320-AK-2	Whirlpool Corp. 8.60%		8.600	MN	05/01/2010			1,019,224	1,000,000	122.5680	1,225,680	1,023,290	14,333	86,000	(1,845)	0	0	2	08/30/2000	8.415
U74078-AE-3	Nestle Holding Inc. 3%		3.000	MN	05/09/2005			201,352	180,000	111.1550	207,186	207,186	780	2,700	(5,834)	0	0	1PE	05/16/2002	(1.892)
COUNTRY TOTAL - U.S.								167,572,491	169,939,285	XXX	174,132,679	169,502,504	2,544,676	8,277,318	(1,445,252)	0	0	XXX	XXX	XXX
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								167,572,491	169,939,285	XXX	174,132,679	169,502,504	2,544,676	8,277,318	(1,445,252)	0	0	XXX	XXX	XXX
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																				
130335-AW-2	Calif Infra SDG&E-1 1997 Cl A6		6.310	MJSD	09/25/2008			1,052,484	1,050,000	0.0000	1,052,484	1,054,266	5,521	49,691	(1,008)	0	0	1	01/26/2001	6.200
161626-TM-8	CHASE 1993 HI-1 A4 7% 7/25/2024		7.000	MTLY	07/25/2023	02/25/2006	100.000	0	0	0.0000	0	0	9,723	0	0	0	0	1PE	08/02/1993	0.000
25466K-BY-4	DISCOVER CARD 98-6 A		5.850	MTLY	01/17/2006	12/30/2005	100.000	1,474,022	1,465,000	0.0000	1,474,022	1,494,643	9,585	85,703	(4,511)	0	0	1	12/15/1998	5.237
COUNTRY TOTAL - U.S.								2,526,505	2,515,000	XXX	2,526,505	2,548,909	24,829	135,394	(5,518)	0	0	XXX	XXX	XXX
4199999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities								2,526,505	2,515,000	XXX	2,526,505	2,548,909	24,829	135,394	(5,518)	0	0	XXX	XXX	XXX
OTHER MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES																				
130335-AG-7	CA INFRA CMO 97-1 A7 6.42%		6.420	MTLY	09/25/2008	12/08/2009	100.000	1,001,606	1,000,000	0.0000	1,001,606	1,003,959	4,344	80,764	(473)	0	0	1	05/05/1998	6.454
31786Y-AF-7	FINGERHUT MSTR 98-2 A		6.230	MTLY	02/15/2007			354,634	348,333	0.0000	354,634	355,790	1,688	21,701	2,155	0	0	1	12/17/1998	5.191
69350E-AC-4	Pp&I Transition Bond Co Lic 6.60%		6.600	MJSD	03/25/2005			157,586	157,587	0.0000	157,586	157,586	173	12,067	0	0	0	1	08/05/1999	6.765
78388B-AA-1	SOUTHTRUST FUNDING 6.65% 11/28/13		6.650	MTLY	11/28/2013			50,050	50,542	0.0000	50,505	50,784	27	4,104	0	0	0	1	06/01/1999	6.811
COUNTRY TOTAL - U.S.								1,563,877	1,556,462	XXX	1,563,877	1,568,118	6,232	118,636	1,683	0	0	XXX	XXX	XXX
4499999 - Total Bonds - Industrial, Misc. - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								1,563,877	1,556,462	XXX	1,563,877	1,568,118	6,232	118,636	1,683	0	0	XXX	XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds																				
5499999 - Total - Issuer Obligations								171,662,873	174,010,747	XXX	178,223,061	173,619,531	2,575,738	8,531,348	(1,449,087)	0	0	XXX	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								218,876,364	221,215,643	XXX	228,049,605	221,302,990	3,171,958	9,981,581	(1,898,587)	0	0	XXX	XXX	XXX
5999999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities								91,441,993	89,505,674	XXX	91,441,993	91,564,980	476,481	3,378,068	(111,536)	0	0	XXX	XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities								29,407,782	29,083,530	XXX	29,407,782	29,492,153	172,644	1,192,209	(21,947)	0	0	XXX	XXX	XXX
6099999 Totals								1,563,877	1,563,877	XXX	1,563,877	1,568,118	6,232	118,636	1,683	0	0	XXX	XXX	XXX
6099999 Totals								341,290,016	341,361,309	XXX	350,463,257	343,928,242	3,827,315	14,670,494	(2,030,387)	0	0	XXX	XXX	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

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

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Par Value Per Share	5 Rate Per Share	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	Dividends		12 Increase (Decrease) by Adjustment	13 Increase (Decrease) by Foreign Exchange Adjustment	14 NAIC Design- nation	15 Date Acquired
									10 Declared but Unpaid	11 Amount Received During Year				
PUBLIC UTILITIES - U.S.														
69352F-20-4	PPL Capital Funding Pfd	8,000,000			145,200	18.150	145,200	200,120	0	15,500	(12,000)	0	RP2L	05/04/2001
COUNTRY TOTAL - U.S.					145,200	XXX	145,200	200,120	0	15,500	(12,000)	0	XXX	XXX
6199999 - Total - Preferred Stock - Public Utility					145,200	XXX	145,200	200,120	0	15,500	(12,000)	0	XXX	XXX
BANKS, TRUST AND INSURANCE COMPANIES - U.S.														
89420G-30-7	Travelers Ppty Casualty Corp	32,000,000			715,200	22.350	715,200	747,349	0	12,038	(32,149)	0	P2A	11/21/2002
COUNTRY TOTAL - U.S.					715,200	XXX	715,200	747,349	0	12,038	(32,149)	0	XXX	XXX
6299999 - Total - Preferred Stock - Banks, Trust, Insurance					715,200	XXX	715,200	747,349	0	12,038	(32,149)	0	XXX	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.														
020039-82-2	Alltel Corp	8,800,000			451,704	51.330	451,704	465,080	0	0	(13,376)	0	P1L	12/03/2002
151313-88-9	Cendant Corp. Conv. Pfd	8,000,000			258,000	32.250	258,000	266,320	0	7,750	(8,320)	0	P2A	09/30/2002
294741-50-9	Equity Office Pptys Tr 5.25% Conv.	10,000,000			439,500	45.034	450,342	439,500	0	0	0	0	RP2L	11/19/2002
29476L-85-9	EQ RES PPTYS TR SER G CONV PFD	5,500,000			134,200	24.400	134,200	212,125	0	13,021	(4,950)	0	P2L	06/14/2001
302571-40-1	FPL Group Inc. Conv. Pfd	4,000,000	0.00		213,520	53.380	213,520	200,184	0	6,844	13,336	0	P1A	06/07/2002
345395-20-6	Ford Motor Co. Conv. Pfd	15,000,000			606,863	40.850	612,750	690,110	0	23,359	(83,247)	0	RP3L	09/24/2002
370442-74-1	General Motors Corp. Conv. Pfd	34,000,000	0.00		857,461	24.250	824,500	857,461	0	18,594	0	0	RP2L	03/01/2002
460137-30-0	INTERNATIONAL PAPER 5.25% CONV PFD	6,250,000			287,406	46.375	289,844	320,013	0	16,406	2,250	0	RP3L	05/24/2001
59156R-20-7	Metlife Cap. Trst. Conv. PRef	0.000	0.00		0	0.000	0	0	0	4,000	0	0	P2L	04/04/2000
632525-30-9	NATL AUSTRALIA BK LTD 7.875% CONV	7,000,000			227,850	32.550	227,850	198,614	0	13,781	17,850	0	P1L	01/03/2000
651195-30-7	NEWELL FINL TR I 5.25% CONV PFD	6,000,000			291,390	45.125	270,750	291,390	0	15,750	69,390	0	RP2L	01/07/2000
744320-20-1	Prudential Financial Conv. Pfd	13,000,000			702,326	54.570	709,410	702,326	0	19,378	0	0	RP1L	11/27/2002
759351-30-7	Reinsurance Group of AM Conv. Pfd	5,100,000			235,076	46.850	238,935	235,076	0	0	0	0	RP2L	12/12/2002
91528T-20-7	UNOCAL CAP TR 6.25% CONV PFD	14,000,000			716,640	51.125	715,750	716,640	0	16,797	20,313	0	RP2L	11/25/2002
91821D-10-7	VEC TR I Prem Equity 7.75%	18,000,000			466,329	28.900	520,200	466,329	0	0	0	0	RP2A	11/14/2002
929042-20-8	VORNADO RLTY TR 6.5% CONV PFD	2,200,000			117,040	53.200	117,040	118,041	0	10,238	(9,460)	0	P2L	09/29/2000
939322-84-8	Washington Mutual Capital Tr 5.375	12,250,000			627,813	51.250	627,813	646,096	0	21,836	(18,283)	0	P2A	09/25/2002
COUNTRY TOTAL - U.S.					6,633,117	XXX	6,662,607	6,825,304	0	187,754	(14,498)	0	XXX	XXX
6399999 - Total - Preferred Stock - Industrial, Misc.					6,633,117	XXX	6,662,607	6,825,304	0	187,754	(14,498)	0	XXX	XXX
6599999 Total - Preferred Stocks					7,493,517	XXX	7,523,007	7,772,773	0	215,291	(58,647)	0	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared but Unpaid	9 Amount Received During Year				
BANKS, TRUST AND INSURANCE COMPANIES - U.S.												
05536J-10-0	BCSI Holdings	4,411,000	276,217	.62	276,217	249,971	.0	.0	.0	0	A	.09/14/1998
07336*-10-0	BCS Financial	10,550,000	1,465,996	.138	1,465,996	676,232	.0	10,550	(22,609)	0	A	.05/11/1990
077459-10-5	Belden Inc.	22,300,000	339,406	.152	339,406	425,528	.0	1,380	(97,819)	0	L	.11/15/2002
72724*-10-4	Plans' Liability Insurace Company	15,480	1,194,317	77.152	1,194,317	774,000	.0	15,480	(36,406)	0	A	.12/31/1987
750236-10-1	Radian Group, Inc.	6,400,000	237,760	.37	237,760	267,007	.0	530	(49,787)	0	L	.04/24/2002
759351-10-9	Reinsurance Group Of America	12,500,000	338,500	.27	338,500	366,491	.0	3,933	(27,991)	0	L	.06/07/2002
957090-10-3	Westamerica Bancorpation	7,100,000	285,278	.40	285,278	281,337	.0	6,170	(695)	0	L	.04/24/2002
COUNTRY TOTAL - U.S.			4,137,474	XXX	4,137,474	3,040,566	0	38,043	(235,307)	0	XXX	XXX
6799999 - Total - Common Stock - Banks, Trust, Insurance			4,137,474	XXX	4,137,474	3,040,566	0	38,043	(235,307)	0	XXX	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.												
00790K-10-9	Advance PCS	8,165,000	181,345	.22	181,345	231,878	.0	.0	(50,533)	0	L	.12/18/2001
02660M-10-8	American Home Mtg. Holdings Inc	21,000,000	231,000	.11	231,000	333,962	.0	1,470	(102,962)	0	L	.04/25/2002
037899-10-1	Applebees Intl. Inc	12,700,000	294,526	.23	294,526	286,266	.0	.0	8,260	0	L	.11/15/2002
052769-10-6	Autodesk	27,800,000	397,540	.14	397,540	482,546	.0	2,364	(85,972)	0	L	.11/15/2002
053807-10-3	Avnet Inc	19,000,000	205,770	.10	205,770	517,396	.0	1,223	(281,940)	0	L	.04/24/2002
066821-10-9	Banta Corporation	12,600,000	394,002	.31	394,002	359,521	.0	7,120	3,499	0	L	.04/24/2002
084423-10-2	Berkley W.R. Corp	9,050,000	358,471	.39	358,471	331,085	.0	3,940	29,336	0	L	.04/24/2002
102183-10-0	Bowater Inc	9,700,000	406,915	.41	406,915	473,489	.0	5,000	(67,427)	0	L	.04/24/2002
110743-10-9	Brunswick Corp	18,400,000	365,424	.19	365,424	411,475	.0	9,200	(48,221)	0	L	.04/24/2002
121579-10-6	Burlington Coat Factory	14,200,000	254,890	.17	254,890	244,143	.0	284	10,747	0	L	.04/24/2002
144418-10-0	Carramerica Realty Corp	10,900,000	273,045	.25	273,045	273,005	.0	5,450	40	0	L	.09/25/2002
14754D-10-0	Cash America Intl. Inc.	45,600,000	434,112	.9	434,112	365,132	.0	1,984	48,277	0	L	.05/29/2002
195493-30-9	Colonial Bangrup Inc	31,000,000	369,830	.11	369,830	390,229	.0	12,298	(55,426)	0	L	.11/21/2002
216648-40-2	Cooper Cos Inc.	19,200,000	480,384	.25	480,384	408,091	.0	770	176	0	L	.06/24/2002
216831-10-7	COOPER TIRE & RUBBER CO	20,900,000	320,606	.15	320,606	383,181	.0	4,389	(85,129)	0	L	.06/11/2002
231021-10-6	Cummins Inc	9,100,000	255,983	.28	255,983	338,940	.0	10,530	(102,189)	0	L	.04/24/2002
247131-10-5	Delphi Finl Group Inc	6,100,000	231,556	.37	231,556	218,608	.0	915	10,532	0	L	.04/24/2002
247357-10-6	Delta & Pine Land Co	19,600,000	400,036	.20	400,036	367,855	.0	980	32,181	0	L	.10/30/2002
29265N-10-8	ENERGEN CORP.	15,300,000	445,230	.29	445,230	353,184	.0	10,478	59,506	0	L	.04/24/2002
303250-10-4	Fair Isaac & Co Inc	4,900,000	209,230	.42	209,230	174,133	.0	492	35,097	0	L	.09/25/2002
31983B-10-1	First Community Bancorp	10,200,000	335,896	.32	335,896	264,693	.0	2,730	71,204	0	L	.10/21/2002
336453-10-5	First St. Bancorp	9,800,000	243,040	.24	243,040	198,980	.0	980	18,862	0	L	.10/21/2002
373200-20-3	Georgia Gulf Corp	13,300,000	307,762	.23	307,762	286,483	.0	.0	21,279	0	L	.12/23/2002
376535-10-0	Gladstone Capital Corp	18,400,000	303,048	.16	303,048	288,202	.0	11,250	(28,169)	0	L	.11/15/2002
37803P-10-5	Glenborough Rlty Tr Inc	15,000,000	267,300	.17	267,300	286,600	.0	25,800	(23,700)	0	L	.11/12/2001
413086-10-9	Harman International Ind. Inc.	4,600,000	273,700	.59	273,700	191,888	.0	719	52,068	0	L	.04/24/2002
45031U-10-1	Istar Financial Inc.	4,800,000	134,640	.28	134,640	111,840	.0	12,096	14,880	0	L	.10/30/2001
4576J0-10-4	INNKEEPERS USA TRUST	41,600,000	318,656	.7	318,656	448,659	.0	9,842	(85,614)	0	L	.06/24/2002
46072H-10-8	Interstate Bakeries	15,900,000	242,475	.15	242,475	412,300	.0	1,113	(169,825)	0	L	.08/27/2002
466210-10-1	JLG INDS INC.	48,700,000	366,711	.7	366,711	519,405	.0	609	(129,893)	0	L	.09/25/2002
488044-10-8	Kellwood Co	6,500,000	169,000	.26	169,000	146,223	.0	4,160	12,935	0	L	.05/24/2001
533900-10-6	Lincoln Electric Holdings	12,200,000	282,430	.23	282,430	280,114	.0	7,320	(15,738)	0	L	.05/18/2001
651824-10-4	Newport Corp	34,400,000	432,064	12.560	432,064	506,458	.0	.0	(74,394)	0	L	.11/15/2002
666666-66-4	Neighborhood Economic Dev Corp	2,000	.0	0.000	.0	100,000	.0	.0	.0	0	U	.05/16/1986
670872-10-0	OM Group Inc	8,400,000	57,792	.6	57,792	422,003	.0	.0	(364,211)	0	L	.09/25/2002
681904-10-8	Omicare Inc	21,921,000	522,377	.23	522,377	354,604	.0	1,903	(32,332)	0	L	.04/24/2002
683868-10-3	Opticnet Inc.	1,450,000	15	.0	15	.0	.0	.0	(102)	0	L	.11/30/2000
688239-20-1	OSHKOSH TRUCK B.	4,300,000	264,450	.61	264,450	180,193	.0	1,484	54,825	0	L	.07/06/2001
693419-20-2	PMA Capital Corp.-CI A	1,800,000	25,794	.14	25,794	42,604	.0	1,334	(16,810)	0	L	.04/24/2002
708870-10-0	PMA Capital Corp.	10,900,000	156,197	.14	156,197	191,161	.0	2,478	(54,173)	0	L	.12/14/2001
713278-10-9	Pep Boys Inc.	33,500,000	388,600	.11	388,600	383,076	.0	.0	5,524	0	L	.11/25/2002
718592-10-8	Phillips Van Heusen Corp.	26,100,000	301,716	.11	301,716	381,283	.0	3,776	946	0	L	.04/24/2002
748356-10-2	Questar Corp	7,700,000	214,214	.27	214,214	218,341	.0	6,879	15,481	0	L	.04/24/2002
755111-40-8	Raytheon Co. Class B.	400,000	12,300	.30	12,300	11,396	.0	.0	(688)	0	L	.05/07/2001
755111-50-7	Raytheon Co	9,500,000	292,125	.30	292,125	330,838	.0	7,364	(32,756)	0	L	.04/24/2002
761695-10-5	REYNOLDS & REYNOLDS CO CL A	0.000	0	.0	0	.0	.0	1,089	.0	0	L	.10/29/1999
78440X-10-1	S.L. Green Realty Corp.	12,300,000	388,680	.31	388,680	372,556	.0	.0	16,124	0	L	.11/25/2002
808194-10-4	Schulman A Inc.	19,900,000	370,339	.18	370,339	282,678	.0	10,368	81,295	0	L	.04/24/2002
847220-20-9	Spartech Corp.	16,000,000	330,080	.20	330,080	341,867	.0	5,643	(9,850)	0	L	.04/24/2002

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared but Unpaid	9 Amount Received During Year				
876664-10-3	Taubman Centers Inc.....	24,300,000	394,389	16.230	394,389	315,191	0	20,298	32,498	0	L	08/22/2002
898402-10-2	Trustmark Corp.....	10,400,000	247,520	23.800	247,520	237,635	0	1,386	9,885	0	L	12/23/2002
903236-10-7	URS CORP.....	18,000,000	256,140	14.230	256,140	410,266	0	0	(156,030)	0	L	09/25/2002
916906-10-0	US FREIGHTWAYS CORP.....	8,600,000	247,250	28.750	247,250	239,676	0	3,211	(26,022)	0	L	04/24/2002
922040-10-0	Vanguard Institutional Index Fund.....	255,798,794	20,579,013	80.450	20,579,013	27,598,408	0	285,496	(4,267,128)	0	L	12/26/2002
932270-10-1	Wallace Computer Services Inc.....	20,800,000	447,408	21.510	447,408	400,189	0	6,864	47,219	0	L	08/28/2002
958259-10-3	Western Gas Res Inc.....	15,100,000	556,435	36.850	556,435	564,056	0	2,550	45,301	0	L	06/11/2002
978097-10-3	Wolverine World Wide Inc.....	0	0	0.000	0	0	0	424	0	0	L	12/20/2000
G16962-10-5	BUNGE LTD. CL F.....	16,500,000	396,990	24.060	396,990	307,121	0	6,026	46,039	0	L	04/24/2002
G7885T-10-4	Scottish Annuity & Lifeholdings.....	21,900,000	382,155	17.450	382,155	363,814	0	1,715	18,341	0	L	11/21/2002
G9108L-10-8	Tsakos Energy Navigation Ltd.....	19,400,000	299,924	15.460	299,924	281,088	0	9,700	18,836	0	L	09/25/2002
Y8564W-10-3	Teekay Shipping Corp.....	10,700,000	435,490	40.700	435,490	431,833	0	6,257	60,048	0	L	04/24/2002
COUNTRY TOTAL - U.S.			37,754,010	XXX	37,754,010	45,673,039	0	541,751	(5,485,993)	0	XXX	XXX
6899999 - Total - Common Stock - Industrial, Misc.			37,754,010	XXX	37,754,010	45,673,039	0	541,751	(5,485,993)	0	XXX	XXX
13973#-10-2	Capital Area Services Company, Inc.....	1,000,000	1,000	1.000	1,000	1,000	0	0	0	0	A	
13985#-10-8	CareFirst BlueChoice, Inc.....	4,000,000	57,441,740	12,198,000	57,441,740	20,611,719	0	0	(11,910,802)	0	A	
63516#-10-1	National Capital Administrative Services.....	4,000,000	9,868,959	2,467,000	9,868,959	12,802,369	0	0	991,555	0	A	
63517@-10-2	National Capital Insurance Agency, Inc.....	20,000,000	4,278,418	213,000	4,278,418	5,363,430	0	0	1,346,846	0	A	
GHMSI Companies			25,000,000			309,807						
6999999 - Total - Common Stock - Parent, Subsidiaries, Affiliates			71,590,117	XXX	71,590,117	39,088,325			(9,572,401)		XXX	XXX
7099999 Total - Common Stocks			113,481,601	XXX	113,481,601	87,801,930	0	579,794	(15,293,701)	0	XXX	XXX
7199999 Total - Preferred and Common Stocks			120,975,118	XXX	121,004,608	95,574,703	0	795,085	(15,352,348)	0	XXX	XXX

(a) For all common stocks bearing the NAIC designation "U" provide: the number of such issues \_\_\_\_\_, the total \$ value (included in Column 6) of all such issues \$ \_\_\_\_\_.

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
<b>US GOVERNMENT OBLIGATIONS - U.S.</b>							
36212D-NX-3	GNMA Pool #530606 6.50%	10/07/2002	Merrill Lynch		2,682,172	2,571,285	10,214
36213D-GB-8	GNMA Pool #551094 6.50%	10/07/2002	Merrill Lynch		1,203,857	1,154,087	4,584
83162C-JF-1	SMALL BUSINESS ADMIN 6.3% 5/01/	05/29/2002	Bear Stearns		741,533	723,447	4,051
912810-FP-8	U.S. Treasury Bonds 5.375%	10/08/2002	Deutsche Bank Govt Sec.		1,110,469	1,000,000	8,325
912827-3T-7	US TREAS NT	12/01/2002	Inflation Index		0	20,242	60
912827-6R-8	US Treasury Note 3.5% 01/15/11	12/01/2002	Inflation Index		0	57,406	42
912827-6X-5	US Treasury Note 4.625%	02/14/2002	G X Clarke		1,831,358	1,800,000	22,307
912827-7J-5	U.S. Treasury Notes 3.375%	12/01/2002	VARIOUS		1,859,433	1,907,232	2,433
912828-AB-6	US Treasury Note 3.375%	09/27/2002	HSBC Securities		6,156,563	6,000,000	84,192
<b>COUNTRY TOTAL - U.S.</b>					<b>15,585,384</b>	<b>15,233,698</b>	<b>136,209</b>
0399999 - Total - Bonds - U.S. Government					15,585,384	15,233,698	136,209
<b>STATES, TERRITORIES, POSSESSIONS - U.S.</b>							
<b>IOWA</b>							
731197-PN-3	Polk Cnty Iowa 5.15%	12/20/2002	Legg Mason Wood		986,610	1,000,000	715
<b>STATE TOTAL</b>					<b>986,610</b>	<b>1,000,000</b>	<b>715</b>
<b>COUNTRY TOTAL - U.S.</b>					<b>986,610</b>	<b>1,000,000</b>	<b>715</b>
1799999 - Total - Bonds - States, Territories and Possessions					986,610	1,000,000	715
<b>SPECIAL REVENUE AND ASSESSMENTS - U.S.</b>							
<b>U.S. GOVERNMENT</b>							
31283K-F7-8	FHLMC Gold Pool #611090	07/23/2002	SALOMON BROTHERS		3,430,653	3,309,147	9,927
3128X0-TV-1	FHLMC MTN 6%	12/19/2002	Legg Mason Wood		5,000,000	5,000,000	0
312925-W7-1	FHLMC 5.125%	09/11/2002	Legg Mason Wood		2,505,700	2,500,000	7,830
3133ME-U6-6	Federal Home Loan Bank 5.375%	08/20/2002	Spear Leeds & Kellog		321,408	300,000	4,300
3133MN-VV-0	FHLB 5.750%	06/04/2002	Legg Mason Wood		2,538,150	2,500,000	5,990
3133MQ-SR-6	FHLB 4.5%	09/11/2002	Legg Mason Wood		2,536,625	2,500,000	8,438
3134A4-PX-6	FHLMC Bond 3.0%	07/24/2002	Merrill Lynch		3,538,553	3,500,000	4,083
31371K-KL-4	FNMA 254199 6.50% OF 02/01/32	04/18/2002	Legg Mason Wood		2,482,739	2,464,257	5,339
31371K-P3-9	FNMA 254342 6.0% OF 06/01/17	06/04/2002	Legg Mason Wood		1,520,984	1,494,365	4,234
31371K-T9-2	FNMA Pool #254476 5.5%	09/06/2002	Legg Mason Wood		2,507,813	2,500,000	5,729
31374S-6A-4	FNMA Pool 323165 6.0%	08/14/2002	sandler oneill		1,286,378	1,231,536	3,695
31374T-PG-8	FNMA Pool 323623 6.0%	07/01/2002	SALOMON BROTHERS		2,287,981	2,223,703	6,300
31384V-ML-3	FNMA Pool #507237 6.50%	05/02/2002	Paine Webber		5,316,503	5,153,835	13,958
31384W-AW-0	FNMA Pool # 535621 7.04%	12/05/2002	SALOMON BROTHERS		2,253,556	1,963,883	3,458
31385H-5B-4	FNMA Pool 545442 6.0%	04/19/2002	Legg Mason Wood		2,442,918	2,483,271	9,519
31385W-UE-7	FNMA Pool #555081 6.329%	11/26/2002	SALOMON BROTHERS		1,329,000	1,200,000	211
31389M-CQ-8	FNMA Pool #629279 6.50%	05/29/2002	Legg Mason Wood		1,510,069	1,485,466	8,046
31390E-TW-2	FNMA Pool #644165	07/24/2002	Paine Webber		207,913	210,278	418
31390J-RP-8	FNMA 6.0%	06/04/2002	Legg Mason Wood		2,535,381	2,490,245	7,056
31390K-RV-2	FNMA Pool #648600 5.5%	07/24/2002	Paine Webber		544,433	550,628	1,094
31390S-WK-3	FNMA Pool #655050 5.5%	07/24/2002	Paine Webber		730,633	738,946	1,468
31390T-MG-1	FNMA Pool #655659 6.50%	10/07/2002	Merrill Lynch		12,826,215	12,362,616	31,250
31390U-5A-0	FNMA Pool #657041 6.50%	10/07/2002	Merrill Lynch		1,854,412	1,787,385	4,518
31392B-UH-7	FNMA 6.0% Series 2002-3	09/30/2002	WARBURG DILLON READ LLC		7,078,969	6,700,000	2,233
31392D-CE-0	FNMA Remic Ser 2002-37 6.50%	05/29/2002	Legg Mason Wood		2,538,937	2,504,500	13,566
31392D-P9-7	FNMA 2002-WB A2 7%	07/12/2002	Bear Stearns		2,069,632	1,972,840	4,987
31392E-XC-9	FNR 2002-68KC 5.5%	09/25/2002	Legg Mason Wood		2,612,500	2,500,000	11,076
31392M-EM-0	FHLMC 7%	05/16/2002	Nomura		3,193,526	3,074,394	7,174
31392U-KL-7	FHR 2504 N 5.5%	09/25/2002	Legg Mason Wood		2,567,969	2,500,000	11,076
31393F-5B-8	FHLMC Remic 2522 5.5%	10/30/2002	Legg Mason Wood		5,076,563	5,000,000	21,389
38373M-GC-8	GNMA Remic 2002-71VB 5.50%	10/03/2002	Legg Mason Wood		2,528,906	2,500,000	11,076
<b>STATE TOTAL</b>					<b>89,175,017</b>	<b>86,701,296</b>	<b>229,438</b>
<b>COUNTRY TOTAL - U.S.</b>					<b>89,175,017</b>	<b>86,701,296</b>	<b>229,438</b>
3199999 - Total - Bonds - Special Revenue					89,175,017	86,701,296	229,438
<b>INDUSTRIAL &amp; MISCELLANEOUS - U.S.</b>							
00184A-AG-0	AOL Time Warner 7.70%	11/07/2002	Credit Suisse First Bosto		670,915	700,000	1,797
001957-BC-2	AT&T Corp. Step Up	05/08/2002	VARIOUS		1,646,724	1,800,000	59,941
001957-BD-0	AT&T Corp. Step Up	06/05/2002	Morgan Stanley		1,400,000	1,600,000	8,889
001957-BE-8	AT&T Corp. 6.375%	12/04/2002	Mesirow Financial		511,250	500,000	6,781
00209T-AA-3	AT&T Broadband Corp. 8.375%	12/12/2002	SALOMON BROTHERS		1,442,311	1,300,000	8,770
018490-AD-4	Allergan Inc. Zero Coupon	11/01/2002	SALOMON BROTHERS		409,190	525,000	0
020039-DC-4	Alltel Corp. 7.875%	09/10/2002	Merrill Lynch		812,483	750,000	13,781

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
023551-AF-1	Amerada Hess Corp. 7.875%	10/01/2002	Warburg, S.G.		894,135	750,000	.492
02635P-RT-2	American General Finance 5.375%	11/20/2002	SALOMON BROTHERS.		975,460	1,000,000	8.361
060505-AQ-7	Bank of America Corp. 6.25%	05/29/2002	Legg Mason Wood.		508,430	500,000	3.385
060505-AR-5	Bank of America Corp. 4.875%	09/25/2002	BA Securities		1,001,030	1,000,000	.0
109641-AC-4	Brinker Int'l Inc. Zero Coupon	11/20/2002	Morgan Stanley.		673,402	1,000,000	.0
12489V-AA-4	CBRL Group Conv. Zero Coupon	04/24/2002	KBC Fin. Prods.		295,351	700,000	.0
125569-DJ-9	CIT Group Holdings Inc. 6.625%	12/20/2002	Legg Mason Wood.		1,047,690	1,000,000	2.024
125581-AA-6	CIT Group Holdings 7.375%	07/25/2002	Lehman Brothers		666,608	650,000	15.846
125581-AC-2	CIT Group Inc. 5.75%	09/18/2002	Credit Suisse First Bosto.		1,099,386	1,100,000	.0
143658-AN-2	Carnival Corp. Conv. 2.00%	09/25/2002	VARIOUS		612,500	600,000	5.311
151313-AN-3	Cendant Corp 3.875% 11/27/11	08/27/2002	JP Morgan Securities, Inc.		445,428	450,000	4.359
156700-AE-6	Centurytel Inc. 4.75%	09/27/2002	VARIOUS		414,500	400,000	1.306
166760-AA-6	ChevronTexaco Cap. Co. 3.5%	09/25/2002	Legg Mason Wood.		2,012,780	2,000,000	2.917
171232-AF-8	Chubb Corp.	08/19/2002	Legg Mason Wood.		2,039,520	2,000,000	32.333
172967-BM-2	Citigroup Inc. 4.125%	12/11/2002	VARIOUS		3,596,570	3,500,000	42.797
191219-BJ-2	Coca Cola Enterprises	09/24/2002	Morgan Stanley.		825,551	740,000	5.288
204912-AP-4	Computer Assoc. Inc. 1.625%	12/13/2002	KBC Fin. Prods.		450,166	450,000	.56
208251-AE-8	Conoco Inc. 6.95%	11/08/2002	Morgan Stanley.		561,305	500,000	2.799
209864-AT-4	Consolidated Rail 9.75%	03/27/2002	Lehman Brothers.		1,855,905	1,500,000	43.469
222372-AE-4	Countrywide Credit Zero Coupon	11/26/2002	VARIOUS		374,629	475,000	.0
22237L-LD-2	Countrywide Home Loan Corp. 5.25%	06/11/2002	Lehman Brothers		1,023,170	1,000,000	26.104
22237L-MQ-2	Countrywide Home Loans Inc. 5.625%	06/11/2002	Bear Stearns.		784,416	775,000	3.270
22541L-AA-1	Credit Suisse First Boston 5.875%	06/10/2002	Bank Of America		772,965	750,000	16.156
22541L-AB-9	Credit Suisse FB 6.125% 11/15/11	08/28/2002	Legg Mason Wood.		1,021,390	1,000,000	17.865
233331-AE-7	DTE Energy Co. 7.05%	04/15/2002	Advest, Inc.		1,024,590	1,000,000	26.829
233835-AB-3	DaimlerChrysler 6.90%	04/29/2002	Chase Manhattan Bank.		1,045,690	1,000,000	11.692
244199-BB-0	Deere & Co. 6.95%	04/10/2002	Credit Suisse First Bosto.		599,406	600,000	.0
244217-BG-9	John Deere Capital Corp. 7%	03/27/2002	MLPF&S Fixed Income Ops.		601,734	600,000	1.167
25156P-AC-7	Deutsche Telekom Intl. Fin. 8.25%	12/18/2002	MLPF&S Fixed Income Ops.		794,745	700,000	1.361
25179S-AD-2	Devon Financing Corp. 7.875%	11/21/2002	WARBURG DILLON READ LLC.		584,660	500,000	6.125
25746U-AJ-8	Dominion Resources Inc. 6.25%	06/24/2002	Chase Manhattan Bank.		499,075	500,000	.0
291011-AR-5	Emerson Electric Co. 4.625%	10/10/2002	BA Securities		501,060	500,000	.578
302570-AL-0	FPL Group Capital Inc. 7.375%	05/29/2002	Legg Mason Wood.		544,155	500,000	18.438
319963-AD-6	First Data Corp. 2%	08/27/2002	Warburg, S.G.		225,594	250,000	2.238
345397-TY-9	Ford Motor Credit Co. 7.25%	06/10/2002	Advest, Inc.		1,116,797	1,100,000	10.633
36962G-XZ-2	General Electric Cap. Corp. 6.75%	09/19/2002	Bear Stearns.		325,956	300,000	.506
36962G-ZY-3	General Electric Cap. Corp. 5.45%	12/20/2002	Bear Stearns.		1,024,930	1,000,000	3.028
370334-AT-1	Gen. Mills 0% 10/28/22	10/23/2002	Nationsbank		352,616	525,000	.0
370425-RG-7	GMAC 6.15%	05/09/2002	MLPF&S Fixed Income Ops.		1,508,235	1,500,000	9.994
370425-RT-9	General Motors Acceptance Corp Nts	05/22/2002	MLPF&S Fixed Income Ops.		1,042,820	1,000,000	24.938
400518-AA-4	GTech Holdings Corp. Conv. 1.75%	05/15/2002	CS First Boston.		400,875	320,000	2.364
413875-AG-0	Harris Corp. 3.50%	10/09/2002	VARIOUS		602,425	575,000	1.531
421933-AB-8	Health Management Assoc. .25%	09/25/2002	McMahan Securities.		405,000	600,000	.183
421933-AC-6	Health Mgmt. Assoc. Zero Coupon	03/11/2002	Morgan Stanley.		203,125	250,000	.0
428236-AF-0	Hewlett Packard Co. 5.50%	06/21/2002	DB Clearing Services.		1,297,400	1,300,000	.0
441812-GK-4	Household Finance Corp. 7.875%	06/10/2002	BA Securities		648,780	600,000	13.388
453258-AM-7	Inco Ltd. Zero Coupon	07/15/2002	Deutsche Bank Alex Brown.		264,867	435,000	.0
459200-AT-8	International Busine 5.375%	05/29/2002	Legg Mason Wood.		494,785	500,000	8.958
459200-BB-6	IBM Corp. 5.875%	11/20/2002	SALOMON BROTHERS.		708,021	725,000	.0
480081-AD-0	Jones Apparel Group Conv Sr Nt Zer	07/01/2002	Morgan Stanley.		385,943	700,000	.0
49337W-AC-4	Keyspan Corp. 8%	09/25/2002	VARIOUS		758,230	605,000	18.150
56418H-AC-4	Manpower Inc. Zero Coupon	09/27/2002	Goldman Sachs & Co.		416,962	700,000	.0
571748-AD-4	Marsh & McLennan Cos. Inc. 5.375%	10/01/2002	BA Securities		689,370	640,000	1.816
585055-AB-2	Medtronic Inc. Conv. 1.25%	11/20/2002	VARIOUS		484,718	470,000	2.455
742718-BW-8	Procter & Gamble Co. 4.75%	06/10/2002	Goldman Sachs & Co.		499,535	500,000	.132
74367Q-AC-8	Protective Life U S Fdg Ser 144A 5	09/12/2002	Morgan Stanley.		525,385	500,000	2.611
74834L-AF-7	Quest Diagnostic 1.75% 11/30/2021	08/20/2002	KBC Fin. Prods.		92,363	90,000	.363
750236-AE-1	Radian Group Inc. 2.25%	06/03/2002	Nationsbank		197,044	175,000	1.581
750236-AF-8	Radian Group Inc. 2.25% 01/01/2022	08/27/2002	Bank Of America.		367,651	350,000	1.291
755111-BH-3	Raytheon Co. 8.30%	03/25/2002	WARBURG DILLON READ LLC.		814,590	750,000	4.669
758940-AG-5	Regions Financial 6.375%	05/22/2002	UNDEFINED		505,860	500,000	1.151
805901-AP-0	Scana Corp MTN 6.875%	10/01/2002	Warburg, S.G.		1,139,470	1,000,000	26.545

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
86787G-AC-6	SunTrust Bank 5.45%	11/27/2002	Legg Mason Wood		2,016,340	2,000,000	.0
868536-AP-8	Supervalu Inc. Zero Coupon	06/17/2002	CS First Boston		172,213	550,000	.0
87244H-AB-1	TIAA Global Markets 4.125%	10/24/2002	Morgan Stanley		497,605	500,000	.0
87612E-AF-3	Target Corp. 7%	09/10/2002	BANKERS TRUST		589,541	515,000	5,808
918866-AH-7	Valassis Comms. Zero Coupon	11/27/2002	VARIOUS		521,608	900,000	.0
92931B-AA-4	Wps Res Corp 7.0% 11/01/09	11/15/2002	Legg Mason Wood		1,673,265	1,500,000	5,542
94975C-AJ-6	Wells Fargo Financial 6.125%	09/27/2002	Morgan Stanley		1,658,220	1,500,000	41,854
961548-AT-1	Westvaco Corp. 6.85%	06/11/2002	Chase Manhattan Bank		632,010	600,000	3,311
U74078-AE-3	Nestle Holding Inc. 3%	05/16/2002	Deutsche Bank Alex Brown		207,186	180,000	180
COUNTRY TOTAL - U.S.					62,541,608	63,095,000	595,508
4599999 - Total - Bonds - Industrial, Misc.					62,541,608	63,095,000	595,508
6099997 - Total - Bonds - Part 3					168,288,618	166,029,995	961,870
6099998 - Total - Bonds - Part 5					146,300,153	145,780,758	513,390
6099999 - Total - Bonds					314,588,771	311,810,753	1,475,260
BANKS, TRUST AND INSURANCE COMPANIES - U.S.							
89420G-30-7	Travelers Ppty Casualty Corp	11/21/2002	VARIOUS	32,000,000	747,349		.0
COUNTRY TOTAL - U.S.					747,349	XXX	0
6299999 - Total - Preferred Stocks - Banks, Trusts, Insurance					747,349	XXX	0
INDUSTRIAL & MISCELLANEOUS - U.S.							
020039-82-2	Alltel Corp	12/03/2002	SALOMON BROTHERS	8,800,000	465,080	0.00	.0
151313-88-9	Cendant Corp. Conv. Pfd	09/30/2002	SALOMON BROTHERS	8,000,000	266,320	0.00	.0
294741-50-9	Equity Office Pptys Tr 5.25% Conv	11/19/2002	Lehman Brothers	10,000,000	439,500	0.00	.0
302571-40-1	FPL Group Inc. Conv. Pfd	06/07/2002	Merrill Lynch	4,000,000	200,184	0.00	.0
345395-20-6	Ford Motor Co. Conv. Pfd	09/24/2002	VARIOUS	15,000,000	690,110	0.00	.0
370442-74-1	General Motors Corp. Conv. Pfd	03/01/2002	Morgan Stanley	38,000,000	959,592	0.00	.0
744320-20-1	Prudential Financial Conv. Pfd	11/27/2002	VARIOUS	13,000,000	702,326	0.00	.0
759351-30-7	Reinsurance Group of AM Conv. Pfd	12/12/2002	First Union Capital Marke	5,100,000	235,076	0.00	.0
91528T-20-7	UNOCAL CAP TR 6.25% CONV PFD	11/25/2002	Goldman Sachs & Co.	11,500,000	571,953	0.00	.0
91821D-10-7	VEC TR I Prem Equity 7.75%	11/14/2002	KBC Fin. Prods	18,000,000	466,329	0.00	.0
939322-84-8	Washington Mutual Capital Tr 5.375	09/25/2002	Lehman Brothers	5,500,000	262,426	0.00	.0
COUNTRY TOTAL - U.S.					5,258,896	XXX	0
6399999 - Total - Preferred Stocks - Industrial, Misc.					5,258,896	XXX	0
6599997 - Total - Preferred Stocks - Part 3					6,006,245	XXX	0
6599998 - Total - Preferred Stocks - Part 5					0	XXX	0
6599999 - Total - Preferred Stocks					6,006,245	XXX	0
BANKS, TRUST AND INSURANCE COMPANIES - U.S.							
077459-10-5	Belden Inc	11/15/2002	ESI Securities	13,200,000	222,920		.0
750236-10-1	Radian Group, Inc	04/24/2002	ESI Securities	1,200,000	64,207		.0
759351-10-9	Reinsurance Group Of America	06/07/2002	VARIOUS	12,500,000	366,491		.0
957090-10-3	Westamerica Bancorporation	04/24/2002	ESI Securities	1,000,000	44,596		.0
COUNTRY TOTAL - U.S.					698,213	XXX	0
6799999 - Total - Common Stocks - Banks, Trusts, Insurance					698,213	XXX	0
INDUSTRIAL & MISCELLANEOUS - U.S.							
02660M-10-8	American Home Mtg. Holdings Inc	04/25/2002	Keefe Bruyett & Woods	21,000,000	333,962		.0
037899-10-1	Applebees Intl. Inc	11/15/2002	VARIOUS	12,700,000	286,266		.0
052769-10-6	Autodesk	11/15/2002	VARIOUS	18,700,000	144,355		.0
053807-10-3	Avnet Inc	04/24/2002	ESI Securities	2,700,000	72,549		.0
058498-10-6	Ball Corp	02/25/2002	ESI Securities	4,000,000	0		.0
066821-10-9	Banta Corporation	04/24/2002	ESI Securities	4,100,000	139,583		.0
084423-10-2	Berkley W.R. Corp	07/02/2002	ESI Securities	4,850,000	64,214		.0
102183-10-0	Bowater Inc	04/24/2002	VARIOUS	4,100,000	207,222		.0
117043-10-9	Brunswick Corp	04/24/2002	ESI Securities	2,600,000	69,837		.0
121579-10-6	Burlington Coat Factory	04/24/2002	ESI Securities	14,200,000	244,143		.0
144418-10-0	Carramerica Realty Corp	09/25/2002	Goldman Sachs & Co.	10,900,000	273,005		.0
14754D-10-0	Cash America Intl. Inc	05/29/2002	VARIOUS	21,300,000	179,285		.0
195493-30-9	Colonial Bangroup Inc	11/21/2002	VARIOUS	13,200,000	174,454		.0
216648-40-2	Cooper Cos Inc	11/25/2002	VARIOUS	12,100,000	125,350		.0
216831-10-7	COOPER TIRE & RUBBER CO.	06/11/2002	ESI Securities	12,600,000	273,267		.0
231021-10-6	Cummins Inc	04/24/2002	ESI Securities	1,300,000	57,560		.0
237194-10-5	Darden Restaurants	05/01/2002	ESI Securities	2,950,000	0		.0
247131-10-5	Delphi Finl Group Inc	04/24/2002	ESI Securities	1,800,000	77,834		.0

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	
247357-10-6	Delta & Pine Land Co.	10/30/2002	ESI Securities	19,600,000	367,855		.0	
29265N-10-8	ENERGEN CORP	04/24/2002	ESI Securities	2,200,000	62,809		.0	
303250-10-4	Fair Isaac & Co Inc.	09/25/2002	VARIOUS	11,300,000	430,419		.0	
31983B-10-1	First Community Bancorp.	10/21/2002	VARIOUS	10,200,000	264,693		.0	
336453-10-5	First St. Bancorp.	10/21/2002	VARIOUS	9,800,000	224,178		.0	
373200-20-3	Georgia Gulf Corp.	12/23/2002	ESI Securities	13,300,000	286,483		.0	
376535-10-0	Gladstone Capital Corp.	11/15/2002	ESI Securities	5,600,000	94,417		.0	
413086-10-9	Harman International Ind. Inc.	04/24/2002	ESI Securities	1,500,000	81,822		.0	
4576J0-10-4	INNKEEPERS USA TRUST	06/24/2002	Lynch, Jones & Ryan	6,200,000	57,350		.0	
46072H-10-8	Interstate Bakeries	08/27/2002	A. G. Edwards & Sons	15,900,000	412,300		.0	
466210-10-1	JLG INDS INC	09/25/2002	ESI Securities	20,600,000	197,339		.0	
651824-10-4	Newport Corp.	11/15/2002	VARIOUS	34,400,000	506,458		.0	
670872-10-0	OM Group Inc	09/25/2002	ESI Securities	8,400,000	422,003		.0	
681904-10-8	Omnicare Inc	04/24/2002	ESI Securities	3,100,000	86,443		.0	
693419-20-2	PMA Capital Corp.-Cl A	04/24/2002	ESI Securities	1,800,000	42,604		.0	
713278-10-9	Pep Boys Inc	11/25/2002	William O'Neil	33,500,000	383,076		.0	
718592-10-8	Phillips Van Heusen Corp.	04/24/2002	ESI Securities	3,700,000	56,610		.0	
748356-10-2	Questar Corp.	04/24/2002	ESI Securities	1,500,000	43,423		.0	
755111-50-7	Raytheon Co.	04/24/2002	ESI Securities	1,800,000	74,862		.0	
78440X-10-1	S.L. Green Realty Corp.	11/25/2002	William O'Neil	12,300,000	372,556		.0	
808194-10-4	Schulman A Inc.	04/24/2002	VARIOUS	4,900,000	84,294		.0	
847220-20-9	Spartech Corp.	04/24/2002	ESI Securities	2,300,000	58,395		.0	
876664-10-3	Taubman Centers Inc.	08/22/2002	VARIOUS	7,000,000	104,986		.0	
898402-10-2	Trustmark Corp.	12/23/2002	VARIOUS	10,400,000	237,635		.0	
903236-10-7	URS CORP	09/25/2002	ESI Securities	8,900,000	162,739		.0	
916906-10-0	US FREIGHTWAYS CORP.	04/24/2002	ESI Securities	1,200,000	40,912		.0	
922040-10-0	Vanguard Institutional Index Fund	12/26/2002	Vanguard Group	88,379.165	7,285,496		.0	
932270-10-1	Wallace Computer Services Inc.	08/28/2002	ESI Securities	20,800,000	400,189		.0	
958259-10-3	Western Gas Res Inc.	06/11/2002	VARIOUS	4,700,000	175,006		.0	
G16962-10-5	BUNGE LTD. CL F	04/24/2002	VARIOUS	10,600,000	213,599		.0	
G7885T-10-4	Scottish Annuity & Lifeholdings	11/21/2002	VARIOUS	21,900,000	363,814		.0	
G9108L-10-8	Tsakos Energy Navigation Ltd	09/25/2002	VARIOUS	19,400,000	281,088		.0	
Y8564W-10-3	Teekay Shipping Corp.	04/24/2002	ESI Securities	1,500,000	54,822		.0	
COUNTRY TOTAL - U.S.						16,653,558	XXX	0
6899999 - Total - Common Stocks - Industrial, Misc.						16,653,558	XXX	0
7099997 - Total - Common Stocks - Part 3						17,351,771	XXX	0
7099998 - Total - Common Stocks - Part 5						1,624,653	XXX	0
7099999 - Total - Common Stocks						18,976,424	XXX	0
7199999 - Total - Preferred and Common Stocks						24,982,669	XXX	0
<b>7299999 Totals</b>						<b>339,571,440</b>	<b>XXX</b>	<b>1,475,260</b>

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
US GOVERNMENT OBLIGATIONS - U.S.															
362028-3S-9	GNMA POOL 003509 6.5%	12/15/2002	PRINCIPAL RECEIPT		3,793	3,793	3,079	3,793	89	0	0	0	0	115	
36212D-NX-3	GNMA Pool #530606 6.50%	12/15/2002	PRINCIPAL RECEIPT		409,015	409,015	426,654	409,015	(17,639)	0	0	0	0	3,191	
36213D-G8-8	GNMA Pool #551094 6.50%	12/15/2002	PRINCIPAL RECEIPT		123,076	123,076	128,384	123,076	(5,308)	0	0	0	0	667	
36213E-PR-1	GNMA Pool 552232 6.0%	10/15/2002	VARIOUS		3,000,120	2,900,290	2,865,849	2,867,783	1,934	0	0	132,337	132,337	153,686	
36213J-2H-7	GNMA Pool 556176 6.0%	10/15/2002	VARIOUS		1,237,328	1,200,000	1,182,937	1,185,451	2,513	0	0	51,877	51,877	62,416	
36216F-XE-5	GNMA PL#163677 9.50% 7/15/16	12/15/2002	PRINCIPAL RECEIPT		6,917	6,917	7,539	6,917	(487)	0	0	0	0	300	
36216G-J7-4	GNMA PL#164186 9.50% 5/15/16	12/15/2002	PRINCIPAL RECEIPT		5,893	5,893	6,299	5,893	(322)	0	0	0	0	84	
36216J-PK-2	GNMA PL#166126 9.50% 7/15/16	12/15/2002	PRINCIPAL RECEIPT		41,825	41,825	44,700	41,825	(2,294)	0	0	0	0	2,440	
36216S-X8-0	GNMA PL#173603 9.50% 8/15/16	12/15/2002	PRINCIPAL RECEIPT		9,976	9,976	10,662	9,976	(548)	0	0	0	0	656	
36218E-AH-4	GNMA PL#219708SF 9.50% 9/15/17	12/15/2002	PRINCIPAL RECEIPT		734	734	800	734	(53)	0	0	0	0	38	
36219H-JS-3	GNMA PL#249673 9.500% 10/15/18	12/15/2002	PRINCIPAL RECEIPT		3,070	3,070	3,310	3,070	(198)	0	0	0	0	151	
36225A-4V-9	GNMA POOL #780836 8.25% 4/15/1	12/15/2002	PRINCIPAL RECEIPT		302,798	302,798	321,652	302,798	(17,271)	0	0	0	0	12,972	
83162C-HM-8	US SMALL BUS ADMIN 7.3%	11/01/2002	Principal Receipt		46,475	46,475	46,475	46,475	0	0	0	0	0	2,569	
83162C-JF-1	SMALL BUSINESS ADMIN 6.3% 5/01/1	11/01/2002	Principal Receipt		133,812	133,812	133,812	133,812	0	0	0	0	0	7,582	
83162C-JR-5	US SMALL BUS ADMIN	12/02/2002	Principal Receipt		70,146	70,146	70,146	70,146	0	0	0	0	0	2,386	
83162C-JX-2	US SMALL BUS ADMIN 6.15% 4/01/1	10/01/2002	Principal Receipt		39,095	39,095	39,095	39,095	0	0	0	0	0	1,799	
83162C-KM-4	SMALL BUSINESS ADMIN	07/01/2002	Principal Receipt		49,202	49,202	49,202	49,202	0	0	0	0	0	3,022	
912810-FD-5	U.S. Treas Bd Infl Index 3.625%	07/29/2002	Barclays Dezoete		96,961	88,038	76,414	96,961	51	0	0	20,391	20,391	2,523	
912810-FH-6	UST BD Infl Index 3.875%	07/30/2002	Merrill Lynch		1,168,868	1,017,747	932,022	932,610	123	0	0	236,258	236,258	31,177	
912810-FP-8	U.S. Treasury Bonds 5.375%	12/18/2002	SALOMON BROTHERS		424,078	400,000	444,188	444,041	(146)	0	0	(19,963)	(19,963)	7,595	
912827-2S-0	U.S. Treasury Notes 6.625%	04/30/2002	MATURITY		300,000	300,000	301,313	300,000	(101)	0	0	0	0	9,938	
912827-3S-9	U.S. Treasury Notes 12/31/2002	12/31/2002	MATURITY		1,250,000	1,250,000	1,281,742	1,250,000	(8,636)	0	0	0	0	63,281	
912827-4B-5	U.S. Treasury Notes 5.50%	05/02/2002	HSBC Securities		3,087,891	3,000,000	3,085,898	3,047,690	(16,966)	0	0	40,200	40,200	99,180	
912827-4Y-5	U.S. Treasury Note Infl Indexed	07/12/2002	Barclays Dezoete		3,018,872	2,821,806	2,584,559	2,594,616	2,194	0	0	424,256	424,256	108,470	
912827-6R-8	US Treasury Note 3.5% 01/15/11	10/09/2002	Barclays Dezoete		2,743,737	2,487,240	2,534,892	2,528,993	(3,358)	0	0	214,744	214,744	109,093	
912827-6X-5	US Treasury Note 4.625%	09/27/2002	Goldman Sachs & Co		53,748	50,000	51,734	51,400	(261)	0	0	2,348	2,348	2,023	
912827-7J-5	U.S. Treasury Notes 3.375%	09/24/2002	Barclays Dezoete		1,036,568	938,070	929,815	930,310	495	0	0	106,258	106,258	22,125	
912827-6S-5	U.S. Treasury Notes 6.375%	08/15/2002	MATURITY		1,550,000	1,550,000	1,589,234	1,550,000	(16,344)	0	0	0	0	98,813	
COUNTRY TOTAL - U.S.					20,213,998	19,249,018	19,152,406	19,005,291	(82,533)	0	0	1,208,706	1,208,706	808,292	XXX
0399996 - Bonds - U.S. Government					20,213,998	19,249,018	19,152,406	19,005,291	(82,533)	0	0	1,208,706	1,208,706	808,292	XXX
0399999 - Bonds - U.S. Governments					20,213,998	19,249,018	19,152,406	19,005,291	(82,533)	0	0	1,208,706	1,208,706	808,292	XXX
STATES, TERRITORIES, POSSESSIONS - U.S.															
SOUTH CAROLINA															
837147-TV-9	South Carolina St Pub Svc 6.68%	08/26/2002	Legg Mason Wood		1,015,000	1,000,000	1,001,290	1,000,153	(276)	0	0	14,847	14,847	77,562	
STATE TOTAL					1,015,000	1,000,000	1,001,290	1,000,153	(276)	0	0	14,847	14,847	77,562	XXX
COUNTRY TOTAL - U.S.					1,015,000	1,000,000	1,001,290	1,000,153	(276)	0	0	14,847	14,847	77,562	XXX
1799996 - Bonds - States, Territory, Poss - United States					1,015,000	1,000,000	1,001,290	1,000,153	(276)	0	0	14,847	14,847	77,562	XXX
1799999 - Bonds - States, Territories and Possessions					1,015,000	1,000,000	1,001,290	1,000,153	(276)	0	0	14,847	14,847	77,562	XXX
POLITICAL SUBDIVISIONS - U.S.															
VIRGINIA															
92813A-XM-8	VIRGINIA ST HDA TXBL 6.65% 5/01/1	05/01/2002	MATURITY		865,000	865,000	866,912	865,000	(242)	0	0	0	0	28,761	
STATE TOTAL					865,000	865,000	866,912	865,000	(242)	0	0	0	0	28,761	XXX
COUNTRY TOTAL - U.S.					865,000	865,000	866,912	865,000	(242)	0	0	0	0	28,761	XXX
2499996 - Bonds - Political Subdivisions - United States					865,000	865,000	866,912	865,000	(242)	0	0	0	0	28,761	XXX
2499999 - Bonds - Political Subdivisions					865,000	865,000	866,912	865,000	(242)	0	0	0	0	28,761	XXX
SPECIAL REVENUE AND ASSESSMENTS - U.S.															
U.S. GOVERNMENT															
31282U-U7-0	FHLMC Pool #G10139 7.00%	12/15/2002	PRINCIPAL RECEIPT		903,461	903,461	902,816	903,461	860	0	0	0	0	27,275	
31283J-EQ-0	FHLMC Pool #G10143	12/15/2002	PRINCIPAL RECEIPT		463,423	463,423	439,673	463,423	20,830	0	0	0	0	13,907	
31283K-DV-7	FHLMC Pool #G11016 7.0%	07/15/2002	VARIOUS		3,172,066	3,063,287	3,188,689	3,148,336	(38,890)	0	0	23,670	23,670	112,038	
31283K-F7-8	FHLMC Gold Pool #G11090	12/15/2002	PRINCIPAL RECEIPT		576,115	576,115	597,269	576,115	(21,154)	0	0	0	0	7,468	
312867-5C-3	FHLMC Pool #E73543 5.5%	12/15/2002	PRINCIPAL RECEIPT		69,490	69,490	68,607	69,490	749	0	0	0	0	1,467	
312867-OL-0	FHLMC Pool #E73159	12/15/2002	PRINCIPAL RECEIPT		147,732	147,732	145,857	147,732	1,600	0	0	0	0	3,229	
312868-5K-3	FHLMC Pool #E74450	12/15/2002	PRINCIPAL RECEIPT		129,033	129,033	126,313	129,033	2,316	0	0	0	0	4,751	
312868-5Z-0	FHLMC POOL E74464 5.5%	12/15/2002	PRINCIPAL RECEIPT		206,170	206,170	203,553	206,170	2,235	0	0	0	0	7,400	
312868-JB-8	FHLMC POOL E73858 5.5%	12/15/2002	PRINCIPAL RECEIPT		149,761	149,761	147,860	149,761	1,622	0	0	0	0	3,975	
312868-UX-7	FHLMC POOL E74198 5.5%	12/15/2002	PRINCIPAL RECEIPT		224,134	224,134	221,289	224,134	2,430	0	0	0	0	8,188	
312868-ZU-8	FHLMC Pool #E74355	12/15/2002	PRINCIPAL RECEIPT		110,218	110,218	108,819	110,218	1,195	0	0	0	0	2,669	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

## SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
312869-BH-1	FHLMC Pool #E74540	12/15/2002	PRINCIPAL RECEIPT		75,062	75,062	74,109	75,062	814	0	0	0	0	2,228	
312869-BV-0	FHLMC Pool #E74552	12/15/2002	PRINCIPAL RECEIPT		236,484	236,484	233,482	236,484	2,564	0	0	0	0	6,846	
312869-CP-2	FHLMC POOL #E74578 5.5% 1/01/	12/15/2002	PRINCIPAL RECEIPT		1,419,976	1,419,976	1,399,481	1,419,976	18,151	0	0	0	0	45,211	
312869-CQ-0	FHLMC Pool#E74579	12/15/2002	PRINCIPAL RECEIPT		35,864	35,864	35,409	35,864	389	0	0	0	0	1,048	
31290K-VZ-9	FHLMC Pool #555132	12/15/2002	VARIOUS		132,111	132,111	134,712	132,227	(2,095)	0	0	(116)	(116)	5,292	
312913-WU-6	FHG 4-B 6.50 11/25/22	03/25/2002	PRINCIPAL RECEIPT		171,638	171,638	170,726	171,638	803	0	0	0	0	1,407	
31292H-GP-3	FHLMC Gold Pool #C01106	12/15/2002	PRINCIPAL RECEIPT		841,405	841,405	851,528	841,405	(10,085)	0	0	0	0	31,286	
31294F-5N-2	FHLMC Pool #C38953	12/15/2002	PRINCIPAL RECEIPT		240,805	240,805	240,579	240,805	233	0	0	0	0	9,061	
31294J-HT-8	FHLMC Gold E00242	12/15/2002	PRINCIPAL RECEIPT		17,691	17,691	17,912	17,691	(72)	0	0	0	0	9,115	
31294J-KE-7	FHLMC Gold Pool #E00293	12/15/2002	PRINCIPAL RECEIPT		798,616	798,616	823,136	798,616	(22,778)	0	0	0	0	29,664	
31294J-VJ-4	FHLMC Pool #E00617	12/15/2002	PRINCIPAL RECEIPT		126,202	126,202	124,600	126,202	1,368	0	0	0	0	3,945	
31331L-FR-4	Federal Farm Credit Bank 5.8%	06/04/2002	Legg Mason Wood		2,556,250	2,500,000	2,500,000	2,500,000	0	0	0	56,250	56,250	89,014	
31331L-FU-7	Federal Farm Credit Bank 5.65%	06/04/2002	Legg Mason Wood		2,570,000	2,500,000	2,500,000	2,500,000	0	0	0	70,000	70,000	85,535	
31335P-C4-5	FHLMC G80091	12/15/2002	PRINCIPAL RECEIPT		298,424	298,424	298,424	298,424	0	0	0	0	0	12,258	
313374-HR-0	FHLMC-GNMA REMIC 28 PB 6.4% 3/25/	12/26/2002	PRINCIPAL RECEIPT		558,756	558,756	564,169	558,756	(4,686)	0	0	0	0	19,220	
31337H-7L-5	FHLMC Remic 2104 PC 6%	05/16/2002	Scott & Stringfellow		4,121,875	4,000,000	4,035,000	4,023,764	(1,714)	0	0	98,111	98,111	113,333	
31337H-MV-6	FHLMC CMO 2120 PH 6% 9/15/	07/23/2002	MLPF&S Fixed Income Ops		3,521,125	3,400,000	3,432,938	3,424,513	(1,422)	0	0	96,612	96,612	133,167	
31337J-MC-4	FHLMC REMIC 2127 TD 6% 1/15/	12/16/2002	PRINCIPAL RECEIPT		400,391	400,391	400,935	400,391	(35)	0	0	0	0	12,816	
31340M-UW-3	FHLMC Pool #181497	12/15/2002	PRINCIPAL RECEIPT		126,059	126,059	125,665	126,059	604	0	0	0	0	4,678	
31357M-5N-1	FHLMC Pool #E48053	12/15/2002	PRINCIPAL RECEIPT		193,567	193,567	189,695	193,567	2,826	0	0	0	0	7,925	
313580-DD-4	FNMA Remic 92-164 PL 7%	12/25/2002	PRINCIPAL RECEIPT		177,793	177,793	183,571	177,793	(2,925)	0	0	0	0	11,408	
31359M-EK-5	FNMA 5.25%	06/26/2002	Deutsche Bank Govt Sec		3,904,443	3,800,000	3,858,934	3,854,063	(3,352)	0	0	50,380	50,380	191,742	
31359M-EY-5	FNMA 6.625%	07/24/2002	VARIOUS		837,337	750,000	808,079	804,427	(3,215)	0	0	32,910	32,910	41,355	
31359M-KW-2	FNMA 3.5%	07/24/2002	bahia cooretora		775,000	790,954	766,705	768,526	1,617	0	0	22,428	22,428	22,378	
31359S-R6-9	FNMA Gr Tr Series 2001-T4 Cl A	12/25/2002	PRINCIPAL RECEIPT		703,429	703,429	725,631	703,429	(21,202)	0	0	0	0	28,360	
31359U-WA-9	FNMA Remic 98-W5 6.5%	12/26/2002	VARIOUS		664,794	664,794	666,290	664,899	(835)	0	0	(104)	(104)	36,131	
313615-NB-8	FNMA Pool #50786	08/25/2002	VARIOUS		1,563,380	1,486,691	1,527,808	1,514,455	(9,482)	0	0	48,925	48,925	71,162	
31361W-4L-8	FNMA Pool #044027 7%	12/25/2002	PRINCIPAL RECEIPT		150,224	150,224	150,224	150,224	0	0	0	0	0	5,567	
31362W-TE-6	FNMA POOL 73449 6.85%	12/25/2002	PRINCIPAL RECEIPT		16,921	16,921	16,466	16,921	391	0	0	0	0	627	
31363W-H4-0	FNMA POOL #100250 7.5%	12/25/2002	PRINCIPAL RECEIPT		574,759	574,759	599,186	574,759	(16,338)	0	0	0	0	24,028	
31368H-TP-8	FNMA POOL #190558 5.5%	12/25/2002	PRINCIPAL RECEIPT		407,355	407,355	385,587	407,355	19,222	0	0	0	0	11,923	
31371H-Q7-6	FNMA POOL 252578 6.00%	12/25/2002	PRINCIPAL RECEIPT		379,997	379,997	362,008	379,997	15,299	0	0	0	0	12,915	
31371K-KL-4	FNMA 254199 6.50% OF 02/01/32	12/25/2002	PRINCIPAL RECEIPT		446,867	446,867	450,219	446,867	(3,352)	0	0	0	0	11,821	
31371K-P3-9	FNMA 254342 6.0% 06/01/17	12/25/2002	PRINCIPAL RECEIPT		175,965	175,965	179,099	175,965	(3,134)	0	0	0	0	3,808	
31371K-T9-2	FNMA Pool #254476 5.5%	12/25/2002	PRINCIPAL RECEIPT		29,791	29,791	29,884	29,791	(93)	0	0	0	0	286	
31373W-QK-2	FNMA POOL 305658 8%	12/25/2002	PRINCIPAL RECEIPT		91,466	91,466	93,410	91,466	(1,015)	0	0	0	0	3,049	
31374G-MV-6	FNMA POOL #313672	12/25/2002	PRINCIPAL RECEIPT		17,808	17,808	19,110	17,808	(879)	0	0	0	0	676	
31374S-6A-4	FNMA Pool 323165 6.0%	12/25/2002	PRINCIPAL RECEIPT		206,519	206,519	215,715	206,519	(9,197)	0	0	0	0	2,704	
31374T-PG-8	FNMA Pool 323623 6.0%	12/25/2002	PRINCIPAL RECEIPT		426,717	426,717	439,052	426,717	(12,335)	0	0	0	0	7,207	
31375B-U3-9	FNMA MBS Pool 330102 15 Yr 6.5%	12/25/2002	PRINCIPAL RECEIPT		312,689	312,689	305,800	312,689	5,723	0	0	0	0	10,207	
313760-TC-7	FNMA POOL 362447 7%	12/25/2002	PRINCIPAL RECEIPT		159,487	159,487	160,683	159,487	(514)	0	0	0	0	5,304	
31377M-4P-3	FNMA POOL #381630 6.2% 5/01/	12/26/2002	PRINCIPAL RECEIPT		14,778	14,778	14,943	14,778	(116)	0	0	0	0	495	
31378H-UH-2	FNMA Passthru Pool # 399384	12/25/2002	PRINCIPAL RECEIPT		843,966	843,966	863,483	843,966	(18,446)	0	0	0	0	37,560	
31381D-YY-5	FNMA POOL 458027 7.312%	12/25/2002	PRINCIPAL RECEIPT		209,236	209,236	211,966	209,236	(2,653)	0	0	0	0	8,223	
31384V-2H-4	FNMA Pool #535476	12/25/2002	PRINCIPAL RECEIPT		866,014	866,014	858,437	866,014	7,535	0	0	0	0	36,383	
31384V-ML-3	FNMA Pool #507237 6.50%	12/25/2002	PRINCIPAL RECEIPT		1,354,417	1,354,417	1,397,166	1,354,417	(42,749)	0	0	0	0	32,142	
31384V-NW-8	FNMA POOL 535105 5.00%	12/25/2002	PRINCIPAL RECEIPT		419,600	419,600	388,261	419,600	26,445	0	0	0	0	13,644	
31384W-B8-2	FNMA Pool 535663 7.50%	12/26/2002	PRINCIPAL RECEIPT		1,093,963	1,093,963	1,134,131	1,093,963	(40,342)	0	0	0	0	38,601	
31385H-5B-4	FNMA Pool 545442 6.0%	12/25/2002	PRINCIPAL RECEIPT		242,986	242,986	239,037	242,986	3,949	0	0	0	0	7,237	
31385H-OU-9	FNMA Pool 545067 7.50%	12/25/2002	PRINCIPAL RECEIPT		820,739	820,739	851,388	820,739	(30,782)	0	0	0	0	30,843	
31387A-3Y-9	FNMA Pool #578715	12/25/2002	PRINCIPAL RECEIPT		480,246	480,246	488,050	480,246	(7,710)	0	0	0	0	21,824	
31387C-LV-1	FNMA Pool #580040	12/25/2002	PRINCIPAL RECEIPT		454,857	454,857	453,294	454,857	1,556	0	0	0	0	20,153	
31387D-3Q-0	FNMA Pool #581407	12/25/2002	PRINCIPAL RECEIPT		396,655	396,655	403,472	396,655	(6,774)	0	0	0	0	17,822	
31387F-SF-2	FNMA Pool #582918	12/25/2002	PRINCIPAL RECEIPT		313,305	313,305	312,962	313,305	349	0	0	0	0	11,470	
31387H-3W-8	FNMA Pool 585013	12/25/2002	PRINCIPAL RECEIPT		484,421	484,421	504,176	484,421	(19,687)	0	0	0	0	16,622	
31387H-5W-6	FNMA Pool 585061 6.50%	08/25/2002	VARIOUS		3,037,743	2,950,923	3,003,945	2,999,650	(4,428)	0	0	38,093	38,093	133,213	
31387K-CA-9	FNMA Pool 586065 6.50%	08/25/2002	VARIOUS		2,979,472	2,900,000	2,915,407	2,913,496	(1,911)	0	0	65,976	65,976	123,529	
31389M-CQ-8	FNMA Pool #629279 6.50%	12/25/2002	PRINCIPAL RECEIPT		379,651	379,651	385,939	379,651	(6,288)	0	0	0	0	10,593	
31390E-TW-2	FNMA Pool #644165	12/25/2002	PRINCIPAL RECEIPT		1,394	1,394	1,378	1,394	16	0	0	0	0	15	
31390J-RP-8	FNMA 6.0%	12/25/2002	PRINCIPAL RECEIPT		289,057	289,057	294,296	289,057	(5,239)	0	0	0	0	5,981	
31390K-RV-2	FNMA Pool #648600 5.5%	12/25/2002	PRINCIPAL RECEIPT		3,650	3,650	3,609	3,650	41	0	0	0	0	20	

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
31390S-WK-3	FNMA Pool #655050 5.5%	12/25/2002	PRINCIPAL RECEIPT		16,899	16,899	16,709	16,899	190	0	0	0	0	217	
31390T-MG-1	FNMA Pool #655659 6.50%	12/25/2002	PRINCIPAL RECEIPT		1,774,370	1,774,370	1,840,909	1,774,370	(66,539)	0	0	0	0	15,244	
31390U-5A-0	FNMA Pool #657041 6.50%	12/25/2002	PRINCIPAL RECEIPT		3,211	3,211	3,331	3,211	(120)	0	0	0	0	17	
31392D-P9-7	FNMA 2002-W8 A2 7%	12/25/2002	PRINCIPAL RECEIPT		112,793	112,793	118,327	112,793	(5,534)	0	0	0	0	1,748	
31392M-EM-0	FHLMC 7%	12/25/2002	PRINCIPAL RECEIPT		280,862	280,862	291,746	280,862	(10,883)	0	0	0	0	5,572	
690353-BR-7	OVERSEAS PRIV INV 6.78% 1/15/	10/09/2002	Principal Receipt		88,889	88,889	88,889	88,889	0	0	0	0	0	3,013	
	STATE TOTAL				53,595,713	52,667,029	53,338,625	52,992,579	(322,896)	0	0	603,135	603,135	1,910,255	XXX
	COUNTRY TOTAL - U.S.				53,595,713	52,667,029	53,338,625	52,992,579	(322,896)	0	0	603,135	603,135	1,910,255	XXX
	3199996 - Bonds - Special Revenues - United States				53,595,713	52,667,029	53,338,625	52,992,579	(322,896)	0	0	603,135	603,135	1,910,255	XXX
	3199999 - Bonds - Special Revenues				53,595,713	52,667,029	53,338,625	52,992,579	(322,896)	0	0	603,135	603,135	1,910,255	XXX
	INDUSTRIAL & MISCELLANEOUS - U.S.														
00138P-AA-7	AIG SunAmerica 5.20%	05/09/2002	MLPF&S Fixed Income Ops.		1,538,055	1,500,000	1,508,370	1,506,137	(1,033)	0	0	31,918	31,918	39,867	
001957-BC-2	AT&T Corp. Step Up	06/05/2002	Credit Suisse First Bosto		516,313	550,000	510,202	510,477	275	0	0	5,836	5,836	22,377	
019754-AA-8	Allamerica Finl. 7.625%	10/10/2002	VARIOUS		991,712	1,375,000	1,504,841	1,497,438	(1,609)	0	0	(505,726)	(505,726)	101,439	
02261W-AB-5	Alza Corp. Zero Coupon	08/22/2002	Goldman Sachs & Co.		530,156	750,000	530,156	542,788	6,241	0	0	(12,631)	(12,631)	73,924	
023551-AJ-3	Amerada Hess Corp. 7.30%	10/01/2002	WARBURG DILLON READ LLC		841,058	750,000	749,633	749,635	3	0	0	91,422	91,422	62,202	
023650-AG-9	American Airlines 8.057%	07/02/2002	VARIOUS		45,885	45,885	50,122	49,143	(859)	0	0	(3,258)	(3,258)	3,796	
02635P-RG-0	American General Finance 5.875%	10/18/2002	Chase Manhattan Bank		1,044,950	1,000,000	998,050	998,492	282	0	0	46,458	46,458	60,056	
03235E-AF-7	Amsvescap PLC 6.60%	05/09/2002	WARBURG DILLON READ LLC		1,223,763	1,175,000	1,190,726	1,187,077	(1,287)	0	0	36,685	36,685	38,560	
042735-AY-6	Arrow Electronic Inc. Zero Coupon	06/12/2002	VARIOUS		366,519	850,000	388,397	408,483	7,064	0	0	(41,964)	(41,964)	0	
049164-AU-0	Atlas Air Inc. 7.20%	09/12/2002	VARIOUS		569,066	656,130	619,655	622,290	693	0	0	(53,224)	(53,224)	56,364	
053499-10-9	Avaya Inc. Zero Coupon	01/23/2002	MLPF&S Fixed Income Ops.		244,235	500,000	244,235	246,360	537	0	0	(18,275)	(18,275)	0	
060505-AD-6	Bank of America 7.80%	09/19/2002	BA Securities		1,066,104	900,000	999,423	991,824	(6,915)	0	0	74,280	74,280	78,000	
065379-AB-5	Bank Tokyo-Mitsubishi Ltd. 8.40%	10/30/2002	MLPF&S Fixed Income Ops.		944,223	800,000	799,280	799,413	42	0	0	144,811	144,811	66,185	
12189P-AG-7	Burlington Northern Santa Fe 8.25%	07/15/2002	Principal Receipt		796	796	796	796	0	0	0	0	0	66	
125577-AF-3	CIT Group Inc. 7.375%	08/26/2002	Legg Mason Wood		511,990	500,000	504,935	501,183	(1,341)	0	0	10,807	10,807	35,236	
141781-AL-8	Cargill Inc. 6.25%	06/10/2002	SALOMON BROTHERS		1,556,400	1,500,000	1,517,340	1,514,309	(1,427)	0	0	42,091	42,091	57,813	
151191-AJ-2	Celulosa Arauco y Const. 7.75%	09/24/2002	BA Securities		645,084	600,000	599,424	599,465	30	0	0	45,619	45,619	48,308	
151313-AF-0	Cendant Corp. Zero Coupon	08/23/2002	CS First Boston		329,375	500,000	302,813	314,596	5,041	0	0	14,779	14,779	0	
163762-AE-7	Chemical Master Credit Card 1995-3	08/15/2002	Maturity		600,000	600,000	596,156	597,945	441	0	0	2,055	2,055	24,920	
184502-AE-2	Clear Channel Comms. 1.50%	03/01/2002	SMITH BARNEY		411,188	425,000	420,433	423,480	328	0	0	(12,292)	(12,292)	1,682	
20825U-AB-0	Conoco Funding Co. 6.35%	07/24/2002	WARBURG DILLON READ LLC		531,565	500,000	499,190	499,238	34	0	0	32,327	32,327	25,400	
210805-CQ-8	Continental Airlines 6.545%	08/05/2002	Principal Receipt		57,769	57,769	57,769	57,769	0	0	0	0	0	1,994	
210805-DD-6	Continental Airlines 7.707%	10/02/2002	Sink PMT @ 100.0000000		54,516	54,516	58,929	54,516	(3,335)	0	0	0	0	3,141	
22237A-AB-2	Countrywide Capital 8.05%	06/10/2002	Advest, Inc		917,761	880,000	877,017	877,102	16	0	0	40,659	40,659	35,026	
224044-AR-8	Cox Communications 7.50%	02/19/2002	MLPF&S Fixed Income Ops.		912,523	865,000	899,626	892,165	(1,356)	0	0	20,358	20,358	33,699	
233331-AC-1	DTE Energy Company 6.00%	04/15/2002	Advest, Inc		1,024,290	1,000,000	997,750	998,373	205	0	0	25,917	25,917	22,833	
235811-AL-0	Dana Corp. 7%	03/05/2002	VARIOUS		589,875	800,000	747,224	748,644	(25,237)	0	0	(158,769)	(158,769)	29,089	
244217-BG-9	John Deere Capital Corp. 7%	11/07/2002	Barclays Dezoete		348,075	300,000	300,867	300,829	(38)	0	0	47,246	47,246	13,475	
25271C-AD-4	Diamond Offshore Drilling 1.5%	08/23/2002	Goldman Sachs & Co.		490,826	550,000	467,775	469,490	1,296	0	0	21,336	21,336	7,173	
25469H-BD-4	Walt Disney Co. 5.8%	11/04/2002	SALOMON BROTHERS		1,257,204	1,200,000	1,069,263	1,122,399	8,525	0	0	134,805	134,805	88,160	
25746U-AB-5	Dominion Resources 7.625%	06/24/2002	Chase Manhattan Bank		539,540	500,000	517,151	522,600	(2,406)	0	0	22,389	22,389	36,219	
263534-BH-1	DuPont De Nemours 6.75%	09/27/2002	Legg Mason Wood		543,400	500,000	494,505	497,427	843	0	0	45,973	45,973	32,344	
26817Q-AC-4	Dynex Capital 7.875%	07/15/2002	MATURITY		800,000	800,000	836,296	800,000	(5,303)	0	0	0	0	63,000	
268766-BR-2	EOP Operating Conv Variable Rate	02/15/2002	SALOMON BROTHERS		289,163	275,000	281,531	280,922	(85)	0	0	8,240	8,240	5,317	
284129-AC-7	Elan Finance Zero Coupon	08/22/2002	MLPF&S Fixed Income Ops.		141,313	475,000	314,188	331,815	4,467	0	0	(190,503)	(190,503)	0	
285659-AE-8	EDS Corp 7.125%	03/08/2002	Mesirow Financial		927,163	887,938	878,525	879,938	129	0	0	47,225	47,225	25,982	
285661-AB-0	EDS Zero Coupon	07/22/2002	KBC Fin. Prods		349,600	475,000	371,620	375,281	2,560	0	0	(25,681)	(25,681)	0	
302570-AK-2	FPL Group Capital 7.625%	06/24/2002	Morgan Stanley		599,682	550,000	594,253	585,421	(3,505)	0	0	14,260	14,260	32,851	
31331F-AX-9	Federal Express 6.72%	04/15/2002	VARIOUS		1,199,457	1,189,054	1,189,054	1,189,054	0	0	0	10,403	10,403	60,131	
31786Y-AF-7	FINGERHUT MSTR 98-2 A	12/16/2002	PRINCIPAL RECEIPT		126,667	126,667	129,378	126,667	(1,508)	0	0	0	0	6,905	
319963-AD-6	First Data Corp. 2%	04/16/2002	Lehman Brothers		346,200	300,000	306,409	305,497	(260)	0	0	40,703	40,703	3,800	
35177P-AJ-6	France Telecom SA	12/18/2002	MLPF&S Fixed Income Ops.		545,460	500,000	523,365	517,318	(4,599)	0	0	28,142	28,142	50,783	
369622-CQ-6	G E CAPITAL 8.5%	09/27/2002	BANKERS TRUST		1,214,920	1,000,000	1,143,000	1,084,809	(8,594)	0	0	130,111	130,111	100,583	
370425-RT-9	General Motors Acceptance Corp Nts	05/09/2002	MLPF&S Fixed Income Ops.		823,728	800,000	800,194	800,152	(13)	0	0	23,576	23,576	44,850	
381317-AF-3	GOLDEN WEST FINL 8.375%	04/15/2002	MATURITY		750,000	750,000	807,780	750,000	(5,328)	0	0	0	0	31,406	
381317-AK-2	GOLDEN WEST FINL 6.7%	07/01/2002	MATURITY		1,125,000	1,125,000	1,113,131	1,125,000	1,082	0	0	0	0	76,295	
393505-2P-6	GREEN TREE FINL 99C A-2 VAR 7/15/	05/15/2002	PRINCIPAL RECEIPT		273,769	273,769	273,769	273,769	0	0	0	0	0	4,053	
404280-AA-7	HSBC HLDGS PLC 7.5% 7/15/	03/26/2002	Lehman Brothers		1,878,380	1,750,000	1,749,930	1,749,952	1	0	0	128,428	128,428	92,240	
428236-AC-7	HEWLETT PACKARD CV ZERO CPN 10/14/	01/04/2002	Goldman Sachs & Co.		383,000	800,000	484,927	519,636	119	0	0	(136,636)	(136,636)	0	
493267-AA-6	Keycorp New 6.75% 03/15/06	03/14/2002	Chase Manhattan Bank		153,177	150,000	152,238	151,886	(84)	0	0	1,291	1,291	5,175	

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
524908-BY-5	LEHMAN BROS HLDG 6.625% 2/05/	06/07/2002	Lehman Brothers		890,613	850,000	846,719	848,096	196	0	0	42,517	42,517	48,022	48,022
524908-DD-9	Lehman Brothers 6.25% 05/15/06	06/07/2002	Donaldson Lufkin & Jenret		521,025	500,000	510,465	508,861	(861)	0	0	12,164	12,164	17,969	17,969
534187-AL-3	LINCOLN NATL CORP	10/08/2002	VARIOUS		1,680,834	1,600,000	1,668,896	1,661,208	(1,706)	0	0	19,625	19,625	118,971	118,971
548661-CC-9	Lowe's Companies Inc. 7.50%	05/09/2002	Advest, Inc		539,865	500,000	523,380	518,069	(1,570)	0	0	21,796	21,796	15,521	15,521
548661-CF-2	LOWE'S CO. 0.00% 02/16/2021	05/08/2002	MLPF&S Fixed Income Ops		498,772	650,000	474,013	479,507	2,732	0	0	19,264	19,264	0	0
559222-AG-9	MAGNA INTL CONV 4.875% 2/15/	06/06/2002	UNDEFINED		401,028	400,000	404,546	401,056	(173)	0	0	(28)	(28)	9,750	9,750
571748-AB-8	Marsh & McLennan Cos. 6.625%	04/15/2002	Advest, Inc		1,238,438	1,175,000	1,175,637	1,178,189	(418)	0	0	60,249	60,249	26,597	26,597
571903-AA-1	Marriott Intl. Zero Coup. 05/08/21	05/09/2002	Call/Redemption		195,170	225,000	193,714	195,193	518	0	0	(23)	(23)	0	0
574599-AP-1	Masco Corp. 6.125%	05/28/2002	Advest, Inc		1,027,250	1,000,000	1,017,385	1,010,753	(3,234)	0	0	16,497	16,497	43,556	43,556
574599-AW-6	Masco Corp 0.00% 07/31	11/12/2002	Credit Suisse First Bosto		412,701	975,000	389,610	404,453	10,569	0	0	8,248	8,248	0	0
590188-JP-4	MERRILL LYNCH	06/11/2002	Morgan Stanley		276,697	275,000	273,592	273,969	55	0	0	2,728	2,728	13,613	13,613
59018Y-JL-6	Merrill Lynch MTN 6.13%	05/02/2002	MLPF&S Fixed Income Ops		509,370	500,000	500,000	500,000	0	0	0	9,370	9,370	14,559	14,559
597706-AT-7	Midland Realty Acceptance Corp	12/26/2002	PRINCIPAL RECEIPT		496,382	496,382	496,770	496,382	(539)	0	0	0	0	26,745	26,745
617446-DE-6	M Stanley D Witter 5.625%	09/27/2002	Legg Mason Wood		520,845	500,000	473,350	490,514	4,946	0	0	30,331	30,331	33,594	33,594
617446-DQ-9	Morgan Stanley Dean Witter	08/05/2002	Morgan Stanley		519,063	550,000	550,000	550,000	0	0	0	(30,938)	(30,938)	1,795	1,795
617446-GJ-2	Morgan St Conv Nt 50% 03/30/2008	08/06/2002	Morgan Stanley		247,688	300,000	300,000	300,000	0	0	0	(52,313)	(52,313)	1,288	1,288
617446-GL-7	Morgan Stanley Dean Witter 6.10%	05/23/2002	VARIOUS		1,290,910	1,250,000	1,249,090	1,249,256	57	0	0	41,653	41,653	44,361	44,361
629568-AD-8	Nabors Ind. Zero Coupon 06/20/20	03/01/2002	BANKERS TRUST		207,797	325,000	212,875	216,231	800	0	0	(8,434)	(8,434)	0	0
638585-AJ-8	NATIONSBANK 7.75% 8/15/04	09/27/2002	Legg Mason Wood		548,155	500,000	509,615	504,301	(1,535)	0	0	43,854	43,854	43,594	43,594
65118N-AK-7	NEWCOURT EQ 98-2 A4 5.45% 10/15/	08/15/2002	PRINCIPAL RECEIPT		907,081	907,081	906,918	907,081	2,925	0	0	0	0	24,067	24,067
652482-AZ-3	News America Inc. Conv	04/08/2002	KBC Fin. Prods		314,719	675,000	337,376	350,036	3,224	0	0	(35,317)	(35,317)	0	0
654730-AJ-2	Nisource Finance Corp. 7.875	04/15/2002	Goldman Sachs & Co		293,439	300,000	336,528	335,010	(893)	0	0	(41,571)	(41,571)	10,441	10,441
655664-AJ-9	Nordstrom Inc. 8.95% 10/15/05	11/21/2002	VARIOUS		1,694,170	1,500,000	1,494,450	1,496,462	901	0	0	197,709	197,709	147,917	147,917
656568-AA-0	NORTEL NETWORKS 4.25% 09/01/2008	05/06/2002	CS First Boston		58,152	100,000	100,625	100,567	(27)	0	0	(42,415)	(42,415)	3,118	3,118
671400-AL-3	Oak Industries Inc. Conv 4.875%	08/23/2002	Morgan Stanley		88,375	175,000	200,592	196,466	(2,322)	0	0	(108,091)	(108,091)	8,460	8,460
69344M-AE-1	PMI Group Inc. 2.50%	08/27/2002	First Union Capital Marke		408,334	375,000	375,000	375,000	0	0	0	33,334	33,334	10,521	10,521
69350E-AC-4	Pp&I Transition Bond Co Llc 6.60%	12/26/2002	Principal Receipt		934,278	934,278	934,271	934,274	1	0	0	4	4	46,790	46,790
718507-BQ-8	PHILLIPS PETROLEUM CO NOTE 8.75%	03/25/2002	WARBURG DILLON READ LLC		1,028,844	900,000	895,869	896,385	70	0	0	132,099	132,099	26,906	26,906
723484-AB-7	Pinnacle West Cap 6.40%	10/02/2002	MLPF&S Fixed Income Ops		804,542	770,000	769,002	769,291	133	0	0	35,251	35,251	50,101	50,101
758940-AF-7	Regions Financial Corp. Sub Nt 7%	05/28/2002	MLPF&S Fixed Income Ops		526,140	500,000	497,875	498,064	65	0	0	28,076	28,076	25,958	25,958
777774-AA-8	Roseton-Danskammer 7.27% 11/08/10	05/09/2002	Lehman Brothers		340,000	500,000	500,000	500,000	0	0	0	(160,000)	(160,000)	18,781	18,781
78388B-AA-1	SOUTHTRUST FUNDING 6.65% 11/28/13	12/28/2002	VARIOUS		12,106	12,106	12,182	0	(11,952)	0	0	12,106	12,106	0	0
786514-BB-4	Safeway Inc. Note 6.15%	05/22/2002	Lehman Brothers		864,301	840,000	840,570	840,521	(48)	0	0	23,780	23,780	38,315	38,315
805901-AP-0	Scana Corp MTN 6.875%	05/22/2002	CS First Boston		1,044,670	1,000,000	1,002,430	1,002,265	(71)	0	0	42,405	42,405	36,858	36,858
834182-AK-3	Solectron Corp. Zero Of 05/08/20	07/29/2002	Tender		627,000	1,045,000	628,417	662,562	(12,860)	0	0	(35,562)	(35,562)	0	0
852060-AB-8	Sprint Capital Corp. 5.70%	05/29/2002	Warburg, S.G.		386,000	400,000	403,504	402,300	(617)	0	0	(16,300)	(16,300)	12,540	12,540
893830-AA-7	TRANSOCEAN SEDCO FOREX INC ZERO	01/04/2002	BANKERS TRUST		162,594	275,000	179,953	185,074	33	0	0	(22,481)	(22,481)	0	0
90332U-AN-3	US Airways Pass Thru Crtf 7.076%	10/25/2002	VARIOUS		30,772	30,772	30,927	30,832	(85)	0	0	(60)	(60)	482	482
907833-AF-4	UNION PACIFIC RR 6.85%	01/22/2002	Principal Receipt		19,072	19,072	19,072	19,072	0	0	0	0	0	653	653
907833-AG-2	UNION PACIFIC RR	01/25/2002	Principal Receipt		32,187	32,187	32,187	32,187	0	0	0	0	0	1,019	1,019
909317-AV-1	United Airls Pass Thru Ctf Cl A 2	01/07/2002	Principal Receipt		18,423	18,423	19,165	19,114	(1)	0	0	(691)	(691)	6	6
918005-AY-5	Utilicorp United Inc. 7.95% 02/01/	05/09/2002	CS First Boston		523,122	600,000	621,798	619,984	(573)	0	0	(96,862)	(96,862)	37,498	37,498
91913Y-AB-6	Valero Energy Corp. 8.75%	04/26/2002	BANKERS TRUST		575,300	500,000	573,025	572,113	(240)	0	0	3,187	3,187	16,528	16,528
923446-AN-6	VERIZON GLOBAL 0% 05/15/2021	11/12/2002	Goldman Sachs & Co		300,234	525,000	285,122	297,909	7,770	0	0	2,326	2,326	0	0
925254-AN-0	Viacom, Inc. 6.40% 01/30/06	06/11/2002	Chase Manhattan Bank		1,046,700	1,000,000	1,009,060	1,007,230	(778)	0	0	39,470	39,470	55,822	55,822
929771-AN-3	WB 6.70% Of 06/21/04	09/27/2002	Legg Mason Wood		535,740	500,000	487,735	494,603	2,095	0	0	41,137	41,137	25,963	25,963
929903-AA-0	Wachovia Corp. 4.95%	10/17/2002	Chase Manhattan Bank		1,041,890	1,000,000	990,550	992,053	1,381	0	0	49,837	49,837	48,125	48,125
94973H-AA-6	WELLPOINT HEALTH CONV ZERO CPN	07/16/2002	VARIOUS		379,587	400,000	293,902	305,581	1,830	0	0	74,006	74,006	0	0
962166-AV-6	WEYERHAEUSER 6.95% 8/01/17	02/13/2002	Goldman Sachs & Co		1,452,825	1,500,000	1,541,025	1,537,186	(162)	0	0	(84,361)	(84,361)	57,338	57,338
969457-BC-3	Williams Cos. 6.75% 01/15/17	07/24/2002	Lazard		189,000	600,000	595,200	595,422	104	0	0	(406,422)	(406,422)	42,075	42,075
98155K-AH-5	Worldcom Inc. 6.40%	06/11/2002	VARIOUS		350,275	600,000	583,284	587,164	1,553	0	0	(236,889)	(236,889)	31,772	31,772
987406-AA-3	Yosemite Secs Tr 8.25% 11/15/2004	01/30/2002	Goldman Sachs & Co		180,000	1,000,000	1,051,360	250,000	0	0	0	(70,000)	(70,000)	0	0
Q6638F-AC-9	Nestle Australia 1.25% 04/27/05	05/16/2002	Deutsche Bank Alex Brown		205,944	200,000	184,813	190,641	1,134	0	0	15,303	15,303	2,867	2,867
COUNTRY TOTAL - U.S.					62,552,804		66,716,887	63,480,534	62,732,038	(33,441)	0	(179,241)	(179,241)	2,942,975	XXX
INDUSTRIAL & MISCELLANEOUS - OTHER															
388888-AC-3	GOVERNMENT OF MONSERAT	10/15/2002	GHMIS DIVERSIED		0		35,842	35,842	35,842	0	0	(35,842)	(35,842)	0	XXX
COUNTRY TOTAL - OTHER					0		35,842	35,842	35,842	0	0	(35,842)	(35,842)	0	XXX
4599996 - Bonds - Industrial and Misc - United States					62,552,804		66,716,887	63,480,534	62,732,038	(33,441)	0	(179,241)	(179,241)	2,942,975	XXX
4599998 - Bonds - Industrial and Misc - Other Countries							35,842	35,842	35,842	0	0	(35,842)	(35,842)	0	XXX
4599999 - Bonds - Industrial and Miscellaneous					62,552,804		66,752,729	63,516,376	62,767,880	(33,441)	0	(215,083)	(215,083)	2,942,975	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
6099997 - Bonds - Part 4					138,242,515	140,533,776	137,875,609	136,630,903	(439,388)	0	0	1,611,605	1,611,605	5,767,845	XXX
6099998 - Bonds - Part 5					147,804,007	145,780,758	146,300,155	146,318,263	18,110	0	0	1,485,742	1,485,742	991,428	XXX
6099999 - Total - Bonds					286,046,522	286,314,534	284,175,764	282,949,166	(421,278)	0	0	3,097,347	3,097,347	6,759,273	XXX
<b>INDUSTRIAL &amp; MISCELLANEOUS - U.S.</b>															
29476L-85-9	EQ RES PPTYS TR SER G CONV PFD.	02/13/2002	SALOMON BROTHERS	7,500.000	183,372		181,554	181,554	(8,196)	0	0	1,818	1,818		347
370442-74-1	General Motors Corp. Conv. Pfd.	06/10/2002	First Union Capital Marke	4,000.000	107,557	25.00	102,132	102,132	0	0	0	5,425	5,425		0
59156R-20-7	MetLife Cap. Trst. Conv. PRef	08/26/2002	First Union Capital Marke	2,000.000	166,135	100.00	117,620	117,620	(80,780)	0	0	48,515	48,515		2,000
666807-40-9	Northrop Gruman pfd. 7.25%	10/17/2002	Morgan Stanley	2,800.000	315,159		287,347	287,347	0	0	0	27,812	27,812		14,943
929042-20-8	VORNADO RLTY TR 6.5% CONV PFD.	02/13/2002	Lehman Brothers	3,800.000	222,943		213,028	213,028	(5,472)	0	0	9,915	9,915		0
950588-20-2	WENDYS FING I 5% CONV PFD.	03/01/2002	Jefferies & Co.	5,250.000	316,413		270,940	270,940	(34,873)	0	0	45,473	45,473		0
<b>COUNTRY TOTAL - U.S.</b>															
6399999 - Preferred Stocks - Industrial and Miscellaneous					1,311,579	XXX	1,172,621	1,172,621	(129,321)	0	0	138,958	138,958	XXX	17,290
6599997 - Preferred Stocks - Part 4					1,311,579	XXX	1,172,621	1,172,621	(129,321)	0	0	138,958	138,958	XXX	17,290
6599998 - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					1,311,579	XXX	1,172,621	1,172,621	(129,321)	0	0	138,958	138,958	XXX	17,290
<b>BANKS, TRUST AND INSURANCE COMPANIES - U.S.</b>															
077459-10-5	Belden Inc	04/10/2002	Donaldson Lufkin & Jenret	4,700.000	112,798		92,314	92,314	(18,371)	0	0	20,484	20,484		1,420
381197-10-2	Golden State Bancorp Inc. Common	11/08/2002	VARIOUS	7,900.000	278,850		167,182	167,182	(39,403)	0	0	111,668	111,668		1,380
750236-10-1	Radian Group, Inc.	06/07/2002	ESI Securities	2,100.000	108,483		81,900	81,900	(8,295)	0	0	26,583	26,583		42
845905-10-8	Sovereign Bancorp	01/15/2002	William O'Neil	25,100.000	313,891		195,644	195,644	(111,580)	0	0	118,247	118,247		0
<b>COUNTRY TOTAL - U.S.</b>															
6799999 - Common Stocks - Banks, Trust and Insurance Companies					814,022	XXX	537,040	537,040	(177,649)	0	0	276,982	276,982	XXX	2,842
<b>INDUSTRIAL &amp; MISCELLANEOUS - U.S.</b>															
019754-10-0	Allmerica Finl. Corp.	08/06/2002	dredner	7,800.000	189,430		316,771	316,771	(30,719)	0	0	(127,341)	(127,341)		0
035710-40-9	Annaly Mtg. Mgmt. Inc.	01/29/2002	VARIOUS	15,700.000	256,933		172,596	172,596	(78,604)	0	0	84,337	84,337		9,420
05379B-10-7	Avista Corp.	03/22/2002	VARIOUS	13,100.000	205,164		287,657	287,657	113,951	0	0	(82,493)	(82,493)		1,572
058498-10-6	Baill Corp.	04/17/2002	VARIOUS	8,000.000	384,396		232,269	232,269	(60,531)	0	0	152,127	152,127		720
084423-10-2	Berkley W.R. Corp.	11/15/2002	ESI Securities	2,200.000	79,088		80,135	80,135	1,375	0	0	(1,047)	(1,047)		0
12489V-10-6	CBRL Group Inc	04/17/2002	Robinson Humphrey	8,100.000	234,929		162,145	162,145	(76,319)	0	0	72,784	72,784		162
133131-10-2	Camden Property Trust	08/01/2002	Sanf. Bernstein	4,900.000	172,516		179,015	179,015	(815)	0	0	(6,499)	(6,499)		9,212
195493-30-9	Colonial Bangroup Inc	06/07/2002	ESI Securities	7,500.000	110,429		84,100	84,100	(21,575)	0	0	26,329	26,329		0
216831-10-7	COOPER TIRE & RUBBER CO.	05/10/2002	Donaldson Lufkin & Jenret	18,900.000	396,445		256,713	256,713	(44,931)	0	0	139,732	139,732		4,074
227116-10-0	Crompton Corp.	10/10/2002	ESI Securities	34,000.000	207,197		303,237	303,237	(2,763)	0	0	(96,040)	(96,040)		5,660
237194-10-5	Darden Restaurants	09/25/2002	Nationsbank	8,850.000	217,702		142,701	142,701	(66,159)	0	0	75,000	75,000		236
247131-10-5	Delphi Finl Group Inc	08/01/2002	VARIOUS	6,700.000	266,313		195,727	195,727	(27,383)	0	0	70,586	70,586		1,666
303250-10-4	Fair Isaac & Co Inc	11/15/2002	ESI Securities	6,400.000	363,678		256,286	256,286	0	0	0	47,392	47,392		0
307000-10-9	Family Dollar Stores Inc	09/25/2002	Merrill Lynch	6,600.000	182,640		133,883	133,883	(63,985)	0	0	48,757	48,757		1,826
339130-10-6	Fleming Cos. Inc.	07/31/2002	VARIOUS	18,600.000	329,646		433,859	433,859	89,759	0	0	(104,212)	(104,212)		0
370021-10-7	General Growth PPTYS Inc	08/21/2002	ESI Securities	5,100.000	251,667		194,862	194,862	(3,018)	0	0	56,806	56,806		9,945
412693-10-3	John H Harland Co.	04/19/2002	Standard & Poors Sec.	9,800.000	319,493		196,490	196,490	(20,090)	0	0	123,003	123,003		735
413086-10-9	Harman International Ind. Inc.	11/15/2002	VARIOUS	6,200.000	352,563		223,062	223,062	(56,558)	0	0	129,501	129,501		323
45031U-10-1	Istar Financial Inc.	09/25/2002	ESI Securities	10,400.000	295,127		242,320	242,320	(17,160)	0	0	52,807	52,807		13,104
451107-10-6	Idacorp Inc.	04/15/2002	Donaldson Lufkin & Jenret	8,100.000	301,961		327,803	327,803	(1,057)	0	0	(25,842)	(25,842)		3,767
543162-10-1	Longs Drug Stores Corp	01/08/2002	William O'Neil	12,500.000	271,626		302,405	302,405	10,155	0	0	(30,779)	(30,779)		1,750
577081-10-2	Mattel Inc	11/11/2002	William O'Neil	10,800.000	196,220		141,745	141,745	(44,015)	0	0	54,475	54,475		0
651824-10-4	Newport Corp.	04/08/2002	JP Morgan Securities, Inc.	15,600.000	326,420		322,852	322,852	22,084	0	0	43,569	43,569		0
670872-10-0	OM Group Inc.	04/12/2002	VARIOUS	3,000.000	207,650		147,456	147,456	(51,114)	0	0	60,195	60,195		420
67612W-10-8	ODYSSEY RE CORP.	11/22/2002	VARIOUS	26,500.000	445,799		417,053	417,053	(51,997)	0	0	28,746	28,746		1,463
682680-10-3	Oneok Inc.	01/07/2002	Factset Data Systems	5,500.000	95,160		98,818	98,818	698	0	0	(3,658)	(3,658)		0
748356-10-2	Questar Corp.	09/25/2002	ESI Securities	2,900.000	68,525		83,370	83,370	10,725	0	0	(14,845)	(14,845)		0
74955W-30-7	R H Donnelley Corp.	05/14/2002	CJS Securities	9,700.000	285,656		264,902	264,902	(16,883)	0	0	20,755	20,755		0
755111-50-7	Raytheon Co.	09/25/2002	ESI Securities	3,000.000	96,867		103,837	103,837	6,427	0	0	(6,970)	(6,970)		1,636
75621K-10-6	Reckson Assoc. Realty Corp.	04/04/2002	Greenwich Capital Markets	9,600.000	234,673		196,702	196,702	(27,554)	0	0	37,971	37,971		8,152
760282-10-3	Republic Bancorp Inc	01/09/2002	Stifel Nicholas	10,940.000	147,140		125,880	125,880	(25,639)	0	0	21,260	21,260		1,346
761695-10-5	REYNOLDS & REYNOLDS CO CL A	04/16/2002	Factset Data Systems	9,900.000	297,178		194,900	194,900	(45,175)	0	0	102,278	102,278		880
778296-10-3	ROSS STORES INC	08/06/2002	Merrill Lynch	8,300.000	280,773		174,941	174,941	(91,323)	0	0	105,831	105,831		1,208
879433-10-0	Telephone & Data Systems, Inc.	09/26/2002	VARIOUS	2,600.000	139,127		259,070	259,070	25,720	0	0	(119,943)	(119,943)		1,247
978097-10-3	Wolverine World Wide Inc.	04/17/2002	Merrill Lynch	10,600.000	191,304		175,215	175,215	15,685	0	0	16,089	16,089		477
98385X-10-6	XTO Energy Inc.	11/15/2002	VARIOUS	20,950.000	455,813		339,657	339,657	(26,968)	0	0	116,155	116,155		847
616962-10-5	BUNGE LTD. CL F	11/15/2002	VARIOUS	9,300.000	223,168		148,800	148,800	(67,704)	0	0	74,368	74,368		2,150

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 4**

**Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year**

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year
684922-10-6	Stewart W P & Co. Ltd.	04/04/2002	VARIOUS	11,300,000	325,026		244,297	244,297	(51,763)	0	0	80,730	80,730		3,390
COUNTRY TOTAL - U.S.					9,385,442	XXX	8,163,531	8,163,531	(765,223)	0	0	1,221,914	1,221,914	XXX	87,388
6899999	Common Stocks - Industrial and Miscellaneous				9,385,442	XXX	8,163,531	8,163,531	(765,223)	0	0	1,221,914	1,221,914	XXX	87,388
7099997	Common Stocks - Part 4				10,199,464	XXX	8,700,571	8,700,571	(942,872)	0	0	1,498,896	1,498,896	XXX	90,230
7099998	Common Stocks - Part 5				1,340,183	XXX	1,624,653	1,624,653	0	0	0	(284,470)	(284,470)	XXX	4,883
7099999	Total - Common Stocks				11,539,647	XXX	10,325,224	10,325,224	(942,872)	0	0	1,214,426	1,214,426	XXX	95,113
7199999	Total - Preferred and Common Stocks				12,851,226	XXX	11,497,845	11,497,845	(1,072,193)	0	0	1,353,384	1,353,384	XXX	112,403
<b>7299999 Totals</b>					<b>298,897,748</b>	<b>XXX</b>	<b>295,673,609</b>	<b>294,447,011</b>	<b>(1,493,471)</b>	<b>0</b>	<b>0</b>	<b>4,450,731</b>	<b>4,450,731</b>	<b>6,759,273</b>	<b>112,403</b>

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE D - PART 5**

**Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
US GOVERNMENT OBLIGATIONS - U.S.																
313385-K6-2	Federal Home Loan Bank Disc. Paper	10/10/2002	Goldman Sachs & Co.	10/15/2002	MATURITY	12,000,000	11,997,283	12,000,000	12,000,000	2,717	0	0	0	0	0	0
31344A-NW-0	Freddie Mac 4.875%	06/20/2002	CS First Boston	06/26/2002	Deutsche Bank Govt Sec.	5,000,000	5,114,453	5,132,965	5,114,097	(356)	0	0	18,868	18,868	74,479	70,417
31359M-LH-4	FNMA 4.375%	05/31/2002	Greenwich Capital Markets	06/20/2002	DB Clearing Services	5,325,000	5,289,639	5,365,630	5,290,037	398	0	0	75,593	75,593	45,299	32,357
912810-FD-5	U.S. Treas Bd Infl Index 3.625%	05/15/2002	Inflation Index	07/29/2002	Barclays Dezoete	130	0	143	0	0	0	0	143	143	1	0
912810-FH-6	UST BD Infl Index 3.875%	05/15/2002	Inflation Index	07/30/2002	Merrill Lynch	1,495	0	1,717	0	0	0	0	1,717	1,717	17	0
912827-4Y-5	U.S. Treasury Note Infl Indexed	05/15/2002	Inflation Index	07/12/2002	Barclays Dezoete	4,134	0	4,423	0	0	0	0	4,423	4,423	79	0
912827-7L-0	US Treasury Notes 4.875%	04/15/2002	Goldman Sachs & Co.	05/02/2002	Greenwich Capital Markets	250,000	244,844	245,283	244,863	19	0	0	421	421	2,727	2,087
912828-AF-7	US Treasury Note 3.00%	07/10/2002	Barclays Dezoete	09/23/2002	Barclays Dezoete	3,025,000	2,999,409	3,235,207	2,999,834	426	0	0	235,372	235,372	17,609	0
COUNTRY TOTAL - U.S.						25,605,758	25,645,628	25,985,368	25,648,831	3,204	0	0	336,537	336,537	140,211	104,861
0399996 - Bonds - U.S. Government						25,605,758	25,645,628	25,985,368	25,648,831	3,204	0	0	336,537	336,537	140,211	104,861
0399999 - Bonds - U.S. Governments						25,605,758	25,645,628	25,985,368	25,648,831	3,204	0	0	336,537	336,537	140,211	104,861
SPECIAL REVENUE AND ASSESSMENTS - U.S.																
U.S. GOVERNMENT																
31359M-LZ-4	FNMA 5%	07/24/2002	VARIOUS	10/24/2002	VARIOUS	5,575,000	5,633,292	5,682,018	5,631,420	(1,872)	0	0	50,598	50,598	120,111	97,646
31359M-MG-5	FNMA 3.875%	05/02/2002	Goldman Sachs & Co.	07/24/2002	DB Clearing Services	2,000,000	1,993,125	2,054,428	1,993,642	517	0	0	60,786	60,786	33,153	15,500
STATE TOTAL						7,575,000	7,626,417	7,736,446	7,625,062	(1,355)	0	0	111,384	111,384	153,264	113,146
COUNTRY TOTAL - U.S.						7,575,000	7,626,417	7,736,446	7,625,062	(1,355)	0	0	111,384	111,384	153,264	113,146
3199996 - Bonds - Special Revenue - United States						7,575,000	7,626,417	7,736,446	7,625,062	(1,355)	0	0	111,384	111,384	153,264	113,146
3199999 - Bonds - Special Revenue						7,575,000	7,626,417	7,736,446	7,625,062	(1,355)	0	0	111,384	111,384	153,264	113,146
INDUSTRIAL & MISCELLANEOUS - U.S.																
00139R-AA-2	AIG SunAmerica Global Fin 5.30%	07/29/2002	VARIOUS	08/22/2002	Warburg, S.G.	1,500,000	1,508,520	1,566,690	1,508,386	(134)	0	0	58,304	58,304	20,979	5,079
001957-BC-2	AT&T Corp. Step Up	04/04/2002	BA Securities	06/05/2002	Credit Suisse First Bosto	700,000	688,548	657,125	688,688	140	0	0	(31,563)	(31,563)	27,649	19,588
008190-AF-7	Affiliated Computer Services 3.50%	02/25/2002	Goldman Sachs & Co.	08/27/2002	Goldman Sachs & Co.	300,000	369,837	383,115	360,621	(9,216)	0	0	22,494	22,494	5,688	379
02581S-DS-7	American Express CP	03/13/2002	Legg Mason Wood	04/26/2002	MATURITY	4,500,000	4,490,155	4,500,000	4,500,000	9,845	0	0	0	0	0	0
065379-AB-5	Bank Tokyo-Mitsubishi Ltd. 8.40%	03/27/2002	MLPF&S Fixed Income Ops.	10/30/2002	MLPF&S Fixed Income Ops.	350,000	370,055	409,528	368,948	(1,107)	0	0	40,580	40,580	30,952	13,638
12560P-CC-3	CIT Group Inc. 5.625%	08/14/2002	VARIOUS	08/14/2002	VARIOUS	2,250,000	2,236,438	2,252,960	2,236,779	341	0	0	16,181	16,181	31,953	24,086
126408-GA-5	CSX Corp. 0.0% 10/30/21	08/27/2002	VARIOUS	10/15/2002	CS First Boston	450,000	391,545	370,395	391,932	387	0	0	(21,537)	(21,537)	0	0
166711-J4-4	ChevronTexaco Corp CP	08/28/2002	The Pennsylvania Group	09/04/2002	MATURITY	6,000,000	5,998,005	6,000,000	6,000,000	1,995	0	0	0	0	0	0
172967-AW-1	Citigroup Inc. 5.80%	04/30/2002	Chase Manhattan Bank	05/09/2002	MLPF&S Fixed Income Ops.	1,500,000	1,558,680	1,555,770	1,557,927	(753)	0	0	(2,157)	(2,157)	14,258	11,600
172967-BK-6	Citigroup Inc. 5.00%	05/09/2002	Bear Stearns	09/24/2002	SALOMON BROTHERS	2,000,000	1,984,020	2,099,040	1,985,128	1,108	0	0	113,912	113,912	55,833	18,889
244217-BG-9	John Deere Capital Corp. 7%	03/19/2002	VARIOUS	09/27/2002	MLPF&S Fixed Income Ops.	1,250,000	1,245,790	1,446,863	1,245,948	158	0	0	200,914	200,914	45,694	1,701
251799-AA-0	Devon Energy Corp. 7.95%	09/10/2002	Warburg, S.G	11/21/2002	Warburg, S.G	500,000	589,530	590,805	589,331	(199)	0	0	1,474	1,474	26,610	18,550
25179S-AC-4	Devon Financing Corp. 6.875%	04/26/2002	WARBURG DILLON READ LLC	09/10/2002	WARBURG DILLON READ LLC	500,000	509,665	546,830	509,385	(280)	0	0	37,445	37,445	15,564	2,960
28336L-AB-5	El Paso Corp. 7%	04/15/2002	Chase Manhattan Bank	12/10/2002	Chase Manhattan Bank	500,000	498,040	320,000	498,143	103	0	0	(178,143)	(178,143)	37,722	14,875
285661-AB-0	EDS Zero Coupon	03/25/2002	Morgan Stanley	07/22/2002	KBC Fin. Prods.	125,000	101,417	92,000	101,770	353	0	0	(9,770)	(9,770)	0	0
36959J-DS-9	GE Capital Corp. CP	03/12/2002	Legg Mason Wood	04/26/2002	MATURITY	4,500,000	4,490,155	4,500,000	4,500,000	9,845	0	0	0	0	0	0
36962G-XS-8	General Electric Cap. Corp. 5.875%	04/15/2002	Lehman Brothers	06/11/2002	Lehman Brothers	1,500,000	1,463,835	1,480,635	1,464,254	419	0	0	16,381	16,381	29,130	15,422
36962G-YZ-1	General Electric Cap. Corp. 5.0%	06/11/2002	Lehman Brothers	08/22/2002	Chase Manhattan Bank	2,500,000	2,499,175	2,594,625	2,499,204	29	0	0	95,421	95,421	27,778	2,431
370425-RT-9	General Motors Acceptance Corp Nts.	04/26/2002	Advest, Inc.	05/09/2002	MLPF&S Fixed Income Ops.	650,000	672,393	669,279	672,196	(196)	0	0	(2,917)	(2,917)	14,503	12,919
459200-AG-6	IBM 8.375%	10/11/2002	SMITH BARNEY	11/20/2002	SMITH BARNEY	850,000	1,035,453	1,058,055	1,034,786	(667)	0	0	23,268	23,268	40,340	32,825
50000B-K7-4	Koch Industries CP	10/04/2002	Chase Manhattan Bank	10/07/2002	MATURITY	6,000,000	5,999,145	6,000,000	6,000,000	855	0	0	0	0	0	0
50000B-K8-2	Koch Industries CP	10/07/2002	Chase Manhattan Bank	10/08/2002	MATURITY	6,000,000	5,999,710	6,000,000	6,000,000	290	0	0	0	0	0	0
50000B-K9-0	Koch Industries CP	10/08/2002	Chase Manhattan Bank	10/09/2002	MATURITY	6,000,000	5,999,715	6,000,000	6,000,000	285	0	0	0	0	0	0
50000B-KG-4	Koch Industries CP	10/15/2002	Chase Manhattan Bank	10/16/2002	MATURITY	6,000,000	5,999,960	6,000,000	6,000,000	40	0	0	0	0	0	0
524909-AX-6	Lehman Brothers Inc. 7.375%	06/07/2002	Lehman Brothers	09/27/2002	Morgan Stanley	1,500,000	1,622,250	1,671,600	1,615,042	(7,208)	0	0	56,558	56,558	78,359	45,172
548661-CG-0	Lowses Companies Inc. 0.861%	05/08/2002	MLPF&S Fixed Income Ops.	12/06/2002	Bear Stearns	425,000	398,969	410,656	399,657	688	0	0	10,999	10,999	2,358	244
571748-AE-2	Marsh & McLennan Cos. Inc. 6.25%	04/15/2002	MLPF&S Fixed Income Ops.	10/01/2002	Bear Stearns	1,200,000	1,214,244	1,334,720	1,213,752	(492)	0	0	120,968	120,968	40,625	6,042
805901-AQ-8	Scana Corp. 6.25%	05/22/2002	MLPF&S Fixed Income Ops.	10/01/2002	Warburg, S.G	1,000,000	1,000,600	1,099,840	1,000,584	(16)	0	0	99,256	99,256	42,361	20,486
879240-AN-9	Tele Communications Inc. 9.80%	10/01/2002	Warburg, S.G	12/12/2002	SALOMON BROTHERS	1,350,000	1,396,500	1,584,549	1,395,869	(631)	0	0	188,680	188,680	49,980	21,628
90328B-KF-7	USAA Capital Corp. CP	10/07/2002	Merrill Lynch	10/15/2002	MATURITY	6,000,000	5,997,720	6,000,000	6,000,000	2,280	0	0	0	0	0	0
90328B-KN-0	USAA Capital Corp. CP	10/16/2002	Merrill Lynch	10/22/2002	MATURITY	6,000,000	5,998,270	6,000,000	6,000,000	1,730	0	0	0	0	0	0
90328B-KV-2	USAA Capital Corp. CP	10/22/2002	Merrill Lynch	10/29/2002	MATURITY	6,000,000	5,997,993	6,000,000	6,000,000	2,007	0	0	0	0	0	0
90328B-L7-4	USAA Cap Corp. CP	10/31/2002	Merrill Lynch	11/07/2002	MATURITY	6,000,000	5,997,993	6,000,000	6,000,000	2,007	0	0	0	0	0	0
91130U-JH-9	UPS CP	09/12/2002	Merrill Lynch	09/17/2002	MATURITY	6,000,000	5,998,625	6,000,000	6,000,000	1,375	0	0	0	0	0	0
91130U-JL-0	UPS CP	09/17/2002	Merrill Lynch	09/20/2002	MATURITY	6,000,000	5,999,175	6,000,000	6,000,000	825	0	0	0	0	0	0
91130U-K8-7	UPS CP	10/07/2002	Merrill Lynch	10/08/2002	MATURITY	6,000,000	5,999,725	6,000,000	6,000,000	275	0	0	0	0	0	0
91130U-K9-5	UPS CP	10/08/2002	Merrill Lynch	10/09/2002	MATURITY	6,000,000	5,999,750	6,000,000	6,000,000	250	0	0	0	0	0	0
949746-CK-5	Wells Fargo & Co. 5.25%	05/23/2002	Goldman Sachs & Co.	09/27/2002	BA Securities	2,100,000	2,099,310	2,248,995	2,099,358	48	0	0	149,637	149,637	38,588	438

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
962166-BM-5...	Weyerhaeuser Co, 6.125%	05/10/2002	Morgan Stanley	10/03/2002	Bear Stearns	600,000	607,200	638,118	606,682	(518)	0	0	31,436	31,436	21,029	6,431
COUNTRY TOTAL - U.S.						112,600,000	113,028,110	114,082,193	113,044,370	16,261	0	0	1,037,821	1,037,821	697,953	295,383
4599996 - Bonds - Industrial and Miscellaneous - United States						112,600,000	113,028,110	114,082,193	113,044,370	16,261	0	0	1,037,821	1,037,821	697,953	295,383
4599999 - Bonds - Industrial and Miscellaneous						112,600,000	113,028,110	114,082,193	113,044,370	16,261	0	0	1,037,821	1,037,821	697,953	295,383
6099998 - Total - Bonds						145,780,758	146,300,155	147,804,007	146,318,263	18,110	0	0	1,485,742	1,485,742	991,428	513,390
BANKS, TRUST AND INSURANCE COMPANIES - U.S.																
381197-10-2...	Golden State Bancorp Inc, Common	04/24/2002	ESI Securities	11/08/2002	Cash Merger	1,300,000	42,053	48,237	42,053	0	0	0	6,185	6,185	920	0
COUNTRY TOTAL - U.S.						XXX	42,053	48,237	42,053	0	0	0	6,185	6,185	920	0
6799999 - Common Stocks - Banks, Trust and Insurance Companies						XXX	42,053	48,237	42,053	0	0	0	6,185	6,185	920	0
INDUSTRIAL & MISCELLANEOUS - U.S.																
019754-10-0...	Allmerica Finl. Corp	04/24/2002	ESI Securities	08/06/2002	dresdner	1,300,000	61,215	31,572	61,215	0	0	0	(29,644)	(29,644)	0	0
217016-10-4...	Coors Adolph Co. Cl B	01/04/2002	Credit Suisse First Bosto	04/11/2002	Bridge Trading Company	3,800,000	196,862	255,906	196,862	0	0	0	59,044	59,044	779	0
22025Y-40-7...	Corrections Corp. of America	02/13/2002	Securities Litigation	03/12/2002	Bridge Trading Company	165,000	0	2,604	0	0	0	0	2,604	2,604	1,834	0
227116-10-0...	Crompton Corp	04/24/2002	ESI Securities	10/11/2002	ESI Securities	5,600,000	68,853	33,869	68,853	0	0	0	(34,983)	(34,983)	0	0
237194-10-5...	Darden Restaurants	04/24/2002	ESI Securities	09/25/2002	Nationsbank	1,500,000	40,360	36,899	40,360	0	0	0	(3,461)	(3,461)	0	0
307000-10-9...	Family Dollar Stores Inc	04/24/2002	ESI Securities	09/25/2002	Merrill Lynch	1,100,000	37,708	30,440	37,708	0	0	0	(7,268)	(7,268)	0	0
339130-10-6...	Fleming Cos. Inc	04/24/2002	ESI Securities	08/02/2002	William O'Neil	4,200,000	81,767	50,984	81,767	0	0	0	(30,783)	(30,783)	674	0
559222-40-1...	Magna International Inc	06/06/2002	UNDEFINED	06/13/2002	Morgan Stanley	5,459,000	401,028	368,312	401,028	0	0	0	(32,716)	(32,716)	0	0
577081-10-2...	Mattel Inc	04/24/2002	ESI Securities	11/11/2002	William O'Neil	1,800,000	37,440	32,703	37,440	0	0	0	(4,737)	(4,737)	0	0
67612W-10-8...	ODYSSEY RE CORP	04/24/2002	ESI Securities	11/25/2002	Jefferies & Co.	2,300,000	45,655	39,451	45,655	0	0	0	(6,204)	(6,204)	0	0
74955W-30-7...	R H Donnelley Corp	04/24/2002	UNDEFINED	05/14/2002	CJS Securities	1,600,000	48,074	47,119	48,074	0	0	0	(956)	(956)	0	0
778296-10-3...	ROSS STORES INC	04/24/2002	ESI Securities	08/06/2002	Merrill Lynch	1,400,000	56,061	47,206	56,061	0	0	0	(8,855)	(8,855)	0	0
830879-10-2...	Skywest, Inc	04/24/2002	VARIOUS	10/08/2002	BANKERS TRUST	16,900,000	401,082	216,572	401,082	0	0	0	(184,510)	(184,510)	676	0
879433-10-0...	Telephone & Data Systems, Inc	04/24/2002	ESI Securities	09/25/2002	ESI Securities	400,000	35,340	21,361	35,340	0	0	0	(13,979)	(13,979)	0	0
98385X-10-6...	XTO Energy Inc	04/24/2002	ESI Securities	11/15/2002	ESI Securities	3,500,000	71,155	76,948	71,155	0	0	0	5,793	5,793	0	0
COUNTRY TOTAL - U.S.						XXX	1,582,600	1,291,946	1,582,600	0	0	0	(290,655)	(290,655)	3,963	0
6899999 - Common Stocks - Industrial and Miscellaneous						XXX	1,582,600	1,291,946	1,582,600	0	0	0	(290,655)	(290,655)	3,963	0
7099998 - Total - Common Stocks						XXX	1,624,653	1,340,183	1,624,653	0	0	0	(284,470)	(284,470)	4,883	0
7199999 - Total - Preferred and Common Stocks							1,624,653	1,340,183	1,624,653	0	0	0	(284,470)	(284,470)	4,883	0
7299999 Totals							147,924,808	149,144,190	147,942,916	18,110	0	0	1,201,272	1,201,272	996,311	513,390

E13.1

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	8 Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
	The GHMSI Companies, Access America, Inc.		(i) (i)	No. No.		.0 .0	25,000,000 10,000,000	100.0 100.0
1799999 Totals							XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ .....
2. Total amount of intangible assets nonadmitted: \$ .....

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	5 Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
999999-99-8	CareFirst BlueChoice, Inc.	The GHMSI Companies, Inc.		4,000,000	40.0
13973#-10-2	Capital Area Services Company, Inc.	The GHMSI Companies, Inc.		1,000,000	100.0
63516#-10-1	National Capital Administrative Services	The GHMSI Companies, Inc.		4,000,000	100.0
63517@-10-2	National Capital Insurance Agency, Inc.	The GHMSI Companies, Inc.		20,000,000	100.0
	National Capital Reinsurance, Ltd.	The GHMSI Companies, Inc.		1,000,000	100.0
999999-99-8	Delmarva Health Plan, Inc.	The GHMSI Companies, Inc.		2,400,000	40.0
999999-99-8	Preferred Health Network, Inc.	The GHMSI Companies, Inc.		0.000	40.0
999999-99-8	PHN Services	The GHMSI Companies, Inc.		0.000	40.0
999999-99-8	PHN-HMO, Inc.	The GHMSI Companies, Inc.		0.000	40.0
999999-99-8	PHN-PPD, Inc.	The GHMSI Companies, Inc.		0.000	40.0
999999-99-8	CapitalCare, Inc.	The GHMSI Companies, Inc.		400,000	40.0
0399999 Total				XXX	XXX

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE DA - PART 1**

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Design- nation	17 Effective Rate of Interest	
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	14 Gross Amount Received				
SPECIAL REVENUE AND ASSESSMENTS																	
ISSUER OBLIGATIONS																	
U.S. GOVERNMENT																	
313384-AB-5	Federal Home Loan Bank Disc. Note	12/18/2002	MLPF&S Fixed Income Ops	0.000	MATR	01/02/2003	9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	1PE	1.366	
STATE TOTAL							9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	0	XXX	XXX
COUNTRY TOTAL - U.S.							9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	0	XXX	XXX
2599999 - Special Revenue - Issuer Obligations							9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	0	XXX	XXX
3199999 - Total - Special Revenue Bonds							9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	0	XXX	XXX
5499999 - Total - Issuer Obligations							9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	0	XXX	XXX
6099999 - Total - Bonds							9,999,622	4,914	0	10,000,000	9,994,708	0	0	0	0	XXX	XXX
EXEMPT MONEY MARKET MUTUAL FUNDS																	
997472-9A-5	One Group U.S. Treas Mny Mkt	12/30/2002	BANKONE	0.000		01/01/2004	417,522	0	0	0	417,522	724	415	0	1	0.000	
	STI U.S. Treas MM Fund	12/15/2002	Suntrust Capital	0.000		01/01/2004	82,444,450	0	0	0	82,444,450	97,995	0	0	1	0.000	
7799999 - Exempt Money Market Mutual Funds							82,861,972	0	0	XXX	82,861,972	98,719	415	0	0	XXX	XXX
CLASS ONE MONEY MARKET MUTUAL FUNDS																	
72702*-11-8	Plan Investment Money Mkt Fund	10/23/2002	PLAN INVESTMENT FUND	0.000		01/01/2004	1,950,000	0	0	0	1,950,000	2,750	32,000	0	1	0.000	
7899999 - Class One Money Market Mutual Funds							1,950,000	0	0	XXX	1,950,000	2,750	32,000	0	0	XXX	XXX
<b>8099999 Totals</b>							<b>94,811,594</b>	<b>4,914</b>	<b>0</b>	<b>XXX</b>	<b>94,806,681</b>	<b>101,469</b>	<b>32,414</b>	<b>0</b>	<b>XXX</b>	<b>XXX</b>	

(a) Includes \$ .....other than accrual of discount and amortization of premium.

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE DB - PART A - SECTION 1**

Showing all Options, Caps and Floors and Insurance Futures Options Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
Advance PCS Common Stock Warrant #1	75,401	09/30/2002	10.56	09/30/2001	Advance PCS		179,422			179,422			
Advance PCS Common Stock Warrant #2	17,449	09/30/2001	10.56	09/30/2002	Advance PCS		181,326			181,326			
0399999 - Subtotal - Call Options - Other Derivative Transactions							360,748	XXX		360,748			
0499999 - Subtotal - Call Options							360,748	XXX		360,748			
2599999 - Subtotal - Hedging Transactions													
2799999 - Subtotal - Other Derivative Transactions							360,748	XXX		360,748			
<b>9999999 - Totals</b>							360,748	XXX		360,748			

**SCHEDULE DB - PART A - SECTION 2**

Showing all Options, Caps and Floors and Insurance Futures Options Acquired During Current Year

1	2	3	4	5	6	7
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium
Advance PCS Common Stock Warrant #2	17,449	09/30/2003	10.56	09/30/2002	Advance PCS	
2599999 - Subtotal - Hedging Transactions						
2799999 - Subtotal - Other Derivative Transactions						
<b>9999999 - Totals</b>						

Schedule DB - Part A - Section 3

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part B - Section 3

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Part C - Section 3

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part D - Section 3

**NONE**

Schedule DB - Part E - Section 1

**NONE**

## SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds .....	436,101,610	449,215,514	13,113,904
2. Preferred Stocks .....	7,493,517	7,524,282	30,765
3. Totals	443,595,127	456,739,796	13,144,669

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

Where a unit price was available from the SVO, it was used to calculate fair value. For provisionally exempt securities, the unit price provided by the custody bank was used.....

Where a unit price was available from the SVO, it was used to calculate fair value. In the case where no unit price was available from the SVO, the unit price provided by the custody bank was used.....



