



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
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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		
US GOVERNMENT OBLIGATIONS																						
ISSUER OBLIGATIONS																						
83162C-HM-8	US SMALL BUS ADMIN 7.3%		7.300	MN	05/01/2017			312,266	312,266	113.9690	355,887	312,266	3,799	23,891	0	0	0	1	05/06/1997	7.433		
83162C-JF-1	SMALL BUSINESS ADMIN 6.3% 5/01/		6.300	MN	05/01/2018			1,220,972	1,203,294	110.7190	1,332,275	1,221,380	12,635	55,991	(407)	0	0	1PE	05/29/2002	6.246		
83162C-JR-5	US SMALL BUS ADMIN		5.800	JD	12/01/2018			599,732	599,732	108.5000	650,709	599,732	2,899	37,056	0	0	0	1PE	12/08/1998	5.884		
83162C-JX-2	US SMALL BUS ADMIN 6.15% 4/01/		6.150	AO	04/01/2019			478,490	478,490	110.0630	526,641	478,490	7,357	31,419	0	0	0	1	04/06/1999	6.244		
83162C-KM-4	SMALL BUSINESS ADMIN		7.590	JJ	01/01/2020			519,391	519,391	116.1250	603,143	519,391	19,711	41,253	0	0	0	1PE	01/07/2000	7.734		
912810-FP-8	U.S. Treasury Bonds 5.375%		5.375	FA	02/15/2031			666,018	600,000	109.0310	654,186	666,281	12,181	0	(263)	0	0	1	10/08/2002	4.723		
912827-3S-9	U.S. Treasury Notes 12/31/2002		5.625	JD	12/31/2002			0	0	0.0000	0	0	0	7,031	0	0	0	1	01/07/1998	0.000		
912827-3T-7	US TREAS NT		3.625	JJ	01/15/2008			1,650,895	1,625,827	109.7190	1,783,841	1,686,233	27,226	58,135	(20,394)	0	0	1	12/01/2002	3.188		
912827-4B-5	U.S. Treasury Notes 5.50%		5.500	MS	03/31/2003			502,164	500,000	101.0310	505,155	514,316	7,026	27,500	(8,612)	0	0	1	07/31/2001	3.748		
912827-6R-8	US Treasury Note 3.5% 01/15/11		3.500	JJ	01/15/2011			1,317,911	1,399,862	109.7810	1,536,783	1,309,671	22,634	47,238	8,212	0	0	1	12/01/2002	2.068		
912827-6X-5	US Treasury Note 4.625%		4.625	MN	05/15/2006			2,361,978	2,325,000	107.8440	2,507,373	2,371,791	13,961	107,531	(9,221)	0	0	1	02/14/2002	4.158		
912827-7J-5	U.S. Treasury Notes 3.375%		3.375	JJ	01/15/2012			941,106	969,161	109.3130	1,059,419	929,617	15,110	16,280	11,489	0	0	1	12/01/2002	2.667		
912827-7J-8	US TREAS NT 6.25% 2/15/		6.250	FA	02/15/2003			299,972	300,000	100.5940	301,782	299,449	7,082	18,750	220	0	0	1	07/03/2000	6.427		
912827-P8-9	US TREASURY NOTES 7.25% 5/15/		7.250	MN	05/15/2004			350,467	350,000	108.0310	378,109	352,406	3,295	25,375	(313)	0	0	1	03/22/1995	7.274		
912827-S8-6	US TREAS NT 7.5%		7.500	FA	02/15/2005			264,729	250,000	112.1250	280,313	275,840	7,082	18,750	(6,463)	0	0	1	04/03/2001	4.609		
912828-AB-6	US Treasury Note 3.375%		3.375	AO	04/30/2004			6,130,952	6,000,000	102.7190	6,163,140	6,156,563	34,682	101,250	(25,611)	0	0	1	09/27/2002	1.715		
COUNTRY TOTAL - U.S.																						
								17,617,044	17,433,024	XXX	18,638,754	17,693,427	196,680	617,450	(51,364)	0	0	0	XXX	XXX	XXX	
0199999 - Total Bonds - U.S. Government - Issuer Obligations																						
								17,617,044	17,433,024	XXX	18,638,754	17,693,427	196,680	617,450	(51,364)	0	0	0	XXX	XXX	XXX	
36212D-NX-3	GNMA Pool #530606 6.50%		6.500	MTLY	04/15/2031			2,255,373	2,162,270	0.0000	2,255,373	2,255,518	11,712	23,425	(145)	0	0	1	10/07/2002	6.013		
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																						
362028-3S-9	GNMA POOL 003509 6.5%		6.500	MTLY	11/15/2003			939	951	0.0000	939	772	5	62	10	0	0	1PE	03/31/1989	9.120		
36213D-GB-8	GNMA Pool #551094 6.50%		6.500	MTLY	11/15/2031			1,075,397	1,031,011	0.0000	1,075,397	1,075,473	5,585	11,541	(76)	0	0	1PE	10/07/2002	6.002		
36216F-XE-5	GNMA PL#163677 9.50% 7/15/16		9.500	MTLY	07/15/2016			17,127	16,046	0.0000	17,127	17,490	127	1,525	(49)	0	0	1PE	09/24/1993	8.235		
36216G-J7-4	GNMA PL#164186 9.50% 5/15/16		9.500	MTLY	05/15/2016			18,208	17,305	0.0000	18,208	18,494	137	1,644	(42)	0	0	1PE	04/25/1994	8.569		
36216J-PK-2	GNMA PL#166126 9.50% 7/15/16		9.500	MTLY	07/15/2016			50,169	47,668	0.0000	50,169	50,945	377	4,530	(113)	0	0	1PE	04/25/1994	8.572		
36216S-X8-0	GNMA PL#173603 9.50% 8/15/16		9.500	MTLY	08/15/2016			9,393	8,924	0.0000	9,393	9,537	71	848	(21)	0	0	1PE	04/25/1994	8.574		
36218E-AH-4	GNMA PL#219708SF 9.50% 9/15/17		9.500	MTLY	09/15/2017			26,602	24,872	0.0000	26,602	27,110	197	2,363	(68)	0	0	1PE	09/24/1993	8.263		
36219H-JS-3	GNMA PL#249673 9.500% 10/15/18		9.500	MTLY	10/15/2018			40,986	38,577	0.0000	40,986	41,585	305	3,666	(84)	0	0	1PE	11/29/1993	8.471		
36225A-4V-9	GNMA POOL #780836 8.25% 4/15/		8.250	MTLY	04/15/2020			607,024	575,217	0.0000	607,024	611,033	3,955	47,455	(1,001)	0	0	1PE	07/28/1998	7.389		
COUNTRY TOTAL - U.S.																						
								1,845,845	1,760,570	XXX	1,845,845	1,852,440	10,759	73,633	(1,445)	0	0	0	XXX	XXX	XXX	
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities																						
								4,101,218	3,922,840	XXX	4,101,218	4,107,958	22,471	97,058	(1,590)	0	0	0	XXX	XXX	XXX	
0399996 - Bonds - U.S. Government																						
								(2,255,373)	(2,162,270)	XXX	(2,255,373)	(2,255,518)	(11,712)	(23,425)	145	0	0	0	XXX	XXX	XXX	
0399999 - Total - U.S. Government Bonds																						
								21,718,261	21,355,864	XXX	22,739,972	21,801,386	219,151	714,508	(52,955)	0	0	0	XXX	XXX	XXX	
STATES, TERRITORIES, POSSESSIONS																						
ISSUER OBLIGATIONS																						
IOWA																						
731197-PN-3	Polk Cnty Iowa 5.15%		5.150	JD	06/01/2016			986,631	1,000,000	101.1860	1,011,860	986,610	3,863	0	21	0	0	1PE	12/20/2002	5.360		
STATE TOTAL																						
								986,631	1,000,000	XXX	1,011,860	986,610	3,863	0	21	0	0	0	XXX	XXX	XXX	
COUNTRY TOTAL - U.S.																						
								986,631	1,000,000	XXX	1,011,860	986,610	3,863	0	21	0	0	0	XXX	XXX	XXX	
1199999 - Total Bonds - States, Territories and Possessions - Issuer Obligations																						
								986,631	1,000,000	XXX	1,011,860	986,610	3,863	0	21	0	0	0	0	XXX	XXX	XXX
1799999 - Total - States, Territories and Possessions																						
								986,631	1,000,000	XXX	1,011,860	986,610	3,863	0	21	0	0	0	0	XXX	XXX	XXX
SPECIAL REVENUE AND ASSESSMENTS																						
ISSUER OBLIGATIONS																						
U.S. GOVERNMENT																						
3128X0-TV-1	FHLMC MTN 6%		6.000	JJ	01/03/2023			5,000,000	5,000,000	100.0000	5,000,000	5,000,000	0	0	0	0	0	1PE	12/19/2002	6.090		
312925-W7-1	FHLMC 5.125%		5.125	FA	08/20/2012			2,505,564	2,500,000	102.1880	2,554,700	2,505,700	46,623	0	(136)	0	0	1	09/11/2002	5.160		
31331L-FR-4	Federal Farm Credit Bank 5.8%		5.800	AO	04/24/2006			2,500,000	2,500,000	101.2500	2,531,250	2,500,000	26,986	145,000	0	0	0	1	04/17/2001	5.884		
31331L-FU-7	Federal Farm Credit Bank 5.65%		5.650	AO	04/27/2006			2,500,000	2,500,000	104.8440	2,621,100	2,500,000	25,111	141,250	0	0	0	1PE	04/17/2001	5.730		
3133M8-AY-0	Federal Home Loan Bank 5.485%		5.485	MS	03/23/2004			299,834	300,000	104.7500	314,250	299,391	4,546	16,455	128	0	0	1PE	04/05/1999	5.609		
3133MD-BT-9	FHLB 5.875%		5.875	FA	02/15/2011			1,247,115	1,250,000	111.1560	1,389,450	1,246,713	27,743	73,438	270	0	0	1PE	06/26/2001	5.999		
3133ME-U6-6	Federal Home Loan Bank 5.375%		5.375	MN	05/15/2006			1,342,083	1,300,000	109.2810	1,420,653	1,350,678	9,072	61,813	(8,059)	0	0	1PE	08/20/2002	4.386		
3133ME-UC-3	FHLB 5.75%		5.750	MN	05/15/2008			1,007,255	1,000,000	112.1880	1,121,880	1,008,940	7,347	5,500	(1,129)	0	0	1PE	06/26/2001	5.670		
3133MJ-QF-0	FHLB 5.50%		5.500	FA	08/15/2016			962,057	1,000,000	108.0940	1,080,940	960,130	20,774	42,778	1,773	0	0	1PE	11/29/2001	5.997		

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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		
3133MN-VV-0	FHLB 5.750%		5.750	MN	05/15/2012			2,536,467	2,500,000	111.8130	2,795,325	2,538,150	18,368	69,878	(1,683)	0	0	1PE	06/04/2002	5.625		
3133MQ-SR-6	FHLB 4.5%		4.500	FA	08/14/2009			2,535,226	2,500,000	104.0310	2,600,775	2,536,625	42,500	0	(1,399)	0	0	1PE	09/11/2002	4.299		
3134A1-RG-7	FHLMC 6.943%		6.943	MS	03/21/2007			2,079,581	2,000,000	116.7500	2,335,000	2,110,000	39,126	138,860	(16,179)	0	0	1PE	01/25/2001	5.951		
3134A3-3D-6	Federal Home Loan Mtg. Corp. 7%		7.000	FA	02/15/2003			387,093	385,000	100.6880	387,649	404,223	10,181	26,950	(16,806)	0	0	1PE	12/24/2001	2.554		
3134A4-PX-6	FHLMC Bond 3.0%		3.000	JJ	07/15/2004			3,530,174	3,500,000	102.1880	3,576,580	3,538,553	48,505	0	(8,378)	0	0	1	07/24/2002	2.440		
31359M-EU-3	FNMA 6.25%		6.250	MN	05/15/2029			1,000,000	1,000,000	111.2190	1,112,190	1,000,000	7,986	62,500	0	0	0	1PE	09/25/2001	6.348		
690353-BR-7	OVERSEAS PRIV INV 6.78% 1/15/		6.780	MJSD	01/15/2009			533,334	533,334	0.0000	533,334	533,334	1,607	36,160	0	0	0	1PE	09/05/1997	6.954		
STATE TOTAL								29,965,784	29,768,334	XXX	31,375,076	30,032,436	336,477	872,582	(51,600)	0	0	0	XXX	XXX	XXX	
COUNTRY TOTAL - U.S.								29,965,784	29,768,334	XXX	31,375,076	30,032,436	336,477	872,582	(51,600)	0	0	0	0	XXX	XXX	XXX
2599999 - Total Bonds - Special Revenue - Issuer Obligations								29,965,784	29,768,334	XXX	31,375,076	30,032,436	336,477	872,582	(51,600)	0	0	0	0	XXX	XXX	XXX
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																						
U.S. GOVERNMENT																						
31282U-U7-0	FHLMC Pool #G10139 7.00%		7.000	MTLY	03/01/2005			174,493	174,737	0.0000	174,493	174,613	1,019	12,232	(77)	0	0	1PE	04/01/2000	7.096		
31283J-EQ-0	FHLMC Pool #G10143		5.500	MTLY	12/01/2008			1,102,385	1,148,393	0.0000	1,102,385	1,089,538	5,263	63,349	5,609	0	0	1PE	08/01/2000	7.249		
31283K-F7-8	FHLMC Gold Pool #G11090		6.000	MTLY	02/01/2015			2,831,558	2,733,032	0.0000	2,831,558	2,833,384	13,665	54,661	(1,826)	0	0	1	07/23/2002	5.263		
312867-5C-3	FHLMC Pool #E73543 5.5%		5.500	MTLY	12/01/2013			502,534	507,749	0.0000	502,534	501,303	2,327	27,943	256	0	0	1PE	02/01/1999	5.851		
312867-QL-0	FHLMC Pool #E73159		5.500	MTLY	12/01/2013			332,475	335,942	0.0000	332,475	331,677	1,520	18,477	171	0	0	1PE	02/01/1999	5.852		
312868-5K-3	FHLMC Pool #E74450		5.500	MTLY	01/01/2014			651,458	662,749	0.0000	651,458	648,779	3,038	36,740	602	0	0	1PE	02/01/1999	6.026		
312868-5Z-0	FHLMC POOL E74464 5.5%		5.500	MTLY	01/01/2014			484,017	489,073	0.0000	484,017	482,864	2,242	26,899	246	0	0	1PE	02/01/1999	5.852		
312868-JB-8	FHLMC POOL E73858 5.5%		5.500	MTLY	12/01/2013			394,221	398,332	0.0000	394,221	393,275	1,826	22,023	202	0	0	1PE	02/01/1999	5.852		
312868-UX-7	FHLMC POOL E74198 5.5%		5.500	MTLY	01/01/2014			350,194	353,852	0.0000	350,194	349,359	1,622	19,462	178	0	0	1PE	02/01/1999	5.852		
312868-ZU-8	FHLMC Pool #E74355		5.500	MTLY	01/01/2014			424,371	428,804	0.0000	424,371	423,360	1,965	23,617	216	0	0	1PE	02/01/1999	5.852		
312869-BH-1	FHLMC Pool #E74540		5.500	MTLY	01/01/2014			447,557	452,232	0.0000	447,557	446,491	2,073	24,934	228	0	0	1PE	02/01/1999	5.852		
312869-BV-0	FHLMC Pool #E74552		5.500	MTLY	01/01/2014			268,409	271,212	0.0000	268,409	267,769	1,243	14,924	137	0	0	1PE	02/01/1999	5.852		
312869-CP-2	FHLMC POOL #E74578 5.5% 1/01/		5.500	MTLY	01/01/2014	08/31/2013	100.000	3,565,939	3,609,751	0.0000	3,565,939	3,557,650	16,545	198,536	2,330	0	0	1PE	12/11/1998	5.906		
312869-CQ-0	FHLMC Pool#E74579		5.500	MTLY	01/01/2014			380,153	384,124	0.0000	380,153	379,247	1,761	21,141	193	0	0	1PE	02/01/1999	5.852		
31290K-VZ-9	FHLMC Pool #555132		8.000	MTLY	07/01/2020			226,510	226,510	0.0000	226,510	227,329	2,992	17,930	(160)	0	0	1PE	05/01/1996	7.779		
31292H-GP-3	FHLMC Gold Pool #C01106		7.000	MTLY	12/01/2030			625,798	618,426	0.0000	625,798	625,867	3,607	43,390	(40)	0	0	1PE	03/27/2001	6.788		
31294F-5N-2	FHLMC Pool #C38953		6.500	MTLY	01/01/2025			634,310	634,943	0.0000	634,310	634,348	3,439	42,227	(19)	0	0	1PE	12/22/2000	6.670		
31294J-HT-8	FHLMC Gold E00242		6.500	MTLY	10/01/2008			31,970	31,866	0.0000	31,970	32,264	173	40,903	(25)	0	0	1PE	01/20/1994	6.451		
31294J-KE-7	FHLMC Gold Pool #E00293		7.000	MTLY	04/01/2009			1,602,863	1,562,589	0.0000	1,602,863	1,610,565	9,115	108,410	(4,292)	0	0	1PE	03/15/2001	5.872		
31294J-VJ-4	FHLMC Pool #E00617		5.500	MTLY	01/01/2014			445,761	450,417	0.0000	445,761	444,699	2,064	24,889	227	0	0	1PE	02/01/1999	5.852		
31335P-C4-5	FHLMC G80091		8.250	MTLY	07/17/2008			688,056	676,775	0.0000	688,056	691,897	4,653	55,832	(1,913)	0	0	1PE	08/08/2000	7.675		
31340M-UW-3	FHLMC Pool #181497		7.000	MTLY	12/01/2009			207,561	208,634	0.0000	207,561	207,982	2,450	14,604	(74)	0	0	1PE	05/23/1996	7.107		
31357M-5N-1	FHLMC Pool #E48053		6.500	MTLY	11/01/2007			305,804	309,798	0.0000	305,804	303,602	1,678	20,204	528	0	0	1PE	05/01/1996	7.213		
31361W-4L-8	FNMA Pool #044027 7%		7.000	MTLY	12/01/2007			263,265	263,265	0.0000	263,265	263,265	1,536	18,429	0	0	0	1PE	06/01/1996	7.008		
31362W-TE-6	FNMA POOL 73449 6.85%		6.850	MTLY	04/01/2006			400,333	400,333	0.0000	400,333	397,283	2,331	27,975	1,502	0	0	1PE	02/14/2000	8.099		
31363W-H4-0	FNMA POOL #100250 7.5%		7.500	MTLY	07/15/2007			1,255,952	1,227,310	0.0000	1,255,952	1,279,471	7,671	92,048	(6,246)	0	0	1PE	12/10/1998	6.313		
31368H-TP-8	FNMA POOL #190558 5.5%		5.500	MTLY	01/01/2009			1,096,193	1,144,659	0.0000	1,096,193	1,083,492	5,246	63,253	5,548	0	0	1PE	08/01/2000	7.249		
31371H-O7-6	FNMA POOL 252578 6.00%		6.000	MTLY	06/01/2009			905,577	939,882	0.0000	905,577	895,387	4,699	56,393	3,535	0	0	1PE	03/01/2000	7.455		
31371K-KL-4	FNMA 254199 6.50% OF 02/01/32		6.500	MTLY	02/01/2032			2,032,446	2,017,389	0.0000	2,032,446	2,032,520	10,928	77,098	(73)	0	0	1PE	04/18/2002	6.540		
31371K-P3-9	FNMA 254342 6.0% 06/01/17		6.000	MTLY	06/01/2017			1,341,338	1,318,400	0.0000	1,341,338	1,341,884	6,592	39,552	(546)	0	0	1PE	06/04/2002	5.791		
31371K-T9-2	FNMA Pool #254476 5.5%		5.500	MTLY	09/01/2032			2,477,890	2,470,209	0.0000	2,477,890	2,477,928	11,322	33,965	(39)	0	0	1PE	09/06/2002	5.542		
31373W-OK-2	FNMA POOL 305658 8%		8.000	MTLY	02/01/2008			231,920	229,871	0.0000	231,920	234,756	18,418	0	(503)	0	0	1PE	05/17/1996	7.625		
31374G-MV-6	FNMA POOL #313672		7.024	MTLY	06/01/2007			1,172,277	1,126,290	0.0000	1,172,277	1,208,650	6,593	78,957	(9,594)	0	0	1PE	12/18/1998	4.944		
31374S-6A-4	FNMA Pool 323165 6.0%		6.000	MTLY	06/01/2013			1,069,685	1,025,017	0.0000	1,069,685	1,070,663	5,125	20,500	(978)	0	0	1PE	08/14/2002	5.024		
31374T-PG-8	FNMA Pool 323623 6.0%		6.000	MTLY	03/01/2014			1,847,356	1,796,986	0.0000	1,847,356	1,848,929	8,985	44,925	(1,574)	0	0	1PE	07/01/2002	5.457		
31375B-U3-9	FNMA MBS Pool 330102 15 Yr 6.5%		6.500	MTLY	01/01/2009			660,334	671,641	0.0000	660,334	656,844	3,638	43,773	985	0	0	1PE	01/03/2000	7.246		
31376Q-TC-7	FNMA POOL 362447 7%		7.000	MTLY	07/01/2008			312,966	312,663	0.0000	312,966	314,605	1,822	21,896	(304)	0	0	1PE	11/08/1996	6.925		
31377M-4P-3	FNMA POOL #381630 6.2% 5/01/		6.200	MTLY	05/01/2009			1,184,242	1,176,523	0.0000	1,184,242	1,189,621	6,079	72,951	(1,530)	0	0	1PE	04/13/1999	5.967		
31378H-UH-2	FNMA Passthru Pool # 399384		7.500	MTLY	09/01/2012			1,812,190	1,775,753	0.0000	1,812,190	1,816,817	11,098	133,181	(2,374)	0	0	1PE	12/21/2000	6.855		

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	
31384W-B8-2	FNMA Pool 535663 7.50%		7.500	MTLY	01/01/2031			812,860	784,275	0.0000	812,860	813,072	4,902	59,293	(337)	0	0	1PE	11/28/2001	7.165	
31385H-5B-4	FNMA Pool 545442 6.0%		6.000	MTLY	02/01/2032			2,204,049	2,240,285	0.0000	2,204,049	2,203,881	11,201	89,672	168	0	0	1	04/19/2002	6.423	
31385H-QU-9	FNMA Pool 545067 7.50%		7.500	MTLY	05/01/2031			734,113	707,866	0.0000	734,113	734,300	4,424	53,090	(301)	0	0	1PE	11/28/2001	7.157	
31385W-UE-7	FNMA Pool #555081 6.329%		6.329	MTLY	03/01/2012	07/31/2011	100.000	1,329,118	1,200,000	0.0000	1,329,118	1,329,000	6,329	0	118	0	0	1PE	11/26/2002	3.340	
31387A-3Y-9	FNMA Pool #578715		6.000	MTLY	09/01/2016			1,497,053	1,474,741	0.0000	1,497,053	1,498,706	7,374	88,706	(1,365)	0	0	1PE	09/25/2001	5.900	
31387C-LV-1	FNMA Pool #580040		6.000	MTLY	06/01/2031			1,493,339	1,498,354	0.0000	1,493,339	1,493,204	7,492	89,901	111	0	0	1PE	09/25/2001	6.203	
31387D-3Q-0	FNMA Pool #581407		7.000	MTLY	06/01/2031			521,044	512,343	0.0000	521,044	521,149	2,989	35,864	(48)	0	0	1PE	06/25/2001	6.596	
31387F-SF-2	FNMA Pool #582918		6.500	MTLY	06/01/2031			910,741	911,777	0.0000	910,741	910,780	4,939	59,624	(22)	0	0	1PE	06/25/2001	6.630	
31387H-3W-8	FNMA Pool 585013		6.500	MTLY	06/01/2014			1,420,116	1,367,656	0.0000	1,420,116	1,423,430	7,408	89,185	(3,121)	0	0	1PE	11/13/2001	5.735	
31389M-CQ-8	FNMA Pool #629279 6.50%		6.500	MTLY	02/01/2032			1,124,122	1,105,815	0.0000	1,124,122	1,124,130	5,990	42,536	(8)	0	0	1PE	05/29/2002	6.375	
31390E-TW-2	FNMA Pool #644165		5.500	MTLY	06/01/2032			206,538	208,884	0.0000	206,538	206,534	957	3,831	4	0	0	1PE	07/24/2002	5.754	
31390J-RP-8	FNMA 6.0%		6.000	MTLY	05/01/2017			2,240,150	2,201,189	0.0000	2,240,150	2,241,085	11,006	66,970	(936)	0	0	1PE	06/04/2002	5.784	
31390K-RV-2	FNMA Pool #648600 5.5%		5.500	MTLY	07/01/2032			540,835	546,977	0.0000	540,835	540,824	2,507	10,038	11	0	0	1PE	07/24/2002	5.754	
31390S-WK-3	FNMA Pool #655050 5.5%		5.500	MTLY	07/01/2032			713,938	722,047	0.0000	713,938	713,924	3,309	13,304	14	0	0	1	07/24/2002	5.754	
31390T-MG-1	FNMA Pool #655659 6.50%		6.500	MTLY	08/01/2032			10,985,544	10,588,246	0.0000	10,985,544	10,985,305	57,353	114,706	239	0	0	1PE	10/07/2002	5.858	
31390U-5A-0	FNMA Pool #657041 6.50%		6.500	MTLY	08/01/2032			1,847,941	1,784,174	0.0000	1,847,941	1,851,081	9,664	19,337	(3,140)	0	0	1	10/07/2002	4.711	
31392B-UH-7	FNMA 6.0% Series 2002-3		6.000	MTLY	12/25/2014			7,076,912	6,700,000	0.0000	7,076,912	7,078,969	33,500	67,000	(2,057)	0	0	1	09/30/2002	4.830	
31392D-CE-0	FNMA Remic Ser 2002-37 6.50%		6.500	MTLY	09/25/2015			2,538,036	2,504,500	0.0000	2,538,036	2,538,937	13,566	94,962	(901)	0	0	1PE	05/29/2002	6.280	
31392D-P9-7	FNMA 2002-W8 A2 7%		7.000	MTLY	06/25/2042			1,951,586	1,860,047	0.0000	1,951,586	1,951,305	10,850	43,401	280	0	0	1PE	07/12/2002	5.954	
31392M-EW-0	FHLMC 7%		7.000	MTLY	07/25/2032			2,812,702	2,793,531	0.0000	2,812,702	2,901,781	16,296	98,058	(89,079)	0	0	1	05/16/2002	7.119	
STATE TOTAL								87,340,775	85,582,834	XXX	87,340,775	87,457,022	454,010	3,281,010	(109,946)	0	0	0	XXX	XXX	XXX
COUNTRY TOTAL - U.S.								87,340,775	85,582,834	XXX	87,340,775	87,457,022	454,010	3,281,010	(109,946)	0	0	0	XXX	XXX	XXX
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								87,340,775	85,582,834	XXX	87,340,775	87,457,022	454,010	3,281,010	(109,946)	0	0	0	XXX	XXX	XXX
DEFINED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES																					
U.S. GOVERNMENT																					
312908-LN-4	FHLMC SERIES 1197 6.75%		6.750	MTLY	02/15/2007			1,505,198	1,508,000	0.0000	1,505,198	1,506,351	8,483	101,790	(516)	0	0	1PE	11/12/1999	6.920	
3133T4-HR-0	FHLMC-GNMA REMIC 28 PB 6.4% 3/25/		6.400	MTLY	03/25/2020			525,162	521,046	0.0000	525,162	526,094	7,785	33,347	(253)	0	0	1	05/03/1999	6.384	
3133T6-5S-6	FHLMC Remic 1832 F 6.5%		6.500	MTLY	03/15/2011			3,199,911	3,250,000	0.0000	3,199,911	3,207,734	17,604	211,250	5,996	0	0	1PE	06/06/1999	6.995	
3133TJ-MC-4	FHLMC REMIC 2127 TD 6% 1/15/		6.000	MTLY	01/15/2011			1,066,078	1,066,546	0.0000	1,067,775	1,067,775	12,222	64,070	(394)	0	0	1PE	05/11/1999	6.059	
313580-DD-4	FNMA REMIC 92-164 PL 7%		7.000	MTLY	09/25/2007			1,841,281	1,822,207	0.0000	1,841,281	1,881,429	10,630	128,044	(10,904)	0	0	1PE	07/13/1998	6.502	
31359D-L6-8	FNMA REMIC 93-155 TH 7%		7.000	MTLY	09/25/2010			1,317,119	1,340,000	0.0000	1,317,119	1,308,803	7,075	93,800	1,561	0	0	1PE	05/29/1997	7.664	
31359L-AH-8	FNMA CMO 994-9 PJ 6.5%		6.500	MTLY	08/17/2024			1,316,302	1,300,000	0.0000	1,316,302	1,319,957	7,042	84,500	(1,189)	0	0	1PE	01/21/1999	6.494	
31359S-R6-9	FNMA Gr Tr Series 2001-T4 CI A		7.500	MTLY	07/25/2028			2,495,328	2,425,525	0.0000	2,495,328	2,502,081	15,160	181,914	(3,303)	0	0	1	04/18/2001	7.195	
31359U-WA-9	FNMA Remic 98-W5 6.5%		6.500	MTLY	05/25/2023			836,090	835,206	0.0000	836,090	837,084	4,524	54,974	(296)	0	0	1PE	08/25/1998	6.599	
31392E-XC-9	FNR 2002-68KC 5.5%		5.500	MTLY	01/25/2016	04/25/2010	100.000	2,608,441	2,500,000	0.0000	2,608,441	2,612,500	11,458	22,917	(4,059)	0	0	1PE	09/25/2002	4.763	
31392J-KL-7	FHR 2504 N 5.5%		5.500	MTLY	09/15/2017			2,566,526	2,500,000	0.0000	2,566,526	2,567,969	11,458	34,375	(1,443)	0	0	1PE	09/25/2002	5.253	
31393F-5B-8	FHLMC Remic 2522 5.5%		5.500	MTLY	03/15/2022	12/15/2013	100.000	5,075,919	5,000,000	0.0000	5,075,919	5,076,563	22,917	22,917	(643)	0	0	1PE	10/30/2002	5.370	
38373M-GC-8	GNMA Remic 2002-71VB 5.50%		5.500	MTLY	12/21/2021	11/20/2010	100.000	2,527,920	2,500,000	0.0000	2,527,920	2,528,906	11,458	22,917	(986)	0	0	1PE	10/03/2002	5.391	
STATE TOTAL								26,881,277	26,568,530	XXX	26,881,277	26,943,244	147,815	1,056,815	(16,429)	0	0	0	XXX	XXX	XXX
COUNTRY TOTAL - U.S.								26,881,277	26,568,530	XXX	26,881,277	26,943,244	147,815	1,056,815	(16,429)	0	0	0	XXX	XXX	XXX
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								26,881,277	26,568,530	XXX	26,881,277	26,943,244	147,815	1,056,815	(16,429)	0	0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								144,187,836	141,919,698	XXX	145,597,128	144,432,702	938,302	5,210,407	(177,975)	0	0	0	XXX	XXX	XXX
PUBLIC UTILITIES																					
ISSUER OBLIGATIONS																					
15405C-CH-3	Central Maine 6.67%		6.670	MS	01/30/2006			1,016,148	1,000,000	111.0840	1,110,840	1,024,730	22,233	66,700	(4,628)	0	0	1PE	01/30/2001	6.180	
845335-BR-8	SOUTHWESTERN BELL TEL 7.25% 7/15/		7.250	JJ	07/15/2025			1,292,018	1,300,000	104.1650	1,354,145	1,291,251	43,460	94,250	137	0	0	1PE	02/22/1996	7.439	
912912-AQ-5	US WEST CAP FDG 6.875% 7/15/		6.875	JJ	07/15/2028			426,250	775,000	55.0000	426,250	772,032	24,569	53,281	(345,901)	0	0	5	06/24/1998	13.367	
COUNTRY TOTAL - U.S.								2,734,415	3,075,000	XXX	2,891,235	3,088,013	90,262	214,231	(350,392)	0	0	0	XXX	XXX	XXX
3299999 - Total Bonds - Public Utilities - Issuer Obligations								2,734,415	3,075,000	XXX	2,891,235	3,088,013	90,262	214,231	(350,392)	0	0	0	XXX	XXX	XXX
3899999 - Total - Public Utilities Bonds								2,734,415	3,075,000	XXX	2,891,235	3,088,013	90,262	214,231	(350,392)	0	0	0	XXX	XXX	XXX
INDUSTRIAL & MISCELLANEOUS																					
ISSUER OBLIGATIONS																					

E08.2

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
00184A-AG-0.	AOL Time Warner 7.70%		7.700	MN.	05/01/2032			670,952	700,000	104.0730	728,511	670,915	8,983	0	37	0	0	2	11/07/2002	8.234
001957-AV-1.	AT&T Corp. 6%		6.000	MS.	03/15/2009			467,258	500,000	99.8570	499,285	455,955	9,000	30,000	0	0	0	2	12/23/1999	7.562
001957-BB-4.	AT&T Corp. Step Up		7.000	MN.	11/15/2006			813,409	800,000	106.8800	855,040	799,880	7,156	51,133	13,526	0	0	2	11/15/2001	6.609
001957-BC-2.	AT&T Corp. Step Up		7.800	MN.	11/15/2011			1,179,822	1,250,000	109.3010	1,366,263	1,136,522	12,458	90,145	43,300	0	0	2	05/08/2002	8.915
001957-BD-0.	AT&T Corp. Step Up		8.500	MN.	11/15/2031			1,480,984	1,600,000	110.2230	1,763,568	1,400,000	17,378	64,000	80,984	0	0	2	06/05/2002	9.456
001957-BE-8.	AT&T Corp. 6.375%		6.375	MS.	03/15/2004			510,609	500,000	102.2500	511,250	511,250	9,385	0	(641)	0	0	2PE	12/04/2002	4.600
00209A-AF-3.	AT&T Wireless Svcs. 8.75%		8.750	MS.	03/01/2031			563,502	500,000	98.0000	490,000	564,140	14,583	43,750	(631)	0	0	2	12/27/2001	7.792
00209T-AA-3.	AT&T Broadband Corp. 8.375%		8.375	MS.	03/15/2013			1,441,802	1,300,000	113.0000	1,469,000	1,442,311	13,005	0	(509)	0	0	2	12/12/2002	6.989
013817-AB-7.	Alcoa Inc. 7.375%		7.375	FA.	08/01/2010			526,771	500,000	118.2050	591,025	531,895	15,672	36,875	(2,634)	0	0	1PE	12/27/2000	6.680
018490-AD-4.	Allergan Inc. Zero Coupon		0.000	MATR.	11/06/2022			410,039	525,000	85.1250	446,906	409,190	0	0	849	0	0	1	11/01/2002	1.253
020012-AE-0.	Allstate Finl. Global Fdg. 6.50%		6.500	JD.	06/14/2011			1,052,560	1,000,000	112.0950	1,120,950	1,057,880	3,069	65,000	(4,721)	0	0	1	11/14/2001	5.789
020039-DC-4.	Alltel Corp. 7.875%		7.875	JJ.	07/01/2032			812,291	750,000	122.7090	920,318	812,483	31,500	0	(192)	0	0	1PE	09/10/2002	7.322
023551-AF-1.	Amerada Hess Corp. 7.875%		7.875	AO.	10/01/2029			893,626	750,000	115.6180	867,135	894,135	14,766	0	(509)	0	0	2	10/01/2002	6.476
023650-AG-9.	American Airlines 8.057%		8.057	JJ.	07/02/2020			1,544,304	1,423,603	0.0000	1,544,304	1,555,073	57,031	113,331	(7,015)	0	0	1	08/27/2001	6.786
02378J-BH-0.	American Airlines 7.858%		7.858	AO.	10/01/2011			2,050,000	2,050,000	0.0000	2,050,000	2,050,000	40,272	159,747	0	0	0	2	09/26/2001	8.012
025537-AB-7.	American Elec Power Inc. 5.50%		5.500	MN.	05/15/2031			1,099,730	1,100,000	98.2330	1,080,563	1,099,703	7,731	60,500	(42)	0	0	2	07/25/2001	5.579
02635P-RT-2.	American General Finance 5.375%		5.375	AO.	10/01/2012			975,672	1,000,000	102.2150	1,022,150	975,460	13,438	0	212	0	0	1	11/20/2002	5.785
026609-AM-9.	American Home Products 6.70%		6.700	MS.	03/15/2011			1,497,721	1,500,000	111.4450	1,671,675	1,497,375	29,592	100,500	202	0	0	1	03/27/2001	6.837
029163-AD-4.	American RE Corp. 7.45%		7.450	JD.	12/15/2026			989,246	875,000	104.1370	911,199	996,529	2,897	65,188	(1,986)	0	0	1PE	12/18/1998	6.481
032511-AP-2.	Anadarko Petrol. Corp. Zero Coupon		0.000	MATR.	03/07/2020			346,456	500,000	61.1250	305,625	328,750	0	0	7,316	0	0	2	08/04/2000	2.159
036734-AA-9.	Anthem Insurance 9.0%		9.000	AO.	04/01/2021			747,941	675,000	120.6360	814,293	751,862	15,188	60,750	(967)	0	0	2PE	05/01/1998	8.145
037388-AE-5.	AON Capital Trust 8.205%		8.205	JJ.	01/01/2027			939,276	850,000	84.2620	716,227	944,478	34,871	69,743	(1,352)	0	0	2	09/02/1998	7.406
03760A-AD-3.	Apogent Tech. Inc. 2.25%		2.250	AO.	10/15/2021			284,795	275,000	102.8750	282,906	285,313	1,306	6,273	(425)	0	0	2	10/11/2001	2.031
060505-AQ-7.	Bank of America Corp. 6.25%		6.250	AO.	04/15/2012			508,054	500,000	111.2510	556,255	508,430	6,597	15,017	(376)	0	0	1	05/29/2002	6.112
060505-AR-5.	Bank of America Corp. 4.875%		4.875	MS.	09/15/2012			1,001,008	1,000,000	101.0790	1,010,790	1,001,030	13,000	0	(22)	0	0	1PE	09/25/2002	4.921
06423A-AM-5.	Bank One Corp. 6.50%		6.500	FA.	02/01/2006			3,564,573	3,500,000	110.4620	3,866,170	3,587,400	94,792	227,500	(18,805)	0	0	1	12/05/2001	5.930
079857-AG-3.	Bellsouth Cap. Fdg. 7.75%		7.750	FA.	02/15/2010			501,846	500,000	118.4020	592,010	502,335	14,639	38,750	(189)	0	0	1PE	03/15/2000	7.829
097014-AD-6.	Boeing Capital Corp. 6.10%		6.100	MS.	03/01/2011			750,897	750,000	103.6910	777,683	751,020	15,250	45,750	(83)	0	0	1	06/25/2001	6.174
109641-AC-4.	Brinker Int'l Inc. Zero Coupon		0.000	MATR.	10/10/2021			677,357	1,000,000	68.8750	688,750	673,402	0	0	3,954	0	0	2PE	11/20/2002	2.097
12189P-AG-7.	Burlington Northern Santa Fe 8.25%		8.251	JJ.	01/15/2021			1,499,204	1,499,204	126.0440	1,889,656	1,499,204	57,039	123,699	0	0	0	1	06/23/2000	8.421
12201P-AC-0.	Burlington Resources 6.40%		6.400	FA.	08/15/2011			499,094	500,000	110.4260	552,130	498,990	12,089	31,200	77	0	0	2PE	08/17/2001	6.531
12489V-AA-4.	CBRL Group Conv. Zero Coupon		0.000	MATR.	04/03/2032			301,245	700,000	45.8750	321,125	295,351	0	0	5,894	0	0	2PE	04/24/2002	2.924
125509-AZ-2.	Cigna Corp 7.875%		7.875	MN.	05/15/2027			1,209,953	1,200,000	98.7590	1,185,108	1,209,914	12,075	94,500	(199)	0	0	2PE	10/09/2001	7.972
125569-DJ-9.	CIT Group Holdings Inc. 6.625%		6.625	JD.	06/15/2005			1,047,141	1,000,000	104.3780	1,043,780	1,047,690	2,944	0	(549)	0	0	1PE	12/20/2002	4.626
125581-AA-6.	CIT Group Holdings 7.375%		7.375	AO.	04/02/2007			665,280	650,000	109.0210	708,637	666,608	11,851	24,102	(1,328)	0	0	1	07/25/2002	6.844
125581-AC-2.	CIT Group Inc. 5.75%		5.750	MS.	09/25/2007			1,099,417	1,100,000	103.5880	1,139,468	1,099,386	16,867	0	30	0	0	1PE	09/18/2002	5.846
14040E-ES-7.	Capital One Bank 6.50%		6.500	JJ.	07/30/2004			750,552	750,000	97.7990	733,493	751,005	20,448	49,292	(317)	0	0	2	07/20/2001	6.554
14040K-AM-0.	Capital One Trust 5.43%		5.430	MTLY.	01/15/2007			2,058,551	2,000,000	103.4090	2,068,180	2,072,344	4,827	108,600	(12,885)	0	0	1PE	12/05/2001	4.734
143658-AN-2.	Carnival Corp. Conv. 2.00%		2.000	AO.	04/25/2021			612,342	600,000	104.7500	628,500	612,500	2,200	6,000	(158)	0	0	1PE	09/25/2002	1.876
151313-AF-0.	Cendant Corp. Zero Coupon		0.000	MATR.	02/13/2021			106,027	150,000	63.1250	94,688	102,750	0	0	2,011	0	0	2PE	05/11/2001	1.933
151313-AN-3.	Cendant Corp 3.875% 11/27/11		3.875	MN.	11/27/2011			445,570	445,000	98.7500	444,375	445,428	1,647	8,719	142	0	0	2	08/27/2002	4.048
156700-AE-6.	Centurytel Inc. 4.75%		4.750	FA.	08/01/2032			414,434	400,000	115.6250	462,500	414,500	6,597	0	(66)	0	0	2	09/27/2002	4.580
166760-AA-6.	ChevronTexaco Cap. Co. 3.5%		3.500	MS.	09/17/2007			2,012,150	2,000,000	101.7950	2,035,900	2,012,780	21,583	0	(630)	0	0	1	09/25/2002	3.388
171232-AF-8.	Chubb Corp.		6.000	MN.	11/15/2011			2,038,311	2,000,000	105.4140	2,108,280	2,039,520	15,333	60,000	(1,209)	0	0	1	08/19/2002	5.804
172967-BM-2.	Citigroup Inc. 4.125%		4.125	JD.	06/30/2005			3,590,248	3,500,000	104.1870	3,646,545	3,596,570	401	76,599	(6,322)	0	0	1	12/11/2002	3.072
184502-AB-8.	Clear Channel Comms. 2.625%		2.625	AO.	04/01/2003			176,303	175,000	99.2500	184,806	176,000	1,148	4,594	(5,227)	0	0	2	05/16/2001	(0.351)
184502-AK-8.	Clear Channel Communications 7.65%		7.650	MS.	09/15/2010			697,636	675,000	113.2850	764,674	701,424	15,204	51,638	(2,144)	0	0	2	07/02/2001	7.203
191219-BJ-2.	Coca Cola Enterprises		6.125	FA.	08/15/2011			823,429	740,000	110.5090	817,767	825,551	17,123	0	(2,122)	0	0	1	09/24/2002	4.582
201615-DB-4.	Commercial Credit Grp. 7.375%		7.375	AO.	04/15/2005			498,668	500,000	109.8130	549,065	497,300	7,785	36,875	514	0	0	1PE	02/23/2000	7.644
204912-AP-4.	Computer Assoc. Inc. 1.625%		1.625	JD.	12/15/2009			450,160	450,000	97.5000	438,750	450,166	325	0	(6)	0	0	2	12/13/2002	1.627
205887-AX-0.	Conagra Inc. 8.25%		8.250	MS.	09/15/2030			326,647	300,000	131.1860	393,558	327,021	7,288	24,750	(286)	0	0	2PE	10/10/2001	7.629
208251-AE-8.	Conoco Inc. 6.95%		6.950	AO.	04/15/2029			561,164	500,000	113.3380	566,690	561,305	7,336	0	(141)	0	0	1	11/08/2002	6.108
209864-AT-4.	Consolidated Rail 9.75%		9.750	JD.	06/15/2020			2,749,906	2,250,000	133.4030	3,001,568	2,779,373	9,750	219,375	(11,429)	0	0	2PE	03/27/2002	7.594
210805-CQ-8.	Continental Airlines 6.545%		6.545	FA.	02/02/2019			1,345,267	1,345,267	0.0000	1,345,267	1,345,267	36,442	88,048	0	0	0	2	01/21/1999	6.652
210805-DD-6.	Continental Airlines 7.707%		7.707	AO.	10/02/2022			994,426	920,967	0.0000	994,426	995,529	17,548	0	228	0	0	2PE	08/09/2001	6.728
222372-AE-4.																				

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
22237L-LD-2	Countrywide Home Loan Corp. 5.25%		.5.250	JD	06/15/2004			1,016,958	1,000,000	104.0060	1,040,060	1,023,170	2,333	52,500	(6,212)	0	0	1	06/11/2002	4.080
22237L-MQ-2	Countrywide Home Loans Inc. 5.625%		.5.625	MN	05/15/2007			783,474	775,000	106.9620	828,956	784,416	5,570	21,555	(942)	0	0	1PE	06/11/2002	5.413
224044-AW-7	Cox Communications 3.0%		.3.000	MS	03/14/2030			185,000	185,000	42.8750	185,000	185,000	1,650	5,550	0	0	0	2PE	03/08/2000	3.023
224051-AC-6	Cox Radio Inc. 6.25%		.6.250	MN	05/15/2003			433,616	433,000	100.3780	434,637	436,061	3,458	27,063	(1,584)	0	0	2PE	06/06/2001	5.945
22541L-AA-1	Credit Suisse First Boston 5.875%		.5.875	FA	08/01/2006			770,137	750,000	107.0980	803,235	772,965	18,359	22,031	(2,828)	0	0	1	06/10/2002	5.110
22541L-AB-9	Credit Suisse FB 6.125% 11/15/11		.6.125	MN	11/15/2011			1,020,782	1,000,000	103.2500	1,032,500	1,021,390	7,826	30,625	(608)	0	0	1	08/28/2002	5.907
233331-AE-7	DTE Energy Co. 7.05%		.7.050	JD	06/01/2011			1,023,158	1,000,000	110.9780	1,109,780	1,024,590	5,875	70,500	(1,432)	0	0	2	04/15/2002	6.798
233835-AB-3	DaimlerChrysler 6.90%		.6.900	MS	09/01/2004			1,531,558	1,500,000	105.7160	1,585,740	1,541,830	34,500	69,000	(11,776)	0	0	2	04/29/2002	5.654
235811-AL-0	Dana Corp. 7%		.7.000	MS	03/01/2029			1,198,500	1,700,000	70.5000	1,198,500	1,537,736	39,667	119,000	(3,196)	0	0	3	11/22/1999	10.530
244199-BB-0	Deere & Co. 6.95%		.6.950	AO	04/25/2014			599,430	600,000	117.8110	706,866	599,406	7,645	21,777	24	0	0	1PE	04/10/2002	7.083
244217-BG-9	John Deere Capital Corp. 7%		.7.000	MS	03/15/2012			300,820	300,000	115.9430	347,829	300,867	6,183	10,092	(47)	0	0	1	03/27/2002	7.080
247367-AP-0	Delta Air Lines Inc. 7.57%		.7.570	MN	05/18/2012			1,082,922	1,000,000	0.0000	1,082,922	1,091,290	9,042	75,700	(6,289)	0	0	1	08/27/2001	6.484
25156P-AC-7	Deutsche Telekom Intl. Fin. 8.25%		.8.250	JD	06/15/2030			794,705	700,000	115.5150	808,605	794,745	2,567	0	(40)	0	0	2	12/18/2002	7.248
25179M-AA-1	Devon Energy 4.9%		.4.900	FA	08/15/2008			497,796	500,000	100.0000	500,000	496,856	9,256	24,500	329	0	0	2	12/29/1999	5.054
25179S-AD-2	Devon Financing Corp. 7.875%		.7.875	MS	09/30/2031			584,548	500,000	117.7720	588,860	584,660	9,953	0	(112)	0	0	2	11/21/2002	6.668
254067-AG-6	Dillards Inc. 6.69%		.6.690	FA	08/01/2007			858,409	1,000,000	95.0000	950,000	803,740	27,875	66,900	22,890	0	0	3	05/24/2000	10.960
25746U-AJ-8	Dominion Resources Inc. 6.25%		.6.250	JD	06/30/2012			499,110	500,000	106.1970	530,985	499,075	87	15,885	35	0	0	2	06/24/2002	6.374
263534-BJ-7	DuPont 6.875%		.6.875	AO	10/15/2009			1,031,244	1,000,000	117.6470	1,176,470	1,038,220	14,514	68,750	(3,587)	0	0	1PE	12/27/2000	6.402
268766-BR-2	EOP Operating Conv Variable Rate		.7.000	MN	11/15/2008			127,571	125,000	104.1250	130,156	128,156	1,118	9,063	(348)	0	0	2	05/07/2001	6.680
26882P-AL-6	Erac USA Finance Co. 8.25%		.8.250	MN	05/01/2005			1,043,473	1,000,000	110.2040	1,102,040	1,065,780	13,750	82,500	(16,798)	0	0	2	08/28/2001	6.318
277432-AD-2	Eastman Chemical 7.6%		.7.600	FA	02/01/2007			2,078,902	2,000,000	112.7570	2,255,140	2,082,980	63,333	152,000	(1,190)	0	0	2	03/18/1999	7.383
291011-AR-5	Emerson Electric Co. 4.625%		.4.625	AO	10/15/2012			501,058	500,000	99.1780	495,890	501,060	4,942	0	(2)	0	0	1	10/10/2002	4.655
302570-AK-2	FPL Group Capital 7.625%		.7.625	MS	09/15/2006			908,668	850,000	112.0120	952,102	928,523	19,084	64,813	(13,914)	0	0	2	10/16/2001	5.620
302570-AL-0	FPL Group Capital Inc. 7.375%		.7.375	JD	06/01/2009			541,093	500,000	112.4270	562,135	544,155	3,073	36,875	(3,062)	0	0	1PE	05/29/2002	5.907
318522-AC-3	First American Corp. 4.5%		.4.500	AO	04/15/2008			176,016	175,000	105.1250	183,969	176,300	1,663	7,875	(169)	0	0	2	04/19/2001	4.425
319963-AD-6	First Data Corp. 2%		.2.000	MS	03/01/2008			521,550	475,000	110.0000	522,500	528,187	3,167	7,250	(4,875)	0	0	1	08/27/2002	0.118
337932-AC-1	FirstEnergy Corp. 7.375%		.7.375	MN	11/15/2031			613,133	600,000	96.9380	581,628	613,284	5,654	44,250	(134)	0	0	2PE	11/13/2001	7.323
345370-BY-5	Ford Motor Co. 6.625%		.6.625	AO	10/01/2028			687,625	750,000	79.7330	597,998	685,305	12,422	49,688	802	0	0	2	11/16/1999	7.484
345397-HG-1	Ford Motor Credit 7.5%		.7.500	JD	06/15/2004			501,347	500,000	102.7230	513,615	503,720	1,667	37,500	(847)	0	0	2	12/29/1999	7.435
345397-RR-6	Ford Motor Credit 7.2%		.7.200	JD	06/15/2007			2,084,725	2,000,000	100.9180	2,018,360	2,145,660	6,400	144,000	(16,118)	0	0	2PE	02/11/1999	6.195
345397-TR-4	Ford Motor Credit Co. 6.875%		.6.875	FA	02/01/2006			1,013,628	1,000,000	100.1750	1,019,390	1,019,390	28,646	68,750	(3,881)	0	0	2	06/28/2001	6.483
345397-TY-9	Ford Motor Credit Co. 7.25%		.7.250	AO	10/25/2011			1,863,471	1,850,000	97.1680	1,797,608	1,863,955	33,531	94,250	(521)	0	0	2	06/10/2002	7.266
362337-AG-2	GTE NORTH		.6.900	MN	11/01/2008			567,875	500,000	113.5750	567,875	486,885	5,750	34,500	1,272	0	0	1PE	12/29/1999	7.442
369626-XZ-2	General Electric Cap. Corp. 6.75%		.6.750	MS	03/15/2032			325,865	300,000	110.5590	331,677	325,956	5,963	0	(91)	0	0	1	09/19/2002	6.207
369626-ZY-3	General Electric Cap. Corp. 5.45%		.5.450	JJ	01/15/2013			1,024,871	1,000,000	103.8740	1,038,740	1,024,930	3,785	0	(59)	0	0	1PE	12/20/2002	5.196
370334-AT-1	Gen. Mills 0% 10/28/22		.0.000	MATR	10/28/2022			353,940	525,000	71.8750	377,344	352,616	0	0	1,324	0	0	2	10/23/2002	2.009
370424-FV-0	GMAC 8.875%		.8.875	JD	06/01/2010			1,824,546	1,625,000	110.5200	1,795,950	1,903,914	12,018	144,219	(20,254)	0	0	2PE	08/13/2002	6.867
370425-QW-3	GMAC		.5.750	MN	11/10/2003			1,751,141	1,750,000	101.6570	1,762,428	1,755,858	6,109	43,125	(1,261)	0	0	2	12/04/1998	5.644
370425-RG-7	GMAC 6.15%		.6.150	AO	04/05/2007			1,507,286	1,500,000	101.7400	1,526,100	1,508,235	22,038	46,125	(949)	0	0	2	05/09/2002	6.110
370425-RT-9	General Motors Acceptance Corp Nts.		.6.750	JD	01/15/2006			1,036,240	1,000,000	103.5620	1,035,620	1,042,820	31,125	33,750	(6,580)	0	0	2	05/22/2002	5.514
38141G-AV-6	Goldman Sachs Group Note 1% Conv.		.1.000	JJ	12/12/2007			350,000	350,000	92.3330	323,166	350,000	185	3,500	0	0	0	1PE	12/05/2000	1.003
38141G-AZ-7	Goldman Sachs Group 6.875%		.6.875	JJ	01/15/2011			763,134	750,000	111.6240	837,180	764,933	23,776	51,563	(1,205)	0	0	1	06/25/2001	6.699
400518-AA-4	GTEch Holdings Corp. Conv. 1.75%		.1.750	JD	12/15/2021			398,380	320,000	127.5000	408,000	400,875	249	5,553	(2,494)	0	0	2	05/15/2002	0.407
413875-AG-0	Harris Corp. 3.50%		.3.500	FA	08/15/2022			602,165	575,000	99.1250	569,969	602,425	6,988	0	(260)	0	0	2	10/09/2002	3.202
416515-AC-8	HARTFORD FIN SERV 6.375%		.6.375	MN	11/01/2008			1,666,089	1,700,000	107.3490	1,824,933	1,656,704	18,063	108,375	4,362	0	0	1PE	04/03/2000	6.930
421933-AB-8	Health Management Assoc. 25%		.0.250	FA	08/16/2020			407,311	600,000	66.1250	396,750	405,000	563	0	2,311	0	0	2	09/25/2002	2.533
421933-AC-6	Health Mgmt. Assoc. Zero Coupon		.0.000	MATR	01/28/2022			204,841	250,000	85.5000	213,750	203,125	0	0	1,716	0	0	2	03/11/2002	1.050
42222G-AA-6	Health Net Inc. 8.375%		.8.375	AO	04/15/2011			1,146,393	1,150,000	115.2990	1,325,939	1,145,906	21,135	96,313	291	0	0	2	04/09/2001	8.606
428236-AF-0	Hewlett Packard Co. 5.50%		.5.500	JJ	07/01/2007			1,297,641	1,300,000	107.2490	1,394,237	1,297,400	35,750	0	241	0	0	1PE	06/21/2002	5.623
441812-GK-4	Household Finance Corp. 7.875%		.7.875	MS	03/01/2007			643,688	60											

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	3.521
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-JK-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% 5/01/08		.7 050	MN	05/01/2009			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	01/15/2025			470,788	485,000	105.9730	513,969	453,194	12,300	26,675	6,266	0	0	1PE	12/29/1999	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	102.5000	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
74367Q-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% 10/15/08		.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	9								

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	MTLY	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	961,916	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 AirIrs 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	3,500	225	(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	906,000	57.0000	513,000	521,608	0	0	4,335	0	0	2	11/27/2002	2.958				
923446-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	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 HI1-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	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&l Transition Bond Co Lic 6.60%		6.600	MJSD	03/25/2005			157,586	0.0000	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	50,050	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	0	0	XXX	XXX	XXX		
4599999 - Total - Industrial and Miscellaneous Bonds								171,662,873	174,010,747	XXX	178,223,061	173,619,531	2,575,738	8,531,348	(1,449,087)	0	0	0	0	0	0	XXX	XXX	XXX
5499999 - Total - Issuer Obligations								218,876,364	221,215,643	XXX	228,049,605	221,302,990	3,171,958	9,981,581	(1,898,587)	0	0	0	0	0	0	XXX	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								91,441,993	89,505,674	XXX	91,441,993	91,564,980	476,481	3,378,068	(111,536)	0	0	0	0	0	0	XXX	XXX	XXX
5699999 - Total - Defined Multi-Class Residential 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	0	0	0	0	XXX	XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities								1,563,877	1,556,462	XXX	1,563,877	1,568,118	6,232	118,636										

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	62,620	276,217	249,971	0	0	0	0	A	09/14/1998
07336*-10-0	BCS Financial	10,550,000	1,465,996	138,957	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	15,220	339,406	425,528	0	1,380	(97,819)	0	L	11/15/2002
72724*-10-4	Plans' Liability Insurance Company	15,480	1,194,317	77,152,282	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	37,150	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	27,080	338,500	366,491	0	3,933	(27,991)	0	L	06/07/2002
957090-10-3	Westamerica Bancorporation	7,100,000	285,278	40,180	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	22,210	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	11,000	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	23,191	294,526	286,266	0	0	8,260	0	L	11/15/2002
052769-10-6	Autodesk	27,800,000	397,540	14,300	397,540	482,546	0	2,364	(85,972)	0	L	11/15/2002
053807-10-3	Avnet Inc.	19,000,000	205,770	10,830	205,770	517,396	0	1,223	(281,940)	0	L	04/24/2002
066821-10-9	Banta Corporation	12,600,000	394,002	31,270	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	39,610	358,471	331,085	0	3,940	29,336	0	L	04/24/2002
102183-10-0	Bowater Inc.	9,700,000	406,915	41,950	406,915	473,489	0	5,000	(67,427)	0	L	04/24/2002
110743-10-9	Brunswick Corp.	18,400,000	365,424	19,860	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	17,950	254,890	244,143	0	284	10,747	0	L	04/24/2002
144418-10-0	Carramerica Realty Corp.	10,900,000	273,045	25,050	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	9,520	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	11,930	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	25,020	480,384	408,091	0	770	176	0	L	06/24/2002
216831-10-7	COOPER TIRE & RUBBER CO.	20,900,000	320,606	15,340	320,606	383,181	0	4,389	(85,129)	0	L	06/11/2002
231021-10-6	Cummins Inc.	9,100,000	255,983	28,130	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	37,960	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	20,410	400,036	367,855	0	980	32,181	0	L	10/30/2002
29265N-10-8	ENERGEN CORP.	15,300,000	445,230	29,100	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	42,700	209,230	174,133	0	492	35,097	0	L	09/25/2002
31983B-10-1	First Community Bancorp.	10,200,000	335,896	32,931	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	24,800	243,040	224,178	0	980	18,862	0	L	10/21/2002
373200-20-3	Georgia Gulf Corp.	13,300,000	307,762	23,140	307,762	286,483	0	0	21,279	0	L	12/23/2002
376535-10-0	Gladstone Capital Corp.	18,400,000	303,048	16,470	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	17,820	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	59,500	273,700	191,888	0	719	52,068	0	L	04/24/2002
45031U-10-1	Istar Financial Inc.	4,800,000	134,640	28,050	134,640	111,840	0	12,096	14,880	0	L	10/30/2001
457610-10-4	INNKEEPERS USA TRUST	41,600,000	318,656	7,660	318,656	448,659	0	9,842	(85,614)	0	L	06/24/2002
46072H-10-8	Interstate Bakeries	15,900,000	242,475	15,250	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	7,530	366,711	519,405	0	609	(129,893)	0	L	09/25/2002
488044-10-8	Kellwood Co.	6,500,000	169,000	26,000	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	23,150	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	6,880	57,792	422,003	0	0	(364,211)	0	L	09/25/2002
681904-10-8	Omnicare Inc.	21,921,000	522,377	23,830	522,377	354,604	0	1,903	(32,332)	0	L	04/24/2002
683868-10-3	Opticnet Inc.	1,450,000	15	0,010	15	0	0	0	(102)	0	L	11/30/2000
688239-20-1	OSHKOSH TRUCK B.	4,300,000	264,450	61,500	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	14,330	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	14,330	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	11,600	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	11,560	301,716	381,283	0	3,776	946	0	L	04/24/2002
748356-10-2	Questar Corp.	7,700,000	214,214	27,820	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	30,750	12,300	11,396	0	0	(688)	0	L	05/07/2001
755111-50-7	Raytheon Co.	9,500,000	292,125	30,750	292,125	330,838	0	7,364	(32,756)	0	L	04/24/2002
761695-10-5	REYNOLDS & REYNOLDS CO CL A.	0	0	0,000	0	0	0	1,089	0	0	L	10/29/1999
78440X-10-1	S.L. Green Realty Corp.	12,300,000	388,680	31,600	388,680	372,556	0	0	16,124	0	L	11/25/2002
808194-10-4	Schulman A Inc.	19,900,000	370,339	18,610	370,339	282,678	0	10,368	81,295	0	L	04/24/2002
847220-20-9	Spartech Corp.	16,000,000	330,080	20,630	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.....	0.000	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
US GOVERNMENT OBLIGATIONS - U.S.							
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
COUNTRY TOTAL - U.S.					15,585,384	15,233,698	136,209
0399999 - Total - Bonds - U.S. Government					15,585,384	15,233,698	136,209
STATES, TERRITORIES, POSSESSIONS - U.S.							
IOWA							
731197-PN-3	Polk Cnty Iowa 5.15%	12/20/2002	Legg Mason Wood		986,610	1,000,000	715
STATE TOTAL					986,610	1,000,000	715
COUNTRY TOTAL - U.S.					986,610	1,000,000	715
1799999 - Total - Bonds - States, Territories and Possessions					986,610	1,000,000	715
SPECIAL REVENUE AND ASSESSMENTS - U.S.							
U.S. GOVERNMENT							
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		210,278	207,913	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
STATE TOTAL					89,175,017	86,701,296	229,438
COUNTRY TOTAL - U.S.					89,175,017	86,701,296	229,438
3199999 - Total - Bonds - Special Revenue					89,175,017	86,701,296	229,438
INDUSTRIAL & MISCELLANEOUS - U.S.							
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
743670-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

E11.2

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
7299999 Totals						339,571,440	XXX	1,475,260

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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-GB-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/	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/	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/	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	76,414	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/	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	Amvescap 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	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	06/06/2002	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% 07/31/06	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% 10/15/05	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)	10,041	10,041
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		1,028,484	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.		580,542	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	Soletron 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% 02/01/06	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 MONSERRAT	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

E12.3

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
INDUSTRIAL & MISCELLANEOUS - U.S.															
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 1 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
COUNTRY TOTAL - U.S.					1,311,579	XXX	1,172,621	1,172,621	(129,321)	0	0	138,958	138,958	XXX	17,290
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
BANKS, TRUST AND INSURANCE COMPANIES - U.S.															
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
COUNTRY TOTAL - U.S.					814,022	XXX	537,040	537,040	(177,649)	0	0	276,982	276,982	XXX	2,842
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
INDUSTRIAL & MISCELLANEOUS - U.S.															
019754-10-0	Allmerica Finl. Corp	08/06/2002	dresdner	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	Bail 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

E12.4

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.																
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																
COUNTRY TOTAL - U.S.																
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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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
8099999 Totals							94,811,594	4,914	0	XXX	94,806,681	101,469	32,414	0	XXX	XXX	

(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			
9999999 - Totals							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						
9999999 - Totals						

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.....

