



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003  
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 [ ]

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

Statutory Home Office 840 First Street NE, Washington, DC 20065  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 10455 Mill Run Circle  
(Street and Number) 410-581-3000  
Owings Mills, MD 21117 (Area Code) (Telephone Number)  
(City or Town, State and Zip Code)

Mail Address 10455 Mill Run Circle, Owings Mills, MD 21117  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle  
(Street and Number) 410-998-7011  
Owings Mills, MD 21117 (Area Code) (Telephone Number)  
(City or Town, State and Zip Code)

Internet Website Address www.carefirst.com

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

Policyowner Relations Contact 840 First Street NE  
(Street and Number) 800-321-3497  
Washington, DC 20065 (Area Code) (Telephone Number) (Extension)  
(City or Town, State and Zip Code)

### OFFICERS

President William Lockwood Jews Secretary John Anthony Picciotto  
Treasurer Gregory Mark Chaney

### VICE PRESIDENTS

<u>Eric Randolph Baugh M.D.</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>Booker T. Carter, Jr.</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 Deuterma</u>	<u>Michael John Felber</u>	<u>Robert James Huber</u>
<u>Michael A. McShane</u>	<u>William Vincent Stack</u>	<u>Raymond Wayne Blossel</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>Jack J. Nelson</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  
President

\_\_\_\_\_  
John Anthony Picciotto  
Secretary

\_\_\_\_\_  
Gregory Mark Chaney  
Treasurer

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2004

\_\_\_\_\_

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

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 2003 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																				
3128X0-TV-1	FHLMC MTN 6%		6.000	JJ	01/03/2023			5,000,000	5,000,000	0.0000	5,000,000	5,000,000	148,333	150,000	0	0	0	1PE	12/19/2002	6.090
312925-W7-1	FHLMC 5.125%		5.125	FA	08/20/2012			2,505,104	2,500,000	0.0000	2,505,104	2,505,700	46,623	128,125	(460)	0	0	1PE	09/11/2002	5.160
31331L-FU-7	Federal Farm Credit Bank 5.65%		5.650	AO	04/27/2006			2,500,000	2,500,000	0.0000	2,500,000	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			299,968	300,000	0.0000	299,968	299,391	4,479	8,228	134	0	0	1PE	04/05/1999	5.609
3133MD-BT-9	FHLB 5.875%		5.875	FA	02/15/2011			1,247,401	1,250,000	0.0000	1,247,401	1,246,713	27,743	73,438	286	0	0	1PE	06/26/2001	5.999
3133ME-UG-6	Federal Home Loan Bank 5.375%		5.375	MN	05/15/2006			1,330,200	1,300,000	0.0000	1,330,200	1,350,678	8,928	69,875	(11,883)	0	0	1PE	08/20/2002	4.386
3133ME-UC-3	FHLB 5.75%		5.750	MN	05/15/2008			1,006,063	1,000,000	0.0000	1,006,063	1,008,940	7,347	57,500	(1,193)	0	0	1PE	06/26/2001	5.670
3133MJ-QF-0	FHLB 5.50%		5.500	FA	08/15/2016			963,938	1,000,000	0.0000	963,938	960,130	20,778	55,000	1,881	0	0	1PE	11/29/2001	5.997
3133MN-VV-0	FHLB 5.750%		5.750	MN	05/15/2012			2,533,406	2,500,000	0.0000	2,533,406	2,538,150	18,368	143,750	(3,060)	0	0	1PE	06/04/2002	5.625
3133MO-SR-6	FHLB 4.5%		4.500	FA	08/14/2009			2,500,513	2,500,000	0.0000	2,530,513	2,536,625	42,813	112,500	(4,712)	0	0	1PE	09/11/2002	4.299
3133X2-2H-7	FHLB 6.05%		6.050	MN	11/19/2018	11/19/2004	100.000	2,000,000	2,000,000	0.0000	2,000,000	2,000,000	14,117	0	0	0	0	1PE	10/27/2003	6.142
3134A1-RG-7	FHLMC 6.943%		6.943	MS	03/21/2007			2,062,484	2,000,000	0.0000	2,062,484	2,110,000	38,572	138,860	(17,097)	0	0	1PE	01/25/2001	5.951
3134A4-UD-4	FEDERAL HOME LN MTG CORP.		6.625	MS	09/15/2008			700,974	700,000	100.6560	704,592	700,984	7,824	0	(11)	0	0	1	12/11/2003	3.625
31359M-EU-3	FNMA 6.25%		6.250	MN	05/15/2029			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	7,986	62,500	0	0	0	1PE	09/25/2001	6.348
31359M-GJ-6	FNMA Note 6.625%		6.625	MN	11/15/2010			6,790,025	5,950,000	0.0000	6,790,025	6,824,092	50,368	160,988	(34,067)	0	0	1PE	11/06/2003	4.281
31359M-HB-2	FNMA 5.50%		5.500	FA	02/15/2006			3,604,845	3,375,000	0.0000	3,604,845	3,618,068	70,125	20,625	(13,223)	0	0	1PE	12/18/2003	2.211
31359M-SQ-7	FEDERAL NATL MTG ASSN		3.250	FA	08/15/2008			1,770,131	1,800,000	99.2190	1,785,942	1,768,898	22,100	0	1,233	0	0	1	10/16/2003	3.676
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC		6.120	MS	09/01/2021			1,714,295	1,606,181	0.0000	1,714,295	1,714,598	32,766	0	(303)	0	0	1PE	12/01/2003	5.595
912810-EQ-7	US Treasury 6.25%		6.250	FA	08/15/2023			4,369,755	3,500,000	113.9690	3,988,915	4,384,297	82,626	109,375	(14,542)	0	0	1	06/04/2003	4.401
912810-FG-8	U.S. Treasury Bond 5.25%		5.250	FA	02/15/2029			5,001,371	4,500,000	100.8750	4,539,375	5,006,953	89,236	118,125	(5,582)	0	0	1	06/24/2003	4.555
912810-FP-8	U.S. Treasury Bonds 5.375%		5.375	FA	02/15/2031			79,053	75,000	104.2810	78,211	79,055	1,523	0	(2)	0	0	1	12/23/2003	5.071
																				3,670.82
																				8,058.33
912827-6R-8	US Treasury Note 3.5% TIPS		3.500	JJ	01/15/2011			1,340,428	1,372,005	112.3750	1,541,791	1,252,487	22,183	47,340	79,701	0	0	1	12/16/2003	0
912827-6X-5	US Treasury Note 4.625%		4.625	MN	05/15/2006			7,093,698	6,625,000	106.0000	7,022,500	7,207,275	39,563	150,312	(113,577)	0	0	1	05/30/2003	1.580
912827-P8-9	US TREASURY NOTES 7.25% 5/15/		7.250	MN	05/15/2004			350,131	350,000	102.2810	357,984	352,406	3,276	25,375	(336)	0	0	1	03/22/1995	7.274
912827-S8-6	US TREAS NT 7.5%		7.500	FA	02/15/2005			257,968	250,000	106.9060	267,265	275,840	7,082	18,750	(6,761)	0	0	1	04/03/2001	4.609
912828-AB-6	US Treasury Note 3.375%		3.375	AO	04/30/2004			6,994,007	6,950,000	100.7810	7,004,280	7,106,430	39,953	200,813	(98,764)	0	0	1	08/28/2003	1.451
912828-AC-4	US Treasury Note 4.375%		4.375	MN	05/15/2007			322,440	300,000	105.9060	317,718	325,629	1,695	6,563	(3,189)	0	0	1	07/02/2003	2.077
																				489,154
912828-AF-7	US Treasury Note 3.00%		3.000	JJ	07/15/2012			1,159,355	1,029,530	109.0310	1,122,507	1,114,518	14,268	15,283	44,836	0	0	1	12/16/2003	795,466
912828-AR-1	UNITED STATES TREAS NTS		1.750	JD	12/31/2004			6,023,223	6,000,000	100.5000	6,030,000	6,027,188	288	52,500	(3,964)	0	0	1	10/30/2003	1.363
912828-AY-6	US Treasury 2.00%		2.000	MN	05/15/2006			5,318,186	5,250,000	100.0310	5,251,628	5,332,764	13,558	52,500	(14,577)	0	0	1	07/07/2003	1.446
912828-AZ-3	U.S. Treasury Note 2.625%		2.625	MN	05/15/2008			4,835,602	4,750,000	98.5000	4,678,750	4,845,313	16,100	62,344	(9,710)	0	0	1	06/24/2003	2.202
912828-BQ-2	UNITED STATES TREAS NTS		3.375	MN	11/15/2008			400,865	400,000	0.0000	400,865	400,875	2,110	0	(10)	0	0	1PE	12/10/2003	3.354
912828-BR-0	UNITED STATES TREAS NTS		4.250	MN	11/15/2013			25,058	25,000	0.0000	25,058	25,059	137	0	0	0	0	1PE	12/23/2003	4.265
	COUNTRY TOTAL - U.S.							83,130,487	79,657,716	XXX	82,205,623	83,419,056	927,979	2,181,919	(228,952)	0	0	XXX	XXX	XXX
	0199999 - Total Bonds - U.S. Government - Issuer Obligations							83,130,487	79,657,716	XXX	82,205,623	83,419,056	927,979	2,181,919	(228,952)	0	0	XXX	XXX	XXX
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																				
36200A-N7-0	GNMA Pool #595414 6%		6.000	MTLY	09/15/2032	09/30/2035	100.000	274,297	262,334	0.0000	274,297	274,297	1,312	5,601	1	0	0	1PE	08/20/2003	5.480
36200F-PB-8	GNMA POOL #59918 5.5%		5.500	MTLY	04/15/2033			42,351	40,788	0.0000	42,351	42,362	187	753	(11)	0	0	1PE	07/01/2003	5.074
36200K-S8-1	GNMA POOL #603643 5.5%		5.500	MTLY	04/15/2033			24,985	24,063	0.0000	24,985	24,992	110	444	(7)	0	0	1PE	07/01/2003	5.073
36200M-N5-8	GNMA Pool #604412		5.000	MTLY	06/15/2033	11/30/2032	100.000	967,696	934,070	0.0000	967,696	967,784	3,892	23,448	(88)	0	0	1PE	06/23/2003	4.582
36200V-ZN-6	GNMA Pool #574149		6.000	MTLY	12/15/2031			164,542	157,416	0.0000	164,542	164,594	787	3,184	(53)	0	0	1PE	07/01/2003	5.453
36200X-YP-8	GNMA Pool #575918		6.000	MTLY	01/15/2032	11/30/2031	100.000	719,333	688,182	0.0000	719,333	719,563	3,441	15,013	(230)	0	0	1PE	07/01/2003	5.452
36201N-K5-8	GNMA POOL #588116 5.5%		5.500	MTLY	11/15/2032			72,847	70,159	0.0000	72,847	72,867	322	1,292	(21)	0	0	1PE	07/01/2003	5.071
36201N-UF-5	GNMA POOL #588382 5.5%		5.500	MTLY	06/15/2033			961,295	922,033	0.0000	961,295	957,624	4,226	16,908	3,671	0	0	1PE	07/01/2003	5.001
36201S-SE-0	GNMA POOL #59197		5.500	MTLY	03/15/2033			23,471	22,605	0.0000	23,471	23,477	104	417	(6)	0	0	1PE	07/01/2003	5.055
36202T-SJ-1	GNMA Pool #609349 6%		6.000	MTLY	02/15/2033			218,465	208,995	0.0000	218,465	218,530	1,045	4,396	(64)	0	0	1PE	07/01/2003	5.464
36202T-6C-5	GNMA POOL #609367 5.5%		5.500	MTLY	03/15/2033			868,377	836,321	0.0000	868,377	868,603	3,833	15,471	(226)	0	0	1PE	07/01/2003	5.055
36202X-YV-3	GNMA Pool #612824		5.500	MTLY	06/15/2033			756,230	728,311	0.0000	756,230	756,424	3,338	13,453	(193)	0	0	1PE	07/01/2003	5.057
36209G-TX-5	GNMA Pool #471366 5.5%		5.500	MTLY	04/15/2033			32												

**ANNUAL STATEMENT FOR THE YEAR 2003 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		
36211Q-WD-9	GNMA Pool #520044		.6 000	MTLY	06/15/2031	11/30/2030	100.000	482,451	461,567	.0 0000	482,451	482,614	2,308	9,669	(163)	.0	.0	1PE	07/01/2003	5.442		
36212D-NX-3	GNMA Pool #530606 6.50%		.6 500	MTLY	04/15/2031			696,938	668,535	.0 0000	696,938	697,366	3,621	45,938	(383)	.0	.0	1PE	10/07/2002	5.999		
36213D-GB-8	GNMA Pool #551094 6.50%		.6 500	MTLY	11/15/2031			442,013	424,013	.0 0000	442,013	442,299	2,297	28,592	(254)	.0	.0	1PE	10/07/2002	5.999		
36213L-DC-1	GNMA Pool #557299		.6 000	MTLY	05/15/2031	05/31/2030	100.000	187,453	179,335	.0 0000	187,453	187,517	897	3,805	(64)	.0	.0	1PE	07/01/2003	5.437		
36216F-XE-5	GNMA PL#163677 9.50% 7/15/16		.9 500	MTLY	07/15/2016	12/31/2015	100.000	8,642	8,122	.0 0000	8,642	8,853	64	789	(27)	.0	.0	1PE	09/24/1993	8.187		
36216G-J7-4	GNMA PL#164186 9.50% 5/15/16		.9 500	MTLY	05/15/2016	10/31/2015	100.000	17,332	16,513	.0 0000	17,332	17,649	131	1,574	(43)	.0	.0	1PE	04/25/1994	8.529		
36216J-PK-2	GNMA PL#166126 9.50% 7/15/16		.9 500	MTLY	07/15/2016	11/30/2015	100.000	23,030	21,936	.0 0000	23,030	23,444	174	2,140	(57)	.0	.0	1PE	04/25/1994	8.528		
36216S-X8-0	GNMA PL#173603 9.50% 8/15/16		.9 500	MTLY	08/15/2016			9,020	8,930	.0 0000	9,020	9,181	68	817	(22)	.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			25,635	24,034	.0 0000	25,635	26,197	190	2,287	(71)	.0	.0	1PE	09/24/1993	8.252		
36219H-JS-3	GNMA PL#249673 9.500% 10/15/18		.9 500	MTLY	10/15/2018	11/30/2017	100.000	26,136	24,655	.0 0000	26,136	26,578	195	2,414	(59)	.0	.0	1PE	11/29/1993	8.421		
36225A-4V-9	GNMA POOL #780836 8.25% 4/15/18		.8 250	MTLY	04/15/2020	05/31/2018	100.000	399,134	378,916	.0 0000	399,134	402,509	2,605	31,772	(734)	.0	.0	1PE	07/28/1998	7.306		
COUNTRY TOTAL - U.S.								7,444,302	7,142,918	XXX	7,444,302	7,447,962	35,291	230,754	888	0	0	XXX	XXX	XXX		
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								7,444,302	7,142,918	XXX	7,444,302	7,447,962	35,291	230,754	888	0	0	0	0	XXX	XXX	XXX
0399996 - Bonds - U.S. Government								90,574,789	86,800,634	XXX	89,649,925	90,867,018	963,270	2,412,673	(228,064)	0	0	0	0	XXX	XXX	XXX
0399999 - Total - U.S. Government Bonds								90,574,789	86,800,634	XXX	89,649,925	90,867,018	963,270	2,412,673	(228,064)	0	0	0	0	XXX	XXX	XXX
STATES, TERRITORIES, POSSESSIONS																						
ISSUER OBLIGATIONS																						
ILLINOIS																						
452151-LF-8	Illinois State 5.10%		.5 100	JD	06/01/2033			348,375	400,000	91.9470	367,788	348,144	1,700	9,577	231	0	0	1	08/21/2003	6.135		
STATE TOTAL								348,375	400,000	XXX	367,788	348,144	1,700	9,577	231	0	0	0	XXX	XXX	XXX	
COUNTRY TOTAL - U.S.								348,375	400,000	XXX	367,788	348,144	1,700	9,577	231	0	0	0	XXX	XXX	XXX	
1199999 - Total Bonds - States, Territories and Possessions - Issuer Obligations								348,375	400,000	XXX	367,788	348,144	1,700	9,577	231	0	0	0	0	XXX	XXX	XXX
1799996 - Bonds - States, Territory, Poss - United States								348,375	400,000	XXX	367,788	348,144	1,700	9,577	231	0	0	0	0	XXX	XXX	XXX
1799999 - Total - States, Territories and Possessions								348,375	400,000	XXX	367,788	348,144	1,700	9,577	231	0	0	0	0	XXX	XXX	XXX
SPECIAL REVENUE AND ASSESSMENTS																						
SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES																						
U.S. GOVERNMENT																						
31282U-U7-0	FHLMC Pool #M90606 7.00%		.7 000	MTLY	03/01/2005			133,966	134,221	.0 0000	133,966	134,126	783	9,585	(69)	.0	.0	1PE	04/01/2000	7.082		
31283J-EQ-0	FHLMC Pool #G10143		.5 000	MTLY	12/01/2008			622,813	645,236	.0 0000	622,813	612,167	2,957	36,295	3,428	.0	.0	1PE	08/01/2000	7.369		
31283K-F7-8	FHLMC Gold Pool #G11090		.6 000	MTLY	02/01/2015	05/31/2013	100.000	1,251,207	1,210,412	.0 0000	1,251,207	1,254,856	6,052	74,879	(2,840)	.0	.0	1PE	07/23/2002	5.149		
31283K-J5-8	FHLMC PC GOLD COMB 15		.5 500	MTLY	09/01/2016			5,242,590	5,103,047	.0 0000	5,242,590	5,242,583	23,389	7	.0	.0	.0	1PE	11/05/2003	4.428		
31283K-J8-2	FHLMC Pool # 11187 5.5%		.5 500	MTLY	09/01/2016			2,962,930	2,873,824	.0 0000	2,962,930	2,966,774	13,172	106,851	(3,843)	.0	.0	1PE	04/01/2003	4.870		
31283K-VA-3	FHLMC PC GOLD COMB 15		.6 000	MTLY	03/01/2018			3,257,742	3,100,000	.0 0000	3,257,742	3,254,516	15,500	0	3,227	.0	.0	1PE	12/22/2003	3.927		
31288M-DH-9	FHLMC PC GOLD 15 YR		.5 500	MTLY	04/01/2018			2,975,297	2,872,378	.0 0000	2,975,297	2,976,502	13,165	26,330	(1,205)	.0	.0	1PE	10/15/2003	5.014		
312867-5C-3	FHLMC Pool #E73543 5.5%		.5 500	MTLY	12/01/2013	12/31/2012	100.000	220,045	222,205	.0 0000	220,045	219,384	1,018	12,439	122	.0	.0	1PE	02/01/1999	5.868		
312867-QL-0	FHLMC Pool #E73159		.5 500	MTLY	12/01/2013			173,596	175,310	.0 0000	173,596	173,085	804	10,074	95	.0	.0	1PE	02/01/1999	5.856		
312868-5K-3	FHLMC Pool #E74450		.5 500	MTLY	01/01/2014			279,527	284,093	.0 0000	279,527	278,105	1,302	16,108	274	.0	.0	1PE	02/01/1999	6.026		
312868-5Z-0	FHLMC POOL E74464 5.5%		.5 500	MTLY	01/01/2014	06/30/2013	100.000	3,000,921	3,030,898	.0 0000	3,000,921	3,000,921	1,393	17,053	165	.0	.0	1PE	02/01/1999	5.861		
312868-JB-8	FHLMC POOL E73858 5.5%		.5 500	MTLY	12/01/2013			194,716	196,638	.0 0000	194,716	194,141	901	11,105	108	.0	.0	1PE	02/01/1999	5.863		
312868-UX-7	FHLMC POOL E74198 5.5%		.5 500	MTLY	01/01/2014	08/31/2013	100.000	166,668	168,317	.0 0000	166,668	166,180	771	9,864	91	.0	.0	1PE	02/01/1999	5.858		
312868-ZU-8	FHLMC Pool #E74355		.5 500	MTLY	01/01/2014	10/31/2013	100.000	166,936	168,588	.0 0000	166,936	166,448	773	9,888	91	.0	.0	1PE	02/01/1999	5.856		
312869-BH-1	FHLMC Pool #E74540		.5 500	MTLY	01/01/2014	04/30/2013	100.000	236,131	238,466	.0 0000	236,131	235,439	1,093	13,370	130	.0	.0	1PE	02/01/1999	5.864		
312869-BV-0	FHLMC Pool #E74552		.5 500	MTLY	01/01/2014	10/31/2013	100.000	97,340	98,303	.0 0000	97,340	97,055	541	5,417	53	.0	.0	1PE	02/01/1999	5.856		
312869-CP-2	FHLMC POOL #E74578 5.5% 1/01/18		.5 500	MTLY	01/01/2014	05/31/2013	100.000	1,479,207	1,496,337	.0 0000	1,479,207	1,474,739	6,858	84,190	1,031	.0	.0	1PE	12/11/1998	5.911		
312869-CQ-0	FHLMC Pool #E74579		.5 500	MTLY	01/01/2014	09/30/2012	100.000	170,777	172,464	.0 0000	170,777	170,275	790	10,236	95	.0	.0	1PE	02/01/1999	5.875		
31290K-VZ-9	FHLMC Pool #555132		.8 000	MTLY	07/01/2020			118,540	115,449	.0 0000	118,540	117,722	1,572	9,499	1,242	.0	.0	1PE	05/01/1996	7.545		
31292G-WC-6	FHLMC Gold Pool #C00643 6.50%		.6 500	MTLY	08/01/2028	05/31/2027	100.000	4,600,631	4,391,706	.0 0000	4,600,631	4,600,998	23,786	227,436	(367)	.0	.0	1PE	03/04/2003	5.092		
31292H-GP-3	FHLMC Gold Pool #C01106		.7 000	MTLY	12/01/2030			176,252	176,188	.0 0000	176,252	176,284	1,016	12,873	(13)	.0	.0	1PE	03/27/2001	6.786		
31292H-XB-5	FHLMC Pool #C01574 5%		.5 000	MTLY	06/01/2033			3,809,895	3,717,754	.0 0000	3,809,895	3,810,117	15,491	93,409	(222)	.0	.0	1PE	06/23/2003	4.738		
31294F-5N-2	FHLMC Pool #C38953		.6 500	MTLY	01/01/2025	04/30/2021	100.000	260,587	260,856	.0 0000	260,587	260,611	1,413	18,063	(9)	.0	.0	1PE	12/22/2000	6.668		
31294J-HT-8	FHLMC Gold E00242		.6 500	MTLY	10/01/2008			16,189	16,150	.0 0000	16,189	16,352	87	1,087	(14)	.0	.0	1PE	01/20/1994	6.433		
31294J-KE-7	FHLMC Gold Pool #E00293		.7 000	MTLY	04/01/2009	10/31/2008	100.000	897,667	877,826	.0 0000	897,667	904,778	5,121	62,805	(2,784)	.0	.0	1PE	03/15/2001	5.781		
31294J-VJ-4	FHLMC Pool #E00617		.5 500	MTLY	01/01/2014	04/30/2013	100.000	242,794	245,196	.0 0000	242,794	242,133	1,224	13	133	.0	.0	1PE	02/01/1999	5.864		
31294K-HQ-1	FHLMC #E01139 6%		.6 000	MTLY	04/01/2017	12/31/2016	100.000	6,348,407	6,093,909	.0 0000	6,348,407	6,350,996	30,470	95,115	(2,588)	.0	.0	1PE	09/17/2003	5.175		
31294K-UM-5	FHLMC PC GOLD CASH 15		.5 000	MTLY	10/01/2018			7,004,820	6,903,218	.0 0000	7,004,820	7,005,148	28,763	0	(328)	.0	.0	1PE	11/03/2003	4.614		

**ANNUAL STATEMENT FOR THE YEAR 2003 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
31296N-V7-9	FHLMC PC GOLD COMB 30		.5000	MTLY	10/01/2033			6,897,991	6,981,044	.0000	6,897,991	6,898,144	29,088	0	(153)	0	0	1PE	12/09/2003	5.323
31335P-C4-5	FHLMC G80091		.8250	MTLY	07/17/2008			441,538	435,591	.0000	441,538	445,323	2,995	36,590	(1,313)	0	0	1PE	08/08/2000	7.675
31340M-UW-3	FHLMC Pool# 181497		.7000	MTLY	12/01/2009	08/31/2007	100.000	135,100	135,537	.0000	135,100	135,113	995	9,488	260	0	0	1PE	05/23/1996	6.908
31357M-5N-1	FHLMC Pool #E48053		.6500	MTLY	11/01/2007			161,190	162,982	.0000	161,190	159,723	883	10,766	309	0	0	1PE	05/01/1996	7.313
31363W-H4-0	FNMA POOL #100250 7.5%		.7500	MTLY	07/15/2007	12/31/2006	100.000	743,842	730,859	.0000	743,842	761,920	4,568	56,032	(4,073)	0	0	1PE	12/10/1998	6.089
31368H-TP-8	FNMA POOL #190558 5.5%		.5500	MTLY	01/01/2009	07/31/2008	100.000	649,018	673,990	.0000	649,018	637,974	3,089	37,746	3,565	0	0	1PE	08/01/2000	7.390
31371H-O7-6	FNMA POOL 252578 6.00%		.6000	MTLY	06/01/2009	11/30/2008	100.000	483,519	499,702	.0000	483,519	476,046	2,499	30,772	2,056	0	0	1PE	03/01/2000	7.576
31371K-KL-4	FNMA PASS-THRU LNG 30 YEAR		.6500	MTLY	02/01/2032	08/31/2031	100.000	814,876	805,541	.0000	814,876	811,583	4,363	55,945	3,323	0	0	1PE	04/18/2002	5.865
31371K-P3-9	FNMA PASS-THRU INT 15 YEAR		.6000	MTLY	06/01/2017			666,459	651,521	.0000	666,459	663,126	3,258	40,528	3,603	0	0	1PE	06/04/2002	4.987
31371K-T9-2	FNMA Pool #254476 5.5%		.5500	MTLY	09/01/2032			1,579,073	1,574,315	.0000	1,579,073	1,579,235	7,216	88,555	(137)	0	0	1PE	09/06/2002	5.541
31373W-QK-2	FNMA POOL 305658 8%		.8000	MTLY	02/01/2008	02/28/2007	100.000	128,066	127,246	.0000	128,066	129,950	848	10,569	(314)	0	0	1PE	05/17/1996	7.458
31374G-MV-6	FNMA POOL #313672		.7024	MTLY	06/01/2007			1,092,677	1,058,926	.0000	1,092,677	1,136,360	6,198	80,627	(9,486)	0	0	1PE	12/18/1998	4.944
31374S-6A-4	FNMA Pool 323165 6.0%		.6000	MTLY	06/01/2013	08/31/2012	100.000	446,913	429,599	.0000	446,913	448,730	2,148	27,252	(1,407)	0	0	1PE	08/14/2002	4.850
31374T-PG-8	FNMA Pool 323623 6.0%		.6000	MTLY	03/01/2014	05/31/2013	100.000	873,748	851,508	.0000	873,748	876,121	4,258	53,737	(1,628)	0	0	1PE	07/01/2002	5.315
31375B-U3-9	FNMA MBS Pool 330102 15 Yr 6.5%		.6500	MTLY	01/01/2009	05/31/2008	100.000	393,739	399,813	.0000	393,739	391,004	2,166	26,557	657	0	0	1PE	01/03/2000	7.308
31376Q-TC-7	FNMA POOL 362447 7%		.7000	MTLY	07/01/2008	11/30/2007	100.000	156,655	156,655	.0000	156,655	157,643	913	11,213	(167)	0	0	1PE	11/08/1996	6.885
31378H-UH-2	FNMA Passthru Pool # 399384		.7500	MTLY	09/01/2012	09/30/2011	100.000	1,052,026	1,032,433	.0000	1,052,026	1,056,308	6,453	80,206	(1,591)	0	0	1PE	12/21/2000	6.791
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30		.7318	MTLY	05/20/2023	11/30/2020	100.000	395,231	395,231	.0000	395,231	395,181	2,379	29,352	333	0	0	1PE	12/13/2000	6.541
31384V-2H-4	FNMA PASS-THRU LNG 30 YEAR		.6500	MTLY	07/01/2029	03/31/2028	100.000	612,185	618,746	.0000	612,185	613,332	3,352	42,278	(1,214)	0	0	1PE	01/25/2001	7.027
31384V-ML-3	FNMA Pool #535063 6.50%		.6500	MTLY	12/01/2014	10/31/2013	100.000	1,634,262	1,589,429	.0000	1,634,262	1,639,595	8,609	108,377	(3,313)	0	0	1PE	05/02/2002	5.799
31384V-NW-8	FNMA POOL 535105 5.00%		.5000	MTLY	04/01/2009	08/31/2008	100.000	569,269	569,054	.0000	569,269	554,312	2,496	30,373	4,173	0	0	1PE	03/02/2000	7.519
31384W-AW-0	FNMA Pool # 535621 7.04%		.7043	MTLY	12/01/2010			2,196,922	1,943,574	.0000	2,196,922	2,230,252	11,407	138,846	(31,586)	0	0	1PE	12/05/2002	2.811
31384W-B8-2	FNMA Pool 535663 7.50%		.7500	MTLY	01/01/2031			285,275	285,275	.0000	285,275	285,480	1,721	21,649	(130)	0	0	1PE	11/18/2001	7.089
31385H-5B-4	FNMA Pool 545442 6.0%		.6000	MTLY	02/01/2032	07/31/2031	100.000	1,035,209	1,052,020	.0000	1,035,209	1,034,924	5,260	65,081	206	0	0	1PE	04/19/2002	6.359
31385H-QU-9	FNMA Pool 545067 7.50%		.7500	MTLY	05/01/2031	04/30/2030	100.000	288,415	278,229	.0000	288,415	288,619	1,739	21,947	(131)	0	0	1PE	11/28/2001	7.104
31385H-RK-0	FNMA Pool #545090 6%		.6000	MTLY	07/01/2016	11/30/2015	100.000	3,138,228	2,992,996	.0000	3,138,228	3,137,502	14,965	137,326	726	0	0	1PE	02/20/2003	3.690
31385W-UE-7	FNMA Pool #555081 6.329%		.6329	MTLY	03/01/2012	07/31/2011	100.000	1,293,602	1,179,485	.0000	1,293,602	1,306,280	6,221	75,424	(12,794)	0	0	1PE	11/26/2002	3.340
31387A-3Y-9	FNMA Pool #578715		.6000	MTLY	09/01/2016			518,858	511,631	.0000	518,858	519,945	2,558	32,328	(514)	0	0	1PE	09/25/2001	5.823
31387C-LV-1	FNMA Pool #580040		.6000	MTLY	06/01/2031	10/31/2030	100.000	490,494	492,111	.0000	490,494	490,419	2,461	31,467	31	0	0	1PE	09/25/2001	6.160
31387D-3Q-0	FNMA Pool #581407		.7000	MTLY	06/01/2031	10/31/2030	100.000	140,858	138,520	.0000	140,858	140,901	808	10,052	(14)	0	0	1PE	06/25/2001	6.594
31387F-SF-2	FNMA Pool #582918		.6500	MTLY	06/01/2031			312,836	313,200	.0000	312,836	312,857	1,697	21,373	(8)	0	0	1PE	06/25/2001	6.629
31387H-3W-8	FNMA Pool 585013		.6500	MTLY	06/01/2014	05/31/2011	100.000	631,738	609,996	.0000	631,738	634,872	3,304	41,469	(1,656)	0	0	1PE	11/13/2001	5.339
31389M-CQ-8	FNMA Pool #629279 6.50%		.6500	MTLY	02/01/2032	09/30/2031	100.000	315,914	310,849	.0000	315,914	315,997	1,684	21,467	(81)	0	0	1PE	05/29/2002	6.373
31390E-TW-2	FNMA Pool #644165		.5500	MTLY	06/01/2032	11/30/2031	100.000	202,476	204,689	.0000	202,476	202,387	938	10,676	85	0	0	1PE	07/24/2002	5.750
31390J-RP-8	FNMA POOL #647694		.6000	MTLY	05/01/2017			810,412	796,973	.0000	810,412	811,418	3,985	49,197	(667)	0	0	1PE	06/04/2002	5.695
31390K-RV-2	FNMA Pool #648600 5.5%		.5500	MTLY	07/01/2032			331,933	335,670	.0000	331,933	331,893	1,538	18,992	32	0	0	1PE	07/24/2002	5.754
31390S-WK-3	FNMA Pool #655050		.5000	MTLY	07/01/2032	02/28/2031	100.000	523,644	530,503	.0000	523,644	524,534	2,426	33,380	(901)	0	0	1PE	07/24/2002	5.784
31391W-NE-7	FNMA PASS-THRU POOL #679089		.5500	MTLY	03/01/2018			4,864,316	4,812,210	.0000	4,864,316	4,864,091	20,051	20,058	224	0	0	1PE	10/15/2003	4.687
31392D-P9-7	FNMA 2002-W8 A2 7%		.7000	MTLY	06/25/2042			1,448,716	1,380,930	.0000	1,448,716	1,448,681	8,055	97,288	(173)	0	0	1PE	07/12/2002	5.954
31400Q-AX-1	FNMA PASS-THRU POOL #694022		.4500	MTLY	04/01/2018			420,221	418,239	.0000	420,221	420,200	1,568	1,568	22	0	0	1PE	09/30/2003	4.394
31400Y-BU-9	FNMA PASS-THRU POOL #701251		.4500	MTLY	05/01/2018			535,406	532,881	.0000	535,406	535,379	1,998	1,998	27	0	0	1PE	09/30/2003	4.395
31401D-P2-1	FNMA PASS-THRU POOL #705241		.4500	MTLY	05/01/2018			381,194	379,396	.0000	381,194	381,175	1,423	1,423	20	0	0	1PE	09/30/2003	4.395
31401J-AG-3	FNMA Pool #709307 5.50%		.5500	MTLY	07/01/2033			10,084,656	9,708,637	.0000	10,084,656	10,084,656	44,498	267,673	(1,708)	0	0	1PE	05/30/2003	5.037
31402U-EZ-1	FNMA PASS-THRU LNG 30 YEAR		.6000	MTLY	10/01/2033			7,747,529	7,520,687	.0000	7,747,529	7,744,838	37,603	75,538	2,691	0	0	1PE	10/15/2003	4.977
31402V-LK-4	FNMA PASS-THRU POOL #739330		.4500	MTLY	09/01/2018			493,625	491,296	.0000	493,625	493,599	1,842	1,842	26	0	0	1PE	09/30/2003	4.397
31402Y-DB-7	FNMA PASS-THRU POOL #741798		.4500	MTLY	10/01/2018			83,958	83,561	.0000	83,958	83,561	313	5	0	0	0	1PE	09/30/2003	4.397
31403F-XJ-8	FNMA PASS-THRU POOL #747781		.4500	MTLY	10/01/2018			84,146	83,748	.0000	84,146	84,141	314	5	0	0	0	1PE	09/30/2003	4.397
31403G-6H-0	FNMA PASS-THRU POOL #748872		.4500	MTLY	11/01/2018	01/31/2019	100.000	500,865	496,749	.0000	500,865	499,078	1,863	1,863	1,787	0	0	1PE	09/30/2003	4.310
31403J-VP-8	FNMA PASS-THRU INT 15 YEAR		.4500	MTLY	12/01/2018			2,989,043	2,988,078	.0000	2,989,043	2,989,011	11,205	0	31	0	0	1PE	12/09/2003	4.509
31403R-KN-7	FNMA PASS-THRU POOL #755501		.4500	MTLY	11/01/2018	01/31/2019	100.000	250,740	248,680	.0000	250,740	249,846	933	933	895	0	0	1PE	09/30/2003	4.310
31403S-OT-6	FNMA PASS-THRU INT 15 YEAR		.4500	MTLY	11/01/2018			67,018	66,470	.0000	67,018	66,782	249	236	0	0	0	1PE	09/30/2003	4.308
31403S-YE-0	FNMA PASS-THRU POOL #756809		.4500	MTLY	11/01/2018	01/31/2019	100.000	435,810	432,229	.0000	435,810	434,255	1,621	1,621	1,555	0	0	1PE	09/30/2003	4.310
36202D-ZY-0	GNMA PASS-THRU M SINGLE FAMILY		.5500	MTLY	10/20/2033															

**ANNUAL STATEMENT FOR THE YEAR 2003 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
COUNTRY TOTAL - U.S.								110,266,060	107,750,392	XXX	110,266,060	110,344,316	513,264	3,058,051	(52,247)	0	0	XXX	XXX	XXX
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								110,266,060	107,750,392	XXX	110,266,060	110,344,316	513,264	3,058,051	(52,247)	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	05/15/2004		1,099,659	1,102,038	0.0000	1,099,659	1,100,833	6,199	75,002	(331)	0	0	1PE	11/12/1999	6.820
313376-5S-6	FHLMC Remic 1832 F 6.5%		6.500	MTLY	03/15/2011	04/15/2008		3,207,067	3,250,000	0.0000	3,207,067	3,207,734	17,604	211,250	7,156	0	0	1PE	06/06/1999	7.139
31337V-5S-1	FHLMC Remic 2359 PB 6%		6.000	MTLY	11/15/2013	02/15/2004		447,271	441,839	0.0000	447,271	451,366	2,209	19,164	(4,094)	0	0	1PE	05/07/2003	(5.746)
313580-DD-4	FNMA Remic 92-164 PL 7%		7.000	MTLY	09/25/2007			932,300	925,200	0.0000	932,300	955,269	5,397	66,994	(2,584)	0	0	1PE	07/13/1998	6.188
31359L-AH-8	FNMA CMO G94-9 PJ 6.5%		6.500	MTLY	08/17/2004			1,314,428	1,300,000	0.0000	1,314,428	1,319,957	7,042	84,500	(1,874)	0	0	1PE	01/21/1999	6.210
31359S-R6-9	FNMA Gr Tr Series 2001-T4 Cl A		7.500	MTLY	07/25/2028	03/25/2009		1,690,574	1,644,291	0.0000	1,690,574	1,696,189	10,277	125,472	(1,038)	0	0	1	04/18/2001	5.991
31392B-UH-7	FNMA Remic Series 2002-3		6.000	MTLY	12/25/2014	12/25/2004		6,021,948	5,916,245	0.0000	6,021,948	6,250,882	29,581	356,076	(227,118)	0	0	1PE	09/30/2002	1.654
31392D-7G-1	FNMA 2002-T12 CL A3 7.5%		7.500	MTLY	05/25/2042			2,420,338	2,167,226	0.0000	2,420,338	2,390,043	11,288	54,765	30,295	0	0	1PE	07/24/2003	6.050
31392J-AA-7	FNMA Series 2003-W2 6.50%		6.500	MTLY	07/25/2042	09/25/2029		2,060,114	1,948,687	0.0000	2,060,114	2,063,021	10,555	118,522	(2,907)	0	0	1PE	01/13/2003	5.917
31392M-EM-0	FHLMC Remic Series T0041		7.000	MTLY	07/25/2032	04/25/2009		1,870,633	1,861,292	0.0000	1,870,633	1,933,417	10,858	132,414	(3,431)	0	0	1PE	05/16/2002	6.590
31392U-KL-7	FHR 2504 N 5.5%		5.500	MTLY	09/15/2017			2,559,680	2,500,000	0.0000	2,559,680	2,567,969	11,458	137,500	(6,846)	0	0	1PE	09/25/2002	4.978
31392X-XZ-6	FHR - 2524 CL LA 5.0%		5.000	MTLY	04/15/2016	02/15/2010		1,555,776	1,544,518	0.0000	1,555,776	1,556,583	6,435	37,531	(807)	0	0	1PE	07/28/2003	4.758
31393F-5V-4	FHLMC Remic Ser 2522 5.5%		5.500	MTLY	11/15/2021	01/15/2010		2,548,948	2,500,000	0.0000	2,548,948	2,558,594	11,458	103,125	(9,646)	0	0	1PE	02/26/2003	5.115
38373M-GC-8	GNMA Remic 2002-71VB 5.50%		5.500	MTLY	12/21/2021	08/20/2010		2,523,665	2,500,000	0.0000	2,523,665	2,528,906	11,458	137,500	(4,256)	0	0	1PE	10/03/2002	5.381
STATE TOTAL								30,252,401	29,601,336	XXX	30,252,401	30,580,763	151,819	1,659,815	(227,481)	0	0	XXX	XXX	XXX
COUNTRY TOTAL - U.S.								30,252,401	29,601,336	XXX	30,252,401	30,580,763	151,819	1,659,815	(227,481)	0	0	XXX	XXX	XXX
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								30,252,401	29,601,336	XXX	30,252,401	30,580,763	151,819	1,659,815	(227,481)	0	0	XXX	XXX	XXX
DEFINED MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES																				
U.S. GOVERNMENT																				
83162C-EV-1	SMALL BUS ADMIN GTD DEV 93-201		5.900	MS	09/01/2013			798,772	748,235	0.0000	798,772	796,871	14,715	44,816	1,901	0	0	1PE	01/23/2003	4.110
83162C-HM-8	US SMALL BUS ADMIN GTD DB97-20E		7.300	MN	05/01/2017			233,055	233,055	0.0000	233,055	233,055	2,836	19,554	0	0	0	1PE	05/06/1997	7.430
83162C-JF-1	US SMALL BUS ADMIN GTD DEV 98-20E		6.300	MN	05/01/2018			1,021,228	1,006,038	0.0000	1,021,228	1,021,159	10,563	69,248	410	0	0	1PE	05/29/2002	6.075
83162C-JR-5	US SMALL BUS ADMIN GTD 98-20L		5.800	JD	12/01/2018			498,835	498,835	0.0000	498,835	498,835	2,411	31,013	0	0	0	1PE	12/08/1998	5.884
83162C-JX-2	US SMALL BUS ADMIN 99-20D		6.150	AO	04/01/2019	10/01/2018		392,541	392,541	0.0000	392,541	392,541	6,035	27,618	0	0	0	1PE	04/06/1999	6.242
83162C-KM-4	US SMALL BUS ADMIN GTD DB00-20A		7.590	JJ	01/01/2020			447,799	447,799	0.0000	447,799	447,799	16,994	37,572	0	0	0	1PE	01/07/2000	7.734
STATE TOTAL								3,392,230	3,326,503	XXX	3,392,230	3,390,260	53,554	229,821	2,311	0	0	XXX	XXX	XXX
COUNTRY TOTAL - U.S.								3,392,230	3,326,503	XXX	3,392,230	3,390,260	53,554	229,821	2,311	0	0	XXX	XXX	XXX
2999999 - Total Bonds - Special Revenue - Defined Multi-Class Commercial Mortgage-Backed Securities								3,392,230	3,326,503	XXX	3,392,230	3,390,260	53,554	229,821	2,311	0	0	XXX	XXX	XXX
3199996 - Bonds - Special Revenue - United States								143,910,691	140,678,231	XXX	143,910,691	144,315,339	718,637	4,947,687	(277,417)	0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								143,910,691	140,678,231	XXX	143,910,691	144,315,339	718,637	4,947,687	(277,417)	0	0	XXX	XXX	XXX
PUBLIC UTILITIES																				
ISSUER OBLIGATIONS																				
15405C-CH-3	Central Maine 6.67%		6.670	MS	01/30/2006			1,011,234	1,000,000	0.0000	1,011,234	1,024,730	22,233	66,700	(4,914)	0	0	1PE	01/30/2001	6.180
COUNTRY TOTAL - U.S.								1,011,234	1,000,000	XXX	1,011,234	1,024,730	22,233	66,700	(4,914)	0	0	XXX	XXX	XXX
3299999 - Total Bonds - Public Utilities - Issuer Obligations								1,011,234	1,000,000	XXX	1,011,234	1,024,730	22,233	66,700	(4,914)	0	0	XXX	XXX	XXX
3899996 - Bonds - Public Utilities - United States								1,011,234	1,000,000	XXX	1,011,234	1,024,730	22,233	66,700	(4,914)	0	0	XXX	XXX	XXX
3899999 - Total - Public Utilities Bonds								1,011,234	1,000,000	XXX	1,011,234	1,024,730	22,233	66,700	(4,914)	0	0	XXX	XXX	XXX
INDUSTRIAL & MISCELLANEOUS																				
ISSUER OBLIGATIONS																				
00184A-AG-0	AOL Time Warner 7.70%		7.700	MN	05/01/2032			2,051,109	2,000,000	0.0000	2,051,109	2,334,220	25,667	154,000	(430)	0	0	2	03/11/2003	7.639
001957-AV-1	AT&T Corp. 6%		6.000	MS	03/15/2009			471,534	500,000	0.0000	471,534	500,000	8,833	30,000	4,276	0	0	2	12/23/1999	7.469
001957-BB-4	AT&T Corp. Step Up		7.000	MN	11/15/2006			810,259	800,000	0.0000	810,259	884,672	7,998	56,000	(3,150)	0	0	2	11/15/2001	6.609
001957-BC-2	AT&T Corp. Step Up		7.800	MN	11/15/2011			1,185,326	1,250,000	0.0000	1,185,326	1,438,725	1,136,522	12,458	97,500	5,505	0	2	05/08/2002	8.915
001957-BD-0	AT&T Corp. Step Up		8.500	MN	11/15/2031			2,018,952	2,100,000	0.0000	2,018,952	2,453,976	1,937,371	22,808	178,500	598	0	2	03/10/2003	9.108
00209A-AF-3	AT&T Wireless Svcs. 8.75%		8.750	MS	03/01/2031			1,047,541	900,000	0.0000	1,047,541	1,110,447	1,048,988	26,250	43,750	(810)	0	2	11/17/2003	7.493
00209T-AA-3	AT&T Broadband Corp. 8.375%		8.375	MS	03/15/2013			1,328,012	1,200,000	0.0000	1,328,012	1,459,500	1,337,954	29,592	82,913	(9,551)	0	2	02/05/2003	6.914
008190-AF-7	Affiliated Computer Services 3.50%		3.500	FA	02/15/2006			509,037	425,000	0.0000	509,037	537,625	5,619	0	(11,129)	0	0	2	09/26/2003	(5.129)
013817-AB-7	Alcoa Inc. 7.375%		7.375	FA	08/01/2010			524,004	500,000	0.0000	524,004	586,110	531,895	15,365	36,875	(2,767)	0	1	12/27/2000	6.573
018490-AE-2	Allergan Inc. Zero Coupon		0.000	MATR	11/06/2022			415,177	525,000	0.0000	415,177	495,250	0	0	5,138	0	0	1	11/01/2002	1.253
020012-AE-0	Allstate Finl. Global Fdg. 6.50%		6.500	JD	06/14/2011			1,047,565	1,000,000	0.0000	1,047,565	1,126,240	1,057,880	3,069	65,000	(4,995)	0	1	11/14/2001	5.789

E08.3

**ANNUAL STATEMENT FOR THE YEAR 2003 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
020039-DC-4	Alltel Corp. 7.875%		7.875	JJ	07/01/2032			811,643	750,000	0.0000	811,643	812,483	29,531	61,031	(648)	0	0	1PE	09/10/2002	7.322
025537-AA-9	American Electric Power 6.125%		6.125	MN	05/15/2006			259,448	250,000	107.7590	269,398	262,500	1,957	15,313	(3,052)	0	0	2	03/05/2003	4.479
025818-EM-3	American Express Cr. Corp. 3.0%		3.000	MN	05/16/2008			698,831	700,000	97.8670	698,677	698,677	2,625	10,500	154	0	0	1	05/14/2003	3.064
02635P-RG-0	American General Finance 5.875%		5.875	AO	07/14/2006			539,027	500,000	0.0000	539,027	542,475	6,283	14,688	(3,448)	0	0	1	10/07/2003	2.691
02635P-RT-2	American General Finance 5.375%		5.375	AO	10/01/2012			977,598	1,000,000	0.0000	977,598	975,460	13,438	53,899	1,927	0	0	1	11/20/2002	5.785
026609-AM-9	American Home Products 6.70%		6.700	MS	03/15/2011			1,497,937	1,500,000	112.9370	1,694,055	1,497,375	29,592	100,500	216	0	0	2	03/27/2001	6.837
026874-AQ-0	American Intl. Group Inc 2.875%		2.875	MN	05/15/2008			497,560	500,000	97.3070	486,535	497,235	1,837	7,194	325	0	0	1	05/08/2003	3.017
037388-AE-5	AON Capital Trust 8.205%		8.205	JJ	01/01/2027			386,163	350,000	0.0000	386,163	388,903	14,359	28,718	(598)	0	0	2PE	09/02/1998	7.406
045184-AA-6	ASIF Global Financing 4.90%		4.900	JJ	01/17/2013			1,975,682	2,000,000	0.0000	1,975,682	1,974,840	44,644	0	842	0	0	1PE	08/07/2003	5.134
054937-AE-7	BB&T CORP		5.200	JD	12/23/2015			448,218	450,000	0.0000	448,218	448,214	975	0	4	0	0	1PE	12/16/2003	5.314
060505-AQ-7	Bank of America Corp. 6.25%		6.250	AO	04/15/2012			507,385	500,000	110.2380	551,190	508,430	6,597	31,250	(670)	0	0	1	05/29/2002	6.112
060505-AR-5	Bank of America Corp. 4.875%		4.875	MS	09/15/2012			1,000,925	1,000,000	100.5120	1,005,120	1,001,030	14,354	47,396	(84)	0	0	1	09/25/2002	4.921
060505-AW-4	Bank of America 3.875%		3.875	JJ	01/15/2008			503,727	500,000	101.9520	509,760	504,490	8,934	12,325	(763)	0	0	1	02/05/2003	3.709
06423A-AG-8	Bank One Corp. 7.875%		7.875	FA	08/01/2010			2,355,500	2,000,000	120.1210	2,402,420	2,371,140	65,625	0	(15,640)	0	0	1	08/28/2003	4.760
06423A-AM-5	Bank One Corp. 6.50%		6.500	FA	02/01/2006			1,029,999	1,000,000	108.5490	1,085,490	1,056,940	27,083	65,000	(13,340)	0	0	1	12/05/2001	5.029
07385T-AJ-5	Bear Stearns & Co. Inc. 5.70%		5.700	MN	11/15/2014			516,343	500,000	104.2380	521,190	517,330	3,642	29,212	(987)	0	0	1	02/05/2003	5.371
073902-CB-2	Bear Stearns Co. Inc. 3%		3.300	MS	03/30/2006			500,270	500,000	101.5060	507,530	500,360	4,171	9,208	(90)	0	0	1	03/19/2003	3.302
079857-AG-3	Bellsouth Cap. Fdg. 7.75%		7.750	FA	02/15/2010			501,643	500,000	0.0000	501,643	502,335	14,639	38,750	(203)	0	0	1PE	03/15/2000	7.829
086516-AD-3	Best Buy Inc.		0.684	JD	06/27/2021			533,915	675,000	75.1250	507,094	532,995	51	2,308	921	0	0	2	11/12/2003	2.132
097014-AD-6	Boeing Capital Corp. 6.10%		6.100	MS	03/01/2011			750,809	750,000	107.9320	809,490	751,020	15,250	45,750	(88)	0	0	1	06/25/2001	6.174
097023-AU-9	BOEING CO		6.125	FA	02/15/2033			517,712	525,000	100.3310	526,738	517,697	12,148	0	15	0	0	1	10/31/2003	6.326
101121-AA-9	Boston Properties Inc. 5.625%		5.625	AO	04/15/2015			1,498,541	1,500,000	99.9350	1,499,025	1,498,470	17,813	48,516	71	0	0	2	03/11/2003	5.716
10112R-AB-0	Boston Pptys Ltd Partnership 6.25%		6.250	JJ	01/15/2013			752,170	750,000	107.3040	804,780	752,335	21,615	27,604	(165)	0	0	2	01/22/2003	6.305
109641-AC-4	Brinker Int'l Inc. Zero Coupon		0.000	MATR	10/10/2021			434,243	625,000	0.0000	434,243	423,698	0	0	8,805	0	0	2PE	11/20/2002	2.070
120568-AD-2	Bunge Ltd Fin Corp. 3.75%		3.750	MN	11/15/2022			383,043	350,000	116.6250	408,188	384,107	1,677	14,338	(1,064)	0	0	2	01/14/2003	3.110
120568-AE-0	Bunge LTD Corp. 3.75%		3.750	MN	11/15/2022			131,462	120,000	116.6250	139,950	131,625	2,250	0	(163)	0	0	2	08/20/2003	3.103
12189P-AG-7	Burlington Northern Santa Fe 8.25%		8.251	JJ	01/15/2012			1,495,466	1,495,466	0.0000	1,495,466	1,495,466	56,897	123,391	0	0	0	1PE	06/23/2000	8.421
12201P-AC-0	Burlington Resources 6.40%		6.400	FA	08/15/2011			499,175	500,000	111.8680	559,340	498,990	12,089	32,000	82	0	0	2	08/17/2001	6.531
12489V-AB-2	CBRL Group Conv. Zero Coupon		0.000	MATR	04/03/2032			310,053	700,000	0.0000	310,053	295,351	0	0	8,808	0	0	2PE	04/24/2002	2.924
125509-AZ-2	Cigna Corp 7.875%		7.875	MN	05/15/2027			1,209,742	1,200,000	115.5500	1,386,600	1,209,914	12,075	94,500	(211)	0	0	2	10/09/2001	7.972
125509-BG-3	Cigna Corp. 6.375%		6.375	AO	10/15/2011			522,090	500,000	108.1960	540,980	522,985	6,729	15,938	(895)	0	0	2	08/07/2003	5.746
125569-DJ-9	CIT Group Holdings Inc. 6.625%		6.625	JD	06/15/2005			1,028,577	1,000,000	0.0000	1,028,577	1,047,690	2,944	66,250	(18,565)	0	0	1PE	12/20/2002	4.626
125581-AA-6	CIT Group Holdings 7.375%		7.375	AO	04/02/2007			305,569	300,000	112.9490	338,847	307,665	5,470	22,125	(1,484)	0	0	1	07/25/2002	6.844
125581-AC-2	CIT Group Inc. 5.75%		5.750	MS	09/25/2007			799,656	800,000	107.9000	863,200	799,554	12,267	46,000	80	0	0	1	09/18/2002	5.846
14040E-HH-8	Capital One Bk 5.75%		5.750	MS	09/15/2010			399,861	400,000	0.0000	399,861	399,856	6,772	0	5	0	0	2	09/03/2003	5.839
14040E-HJ-4	CAPITAL ONE BK MTN BE		4.250	JD	12/01/2008			299,629	300,000	0.0000	299,629	299,622	1,310	0	7	0	0	2	11/17/2003	4.324
151313-AF-0	Cendant Corp. Zero Coupon		0.000	MATR	02/13/2021			410,674	600,000	75.0000	450,000	407,278	0	0	3,396	0	0	2	08/22/2003	2.240
156700-AH-9	Centurytel Inc. 4.75%		4.750	FA	08/01/2032			414,192	400,000	0.0000	414,192	414,500	7,917	17,703	(242)	0	0	2	09/27/2002	4.580
166760-AB-4	ChevronTexaco Cap Co. 3.375%		3.375	FA	02/15/2008			999,499	1,000,000	100.4750	1,004,750	999,400	12,750	17,156	99	0	0	1	02/07/2003	3.417
171232-AF-8	Chubb Corp.		6.000	MN	11/15/2011			2,034,889	2,000,000	107.9690	2,159,380	2,039,520	15,333	120,000	(3,422)	0	0	1	08/19/2002	5.804
172967-BL-4	Citigroup Inc. 6.625%		6.625	JD	06/15/2032			1,582,854	1,500,000	108.3290	1,624,935	1,583,220	4,417	49,688	(366)	0	0	1	08/28/2003	6.305
172967-BS-9	Citigroup Inc. 3.50%		3.500	FA	02/01/2008			2,065,445	2,000,000	100.3750	2,007,500	2,073,360	29,167	35,200	(7,915)	0	0	1	06/23/2003	2.667
17305B-AB-7	CITICORP PASS-THRU TR		8.040	JD	12/15/2019			1,501,643	1,250,000	116.9820	1,462,275	1,502,875	4,467	50,250	(1,232)	0	0	1	11/14/2003	6.146
184502-AK-8	Clear Channel Communications 7.65%		7.650	MS	09/15/2010			695,337	675,000	117.0540	790,115	701,424	15,204	51,638	(2,299)	0	0	2	07/02/2001	7.203
191219-BJ-2	Coca Cola Enterprises		6.125	FA	08/15/2011			815,323	740,000	110.5890	818,359	825,551	17,123	45,325	(8,106)	0	0	1	09/24/2002	4.582
20030N-AE-1	Comcast Corp. 5.30%		5.300	JJ	01/15/2014			1,485,999	1,500,000	99.6680	1,495,020	1,485,540	41,738	0	459	0	0	2	07/29/2003	5.496
201615-DB-4	Commercial Credit Grp. 7.375%		7.375	AO	04/15/2005			499,222	500,000	0.0000	499,222	497,300	7,785	36,875	554	0	0	1PE	02/23/2000	7.644
202795-HH-6	Commonwealth Edison 4.70%		4.700	AO	04/15/2015			598,014	600,000	0.0000	598,014	597,918	5,953	14,727	96	0	0	1PE	04/01/2003	4.794
205887-AX-0	Conagra Inc. 8.25%		8.250	MS	09/15/2030			326,340	300,000	0.0000	326,340	327,021	7,288	24,750	(308)	0	0	2PE	10/10/2001	7.629
205887-AZ-5	Conagra Foods 6%		6.000	MS	09/15/2006			310,074	290,000	108.0890	313,458	315,152	5,123	8,700	(5,078)	0	0	2	04/10/2003	3.333
208251-AE-8	Conoco Inc. 6.95%		6.950	AO	04/15/2029			1,117,931	1,000,000	113.4040	1,134,040	1,119,930	14,672	139,000	(1,859)	0	0	1	02/05/2003	6.126
209864-AT-4	Consolidated Rail 9.75%		9.750	JD	06/15/2020			2,735,226	2,250,000	0.0000	2,735,226	2,779,373	9,750	219,375	(14,679)	0	0	2PE	03/27/2002	7.594
210805-CO-8	Continental Airlines 6.545%		6.545	FA	02/02/2019			564,174	564,174	0.0000	564,174	564,174	15,283	36,925	0	0	0	2	01/21/1999	6.652
210805-DD-6	Continental Airlines 7.707%		7.707	AO	10/02/2022			937,507	868,954	0.0000	937,507	939,305	16,557	67,978	(757)	0	0	2	08/09/2001	6.728
222372-AE-4	Countrywide Credit Zero Coupon		0.000	MATR	02/08/2031			690,289	900,000	120.3750	1,083,375	677,822	0	0	6,697	0	0	1	11/26/2002	0.988
222372-LD-2	Countrywide Home Loan Corp. 5.25%		5.250	JD	06/15/2004															



**ANNUAL STATEMENT FOR THE YEAR 2003 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-MD-1	Countrywide Home NT 5.5% 02/01/07		5.500	FA	02/01/2007			2,726,561	2,500,000	0.0000	2,726,561	2,762,900	57,292	68,750	(36,339)	0	0	1	06/25/2003	2.447
22237L-MQ-2	Countrywide Home Loans Inc. 5.625%		5.625	MN	05/15/2007			781,705	775,000	0.0000	781,705	784,416	5,570	43,594	(1,769)	0	0	1PE	06/11/2002	5.413
22541L-AA-1	Credit Suisse First Boston 5.875%		5.875	FA	08/01/2006			3,510,079	3,250,000	0.0000	3,510,079	3,565,740	79,557	117,500	(52,833)	0	0	1	06/25/2003	2.697
22541L-AB-9	Credit Suisse FB 6.125% 11/15/11		6.125	MN	11/15/2011			1,018,933	1,000,000	0.0000	1,070,000	1,021,390	7,826	61,250	(1,849)	0	0	1	08/28/2002	5.907
233331-AE-7	DTE Energy Co. 7.05%		7.050	JD	06/01/2011			1,021,030	1,000,000	0.12340	1,121,340	1,024,590	5,875	70,500	(2,129)	0	0	2	04/15/2002	6.798
233835-AB-3	DaimlerChrysler 6.90%		6.900	MS	09/01/2004			5,066,782	5,000,000	0.1031570	5,157,785	5,224,845	11,500	34,500	(9,759)	0	0	2	04/29/2002	4.870
233835-AT-4	DaimlerChrysler North Amer 7.30%		7.300	JJ	01/15/2012			548,738	500,000	0.1113450	556,725	552,960	16,831	18,250	(4,222)	0	0	2	02/05/2003	5.851
247367-AP-0	Delta Air Lines Inc. 7.57%		7.570	MN	05/18/2012			537,950	500,000	0.0000	537,950	545,645	4,521	37,850	(3,511)	0	0	2	08/27/2001	6.294
25156P-AC-7	Deutsche Telekom Intl. Fin. 8.25%		8.250	JD	06/15/2030			1,131,580	1,000,000	0.1277430	1,277,430	1,133,225	3,667	87,500	(1,606)	0	0	2	02/05/2003	7.264
2515E0-AA-7	DEUTSCHE BK FINL LLC MTN		5.375	FA	03/02/2015			1,005,996	1,000,000	0.0000	1,005,996	1,006,070	19,410	0	(74)	0	0	1	10/23/2003	5.373
25179S-AD-2	Devon Financing Corp. 7.875%		7.875	MS	09/30/2031			583,504	500,000	0.1194600	597,300	584,660	9,953	39,375	(1,045)	0	0	2	11/21/2002	6.668
254067-AG-6	Dillard's Inc. 6.69%		6.690	FA	08/01/2007			883,807	1,000,000	0.1020000	1,020,000	803,740	27,875	66,900	25,398	0	0	4	05/24/2000	10.960
254687-AM-8	Walt Disney Co. 6.75%		6.750	MS	03/30/2006			641,824	600,000	0.1087650	652,590	655,242	10,238	20,250	(13,418)	0	0	2	03/27/2003	3.530
254687-AU-0	Walt Disney 2.125%		2.125	AO	04/15/2023			481,291	480,000	0.1058750	508,200	481,330	2,153	5,128	(39)	0	0	2	04/10/2003	2.119
263534-BJ-7	DuPont 6.875%		6.875	AO	10/15/2009			1,027,427	1,000,000	0.0000	1,027,427	1,038,220	14,514	68,750	(3,817)	0	0	1PE	12/27/2000	6.402
264399-EM-4	DUKE ENERGY CORP.		5.300	AO	10/01/2015			2,008,218	2,008,000	0.1013210	2,034,526	2,008,221	30,449	0	(3)	0	0	1	10/23/2003	5.369
268766-BR-2	EOP Operating Conv Variable Rate		7.250	MN	11/15/2008			127,199	125,000	0.1057500	132,188	128,156	1,158	9,063	(371)	0	0	2	05/07/2001	6.936
268766-BY-7	EOP Oper Ltd. Partnership 5.875%		5.875	JJ	01/15/2013			1,345,149	1,350,000	0.1043950	1,409,333	1,344,762	36,572	39,656	387	0	0	2	01/09/2003	6.015
26882P-AL-6	Erac USA Finance Co. 8.25%		8.250	MN	05/01/2005			1,025,614	1,000,000	0.1078610	1,078,610	1,065,780	13,750	82,500	(17,860)	0	0	2	08/28/2001	6.318
285659-AE-8	EDS Corp 7.125%		7.125	AO	10/15/2009			510,506	510,000	0.0000	510,506	510,518	7,671	0	(12)	0	0	2PE	10/30/2003	7.230
291011-AT-1	Emerson Elec. Co. 4.5%		4.500	MN	05/01/2013			496,878	500,000	0.0976140	488,070	496,700	3,750	11,375	178	0	0	1	10/29/2003	4.635
302570-AK-2	FPL Group Capital 7.625%		7.625	MS	09/15/2006			893,982	850,000	0.1122680	954,278	928,523	19,084	64,813	(14,687)	0	0	1	10/16/2001	5.620
302570-AL-0	FPL Group Capital Inc. 7.375%		7.375	JD	06/01/2009			535,642	500,000	0.0000	535,642	544,155	3,073	36,875	(5,451)	0	0	1PE	05/29/2002	5.907
31331F-AX-9	Federal Express 6.72%		6.720	JJ	01/15/2022			1,491,904	1,332,451	0.0000	1,491,904	1,497,181	41,288	44,770	(5,277)	0	0	1	03/10/2003	5.235
318522-AC-3	First American Corp. 4.5%		4.500	AO	04/15/2008			175,840	175,000	0.1117500	195,563	176,300	1,663	7,875	(176)	0	0	2	04/19/2001	4.425
319963-AD-6	First Data Corp. 2%		2.000	MS	03/01/2008			512,492	475,000	0.1070000	508,250	528,187	3,167	9,500	(9,508)	0	0	1	08/27/2002	0.118
343254-AJ-7	FLORIDA WINDSTORM UNDERWRITING		7.125	FA	02/25/2019			1,156,180	1,000,000	0.1169910	1,169,910	1,157,420	24,938	0	(1,240)	0	0	1	10/23/2003	5.662
345370-BY-5	Ford Motor Co. 6.625%		6.625	AO	10/01/2028			229,496	250,000	0.0919880	229,970	228,435	4,141	16,563	287	0	0	2	11/16/1999	7.484
345397-HG-1	Ford Motor Credit 7.5%		7.500	JD	06/15/2004			500,437	500,000	0.1022270	511,135	503,720	1,667	37,500	(910)	0	0	2	12/29/1999	7.435
345397-RR-6	Ford Motor Credit 7.2%		7.200	JD	06/15/2007			1,939,371	1,875,000	0.1085690	2,035,669	2,013,438	6,000	135,000	(16,291)	0	0	2	02/11/1999	6.177
345397-SM-6	FORD MOTOR CR CO.		7.375	AO	10/28/2009			1,308,386	1,250,000	0.1098160	1,372,700	1,309,500	16,133	0	(1,114)	0	0	2	11/12/2003	6.504
345397-TX-1	Ford Motor Credit Co. 6.50%		6.500	JJ	01/25/2007			645,851	650,000	0.1065220	692,393	644,690	18,308	42,250	1,161	0	0	2	01/07/2003	6.847
345397-TY-9	Ford Motor Credit Co. 7.25%		7.250	AO	10/25/2011			1,862,320	1,850,000	0.1084560	2,006,436	1,863,955	33,531	134,125	(1,151)	0	0	2	06/10/2002	7.266
345397-TZ-6	FORD MOTOR CR CO.		7.000	AO	10/01/2013			152,514	150,000	0.1054680	158,202	152,537	2,858	0	(22)	0	0	2	11/17/2003	6.877
362337-AG-2	GTE NORTH		6.900	MN	11/01/2008			491,814	500,000	0.0000	491,814	486,885	5,750	34,500	1,366	0	0	1PE	12/29/1999	7.442
369604-AY-9	General Electric Co. 5%		5.000	FA	02/01/2013			946,706	950,000	0.1011330	960,764	946,447	19,792	24,146	259	0	0	1	01/23/2003	5.112
36962G-XZ-2	General Electric Cap. Corp. 6.75%		6.750	MS	03/15/2032			547,670	500,000	0.0000	547,670	548,366	9,938	33,750	(605)	0	0	1	02/05/2003	6.134
36962G-ZY-3	General Electric Cap. Corp. 5.45%		5.450	JJ	01/15/2013			3,064,083	3,000,000	0.0000	3,064,083	3,069,510	75,392	99,463	(5,368)	0	0	1	01/09/2003	5.218
370334-AT-1	General Mills Inc. Zero Coupon		0.000	MATR	10/28/2022			458,744	660,000	0.0700000	462,000	448,900	0	311	8,521	0	0	2	02/26/2003	1.952
370334-AU-8	General Mills Inc. Zero Coupon		0.000	MATR	10/28/2022			514,231	730,000	0.0700000	511,000	510,349	0	344	3,882	0	0	2	08/05/2003	1.879
370424-FV-0	GMAC 8.875%		8.875	JD	06/01/2010			1,802,930	1,825,000	0.1111250	1,805,781	1,903,914	12,018	144,219	(21,617)	0	0	2	08/13/1999	6.867
370425-RG-7	GMAC 6.15%		6.150	AO	04/05/2007			1,505,739	1,500,000	0.1071760	1,607,640	1,508,235	22,038	92,250	(1,548)	0	0	2	05/09/2002	6.110
370425-RP-7	General Motors Accept Corp. 7.75%		7.750	JJ	01/19/2010			1,565,825	1,500,000	0.1133560	1,700,340	1,573,560	52,313	87,188	(7,735)	0	0	2	03/06/2003	6.969
370442-BT-1	General Motors 8.375%		8.375	JJ	07/15/2033			613,481	600,000	0.1160810	696,486	613,512	23,171	0	(31)	0	0	2	09/22/2003	8.339
370442-BW-4	GENERAL MTRS CORP.		8.250	JJ	07/15/2023			818,691	750,000	0.1135410	851,558	818,888	30,594	0	(197)	0	0	2	11/17/2003	7.494
38141G-AD-6	GOLDMAN SACHS GROUP INC MTN 7.35%		7.350	AO	10/01/2009			1,362,040	1,183,000	0.1150000	1,360,450	1,367,631	21,738	0	(5,591)	0	0	1	10/17/2003	4.395
38141G-CG-7	Goldman Sachs Group Inc. 5.7%		5.700	MS	09/01/2012			2,054,817	2,000,000	0.1050950	2,101,900	2,059,580	38,000	115,267	(4,763)	0	0	1	01/09/2003	5.372
38141G-CU-6	Goldman Sachs Group Inc. 6.125%		6.125	FA	02/15/2033			500,000	500,000	0.0000	503,520	500,000	11,569	15,483	0	0	0	1	02/06/2003	6.219
400518-AA-4	GTech Holdings Corp. Conv. 1.75%		1.750	JD	12/15/2021			394,394	320,000	0.0000	394,394	400,875	249	5,600	(3,986)	0	0	2PE	05/15/2002	0.407
413875-AG-0	Harris Corp. 3.50%		3.500	FA	08/15/2022			601,141	575,000	0.1112500	639,688	602,425	7,603	19,510	(1,023)	0	0	2	10/09/2002	3.202
421933-AC-6	Health Mgmt. Assoc. Zero Coupon		0.000	MATR	01/28/2022			206,992	250,000	0.0000	206,992	203,125	0	0	2,151	0	0	2PE	03/11/2002	1.050
421933-AE-2	Health Mgmt. 1.5%		1.500	FA	08/01/2023			296,320	300,000	0.1100000	330,000	296,250	1,875	0	70	0	0	2	07/24/2003	1.579
42222G-AA-6	Health Net Inc. 8.375%		8.375	AO	04/15/2011			1,146,709	1,150,000	0.0000	1,146,709	1,145,906	21,135	96,313	316	0	0	2PE	04/09/2001	8.606
428236-AF-0	Hewlett Packard Co. 5.50%		5.500	JJ	07/01/2007			1,298,116	1,300,000	0.1080800	1,405,040	1,297,400	35,750	72,493	475	0	0	1	06/21/2002	5.623
441812-GK-4	Household Finance Corp. 7.875%		7.875	MS	03/01/2007			1,504,195	1,350,000	0.1										

**ANNUAL STATEMENT FOR THE YEAR 2003 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
453258-AT-2	Inco LTD 1%		1.000	MS	03/14/2023			350,792	390,000	138.8750	541,613	350,025	1,159	2,026	767	0	0	2	07/22/2003	1.617
459200-AT-8	International Busine 5.375%		5.375	FA	02/01/2009			495,860	500,000	106.8750	534,375	494,785	11,198	26,875	687	0	0	1	05/29/2002	5.642
459200-BB-6	IBM Corp. 5.875%		5.875	MN	11/29/2032			708,250	725,000	100.6180	729,481	708,021	3,786	42,830	211	0	0	1	11/20/2002	6.136
459902-AK-8	International Game Technology Zero		0.000	MATR	01/29/2033			606,324	1,000,000	79.6250	796,250	596,910	0	0	9,414	0	0	2	02/26/2003	1.736
460146-BP-7	International Paper Co. 5.85%		5.850	AO	10/30/2012			517,097	500,000	0.0000	517,097	518,520	4,956	29,383	(1,423)	0	0	2PE	01/15/2003	5.431
46625H-AF-7	J P Morgan Chase & Co. 6.125%		6.125	AO	10/15/2008			485,377	500,000	0.0000	485,377	478,340	6,465	30,625	2,501	0	0	1PE	12/27/2000	6.969
46625H-AT-7	JP Morgan Chase 5.75%		5.750	JJ	01/02/2013			1,046,255	1,000,000	105.4490	1,054,490	1,047,370	28,590	0	(1,115)	0	0	1	09/22/2003	5.168
492919-AA-3	Key Bank of NY 7.50%		7.500	MS	09/15/2008			3,039,689	2,525,000	0.0000	3,039,689	3,092,140	55,760	94,688	(52,451)	0	0	1PE	06/25/2003	2.862
494368-AX-1	Kimberly Clark Corp. 5.00%		5.000	FA	08/15/2013			439,459	440,000	0.0000	439,459	439,441	8,922	0	18	0	0	1PE	07/31/2003	5.079
524660-AR-8	Leggett & Platt Inc 7.65% 2/15/05		7.650	FA	02/15/2005			506,429	500,000	0.0000	506,429	521,535	14,450	38,250	(5,349)	0	0	1PE	12/27/2000	6.549
524908-CM-0	Lehman Bro. Hldg. 7.875%		7.875	FA	08/15/2010			942,590	750,000	119.7760	898,320	955,838	22,313	29,531	(13,248)	0	0	1	06/25/2003	3.528
524908-FD-7	Lehman Brothers Holdings Inc. 4%		4.000	JJ	01/22/2008			999,256	1,000,000	101.9940	1,019,940	999,100	17,667	20,111	156	0	0	1	01/15/2003	4.060
52517P-VM-0	LEHMAN BROS HLDGS INC MTN BE		4.375	MN	11/30/2010			499,670	500,000	0.0000	499,670	499,665	2,431	0	5	0	0	1PE	11/18/2003	4.434
530715-AR-2	Liberty Media Corp. 3.25%		3.250	MS	03/15/2031			616,761	660,000	104.0000	686,400	615,960	6,316	21,450	801	0	0	2	02/25/2003	3.665
530718-AB-1	Liberty Media .75% 03/30/23		0.750	MS	03/31/2023			473,044	480,000	118.0000	566,400	472,800	910	1,840	244	0	0	2	03/21/2003	0.833
530718-AE-5	Liberty Media Corp. 3.5%		3.500	MS	09/25/2006			498,927	500,000	100.5000	502,500	498,820	4,667	0	107	0	0	2	09/12/2003	3.615
530718-AF-2	LIBERTY MEDIA CORP NEW		0.750	MS	03/30/2023			138,859	120,000	0.0000	138,859	138,900	690	0	(41)	0	0	2PE	12/16/2003	(0.062)
539830-AE-9	LOCKHEED MARTIN 7.65%		7.650	MN	05/01/2016			889,764	850,000	0.0000	889,764	898,372	10,838	65,025	(1,985)	0	0	2PE	04/28/1999	7.205
539830-AF-6	LOCKHEED MARTIN 7.75%		7.750	MN	05/01/2026			794,933	800,000	0.0000	794,933	794,446	10,333	62,000	82	0	0	2PE	07/24/1996	7.963
56418H-AC-4	Manpower Inc. Zero Coupon		0.000	MATR	08/17/2021			599,733	970,000	0.0000	599,733	581,276	0	0	15,461	0	0	2PE	02/26/2003	2.765
571748-AB-8	Marsh & McLennan Cos. 6.625%		6.625	JD	06/15/2004			502,825	500,000	0.0000	502,825	517,145	1,472	33,125	(5,962)	0	0	1PE	07/02/2001	5.426
571748-AD-4	Marsh & McLennan Cos. Inc. 5.375%		5.375	MS	03/15/2007			676,287	640,000	106.9690	684,602	689,370	10,129	34,400	(10,517)	0	0	1	10/01/2002	3.521
577778-BB-8	May Department Stores 7.625%		7.625	FA	08/15/2013			1,777,941	1,671,000	0.0000	1,777,941	1,793,403	48,134	114,375	(5,960)	0	0	2PE	10/18/2003	6.835
577778-BN-2	MAY DEPARTMENT STORES CO. NOTE 8%		8.000	JJ	07/15/2012			999,207	1,000,000	0.0000	999,207	999,010	36,889	80,000	63	0	0	2PE	07/11/2000	8.174
58013M-DE-1	McDonalds Corp MTN 5.95% 1/15/08		5.950	JJ	01/15/2008			1,998,947	2,000,000	0.0000	1,998,947	1,998,360	54,872	119,000	224	0	0	1	03/27/2001	6.054
590188-JK-5	MERRILL LYNCH 6.375% OF 10/08		6.375	AO	10/15/2008			477,665	500,000	0.0000	477,665	464,180	6,729	31,875	3,748	0	0	1PE	12/29/1999	7.643
59018Y-SH-5	MERRILL LYNCH CO INC MTN BE		4.500	MN	11/04/2010			994,762	1,000,000	0.0000	994,762	994,660	7,125	0	102	0	0	1PE	10/30/2003	4.643
59156R-AG-3	METLIFE INC		5.000	MN	11/24/2013			495,233	500,000	0.0000	495,233	495,195	2,569	0	38	0	0	1PE	11/19/2003	5.190
593048-BN-0	Mexico United Mexican States 8.125		8.125	JD	12/30/2019			434,648	400,000	111.7500	447,000	435,456	90	32,500	(808)	0	0	2	04/16/2003	7.334
616880-BM-1	MORGAN J P 6.7%		6.700	MN	11/01/2007			484,731	500,000	111.2560	556,280	473,215	5,583	33,500	3,311	0	0	1	02/17/2000	7.779
617446-HR-3	Morgan Stanley 5.30%		5.300	MS	03/01/2013			2,008,673	2,000,000	102.1500	2,043,000	2,009,240	35,333	54,472	(567)	0	0	1	03/19/2003	5.308
61744A-AN-0	MORGAN STANLEY & CO INC		4.250	MN	05/15/2010			494,268	500,000	99.8590	499,295	494,165	2,715	0	103	0	0	1	11/13/2003	4.508
635405-AM-5	NATIONAL CITY CORP.		6.875	MN	05/15/2019			1,130,827	1,000,000	115.4330	1,154,330	1,131,840	8,785	34,375	(1,013)	0	0	1	10/23/2003	5.673
635405-AN-3	National City Corp. 3.20%		3.200	AO	04/01/2008			998,255	1,000,000	98.7470	987,470	997,950	8,000	17,867	305	0	0	1	03/03/2003	3.271
637432-CH-6	NAT RURAL UTL 5.50% 01/05		5.500	JJ	01/15/2005			477,505	485,000	0.0000	477,505	453,194	12,300	26,675	6,717	0	0	1PE	12/29/1999	7.193
637432-CT-0	Nat'l. Rural Util's. Coop 8.0%		8.000	MS	03/01/2032			1,203,910	1,000,000	0.0000	1,203,910	1,204,620	26,667	0	(710)	0	0	1PE	09/22/2003	6.528
649080-AA-9	New VY Generation V 4.929%		4.929	JJ	01/15/2021			1,500,000	1,500,000	0.0000	1,500,000	1,500,000	19,511	0	0	0	0	1PE	09/24/2003	4.990
654730-AL-7	Nisource Financial Corp. 5.40%		5.400	JJ	07/15/2014			670,184	700,000	0.0000	670,184	669,375	16,800	0	809	0	0	2PE	08/07/2003	6.038
655422-AS-2	Noranda Inc. 7.25%		7.250	JJ	07/15/2012			387,707	350,000	111.9030	391,661	388,700	11,701	0	(992)	0	0	2	09/17/2003	5.722
655422-AT-0	Noranda Inc		6.000	AO	10/15/2015			430,787	425,000	0.0000	430,787	430,874	5,383	0	(87)	0	0	2PE	09/26/2003	5.924
655664-AG-5	NORDSTROM 5.625% DUE 1/15/09		5.625	JJ	01/15/2009			901,199	1,000,000	0.0000	901,199	868,080	25,938	56,250	15,351	0	0	1PE	09/26/2001	8.211
667294-AW-2	Northwest Airlines Inc. 7.041%		7.041	AO	04/01/2022			484,771	463,338	0.0000	484,771	486,311	8,156	32,624	(798)	0	0	2	08/30/2001	6.447
66938F-JT-2	Norwest 6.75% Of 6/15/07		6.750	JD	06/15/2007			1,025,998	1,000,000	0.0000	1,025,998	1,042,220	3,000	67,500	(6,597)	0	0	1PE	06/05/2001	5.995
670346-AA-3	Nucor Corp. 6.0%		6.000	JJ	01/01/2009			1,077,412	1,000,000	109.0970	1,090,970	1,082,410	30,000	0	(4,998)	0	0	1	08/21/2003	4.310
690353-BR-7	OVERSEAS PRIV INV 6.78% 1/15/		6.780	MJSD	01/15/2009			444,446	444,446	0.0000	444,446	444,446	1,339	30,134	0	0	0	1PE	09/05/1997	6.954
69334T-AC-2	PG & E Nat'l Energy 10.375%		10.375	MN	05/16/2011			422,500	1,125,000	70.0000	787,500	1,110,229	0	0	0	0	4,863	6	05/17/2001	35.977
69347E-AR-4	PNC Funding Corp. 5.75%		5.750	FA	08/01/2006			1,612,523	1,500,000	107.3610	1,610,415	1,629,120	35,938	0	(16,597)	0	0	1	08/08/2003	2.742
725906-AJ-0	Placer Dome		2.750	AO	10/15/2023	10/15/2013	100.000	350,000	350,000	0.0000	350,000	350,000	2,166	0	0	0	0	2PE	10/07/2003	2.769
74153W-AB-5	PRICOA GLOBAL FDG I MTNT		3.900	JD	12/15/2008			574,846	575,000	0.0000	574,846	574,845	1,370	0	2	0	0	1PE	12/09/2003	3.944
742718-BM-0	Proctor & Gamble 6.87% Of 9/15/09		6.875	MS	09/15/2009			487,127	500,000	115.5200	577,600	481,0								

**ANNUAL STATEMENT FOR THE YEAR 2003 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
743670-AC-8	Protective Life U S Fdg Ser 144A 5		5.875	FA	08/15/2006			517,444	500,000	0.0000	517,444	525,385	11,097	29,375	(6,137)	0	0	1PE	09/12/2002	4.501
743917-AH-9	PRUDENTIAL INS CO AMER		8.300	JJ	07/01/2025			1,224,239	1,000,000	0.0000	1,224,239	1,225,120	41,500	0	(881)	0	0	1PE	10/27/2003	6.472
749685-AJ-2	RPM Intl. Inc. 0%		1.389	MN	05/13/2033			256,055	500,000	0.0000	271,875	252,595	926	3,472	3,460	0	0	2	05/08/2003	4.393
749685-AK-9	RPM Intl Inc.		1.389	MN	05/13/2033			527,302	1,000,000	0.0000	527,302	526,582	1,428	0	720	0	0	2PE	12/05/2003	4.252
750236-AE-1	Radian Group Inc. 2.25%		2.250	JJ	01/01/2022			195,495	175,000	104.5000	182,875	197,044	1,969	3,938	(984)	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			366,625	350,000	104.5000	365,750	367,651	3,938	7,875	(765)	0	0	1	08/27/2002	1.946
754603-AB-4	RAYCHEM 7.2% 10/15/		7.200	AO	10/15/2008			2,479,693	2,500,000	113.0000	2,825,000	2,466,605	38,000	205,000	71,518	0	0	3	08/15/1999	7.544
755111-AF-8	RAYTHEON CO 7.2%		7.200	FA	08/15/2027			1,200,240	1,200,000	0.0000	1,200,240	1,200,398	32,640	86,400	(51)	0	0	2PE	10/23/1997	7.328
755111-AU-5	RAYTHEON		6.400	JD	12/15/2018			1,195,776	1,200,000	0.0000	1,195,776	1,195,044	3,413	76,800	164	0	0	2PE	12/09/1998	6.541
755111-BH-3	Raytheon Co. 8.30%		8.300	MS	03/01/2010			803,052	750,000	119.9910	899,933	814,590	20,750	62,250	(6,703)	0	0	2	03/25/2002	6.992
755920-AM-7	Receipts on Corporate Secs TR		6.500	FA	08/01/2018			1,709,190	1,688,940	0.0000	1,709,292	1,709,292	45,742	0	(102)	0	0	1PE	11/18/2003	6.474
758110-AD-2	Reebok 4.25% Conv		4.250	MS	03/01/2021			354,419	350,000	0.0000	354,419	354,894	4,958	16,558	(175)	0	0	2PE	03/07/2001	4.190
758940-AG-5	Regions Financial 6.375%		6.375	MN	05/15/2012			505,141	500,000	110.0110	550,055	505,860	4,073	31,875	(456)	0	0	1	05/22/2002	6.312
760759-AB-6	Republic Services 6.625% 05/15/04		6.625	MN	05/15/2004			733,230	730,000	0.0000	733,230	752,396	6,180	48,363	(8,338)	0	0	2PE	08/13/2001	5.485
780153-AK-8	Royal Caribbean Cruises Zero Cpn.		0.000	MATR	02/02/2021			526,838	1,375,000	47.7500	656,563	546,890	0	0	18,088	0	0	3	02/12/2001	5.717
783876-AF-0	SBC Communications Inc. 5.75%		5.750	MN	05/02/2006			753,043	750,000	107.3030	804,773	755,910	7,068	43,125	(1,187)	0	0	1	06/25/2001	5.640
786429-AQ-3	Safeco Corp. 4.875%		4.875	FA	02/01/2010			1,492,211	1,500,000	103.0960	1,546,440	1,491,225	30,469	36,766	986	0	0	2	01/27/2003	5.037
792860-AD-0	St. Paul Cos. Note 8.125% 04/15/10		8.125	AO	04/15/2010			896,869	900,000	119.5930	1,076,337	895,644	15,438	73,125	367	0	0	2	04/12/2000	8.365
803111-AN-3	Sara Lee Corp. 1.95%		1.950	JD	06/15/2006			299,914	300,000	99.0720	297,216	299,895	260	3,071	19	0	0	1	05/30/2003	1.972
803111-CF-7	Sara Lee Corp. 6.15%		6.150	MS	06/19/2008			996,143	1,000,000	0.0000	996,143	994,140	18,108	61,500	727	0	0	1PE	01/25/2001	6.348
806605-AE-1	SCHERING PLOUGH CORP.		5.300	JD	12/01/2013			498,168	500,000	101.7450	508,725	498,155	2,576	13	0	0	0	1	11/21/2003	5.420
806857-AD-0	SCHLUMBERGER LTD.		2.125	JD	06/01/2023			630,536	660,000	0.0000	630,536	630,438	1,169	98	0	0	0	1PE	12/09/2003	2.429
816300-AB-3	Selective Ins. Group Inc. 1.616%		1.616	MS	09/24/2032			715,214	1,700,000	0.0000	715,214	703,974	7,400	27,379	11,240	0	0	2PE	02/26/2003	5.850
832110-AD-2	Smith International Inc. 7%		7.000	MS	09/15/2007			242,004	220,000	112.0830	246,583	246,125	4,534	7,700	(4,121)	0	0	2	03/27/2003	4.107
837004-BW-9	South Carolina Elec & Gas Co 5.80%		5.800	MN	11/15/2033			539,080	500,000	99.5250	497,625	539,415	18,206	13,856	(336)	0	0	1	05/15/2003	5.347
852060-AD-4	Sprint Cap. Corp. 6.875%		6.875	FA	11/15/2028			570,871	600,000	0.0000	570,871	570,756	5,271	115	0	0	0	2PE	09/22/2003	7.434
852060-AF-9	SPRINT CAP CORP		6.375	MN	05/01/2009			500,487	500,000	106.8730	534,365	531,145	5,313	0	(658)	0	0	2	11/13/2003	5.121
867876-AC-6	SunTrust Bank 5.45%		5.450	JD	12/01/2017			2,015,551	2,000,000	0.0000	2,015,551	2,016,340	9,083	108,092	(736)	0	0	1PE	11/27/2002	5.442
869049-AE-6	SUSA PARTNERSHIP L P		7.500	JD	12/01/2027			1,469,653	1,250,000	0.0000	1,469,653	1,470,313	7,813	46,875	(660)	0	0	1PE	11/03/2003	6.188
872287-AE-7	TCI Communications 6.875%		6.875	FA	02/15/2006			497,696	500,000	0.0000	497,696	494,765	12,986	34,375	972	0	0	2PE	09/28/2000	7.239
87244H-AB-1	TIAA Global Markets 4.125%		4.125	MN	11/15/2028			498,054	500,000	102.9380	514,690	497,605	2,635	21,484	453	0	0	1	09/14/2002	4.280
87612E-AF-3	Target Corp. 7%		7.000	JJ	07/15/2031			2,739,626	2,425,000	113.3790	2,749,441	2,742,346	78,274	53,550	(2,411)	0	0	1	10/10/2003	6.120
879403-AD-5	Telefonos De Mexico SA 4.25%		4.250	JD	06/15/2004			370,652	350,000	0.0000	370,652	386,750	661	7,438	(16,098)	0	0	2PE	08/27/2003	(8.049)
881685-BH-3	Texaco Cap 5.70% 12/01/08		5.700	JD	12/01/2008			487,596	500,000	0.0000	487,596	481,675	2,375	28,500	2,092	0	0	1PE	12/22/2000	6.393
887315-AX-7	TIME WARNER COMPANIES INC		8.180	FA	08/15/2007			1,150,366	1,000,000	115.0000	1,150,000	1,159,810	30,902	0	(9,444)	0	0	2	10/03/2003	3.741
887315-BN-8	TIME WARNER INC		6.625	MN	05/15/2029			941,589	1,000,000	0.0000	941,589	940,800	8,465	66,250	789	0	0	2PE	01/08/2003	7.253
88731E-AF-7	TIME WARNER ENTMT 8.375%		8.375	MS	03/15/2023			2,101,003	2,000,000	123.9110	2,478,220	2,109,420	49,319	167,500	(2,226)	0	0	2	02/02/2000	8.019
892335-AK-6	Toys R Us Inc. 7.875%		7.875	AO	04/15/2013			260,375	250,000	107.5750	268,938	260,625	4,156	10,227	(250)	0	0	2	09/05/2003	7.385
892335-AL-4	Toys R Us Inc. 7.375%		7.375	AO	10/15/2018			298,667	300,000	99.9300	299,790	298,653	4,671	14	0	0	0	2	09/17/2003	7.563
893502-CX-0	Transamerica Fin. Corp. 6.4%		6.400	MS	09/15/2008			3,351,487	3,000,000	0.0000	3,351,487	3,383,730	56,533	96,000	(32,243)	0	0	1PE	07/10/2003	3.701
904764-AF-4	Unilever Cap Corp 6.875 11/01/05		6.875	MN	11/01/2005			507,541	500,000	108.4370	542,185	518,255	5,729	34,375	(3,778)	0	0	1	12/27/2000	6.085
907833-AF-4	UNION PACIFIC RR		6.850	JJ	01/02/2019			662,225	662,225	0.0000	662,225	662,225	22,555	46,186	0	0	0	1	09/17/1998	6.967
907833-AG-2	UNION PACIFIC RR		6.330	JJ	01/02/2020			882,032	882,032	0.0000	882,032	882,032	27,761	55,833	0	0	0	1	12/02/1998	6.430
91086Q-AK-4	United Mexican Sts MTN 6.375%		6.375	JJ	01/16/2013			588,518	600,000	0.0000	588,518	587,672	17,531	19,125	846	0	0	2	02/05/2003	6.771
911684-AD-0	UNITED STATES CELLULAR CORP		6.700	JD	12/15/2033			491,931	500,000	0.0000	491,931	491,925	2,606	0	6	0	0	1PE	12/03/2003	6.944
91324P-AF-9	UNITEDHEALTH GROUP INC.		3.300	JJ	01/30/2008			748,599	748,599	0.0000	748,599	748,568	2,475	0	32	0	0	1PE	11/25/2003	3.377
91529Y-AC-0	Unum Provident Corp. Note 7.625%		7.625	MS	03/01/2011			597,796	600,000	110.1630	660,978	597,210	15,250	45,750	223	0	0	2	03/02/2001	7.841
91529Y-AD-8	Unum Provident Corp. 7.375%		7.375	JD	06/15/2032			722,779	900,000	0.0000	722,779	721,775	2,950	66,375	1,005	0	0	2PE	03/11/2003	9.658
918204-AQ-1	VF Corp.		6.000	AO	10/15/2033			975,062	1,000,000	0.0000	975,062	975,000	12,833	0	62	0	0	1PE	10/09/2003	6.280
92344G-AL-0	Verizon Global Funding 7.25%		7.250	JD	12/01/2010			803,462	750,000	115.1390	863,543	815,670	4,531	54,375	(6,080)	0				

**ANNUAL STATEMENT FOR THE YEAR 2003 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		
931142-BE-2	WAL MART 6.875% OF 8/09		.6 875	FA	08/10/2009			493,215	500,000	115.2050	576,025	490,005	13,464	34,375	952	0	0	1	04/17/2000	7.302		
931142-BT-9	Wal-Mart Stores 4.55%		4.550	MN	05/01/2013			668,434	670,000	98.7730	661,779	668,345	5,081	15,412	89	0	0	1	04/22/2003	4.634		
939322-AL-7	WASHINGTON MUT INC.		4.000	JJ	01/15/2009			596,579	600,000	100.1740	601,044	596,484	3,867	0	95	0	0	1	11/04/2003	4.169		
939640-AC-2	Washington Post Co. 5.5%		5.500	FA	02/15/2009			1,228,688	1,250,000	108.5870	1,357,338	1,220,882	25,972	68,750	3,468	0	0	1	11/29/2001	5.977		
949746-CK-5	Wells Fargo & Co. 5.25%		5.250	JD	12/01/2007			2,661,373	2,500,000	0.0000	2,661,373	2,695,075	10,938	131,250	(33,702)	0	0	1PE	02/11/2003	3.503		
949746-CL-3	Wells Fargo 5.125%		5.125	MS	09/01/2012			2,310,685	2,300,000	0.0000	2,310,685	2,311,017	39,292	0	(332)	0	0	1PE	08/28/2003	5.122		
961548-AT-1	Westvaco Corp. 6.85%		6.850	MN	11/15/2004			611,912	600,000	0.0000	611,912	632,010	5,252	41,100	(13,083)	0	0	2PE	06/11/2002	4.557		
963320-AK-2	Whirlpool Corp. 8.60%		8.600	MN	05/01/2010			1,017,224	1,000,000	121.7930	1,217,930	1,023,290	14,333	86,000	(2,000)	0	0	2	08/30/2000	8.415		
983024-AA-8	Wyeth 5.25%		5.250	MS	03/15/2013			1,008,198	1,000,000	101.7960	1,017,960	1,008,310	15,458	0	(112)	0	0	2	11/03/2003	5.203		
EC1184-62-0	Florida Windstorm Underwriting		7.125	FA	02/25/2019			1,156,854	1,000,000	0.0000	1,156,854	1,158,100	24,938	0	(1,246)	0	0	1PE	10/23/2003	5.656		
COUNTRY TOTAL - U.S.								225,702,698	222,674,026	XXX	233,620,284	227,163,526	3,619,150	9,111,444	(572,263)	0	0	4,863	XXX	XXX	XXX	
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								225,702,698	222,674,026	XXX	233,620,284	227,163,526	3,619,150	9,111,444	(572,263)	0	0	4,863	XXX	XXX	XXX	
DEFINED MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES																						
74436J-EU-7	Prudential Sec Fin Corp 99-NRF1		6.074	MTLY	11/15/2031	05/15/2007	100.000	916,979	843,162	0.0000	916,979	906,003	4,268	37,995	10,976	0	0	1	04/21/2003	0.709		
COUNTRY TOTAL - U.S.								916,979	843,162	XXX	916,979	906,003	4,268	37,995	10,976	0	0	0	XXX	XXX	XXX	
4399999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities								916,979	843,162	XXX	916,979	906,003	4,268	37,995	10,976	0	0	0	XXX	XXX	XXX	
OTHER MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES																						
130335-AG-7	CALIF I & EDB PG & E 1 1997-1 A-7		6.420	MJSD	09/25/2008	09/25/2006	100.000	878,978	878,060	0.0000	878,978	881,536	940	56,861	(492)	0	0	1	05/05/1998	6.501		
130335-AW-2	CALIF I & EDB SD6 & E 1997-1 A-6		6.310	MJSD	09/25/2008	09/25/2006	100.000	956,223	954,767	0.0000	956,223	958,646	1,004	60,246	(803)	0	0	1	01/26/2001	6.345		
705220-AF-8	PECO ENERGY BONDS 1999-A		6.050	MS	03/01/2009	03/01/2007	100.000	1,378,544	1,275,000	0.0000	1,378,544	1,406,634	25,713	38,569	(28,090)	0	0	1	04/16/2003	2.691		
78388B-AA-1	SOUTHTRUST FUNDING 6.65% 11/28/13		6.650	MTLY	11/28/2013			0	0	0.0000	0	0	13	0	0	0	0	1	06/01/1999	0.000		
COUNTRY TOTAL - U.S.								3,213,745	3,107,827	XXX	3,213,745	3,246,816	27,670	155,676	(29,385)	0	0	0	XXX	XXX	XXX	
4499999 - Total Bonds - Industrial, Misc. - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								3,213,745	3,107,827	XXX	3,213,745	3,246,816	27,670	155,676	(29,385)	0	0	0	0	XXX	XXX	XXX
4599996 - Bonds - Industrial and Misc - United States								229,833,422	226,625,015	XXX	237,751,008	231,316,345	3,651,088	9,305,115	(590,672)	0	0	4,863	XXX	XXX	XXX	
4599999 - Total - Industrial and Miscellaneous Bonds								229,833,422	226,625,015	XXX	237,751,008	231,316,345	3,651,088	9,305,115	(590,672)	0	0	4,863	XXX	XXX	XXX	
5499999 - Total - Issuer Obligations								310,192,794	303,731,742	XXX	317,204,929	311,955,456	4,571,062	11,369,640	(805,898)	0	0	4,863	XXX	XXX	XXX	
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								117,710,362	114,893,310	XXX	117,710,362	117,792,278	548,555	3,288,805	(51,359)	0	0	0	XXX	XXX	XXX	
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities								30,252,401	29,601,336	XXX	30,252,401	30,580,763	151,819	1,659,815	(227,481)	0	0	0	XXX	XXX	XXX	
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities								4,309,209	4,169,665	XXX	4,309,209	4,296,263	57,822	267,816	13,287	0	0	0	XXX	XXX	XXX	
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities								3,213,745	3,107,827	XXX	3,213,745	3,246,816	27,670	155,676	(29,385)	0	0	0	XXX	XXX	XXX	
6099999 Totals								465,678,511	455,503,880	XXX	472,690,646	467,871,576	5,356,928	16,741,752	(1,100,836)	0	0	4,863	XXX	XXX	XXX	

E08.8

**ANNUAL STATEMENT FOR THE YEAR 2003 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				
BANKS, TRUST AND INSURANCE COMPANIES - U.S.														
894206-30-7	Travelers Ppty Casualty Corp.	32,000.000		24.500	784,000	24.500	784,000	747,349	0	36,000	68,800	0	P2L	11/21/2002
6299999 - Total - Preferred Stock - Banks, Trust, Insurance					784,000	XXX	784,000	747,349	0	36,000	68,800	0	XXX	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.														
020039-82-2	Alltel Corp.	18,800.000		49.700	934,360	49.700	934,360	915,912	0	63,164	31,825	0	P1L	02/26/2003
071813-40-6	Baxter Intl. Inc. 7% Conv.	16,700.000		55.250	922,675	55.250	922,675	827,607	0	43,838	95,068	0	P1L	02/24/2003
151313-88-9	Cendant Corp. Conv. Pfd.	8,000.000		50.060	400,480	50.060	400,480	266,320	0	31,000	142,480	0	P2L	09/30/2002
171232-50-7	CHUBB CORP.	24,000.000	25.00		667,367	25.000	600,000	668,400	0	0	(1,033)	0	P1L	12/16/2003
174538-20-0	Citizens Communications Co. pfd.	21,000.000	2,000.00	23.795	499,695	23.795	499,695	514,078	0	8,860	(14,383)	0	P1L	09/25/2003
294741-50-9	Equity Office Pptys Tr 5.25% Conv.	10,000.000			439,500	50.010	500,100	439,500	0	18,688	0	0	RP2L	11/19/2002
29476L-85-9	EQ RES PPTYS TR SER G CONV PFD.	0.000			0	0.000	0	0	0	2,492	0	0	P2L	05/17/1999
302571-40-1	FPL Group Inc. Conv. Pfd.	4,000.000	1.00	56.490	225,960	56.490	225,960	200,184	0	16,000	12,440	0	P1A	06/07/2002
345395-20-6	Ford Motor Co. Conv. Pfd.	15,000.000			690,110	55.950	839,250	690,110	0	48,750	83,247	0	RP3L	09/24/2002
370442-74-1	General Motors Corp. Conv. Pfd.	34,000.000	25.00	26.800	911,200	26.800	911,200	857,461	0	38,250	53,739	0	P2A	03/01/2002
492386-30-5	Kerr McGee Corp. Conv. 5.50%	6,000.000		49.900	299,400	49.900	299,400	247,866	0	8,214	51,534	0	P2U	01/23/2003
744320-20-1	Prudential Financial Conv. Pfd.	13,000.000			702,326	65.100	846,300	702,326	0	43,875	(1,896)	0	RP1L	11/27/2002
759351-30-7	Reinsurance Group of AM Conv. Pfd.	7,600.000		59.000	448,400	59.000	448,400	358,951	0	22,600	89,450	0	P2A	01/13/2003
844030-30-4	Southern Union	7,000.000			392,645	59.100	413,700	392,645	0	5,031	0	0	RP2L	09/30/2003
929042-20-8	VORNADO RLTY TR 6.5% CONV PFD.	2,200.000		75.710	166,562	75.710	166,562	118,041	0	5,363	49,522	0	P2L	09/29/2000
939322-84-8	Washington Mutual Capital Tr 5.375	12,250.000		55.125	675,281	55.125	646,096	675,281	0	32,922	47,469	0	P2L	09/25/2002
6399999 - Total - Preferred Stock - Industrial, Misc.					8,375,961	XXX	8,683,363	7,845,497	0	389,047	639,462	0	XXX	XXX
6599999 Total - Preferred Stocks					9,159,961	XXX	9,467,363	8,592,846		425,047	708,262		XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2003 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	8 Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							Declared but Unpaid	Amount Received During Year				
05536J-10-0	BCSI Holdings	4,411,000	311,681	70.660	311,681	311,681	0	0	35,465	0	U	09/14/1998
07336-10-0	BGS Financial	10,550,000	1,465,996	0	1,465,996	1,465,996	5,275	0	0	0	A	05/11/1990
077459-10-5	Belden Inc.	22,300,000	470,307	21.090	470,307	470,307	0	4,460	130,901	0	L	11/15/2002
72724-10-4	Plans' Liability Insurance Company	15,480	1,194,317	77	1,194,317	1,194,317	0	0	0	0	U	12/31/1987
743959-10-0	PROVIDENT BANKSHARES CORP	13,000,000	384,540	29.580	384,540	377,969	0	0	6,572	0	L	12/17/2003
750226-10-1	Radian Group, Inc.	11,900,000	580,125	48.750	580,125	456,347	0	842	153,025	0	L	03/25/2003
759351-10-9	Reinsurance Group Of America	0	0	0.000	0	0	0	1,500	0	0	L	01/26/2001
6799999 - Total - Common Stock - Banks, Trust, Insurance			4,406,967	XXX	4,406,967	4,231,839	5,275	6,802	325,963	0	XXX	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.			4,406,967	XXX	4,406,967	4,231,839	5,275	6,802	325,963	0	XXX	XXX
00790K-10-9	Advance PS	13,899,000	733,728	52.790	733,728	721,497	0	0	12,231	0	L	11/03/2003
012348-10-8	Albany Intl. Corp. Cl. A	15,400,000	522,060	33.900	522,060	477,009	0	0	45,051	0	L	09/09/2003
02660M-10-8	American Home Mtg. Holdings Inc.	0	0	0	0	0	0	2,730	20	0	L	06/27/2001
036020-10-3	Appiera Corp.	10,700,000	221,597	20.710	221,597	226,014	0	455	(4,417)	0	L	08/19/2003
066821-10-9	Banta Corporation	7,900,000	319,950	40.500	319,950	238,261	0	7,084	72,917	0	L	04/24/2002
091826-10-7	Black Box Corp.	5,500,000	253,330	46.060	253,330	210,136	0	550	43,194	0	L	06/25/2003
096761-10-1	Bob Evans Farms	17,100,000	555,066	32.460	555,066	470,784	0	2,052	84,282	0	L	09/10/2003
117043-10-9	Brunswick Corp.	20,900,000	665,247	31.830	665,247	660,350	0	10,450	250,948	0	L	03/25/2003
121579-10-6	Burlington Coat Factory	14,200,000	300,472	21.160	300,472	244,143	0	426	45,582	0	L	04/24/2002
125071-10-0	C D I Corp Com.	18,900,000	618,975	32.750	618,975	508,954	0	1,701	110,021	0	L	09/12/2003
144418-10-0	Carramerica Realty Corp.	10,300,000	306,734	29.780	306,734	267,404	0	15,462	39,312	0	L	09/09/2003
147528-10-3	Caseys General Store Inc.	30,200,000	533,332	17.660	533,332	374,463	0	2,852	158,869	0	L	05/07/2003
216648-10-2	Cooper Cos Inc.	7,100,000	334,623	47.130	334,623	168,208	0	0	156,981	0	L	06/24/2002
216831-10-7	COOPER TIRE & RUBBER CO.	28,000,000	598,640	21.380	598,640	504,856	0	10,269	156,359	0	L	06/24/2003
231021-10-6	Cummins Inc	22,000,000	371,944	17.600	371,944	284,556	0	9,120	158,156	0	L	04/24/2002
233293-10-9	DPL Inc	22,000,000	459,360	20.880	459,360	365,051	0	5,170	94,309	0	L	09/05/2003
247131-10-5	Delphi Finl Group Inc.	6,750,000	243,000	36.000	243,000	169,757	0	1,748	73,404	0	L	02/26/2003
247337-10-6	Delta & Pine Land Co.	12,800,000	325,120	25.400	325,120	246,354	0	4,969	70,721	0	L	02/26/2003
261018-10-5	Downey Finl. Corp.	10,800,000	532,440	49.300	532,440	475,488	0	972	56,952	0	L	09/10/2003
282659-10-8	EMERGEN CORP.	5,200,000	213,356	41.030	213,356	136,258	0	5,264	62,036	0	L	04/24/2002
293389-10-2	Ennis Business Forms Inc.	23,200,000	354,960	15.300	354,960	344,360	0	3,596	10,600	0	L	08/29/2003
303250-10-4	Fair Isaac & Co Inc.	4,900,000	240,884	49.160	240,884	174,133	0	490	31,654	0	L	09/25/2002
31983B-10-1	First Community Bancorp.	14,000,000	505,960	36.140	505,960	376,187	0	9,120	58,569	0	L	06/24/2003
373200-20-3	Georgia Gulf Corp.	17,800,000	514,064	28.880	514,064	379,850	0	4,664	112,955	0	L	03/25/2003
376535-10-0	Gladstone Capital Corp.	18,400,000	411,240	22.350	411,240	288,202	0	26,312	108,192	0	L	11/15/2002
37803P-10-5	Glenborough Rity Tr Inc.	15,600,000	315,210	19.950	315,210	286,465	0	21,410	36,885	0	L	01/29/2003
413086-10-9	Harman International Ind. Inc.	5,600,000	414,288	73.980	414,288	159,038	0	320	250,298	0	L	01/29/2003
430141-10-1	HIGHLAND HOSPITALITY CORP	28,800,000	313,920	10.900	313,920	291,478	0	0	22,442	0	L	12/18/2003
431294-10-7	HILB ROGAL & HAMILTON CO.	8,300,000	266,181	32.070	266,181	263,215	0	0	2,966	0	L	12/23/2003
45245A-10-7	Inatior Corp.	15,200,000	534,280	35.150	534,280	524,140	0	3,648	10,140	0	L	06/10/2003
457610-10-4	INKEEPERS USA TRUST	57,700,000	482,949	8.370	482,949	590,239	0	13,926	22,713	0	L	11/25/2003
466210-10-1	JLG INDS INC.	40,700,000	619,861	15.230	619,861	426,364	0	651	313,390	0	L	09/25/2002
486587-10-8	Keydon Corp.	10,400,000	268,736	25.840	268,736	228,213	0	1,248	40,523	0	L	07/09/2003
488044-10-8	Kellogg Co.	6,500,000	266,500	41.000	266,500	146,223	0	5,200	97,500	0	L	05/24/2001
489170-10-0	Kennametal Inc.	12,500,000	496,875	39.750	496,875	373,788	0	4,250	123,687	0	L	04/03/2003
533900-10-6	Lincoln Electric Holdings	14,600,000	361,204	24.740	361,204	333,777	0	8,960	25,111	0	L	01/29/2003
553777-10-3	MFS SFS Corp.	31,400,000	603,822	19.230	603,822	464,087	0	1,014	139,735	0	L	09/18/2003
564682-10-2	Manufactured Home Cmtyts Inc.	9,200,000	346,380	37.650	346,380	356,596	0	4,554	(10,216)	0	L	09/10/2003
628550-10-7	MILAM LABS INC.	19,800,000	500,148	25.260	500,148	508,959	0	0	(8,811)	0	L	11/26/2003
651824-10-4	Newport Corp.	14,500,000	240,990	16.620	240,990	176,555	0	1,950	58,870	0	L	11/15/2002
667655-10-4	Northwest Nat. Gas Co.	6,000,000	184,500	30.750	184,500	177,848	0	1,950	6,652	0	L	09/11/2002
681904-10-8	Omnicare Inc.	6,221,000	251,266	40.390	251,266	150,698	0	1,009	103,020	0	L	04/24/2002
683968-10-3	Optinet Inc.	1,450,000	0	0.000	0	0	0	0	(15)	0	U	11/30/2000
688239-20-1	OSKOSH TRUCK B	8,600,000	438,858	51.030	438,858	180,193	0	1,843	174,408	0	L	07/06/2001
690732-10-2	Owens & Minor Inc.	9,900,000	216,909	21.910	216,909	239,833	0	1,782	(22,924)	0	L	09/09/2003
696429-30-7	PALL CORP	11,900,000	319,277	26.830	319,277	305,087	0	0	14,190	0	L	11/26/2003
713278-10-9	Pep Boys Inc.	33,500,000	766,145	22.870	766,145	383,076	0	9,045	377,545	0	L	11/25/2002
718592-10-8	Phillips Van Heusen Corp.	26,100,000	463,014	17.740	463,014	381,283	0	3,915	161,298	0	L	04/24/2002

**ANNUAL STATEMENT FOR THE YEAR 2003 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				
721467-10-8	Pilgrims Pride Corp.....	38,200.000	623,806	16.330	623,806	520,819	0	573	102,987	0	L	11/10/2003
78440X-10-1	S.L. Green Realty Corp.....	9,300.000	381,765	41.050	381,765	282,235	0	18,693	87,885	0	L	11/25/2002
792228-10-8	St. Mary Land & Exploration.....	15,800.000	450,300	28.500	450,300	429,230	0	790	21,070	0	L	06/24/2003
808194-10-4	Schulman A Inc.....	19,900.000	424,268	21.320	424,268	282,678	0	11,556	53,929	0	L	04/24/2002
847220-20-9	Spartech Corp.....	16,000.000	394,240	24.640	394,240	341,867	0	6,400	64,160	0	L	04/24/2002
852891-10-0	Stancorp Financial Group.....	8,100.000	509,328	62.880	509,328	447,699	0	5,670	61,629	0	L	08/08/2003
882673-10-6	Texas Regional Bancshares.....	10,300.000	381,100	37.000	381,100	359,804	0	0	21,296	0	L	12/17/2003
886423-10-2	Tidewater Inc.....	19,900.000	594,612	29.880	594,612	586,681	0	9,765	7,931	0	L	07/10/2003
904708-10-4	Unifirst Corp. Mass.....	14,900.000	353,279	23.710	353,279	369,615	0	315	(16,336)	0	L	09/17/2003
917290-10-1	USF Corp.....	11,100.000	379,509	34.190	379,509	304,348	0	2,949	81,080	0	L	03/25/2003
922040-10-0	Vanguard Institutional Index Fund.....	353,203.331	35,949,035	101.780	35,949,035	36,371,911	0	473,502	6,596,520	0	U	12/23/2003
927460-10-5	Vintage Pete Inc.....	36,800.000	442,704	12.030	442,704	403,894	0	3,038	38,810	0	L	06/25/2003
G7885T-10-4	Scottish Annuity & Lifeholdings.....	25,800.000	536,124	20.780	536,124	439,786	0	4,380	77,997	0	L	12/12/2003
G9108L-10-8	Tsakos Energy Navigation Ltd.....	19,400.000	357,930	18.450	357,930	281,088	0	13,580	58,006	0	L	09/25/2002
Y8564W-10-3	Teekay Shipping Corp.....	9,400.000	536,082	57.030	536,082	373,511	0	8,693	153,502	0	L	04/24/2002
6899999 - Total - Common Stock - Industrial, Misc.			61,121,477	XXX	61,121,477	56,873,995	0	770,085	11,358,751	0	XXX	XXX
13973#-10-2 Capital Area Services Company, Inc.....			1,000.000	(228)	0.000	(228)			(1,228)			
13985#-10-8 CareFirst BlueChoice, Inc.....			4,000.000	71,739,515	17,935,000	71,739,515	20,611,719		14,297,775			
63516#-10-1 National Capital Administrative Services.....			4,000.000	8,779,099	2,195,000	8,779,099	12,802,369		(1,089,860)			
63517@-10-2 National Capital Insurance Agency, Inc.....			20,000.000	4,588,774	230.000	4,588,774	5,363,430		310,356			
GHMSI Companies						309,807						
6999999 - Total - Common Stock - Parent, Subsidiaries, Affiliates			85,107,160	XXX	85,107,160	39,088,325			13,517,043		XXX	XXX
7099999 Total - Common Stocks			150,635,604	XXX	150,635,604	100,194,159	5,275	776,887	25,201,757		XXX	XXX
7199999 Total - Preferred and Common Stocks			159,795,565	XXX	160,102,967	108,787,005	5,275	1,201,934	25,910,019	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 \$ .....

E10.1

**ANNUAL STATEMENT FOR THE YEAR 2003 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.							
3133X2-2H-7	FHLLB 6.05%	10/27/2003	Ferris Baker		2,000,000	2,000,000	.0
3134A4-UD-4	FEDERAL HOME LN MTG CORP	12/11/2003	Gold		700,984	700,000	6,626
31359M-GJ-6	FNMA Note 6.625%	11/06/2003	VARIOUS		7,919,802	6,900,000	142,861
31359M-HB-2	FNMA 5.50%	12/18/2003	VARIOUS		3,618,068	3,375,000	68,521
31359M-SQ-7	FEDERAL NATL MTG ASSN	10/16/2003	Deutsche Bank Govt Sec		2,211,122	2,250,000	13,406
36200A-N7-0	GNMA Pool #595414 6%	08/20/2003	SALOMON BROTHERS		368,348	352,284	1,116
36200F-PB-8	GNMA POOL #59918 5.5%	07/01/2003	SALOMON BROTHERS		44,052	42,415	123
36200K-S8-1	GNMA POOL #603643 5.5%	07/01/2003	SALOMON BROTHERS		26,282	25,305	73
36200M-N5-8	GNMA Pool #604412	06/23/2003	Paine Webber		1,010,191	975,000	3,521
36200V-ZN-6	GNMA Pool #574149	07/01/2003	SALOMON BROTHERS		185,686	177,588	562
36200X-YP-8	GNMA Pool #575918	07/01/2003	SALOMON BROTHERS		990,980	947,762	3,001
36201N-K5-8	GNMA POOL #588116 5.5%	07/01/2003	SALOMON BROTHERS		81,171	78,154	227
36201N-UF-5	GNMA POOL #588382 5.5%	07/01/2003	SALOMON BROTHERS		961,718	925,975	2,688
36201S-SE-0	GNMA POOL #59197	07/01/2003	SALOMON BROTHERS		24,198	23,298	68
36202T-5J-1	GNMA Pool #609349 6%	07/01/2003	SALOMON BROTHERS		276,846	264,766	838
36202T-6C-5	GNMA POOL #609367 5.5%	07/01/2003	SALOMON BROTHERS		933,141	898,461	2,608
36202X-YY-3	GNMA Pool #612824	07/01/2003	SALOMON BROTHERS		804,659	774,754	2,249
36209G-TX-5	GNMA Pool #471366 5.5%	07/01/2003	SALOMON BROTHERS		32,843	31,623	92
362110-WD-9	GNMA Pool #520044	07/01/2003	SALOMON BROTHERS		601,220	575,000	1,821
36213L-DC-1	GNMA Pool #557299	07/01/2003	SALOMON BROTHERS		269,144	257,400	815
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC	12/01/2003	Lehman		1,714,598	1,606,181	25,394
912810-EQ-7	US Treasury 6.25%	06/24/2003	Lehman Brothers		4,384,297	3,500,000	78,557
912810-FG-8	U.S. Treasury Bond 5.25%	06/24/2003	ABN Amro		5,006,953	4,500,000	85,494
912810-FP-8	U.S. Treasury Bonds 5.375%	12/23/2003	Nationsbank		79,055	75,000	1,490
912827-6R-8	US Treasury Note 3.5% TIPS	12/16/2003	Inflation Index		.0	29,327	.0
912827-6X-5	US Treasury Note 4.625%	05/30/2003	G X Clarke		8,703,125	8,000,000	20,109
912828-AB-6	US Treasury Note 3.375%	08/28/2003	VARIOUS		3,822,930	3,750,000	41,385
912828-AC-4	US Treasury Note 4.375%	07/02/2003	Citibank CP/IPA		325,629	300,000	1,748
912828-AF-7	US Treasury Note 3.00%	12/16/2003	VARIOUS		1,154,798	1,064,410	12,950
912828-AR-1	UNITED STATES TREAS NTS	10/30/2003	G X Clarke		6,027,188	6,000,000	36,236
912828-AY-6	US Treasury 2.00%	07/07/2003	VARIOUS		5,332,764	5,250,000	12,310
912828-AZ-3	U.S. Treasury Note 2.625%	06/24/2003	VARIOUS		4,845,313	4,750,000	13,624
912828-BQ-2	UNITED STATES TREAS NTS	12/10/2003	Paine Webber		400,875	400,000	1,113
912828-BR-0	UNITED STATES TREAS NTS	12/23/2003	Nationsbank		25,059	25,000	128
COUNTRY TOTAL - U.S.					64,883,039	60,824,703	581,754
0399996 - Bonds - U.S. Government					64,883,039	60,824,703	581,754
0399999 - Total - Bonds - U.S. Government					64,883,039	60,824,703	581,754
STATES, TERRITORIES, POSSESSIONS - U.S.							
ILLINOIS							
452151-LF-8	Illinois State 5.10%	08/21/2003	WARBURG DILLON READ LLC		348,144	400,000	4,193
STATE TOTAL					348,144	400,000	4,193
COUNTRY TOTAL - U.S.					348,144	400,000	4,193
1799996 - Bonds - States, Territory, Poss - United States					348,144	400,000	4,193
1799999 - Total - Bonds - States, Territories and Possessions					348,144	400,000	4,193
SPECIAL REVENUE AND ASSESSMENTS - U.S.							
U.S. GOVERNMENT							
31283K-J5-8	FHLMC PC GOLD COMB 15	11/05/2003	Wach		5,242,583	5,103,047	11,694
31283K-J8-2	FHLMC Pool # 11187 5.5%	04/01/2003	Credit Suisse First Bosto		4,814,599	4,663,756	14,250
31283K-VA-3	FHLMC PC GOLD COMB 15	12/22/2003	Credit Suisse First Bosto		3,254,516	3,100,000	14,467
31288M-DH-9	FHLMC PC GOLD 15 YR	10/15/2003	Credit Suisse First Bosto		3,014,356	2,908,908	8,444
31292G-WC-6	FHLMC Gold Pool #C00643 6.50%	03/04/2003	Bear Stearns		10,941,893	10,444,163	22,629
31292H-XB-5	FHLMC Pool #C01574 5%	06/23/2003	Paine Webber		3,996,891	3,900,000	14,083
31294K-HQ-1	FHLMC #E01139 6%	09/17/2003	sandler oneill		7,391,130	7,091,939	24,822
31294K-UM-5	FHLMC PC GOLD CASH 15	11/03/2003	Gold		7,067,240	6,964,406	4,836
31296N-V7-9	FHLMC PC GOLD COMB 30	12/09/2003	Gold		6,898,144	6,981,044	9,696
3133TV-5S-1	FHLMC Remic 2359 PB 6%	05/07/2003	Lehman Brothers		4,597,029	4,500,000	8,250
31385H-RK-0	FNMA Pool #545090 6%	02/20/2003	UNDEFINED		6,606,250	6,301,983	17,856
31391W-NE-7	FNMA PASS-THRU POOL #679089	10/15/2003	Goldman Sachs & Co		5,053,403	4,999,503	11,804
31392D-76-1	FNR 2002-T12 CL A3 7.5%	07/24/2003	Lehman Brothers		2,783,367	2,523,881	6,310
31392J-AA-7	FNMA Series 2003-W2 6.50%	01/13/2003	Lehman Brothers		3,017,215	2,850,000	14,923
31392X-XZ-6	FHR - 2524 CL LA 5.0%	07/28/2003	Goldman Sachs & Co		5,224,450	5,183,953	21,600

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ANNUAL STATEMENT FOR THE YEAR 2003 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
31393F-5V-4	FHLMC Remic Ser 2522 5.5%	02/26/2003	Legg Mason Wood		2,558,594	2,500,000	764
31400Q-AX-1	FNMA PASS-THRU POOL #694022	09/30/2003	Goldman Sachs & Co.		422,314	420,343	893
31400Y-BU-9	FNMA PASS-THRU POOL #701251	09/30/2003	Goldman Sachs & Co.		537,561	535,053	1,137
31401D-P2-1	FNMA PASS-THRU POOL #705241	09/30/2003	Goldman Sachs & Co.		382,865	381,078	810
31401J-AG-3	FNMA Pool #709307 5.50%	05/30/2003	SALOMON BROTHERS		10,804,625	10,400,000	17,478
31402U-EZ-1	FNMA PASS-THRU LNG 30 YEAR	10/15/2003	Lehman Brothers		7,903,751	7,675,000	24,304
31402V-LK-4	FNMA PASS-THRU POOL #739330	09/30/2003	Goldman Sachs & Co.		497,817	495,494	1,053
31402Y-DB-7	FNMA PASS-THRU POOL #741798	09/30/2003	Goldman Sachs & Co.		84,295	83,902	178
31403F-KJ-8	FNMA PASS-THRU POOL #747781	09/30/2003	Goldman Sachs & Co.		84,531	84,136	179
31403G-6H-0	FNMA PASS-THRU POOL #748872	09/30/2003	Goldman Sachs & Co.		501,240	498,901	1,060
31403J-VP-8	FNMA PASS-THRU INT 15 YEAR	12/09/2003	Gold		2,989,011	2,988,078	5,603
31403R-KN-7	FNMA PASS-THRU POOL #755501	09/30/2003	Goldman Sachs & Co.		251,172	250,000	531
31403S-QT-6	FNMA PASS-THRU INT 15 YEAR	09/30/2003	Lehman		67,467	67,152	143
31403S-YE-0	FNMA PASS-THRU POOL #756809	09/30/2003	Goldman Sachs & Co.		436,022	433,988	922
36202D-ZY-0	GNMA PASS-THRU M SINGLE FAMILY	11/03/2003	Paine Webber		4,038,852	3,988,682	3,047
83162C-EV-1	SMALL BUS ADMIN GTD DEV 93-201	01/23/2003	First Albany Corp		1,028,625	965,845	23,427
STATE TOTAL					112,491,808	109,284,235	287,193
COUNTRY TOTAL - U.S.					112,491,808	109,284,235	287,193
3199996 - Bonds - Special Revenues - United States					112,491,808	109,284,235	287,193
3199999 - Total - Bonds - Special Revenue					112,491,808	109,284,235	287,193
INDUSTRIAL & MISCELLANEOUS - U.S.							
00184A-AG-0	AOL Time Warner 7.70%	03/11/2003	Credit Suisse First Bosto		1,380,587	1,300,000	36,981
001957-BD-0	AT&T Corp. Step Up	03/10/2003	Credit Suisse First Bosto		537,371	500,000	13,931
00209A-AF-3	AT&T Wireless Svcs. 8.75%	11/17/2003	CS First Boston		484,848	400,000	7,681
00209T-AA-3	AT&T Broadband Corp. 8.375%	02/05/2003	Lehman Brothers		228,484	200,000	3,815
008190-AF-7	Affiliated Computer Services 3.50%	09/26/2003	Thomas Weisel Partners		520,166	425,000	1,901
025537-AA-9	American Electric Power 6.125%	03/05/2003	ISI Group		262,500	250,000	4,891
025818-EM-3	American Express Cr. Corp. 3.0%	05/14/2003	SALOMON BROTHERS		698,677	700,000	0
02635P-RG-0	American General Finance 5.875%	10/07/2003	Nationsbank		542,475	500,000	14,280
026874-AQ-0	American Intl. Group Inc 2.875%	05/08/2003	SALOMON BROTHERS		497,235	500,000	0
045184-AA-6	ASIF Global Financing 4.90%	08/07/2003	Mc Donald & Company		1,974,840	2,000,000	6,806
054937-AE-7	BB&T CORP	12/16/2003	Bear Stearns		448,214	450,000	0
060505-AW-4	Bank of America 3.875%	02/05/2003	BANKERS TRUST		504,490	500,000	3,983
06423A-AG-8	Bank One Corp. 7.875%	08/28/2003	Goldman Sachs & Co.		2,371,140	2,000,000	14,000
07385T-AJ-5	Bear Stearns & Co. Inc. 5.70%	02/05/2003	UNDEFINED		517,330	500,000	7,442
073902-CB-2	Bear Stearns Co. Inc. 3%	03/19/2003	Bear Stearns		500,360	500,000	1,542
086516-AD-3	Best Buy Inc	11/12/2003	SALOMON BROTHERS		532,995	675,000	1,772
097023-AU-9	BOEING CO.	10/31/2003	MLPF&S Fixed Income Ops		517,697	525,000	7,146
101121-AA-9	Boston Properties Inc. 5.625%	03/11/2003	SALOMON BROTHERS		1,498,470	1,500,000	0
10112R-AB-0	Boston Pptys Ltd Partnership 6.25%	01/22/2003	Nationsbank		752,335	750,000	4,774
120568-AD-2	Bunge Ltd Fin Corp. 3.75%	01/14/2003	SALOMON BROTHERS		384,107	350,000	1,823
120568-AE-0	Bunge LTD Corp. 3.75%	08/20/2003	WARBURG DILLON READ LLC		131,625	120,000	1,250
125509-BG-3	Cigna Corp. 6.375%	08/07/2003	Goldman Sachs & Co.		522,985	500,000	10,359
14040E-HH-8	Capital One BK 5.75%	09/03/2003	SALOMON BROTHERS		399,856	400,000	0
14040E-HJ-4	CAPITAL ONE BK MTN BE	11/17/2003	SALOMON BROTHERS		299,622	300,000	0
151313-AF-0	Cendant Corp. Zero Coupon	08/22/2003	VARIOUS		407,278	600,000	0
166760-AB-4	ChevronTexaco Cap Co. 3.375%	02/07/2003	Lehman Brothers		999,400	1,000,000	0
172967-BL-4	Citigroup Inc. 6.625%	08/28/2003	SALOMON BROTHERS		1,583,220	1,500,000	21,531
172967-BS-9	Citigroup Inc. 3.50%	06/23/2003	SALOMON BROTHERS		2,073,360	2,000,000	28,389
17305B-AB-7	CITICORP PASS-THRU TR	11/14/2003	First Albany Corp		1,502,875	1,250,000	42,992
20030N-AE-1	Comcast Corp. 5.30%	07/29/2003	VARIOUS		1,485,540	1,500,000	6,434
202795-HH-6	Commonwealth Edison 4.70%	04/01/2003	MLPF&S Fixed Income Ops		597,918	600,000	0
205887-AZ-5	Conagra Foods 6%	04/10/2003	Nationsbank		315,152	290,000	1,450
208251-AE-8	Conoco Inc. 6.95%	02/05/2003	Futureshare Financial LLC		558,625	500,000	11,101
22237L-MD-1	Countrywide Home NT 5.5% 02/01/07	06/25/2003	Futureshare Financial LLC		2,762,900	2,500,000	56,910
22541L-AA-1	Credit Suisse First Boston 5.875%	06/25/2003	First Albany Corp		2,792,775	2,500,000	60,790
233835-AT-4	DaimlerChrysler North Amer 7.30%	02/05/2003	Futureshare Financial LLC		552,960	500,000	2,535
25156P-AC-7	Deutsche Telekom Intl. Fin. 8.25%	02/05/2003	MLPF&S Fixed Income Ops		366,863	325,000	4,345
2515E0-AA-7	DEUTSCHE BK FINL LLC MTN	10/23/2003	First Albany Corp		1,006,070	1,000,000	10,003
254687-AM-8	Walt Disney Co. 6.75%	03/27/2003	Credit Suisse First Bosto		655,242	600,000	113
254687-AU-0	Walt Disney 2.125%	04/10/2003	Bank Of America		481,330	480,000	28
264399-EM-4	DUKE ENERGY CORP	10/23/2003	Futureshare Financial LLC		2,008,221	2,008,000	10,347

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SCHEDULE D - PART 3

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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
268766-BY-7	EOP Oper Ltd. Partnership 5.875%	01/09/2003	Goldman Sachs & Co.		1,344,762	1,350,000	.0
285659-AE-8	EDS Corp 7.125%	10/30/2003	Nationsbank		510,518	510,000	6.807
291011-AT-1	Emerson Elec. Co. 4.5%	04/29/2003	Chase Manhattan Bank		496,700	500,000	.188
31331F-AX-9	Federal Express 6.72%	03/10/2003	Morgan Stanley		1,513,705	1,347,156	14,585
343254-AJ-7	FLORIDA WINDSTORM UNDERWRITING	10/23/2003	First Albany Corp.		1,157,420	1,000,000	12,469
345397-SM-6	FORD MOTOR CR CO	11/12/2003	BT Alex Brown, Inc.		1,309,500	1,250,000	4,865
345397-TX-1	Ford Motor Credit Co. 6.50%	01/07/2003	Credit Suisse First Bosto		644,690	650,000	19,365
345397-TZ-6	FORD MOTOR CR CO	11/17/2003	SALOMON BROTHERS		152,537	150,000	1,779
369604-AY-9	General Electric Co. 5%	01/23/2003	Morgan Stanley		946,447	950,000	.0
369626-XZ-2	General Electric Cap. Corp. 6.75%	02/05/2003	Credit Suisse First Bosto		222,410	200,000	5,438
369626-ZY-3	General Electric Cap. Corp. 5.45%	01/09/2003	Legg Mason Wood		2,044,580	2,000,000	11,506
370334-AT-1	General Mills Inc. Zero Coupon	02/26/2003	Goldman Sachs & Co.		96,283	135,000	.0
370334-AU-8	General Mills Inc. Zero Coupon	08/05/2003	VARIOUS		510,349	730,000	.0
370425-RP-7	General Motors Accept Corp. 7.75%	03/06/2003	VARIOUS		1,573,560	1,500,000	36,490
370442-BT-1	General Motors 8.375%	09/22/2003	Goldman Sachs & Co.		613,512	600,000	11,446
370442-BW-4	GENERAL MTRS CORP	11/17/2003	MLPF&S Fixed Income Ops		818,888	750,000	23,547
38141G-AD-6	GOLDMAN SACHS GROUP INC MTN 7.35%	10/17/2003	Bear Stearns		1,367,631	1,183,000	5,072
38141G-CG-7	Goldman Sachs Group Inc. 5.7%	01/09/2003	Legg Mason Wood		2,059,580	2,000,000	43,383
38141G-CU-6	Goldman Sachs Group Inc. 6.125%	02/06/2003	Goldman Sachs & Co.		500,000	500,000	.0
421933-AE-2	Health Mgmt. 1.5%	07/24/2003	Nationsbank		296,250	300,000	2,225
441812-GK-4	Household Finance Corp. 7.875%	06/23/2003	Spear Leeds & Kellog		888,923	750,000	18,867
44181K-Q8-0	Household Finance Corp. 3.375%	06/25/2003	Advest, Inc		2,597,625	2,500,000	30,938
453258-AT-2	Inco LTD 1%	07/22/2003	Alex Brown & Sons		350,025	390,000	1,495
459902-AK-8	International Game Technology Zero	02/26/2003	VARIOUS		596,910	1,000,000	.0
460146-BP-7	International Paper Co. 5.85%	01/15/2003	Warburg, S.G.		518,520	500,000	6,663
46625H-AT-7	JP Morgan Chase 5.75%	09/22/2003	Spear Leeds & Kellog		1,047,370	1,000,000	13,257
492919-AA-3	Key Bank of NY 7.50%	06/25/2003	Legg Mason Wood		3,092,140	2,525,000	55,234
494368-AX-1	Kimberly Clark Corp. 5.00%	07/31/2003	SALOMON BROTHERS		439,441	440,000	.0
524908-CM-0	Lehman Bro. Hldg. 7.875%	06/25/2003	Lehman Brothers		955,838	750,000	22,148
524908-FD-7	Lehman Brothers Holdings Inc. 4%	01/15/2003	Lehman Brothers		999,100	1,000,000	.0
52517P-VM-0	LEHMAN BROS HLDGS INC MTN BE	11/18/2003	Lehman Brothers		499,665	500,000	.0
530715-AR-2	Liberty Media Corp. 3.25%	02/25/2003	VARIOUS		720,984	770,000	9,878
530718-AB-1	Liberty Media .75% 03/30/23	03/21/2003	Nationsbank		472,800	480,000	.0
530718-AE-5	Liberty Media Corp. 3.5%	09/12/2003	Merrill Lynch		498,820	500,000	.0
530718-AF-2	LIBERTY MEDIA CORP NEW	12/16/2003	Gold		138,900	120,000	198
56418H-AC-4	Manpower Inc. Zero Coupon	02/26/2003	Goldman Sachs & Co.		164,314	270,000	.0
577778-BB-8	May Department Stores 7.625%	10/29/2003	Dain Bosworth		200,313	171,000	2,825
59018Y-SH-5	MERRILL LYNCH CO INC MTN BE	10/30/2003	MLPF&S Fixed Income Ops		994,660	1,000,000	.0
59156R-AG-3	METLIFE INC.	11/19/2003	Nationsbank		495,195	500,000	.0
593048-BN-0	Mexico United Mexican States 8.125	04/16/2003	Warburg, S.G.		435,456	400,000	10,111
617446-HR-3	Morgan Stanely 5.30%	03/19/2003	Legg Mason Wood		2,009,240	2,000,000	8,244
61744A-AN-0	MORGAN STANLEY & CO INC	11/13/2003	Morgan Stanley		494,165	500,000	177
635405-AM-5	NATIONAL CITY CORP	10/23/2003	Advest, Inc		1,131,840	1,000,000	31,128
635405-AN-3	National City Corp. 3.20%	03/03/2003	SALOMON BROTHERS		997,950	1,000,000	.0
637432-CT-0	Natl. Rural Utils. Coop 8.0%	09/22/2003	Chase Manhattan Bank		1,204,620	1,000,000	5,333
649080-AA-9	New VY Generation V 4.929%	09/24/2003	Lehman Brothers		1,500,000	1,500,000	.0
654730-AL-7	Nisource Financial Corp. 5.40%	08/07/2003	SALOMON BROTHERS		669,375	700,000	2,205
655422-AS-2	Noranda Inc. 7.25%	09/17/2003	Barclays Dezoete		388,700	350,000	4,723
655422-AT-0	Noranda Inc.	09/26/2003	WARBURG DILLON READ LLC		430,874	425,000	.0
670346-AA-3	Nucor Corp. 6.0%	08/21/2003	Wachovia Capital Markets		1,082,410	1,000,000	9,167
693476-AR-4	PNC Funding Corp. 5.75%	08/08/2003	ABN Amro		1,629,120	1,500,000	2,875
705220-AF-8	PECO ENERGY BONDS 1999-A	04/16/2003	Goldman Sachs & Co.		1,406,634	1,275,000	10,928
725906-AJ-0	Placer Dome	10/07/2003	SALOMON BROTHERS		350,000	350,000	.0
74153W-AB-5	PRICOA GLOBAL FDG I MTNT	12/09/2003	Paine Webber		574,845	575,000	.0
742741-AA-9	PROC & GAMBL PFT SHR TR & ESOP	12/11/2003	Gold		1,348,570	1,000,000	42,900
743315-AH-6	PROGRESSIVE CORP OHIO	10/07/2003	First Albany Corp		1,117,020	1,000,000	26,158
743917-AH-9	PRUDENTIAL INS CO AMER	10/27/2003	Futureshare Financial LLC		1,225,120	1,000,000	27,436
74436J-EU-7	Prudential Sec Fin Corp 99-NRF1	04/21/2003	Lehman Brothers		1,606,959	1,495,498	5,803
749685-AJ-2	RPM Intl. Inc. 0%	05/08/2003	VARIOUS		252,595	500,000	.0
749685-AK-9	RPM Intl Inc.	12/05/2003	VARIOUS		526,582	1,000,000	592
755920-AM-7	Receipts on Corporate Secs TR	11/18/2003	First Albany Corp		1,709,292	1,688,940	33,544
786429-AQ-3	Safeco Corp. 4.875%	01/27/2003	Goldman Sachs & Co.		1,491,225	1,500,000	.0

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**ANNUAL STATEMENT FOR THE YEAR 2003 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
803111-AN-3	Sara Lee Corp. 1.95%	05/30/2003	First Chicago Cap. Mkts		299,895	300,000	.0
806605-AE-1	SCHERING PLOUGH CORP	11/21/2003	MLPF&S Fixed Income Ops		498,155	500,000	.0
806857-AD-0	SCHLUMBERGER LTD	12/09/2003	VARIOUS		630,438	660,000	.230
816300-AB-3	Selective Ins. Group Inc. 1.616%	02/26/2003	MLPF&S Fixed Income Ops		703,974	1,700,000	11,973
832110-AD-2	Smith International Inc. 7%	03/27/2003	Morgan Stanley		246,125	220,000	.684
837004-BW-9	South Carolina Elec & Gas Co 5.80%	05/15/2003	Credit Suisse First Bosto		539,415	500,000	.9,425
852060-AD-4	Sprint Cap. Corp. 6.875%	09/22/2003	Spear Leeds & Kellog		570,756	600,000	14,896
852060-AF-9	SPRINT CAP CORP	11/13/2003	Spear Leeds & Kellog		531,145	500,000	1,505
869049-AE-6	SUSA PARTNERSHIP L P	11/03/2003	First Albany Corp		1,470,313	1,250,000	40,365
87612E-AF-3	Target Corp. 7%	10/10/2003	VARIOUS		2,152,805	1,910,000	27,380
879403-AD-5	Telefonos De Mexico SA 4.25%	08/27/2003	WARBURG DILLON READ LLC		386,750	350,000	.3,182
887315-AX-7	TIME WARNER COMPANIES INC	10/03/2003	Spear Leeds & Kellog		1,159,810	1,000,000	12,043
887315-BN-8	TIME WARNER INC	01/08/2003	Credit Suisse First Bosto		940,800	1,000,000	10,674
892335-AK-6	Toys R Us Inc. 7.875%	09/05/2003	Spear Leeds & Kellog		260,625	250,000	8,313
892335-AL-4	Toys R Us Inc. 7.375%	09/17/2003	SALOMON BROTHERS		298,653	300,000	.0
893502-CX-0	Transamerica Fin. Corp. 6.4%	07/10/2003	First Albany Corp		3,383,730	3,000,000	64,000
910860-AK-4	United Mexican Sts MTN 6.375%	02/05/2003	Warburg, S.G.		587,672	600,000	850
911684-AD-0	UNITED STATES CELLULAR CORP	12/03/2003	Gold		491,925	500,000	.0
91324P-AF-9	UNITEDHEALTH GROUP INC	11/25/2003	Gold		748,568	750,000	.0
91529Y-AD-8	Unumprovident Corp. 7.375%	03/11/2003	Goldman Sachs & Co		1,030,398	1,250,000	14,033
918204-AQ-1	VF Corp	10/09/2003	Bear Stearns		975,000	1,000,000	.167
92344G-AM-8	Verizon Global Funding Corp. 7.75%	08/07/2003	Futureshare Financial LLC		1,138,230	1,000,000	15,285
92344U-AA-3	Verizon NJ Inc. 5.875%	08/07/2003	Advest, Inc		1,054,630	1,000,000	4,080
92344X-AA-7	Verizon New York Inc. 6.875%	11/17/2003	VARIOUS		1,787,238	1,600,000	32,503
929771-AD-5	Wachovia Corp. 6.80%	02/05/2003	MLPF&S Fixed Income Ops		899,540	820,000	10,687
929900-AF-5	Wachovia Bank Variable Rate	08/05/2003	First Albany Corp		2,197,100	2,000,000	2,994
931142-BT-9	Wal-Mart Stores 4.55%	04/22/2003	Legg Mason Wood		668,345	670,000	.0
939322-AL-7	WASHINGTON MUT INC	11/04/2003	ISI Group		596,484	600,000	.267
949746-CK-5	Wells Fargo & Co. 5.25%	02/11/2003	Barclays Dezoete		2,695,075	2,500,000	26,615
949746-CL-3	Wells Fargo 5.125%	08/28/2003	Goldman Sachs & Co		2,311,017	2,300,000	.655
983024-AA-8	Wyeth 5.25%	11/03/2003	MLPF&S Fixed Income Ops		1,008,310	1,000,000	7,438
EC1184-62-0	Florida Windstorm Underwriting	10/23/2003	Suntrust Capital		1,158,100	1,000,000	12,469
COUNTRY TOTAL - U.S.					127,512,616	123,158,594	1,316,192
4599996 - Bonds - Industrial and Misc - United States					127,512,616	123,158,594	1,316,192
4599999 - Total - Bonds - Industrial, Misc.					127,512,616	123,158,594	1,316,192
6099997 - Total - Bonds - Part 3					305,235,607	293,667,532	2,189,332
6099998 - Total - Bonds - Part 5					122,391,831	122,016,481	628,073
6099999 - Total - Bonds					432,627,438	415,684,013	2,817,405
INDUSTRIAL & MISCELLANEOUS - U.S.							
020039-82-2	Alltel Corp	02/26/2003	Nationsbank	10,000,000	450,832		.0
071813-40-6	Baxter Intl. Inc. 7% Conv	02/24/2003	VARIOUS	16,700,000	827,607		.0
171232-50-7	CHUBB CORP	12/16/2003	Gold	24,000,000	668,400		.0
17453B-20-0	Citizens Communications Co. pfd	09/25/2003	Merrill Lynch	21,000,000	514,078	2,000.00	.0
492386-30-5	Kerr McGee Corp. Conv. 5.50%	01/23/2003	KBC Fin. Prods	6,000,000	247,866		.0
759351-30-7	Reinsurance Group of AM Conv. Pfd	01/13/2003	Lehman Brothers	2,500,000	123,875		.0
844030-30-4	Southern Union	09/30/2003	Credit Suisse First Bosto	7,000,000	392,645		.0
COUNTRY TOTAL - U.S.					3,225,303	XXX	0
6399999 - Total - Preferred Stocks - Industrial, Misc.					3,225,303	XXX	
6599997 - Total - Preferred Stocks - Part 3					3,225,303	XXX	
6599998 - Total - Preferred Stocks - Part 5					0	XXX	0
6599999 - Total - Preferred Stocks					3,225,303	XXX	0
BANKS, TRUST AND INSURANCE COMPANIES - U.S.							
743859-10-0	PROVIDENT BANKSHARES CORP	12/17/2003	Lehman	13,000,000	377,969		.0
750236-10-1	Radian Group, Inc.	03/25/2003	VARIOUS	5,500,000	189,340		.0
COUNTRY TOTAL - U.S.					567,309	XXX	0
6799999 - Total - Common Stocks - Banks, Trusts, Insurance					567,309	XXX	
INDUSTRIAL & MISCELLANEOUS - U.S.							
00790K-10-9	Advance PCS	11/03/2003	UNDEFINED	13,899,000	721,497		.0
012348-10-8	Albany Intl. Corp. Cl. A	09/09/2003	UNDEFINED	15,400,000	477,009		.0
038020-10-3	Applera Corp	08/19/2003	ESI Securities	10,700,000	226,014		.0
091826-10-7	Black Box Corp	06/25/2003	Prudential	5,500,000	210,136		.0

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**ANNUAL STATEMENT FOR THE YEAR 2003 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	
096761-10-1	Bob Evans Farms	09/10/2003	UNDEFINED	17,100.000	470,784		.0	
117043-10-9	Brunswick Corp	03/25/2003	ESI Securities	2,500.000	48,875		.0	
125071-10-0	C D I Corp Com	09/12/2003	ESI Securities	18,900.000	508,954		.0	
144418-10-0	Carramerica Realty Corp	09/09/2003	VARIOUS	5,200.000	139,667		.0	
147528-10-3	Caseys General Store Inc	05/07/2003	Lehman Brothers	30,200.000	374,463		.0	
216831-10-7	COOPER TIRE & RUBBER CO	06/24/2003	William O'Neil	7,100.000	121,675		.0	
233293-10-9	DPL Inc	09/05/2003	Lehman Brothers	22,000.000	365,051		.0	
247131-10-5	Delphi Finl Group Inc	12/22/2003	VARIOUS	1,800.000	44,328		.0	
247357-10-6	Delta & Pine Land Co	02/26/2003	ESI Securities	7,900.000	154,390		.0	
261018-10-5	Downey Finl. Corp	09/10/2003	UNDEFINED	10,800.000	475,488		.0	
293389-10-2	Ennis Business Forms Inc	08/29/2003	ESI Securities	23,200.000	344,360		.0	
31983B-10-1	First Community Bancorp	06/24/2003	Friedman,Billings & Ramse	3,800.000	111,495		.0	
373200-20-3	Georgia Gulf Corp	03/25/2003	ESI Securities	4,500.000	93,367		.0	
37803P-10-5	Glenborough Rlty Tr Inc	01/29/2003	ESI Securities	4,200.000	71,613		.0	
413086-10-9	Harman International Ind. Inc	12/04/2003	ESI Securities	3,600.000	104,490		.0	
430141-10-1	HIGHLAND HOSPITALITY CORP	12/18/2003	VARIOUS	28,800.000	291,478		.0	
431294-10-7	HILB ROGAL & HAMILTON CO	12/23/2003	Nationsbank	8,300.000	263,215		.0	
45245A-10-7	Imation Corp	06/10/2003	VARIOUS	15,200.000	524,140		.0	
4576J0-10-4	INNKEEPERS USA TRUST	11/25/2003	VARIOUS	16,100.000	141,580		.0	
486587-10-8	Kaydon Corp	07/09/2003	ESI Securities	10,400.000	228,213		.0	
489170-10-0	Kennametal Inc	04/03/2003	VARIOUS	12,500.000	373,188		.0	
533900-10-6	Lincoln Electric Holdings	01/29/2003	ESI Securities	2,400.000	53,663		.0	
553777-10-3	MTS SYS Corp	09/18/2003	VARIOUS	31,400.000	464,087		.0	
564682-10-2	Manufactured Home Cmnty Inc	09/10/2003	William O'Neil	9,200.000	356,596		.0	
628530-10-7	MYLAN LABS INC	11/26/2003	salmon	19,800.000	508,959		.0	
667655-10-4	Northwest Nat. Gas Co	09/11/2003	ESI Securities	6,000.000	177,848		.0	
690732-10-2	Owens & Minor Inc	09/09/2003	William O'Neil	9,900.000	239,833		.0	
696429-30-7	PALL CORP	11/26/2003	Wach	11,900.000	305,087		.0	
721467-10-8	Pilgrims Pride Corp	11/10/2003	VARIOUS	38,200.000	520,819		.0	
792228-10-8	St. Mary Land & Exploration	06/24/2003	VARIOUS	15,800.000	429,230		.0	
852891-10-0	Stancorp Financial Group	08/08/2003	Dowling & Partners	8,100.000	447,699		.0	
882673-10-6	Texas Regional Bancshares	12/17/2003	VARIOUS	10,300.000	359,804		.0	
886423-10-2	Tidewater Inc	07/10/2003	VARIOUS	19,900.000	586,681		.0	
904708-10-4	Unifirst Corp. Mass	09/17/2003	VARIOUS	14,900.000	369,615		.0	
917290-10-1	USF Corp	03/25/2003	VARIOUS	9,000.000	238,054		.0	
922040-10-0	Vanguard Institutional Index Fund	12/23/2003	Vanguard Group	97,404.537	8,773,502		.0	
927460-10-5	Vintage Pete Inc	06/25/2003	VARIOUS	36,800.000	403,894		.0	
678851-10-4	Scottish Annuity & Lifeholdings	12/12/2003	Lehman	3,900.000	75,972		.0	
COUNTRY TOTAL - U.S.						21,196,813	XXX	0
6899999 - Total - Common Stocks - Industrial, Misc.						21,196,813	XXX	
7099997 - Total - Common Stocks - Part 3						21,764,122	XXX	
7099998 - Total - Common Stocks - Part 5						2,739,166	XXX	0
7099999 - Total - Common Stocks						24,503,288	XXX	0
7199999 - Total - Preferred and Common Stocks						27,728,591	XXX	0
<b>7299999 Totals</b>						<b>460,356,029</b>	<b>XXX</b>	<b>2,817,405</b>

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**ANNUAL STATEMENT FOR THE YEAR 2003 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.															
31331L-FR-4	Federal Farm Credit Bank 5.8%	04/24/2003	CALLED @ 100.0000000		2,500,000	2,500,000	2,500,000	2,500,000	0	0	0	0	0	72,500	
3134A3-3D-6	Federal Home Loan Mtg. Corp. 7%	02/15/2003	MATURITY		385,000	385,000	404,223	385,000	(2,093)	0	0	0	0	13,475	
3134A4-PX-6	FHLMC Bond 3.0%	08/08/2003	JP Morgan Securities, Inc.		3,555,125	3,500,000	3,538,553	3,518,477	(11,698)	0	0	36,648	36,648	113,167	
31359M-GJ-6	FNMA Note 6.625%	11/19/2003	HSBC Securities		1,081,199	950,000	1,095,710	1,091,712	(3,998)	0	0	(10,513)	(10,513)	65,836	
31359M-SQ-7	FEDERAL NATL MTG ASSN	12/10/2003	Paine		443,437	450,000	442,224	442,446	222	0	0	991	991	4,875	
36200A-N7-0	GNMA Pool #595414 6%	12/15/2003	PRINCIPAL RECEIPT		89,949	89,949	94,051	89,949	(4,102)	0	0	0	0	564	
36200F-PB-8	GNMA POOL #59918 5.5%	12/15/2003	PRINCIPAL RECEIPT		1,627	1,627	1,690	1,627	(63)	0	0	0	0	12	
36200K-S8-1	GNMA POOL #603643 5.5%	12/15/2003	PRINCIPAL RECEIPT		1,242	1,242	1,290	1,242	(48)	0	0	0	0	12	
36200M-N5-8	GNMA Pool #604412	12/15/2003	PRINCIPAL RECEIPT		40,930	40,930	42,407	40,930	(1,477)	0	0	0	0	662	
36200V-ZN-6	GNMA Pool #574149	12/15/2003	PRINCIPAL RECEIPT		20,172	20,172	21,092	20,172	(920)	0	0	0	0	139	
36200X-YP-8	GNMA Pool #575918	12/15/2003	PRINCIPAL RECEIPT		259,581	259,581	271,417	259,581	(11,837)	0	0	0	0	806	
36201N-K5-8	GNMA POOL #588116 5.5%	12/15/2003	PRINCIPAL RECEIPT		7,995	7,995	8,303	7,995	(309)	0	0	0	0	75	
36201N-UF-5	GNMA POOL #588382 5.5%	12/15/2003	PRINCIPAL RECEIPT		3,942	3,942	4,094	3,942	(152)	0	0	0	0	40	
36201S-SE-0	GNMA POOL #59197	12/15/2003	PRINCIPAL RECEIPT		694	694	720	694	(27)	0	0	0	0	3	
362028-3S-9	GNMA POOL 003509 6.5%	05/15/2003	PRINCIPAL RECEIPT		951	951	772	951	13	0	0	0	0	12	
36202T-5J-1	GNMA Pool #609349 6%	12/15/2003	PRINCIPAL RECEIPT		55,772	55,772	58,316	55,772	(2,545)	0	0	0	0	373	
36202T-6C-5	GNMA POOL #609367 5.5%	12/15/2003	PRINCIPAL RECEIPT		62,139	62,139	64,538	62,139	(2,399)	0	0	0	0	566	
36202X-YY-3	GNMA Pool #612824	12/15/2003	PRINCIPAL RECEIPT		46,443	46,443	48,236	46,443	(1,793)	0	0	0	0	384	
36209G-TX-5	GNMA Pool #471366 5.5%	12/15/2003	PRINCIPAL RECEIPT		198	198	205	198	(8)	0	0	0	0	1	
36211Q-WD-9	GNMA Pool #520044	12/15/2003	PRINCIPAL RECEIPT		113,434	113,434	118,606	113,434	(5,173)	0	0	0	0	934	
36212D-NX-3	GNMA Pool #530606 6.50%	12/15/2003	PRINCIPAL RECEIPT		1,493,735	1,493,735	1,558,152	1,493,735	(64,317)	0	0	0	0	40,114	
36213D-G8-8	GNMA Pool #551094 6.50%	12/15/2003	PRINCIPAL RECEIPT		606,997	606,997	633,174	606,997	(26,132)	0	0	0	0	18,895	
36213L-DC-1	GNMA Pool #557299	12/15/2003	PRINCIPAL RECEIPT		78,066	78,066	81,627	78,066	(3,562)	0	0	0	0	763	
36216F-XE-5	GNMA PL#163677 9.50% 7/15/16	12/15/2003	PRINCIPAL RECEIPT		7,924	7,924	8,637	7,924	(534)	0	0	0	0	372	
36216G-J7-4	GNMA PL#164186 9.50% 5/15/16	12/15/2003	PRINCIPAL RECEIPT		791	791	846	791	(41)	0	0	0	0	36	
36216J-PK-2	GNMA PL#166126 9.50% 7/15/16	12/15/2003	PRINCIPAL RECEIPT		25,732	25,732	27,501	25,732	(1,350)	0	0	0	0	645	
36216S-X8-0	GNMA PL#173603 9.50% 8/15/16	12/15/2003	PRINCIPAL RECEIPT		333	333	356	333	(18)	0	0	0	0	16	
36218E-AH-4	GNMA PL#219708SF 9.50% 9/15/17	12/15/2003	PRINCIPAL RECEIPT		838	838	913	838	(58)	0	0	0	0	41	
36219H-JS-3	GNMA PL#249673 9.500% 10/15/18	12/15/2003	PRINCIPAL RECEIPT		13,922	13,922	15,008	13,922	(869)	0	0	0	0	543	
36225A-4V-9	GNMA POOL #780836 8.25% 4/15/	12/15/2003	PRINCIPAL RECEIPT		196,301	196,301	208,524	196,301	(10,855)	0	0	0	0	7,039	
912810-FP-8	U.S. Treasury Bonds 5.375%	07/07/2003	VARIOUS		652,074	600,000	666,281	665,682	(336)	0	0	(13,608)	(13,608)	22,454	
912827-3T-7	U.S. Treasury Note 3.625%	11/28/2003	VARIOUS		1,995,669	1,625,827	1,686,233	1,664,212	13,317	0	0	331,457	331,457	54,630	
912827-4B-5	U.S. Treasury Notes 5.50%	03/31/2003	MATURITY		500,000	500,000	514,316	500,000	(2,164)	0	0	0	0	13,750	
912827-6R-8	US Treasury Note 3.5% TIPS	02/20/2003	Barclays Dezoete		64,564	57,184	57,184	57,184	0	0	0	7,380	7,380	1,228	
912827-6X-5	US Treasury Note 4.625%	08/28/2003	VARIOUS		3,932,852	3,700,000	3,867,641	3,842,953	(14,875)	0	0	89,898	89,898	94,076	
912827-7J-5	U.S. Treasury Notes 3.375%	03/15/2003	VARIOUS		1,092,048	969,161	929,617	942,448	1,341	0	0	149,600	149,600	20,069	
912827-J7-8	US TREAS NT 6.25% 2/15/	02/15/2003	MATURITY		300,000	300,000	299,449	300,000	28	0	0	0	0	9,375	
912828-AB-6	US Treasury Note 3.375%	11/05/2003	G X Clarke		2,830,625	2,800,000	2,873,063	2,822,519	(38,592)	0	0	8,106	8,106	97,096	
912828-AF-7	US Treasury Note 3.00%	11/28/2003	Inflation Index		40,014	34,880	40,279	40,018	(261)	0	0	(5)	(5)	523	
COUNTRY TOTAL - U.S.					22,502,315	21,501,760	22,185,248	21,902,359	(197,685)	0	0	599,954	599,954	656,101	XXX
0399996 - Bonds - U.S. Government					22,502,315	21,501,760	22,185,248	21,902,359	(197,685)	0	0	599,954	599,954	656,101	XXX
0399999 - Bonds - U.S. Governments					22,502,315	21,501,760	22,185,248	21,902,359	(197,685)	0	0	599,954	599,954	656,101	XXX
STATES, TERRITORIES, POSSESSIONS - U.S.															
IOWA															
731197-PN-3	Polk Cnty Iowa 5.15%	07/10/2003	Mc Donald & Company		1,017,500	1,000,000	986,610	986,997	366	0	0	30,503	30,503	30,042	XXX
STATE TOTAL					1,017,500	1,000,000	986,610	986,997	366	0	0	30,503	30,503	30,042	XXX
COUNTRY TOTAL - U.S.					1,017,500	1,000,000	986,610	986,997	366	0	0	30,503	30,503	30,042	XXX
1799996 - Bonds - States, Territory, Poss - United States					1,017,500	1,000,000	986,610	986,997	366	0	0	30,503	30,503	30,042	XXX
1799999 - Bonds - States, Territories and Possessions					1,017,500	1,000,000	986,610	986,997	366	0	0	30,503	30,503	30,042	XXX
SPECIAL REVENUE AND ASSESSMENTS - U.S.															
U.S. GOVERNMENT															
31282U-U7-0	FHLMC Pool #M90606 7.00%	12/15/2003	PRINCIPAL RECEIPT		40,516	40,516	40,487	40,516	56	0	0	0	0	638	
31283J-EQ-0	FHLMC Pool #G10143	12/15/2003	PRINCIPAL RECEIPT		503,158	503,158	477,371	503,158	20,158	0	0	0	0	12,814	
31283K-F7-8	FHLMC Gold Pool #G11090	12/15/2003	PRINCIPAL RECEIPT		1,522,621	1,522,621	1,578,528	1,522,621	(54,890)	0	0	0	0	41,511	
31283K-J8-2	FHLMC Pool # 11187 5.5%	12/15/2003	PRINCIPAL RECEIPT		1,789,932	1,789,932	1,847,825	1,789,932	(57,893)	0	0	0	0	30,804	
31288M-DH-9	FHLMC PC GOLD 15 YR	12/15/2003	PRINCIPAL RECEIPT		36,530	36,530	37,854	36,530	(1,324)	0	0	0	0	241	
312867-5C-3	FHLMC Pool #E73543 5.5%	12/15/2003	PRINCIPAL RECEIPT		285,544	285,544	281,919	285,544	2,933	0	0	0	0	5,025	
312867-QL-0	FHLMC Pool #e73159	12/15/2003	PRINCIPAL RECEIPT		160,632	160,632	158,592	160,632	1,658	0	0	0	0	5,014	
312868-5K-3	FHLMC Pool #e74450	12/15/2003	PRINCIPAL RECEIPT		378,656	378,656	370,674	378,656	6,451	0	0	0	0	9,766	

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ANNUAL STATEMENT FOR THE YEAR 2003 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
312868-5Z-0	FHLMC POOL E74464 5.5%	12/15/2003	PRINCIPAL RECEIPT		185,175	185,175	182,824	185,175	1,914	0	0	0	0	4,694	
312868-JB-8	FHLMC POOL E73858 5.5%	12/15/2003	PRINCIPAL RECEIPT		201,694	201,694	199,134	201,694	2,082	0	0	0	0	4,287	
312868-UX-7	FHLMC POOL E74198 5.5%	12/15/2003	PRINCIPAL RECEIPT		185,535	185,535	183,179	185,535	1,918	0	0	0	0	4,004	
312868-ZU-8	FHLMC Pool #E74355	12/15/2003	PRINCIPAL RECEIPT		260,216	260,216	256,912	260,216	2,690	0	0	0	0	6,449	
312869-BH-1	FHLMC Pool #E74540	12/15/2003	PRINCIPAL RECEIPT		213,766	213,766	211,052	213,766	2,210	0	0	0	0	5,914	
312869-BV-0	FHLMC Pool #E74552	12/15/2003	PRINCIPAL RECEIPT		172,909	172,909	170,714	172,909	1,787	0	0	0	0	4,944	
312869-CP-2	FHLMC POOL #E74578 5.5% 1/01/	12/15/2003	PRINCIPAL RECEIPT		2,113,414	2,113,414	2,082,910	2,113,414	25,651	0	0	0	0	54,011	
312869-CQ-0	FHLMC Pool#E74579	12/15/2003	PRINCIPAL RECEIPT		211,660	211,660	208,973	211,660	2,188	0	0	0	0	6,272	
312908-LN-4	FHLMC SERIES 1197 6.75%	12/15/2003	PRINCIPAL RECEIPT		405,962	405,962	405,518	405,962	754	0	0	0	0	20,565	
31290K-VZ-9	FHLMC Pool #555132	12/15/2003	PRINCIPAL RECEIPT		107,491	107,491	109,607	107,491	(1,721)	0	0	0	0	3,996	
31292G-WC-6	FHLMC Gold Pool #C00643 6.50%	12/15/2003	PRINCIPAL RECEIPT		6,052,458	6,052,458	6,340,895	6,052,458	(288,437)	0	0	0	0	122,709	
31292H-GP-3	FHLMC Gold Pool #C01106	12/15/2003	PRINCIPAL RECEIPT		444,238	444,238	449,583	444,238	(5,296)	0	0	0	0	12,487	
31292H-XB-5	FHLMC Pool #C01574 5%	12/15/2003	PRINCIPAL RECEIPT		182,246	182,246	186,774	182,246	(4,528)	0	0	0	0	2,097	
31294F-5N-2	FHLMC Pool #C38953	12/15/2003	PRINCIPAL RECEIPT		374,087	374,087	373,737	374,087	373	0	0	0	0	10,714	
31294J-HT-8	FHLMC Gold E00242	12/15/2003	PRINCIPAL RECEIPT		15,716	15,716	15,912	15,716	(51)	0	0	0	0	479	
31294J-KE-7	FHLMC Gold Pool #E00293	12/15/2003	PRINCIPAL RECEIPT		684,762	684,762	705,787	684,762	(17,649)	0	0	0	0	22,950	
31294J-VJ-4	FHLMC Pool #E00617	12/15/2003	PRINCIPAL RECEIPT		205,222	205,222	202,616	205,222	2,122	0	0	0	0	5,682	
31294K-HQ-1	FHLMC #E01139 6%	12/15/2003	PRINCIPAL RECEIPT		998,030	998,030	1,040,134	998,030	(42,104)	0	0	0	0	4,910	
31294K-UM-5	FHLMC PC GOLD CASH 15	11/03/2003	REVERSAL		62,092	61,188	62,092	62,092	0	0	0	0	0	42	
31335P-C4-5	FHLMC G80091	12/17/2003	PRINCIPAL RECEIPT		241,185	241,185	246,574	241,185	(4,020)	0	0	0	0	10,245	
313374-HR-0	FHLMC-GNMA REMIC 28 PB 6.4% 3/25/	04/25/2003	PRINCIPAL RECEIPT		521,046	521,046	526,094	521,046	(4,116)	0	0	0	0	7,184	
31337J-MC-4	FHLMC REMIC 2127 TD	11/17/2003	PRINCIPAL RECEIPT		1,066,546	1,066,546	1,067,775	1,066,546	468	0	0	0	0	30,105	
31337V-5S-1	FHLMC Remic 2359 PB 6%	12/15/2003	PRINCIPAL RECEIPT		4,058,161	4,058,161	4,145,663	4,058,161	(87,502)	0	0	0	0	73,879	
31340M-UW-3	FHLMC Pool# 181497	12/15/2003	PRINCIPAL RECEIPT		73,097	73,097	72,869	73,097	376	0	0	0	0	2,985	
31357M-5N-1	FHLMC Pool #E48053	12/15/2003	PRINCIPAL RECEIPT		146,816	146,816	143,880	146,816	1,893	0	0	0	0	5,517	
31358D-DD-4	FNMA Remic 92-164 PL 7%	12/26/2003	PRINCIPAL RECEIPT		897,007	897,007	926,160	897,007	(9,390)	0	0	0	0	28,741	
31359D-L6-8	FNMA REMIC 93-155 TH 7%	09/25/2003	PRINCIPAL RECEIPT		1,340,000	1,340,000	1,308,803	1,340,000	22,881	0	0	0	0	64,792	
31359S-R6-9	FNMA Gr Tr Series 2001-T4 CI A	12/25/2003	PRINCIPAL RECEIPT		781,234	781,234	805,891	781,234	(22,483)	0	0	0	0	29,588	
31359U-WA-9	FNMA Remic 98-W5 6.5%	06/25/2003	VARIOUS		835,206	835,206	837,084	835,283	(807)	0	0	(77)	(77)	14,349	
31361W-4L-8	FNMA Pool #044027 7%	05/25/2003	VARIOUS		274,781	263,265	263,265	263,265	0	0	0	11,516	11,516	7,517	
31362W-TE-6	FNMA POOL 73449 6.85%	10/25/2003	PRINCIPAL RECEIPT		408,271	408,271	397,283	408,271	7,938	0	0	0	0	64,776	
31363W-H4-0	FNMA POOL #100250 7.5%	12/25/2003	PRINCIPAL RECEIPT		496,451	496,451	517,551	496,451	(11,586)	0	0	0	0	18,839	
31368H-TP-8	FNMA POOL #190558 5.5%	12/25/2003	PRINCIPAL RECEIPT		470,669	470,669	445,518	470,669	19,929	0	0	0	0	12,561	
31371H-Q7-6	FNMA POOL 252578 6.00%	12/25/2003	PRINCIPAL RECEIPT		440,180	440,180	419,341	440,180	16,066	0	0	0	0	12,444	
31371K-KL-4	FNMA PASS-THRU LNG 30 YEAR	12/25/2003	PRINCIPAL RECEIPT		1,211,848	1,211,848	1,220,937	1,211,848	(9,045)	0	0	0	0	34,525	
31371K-P3-9	FNMA PASS-THRU INT 15 YEAR	12/25/2003	PRINCIPAL RECEIPT		666,879	666,879	678,758	666,879	(11,603)	0	0	0	0	19,264	
31371K-T9-2	FNMA Pool #254476 5.5%	12/25/2003	PRINCIPAL RECEIPT		895,894	895,894	898,693	895,894	(2,786)	0	0	0	0	27,862	
31373W-QK-2	FNMA POOL 305658 8%	12/25/2003	PRINCIPAL RECEIPT		102,626	102,626	104,806	102,626	(915)	0	0	0	0	4,507	
31374G-MV-6	FNMA POOL #313672	12/25/2003	PRINCIPAL RECEIPT		67,364	67,364	72,290	67,364	(2,751)	0	0	0	0	3,241	
31374S-6A-4	FNMA Pool 323165 6.0%	12/25/2003	PRINCIPAL RECEIPT		595,418	595,418	621,933	595,418	(25,947)	0	0	0	0	15,657	
31374T-PG-8	FNMA Pool 323623 6.0%	12/25/2003	PRINCIPAL RECEIPT		945,478	945,478	972,808	945,478	(26,502)	0	0	0	0	24,896	
31375B-U3-9	FNMA MBS Pool 330102 15 Yr 6.5%	12/25/2003	PRINCIPAL RECEIPT		271,828	271,828	265,840	271,828	4,576	0	0	0	0	8,995	
31376Q-TC-7	FNMA POOL 362447 7%	12/25/2003	PRINCIPAL RECEIPT		155,794	155,794	156,962	155,794	(351)	0	0	0	0	5,586	
31377M-4P-3	FNMA POOL #381630 6.2% 5/01/	03/04/2003	VARIOUS		1,300,705	1,176,523	1,189,621	1,183,964	(278)	0	0	116,741	116,741	15,588	
31378H-UH-2	FNMA Passthru Pool # 399384	12/25/2003	PRINCIPAL RECEIPT		743,320	743,320	760,509	743,320	(15,253)	0	0	0	0	17,998	
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30	12/25/2003	PRINCIPAL RECEIPT		367,996	367,996	372,797	367,996	(4,534)	0	0	0	0	12,857	
31384V-2H-4	FNMA PASS-THRU LNG 30 YEAR	12/25/2003	PRINCIPAL RECEIPT		1,105,181	1,105,181	1,095,511	1,105,181	9,553	0	0	0	0	32,583	
31384V-ML-3	FNMA Pool #535063 6.50%	12/25/2003	PRINCIPAL RECEIPT		2,209,990	2,209,990	2,279,743	2,209,990	(66,944)	0	0	0	0	63,236	
31384V-NW-8	FNMA POOL 535105 5.00%	12/25/2003	PRINCIPAL RECEIPT		455,652	455,652	421,620	455,652	25,830	0	0	0	0	11,356	
31384V-AW-0	FNMA Pool # 535621 7.04%	12/25/2003	PRINCIPAL RECEIPT		20,309	20,309	23,304	20,309	(2,977)	0	0	0	0	759	
31384W-BB-2	FNMA Pool 535663 7.50%	12/25/2003	PRINCIPAL RECEIPT		508,907	508,907	527,593	508,907	(18,548)	0	0	0	0	15,674	
31385H-5B-4	FNMA Pool 545442 6.0%	12/25/2003	PRINCIPAL RECEIPT		1,188,266	1,188,266	1,168,956	1,188,266	(19,220)	0	0	0	0	35,940	
31385H-QU-9	FNMA Pool 545067 7.50%	12/25/2003	PRINCIPAL RECEIPT		429,637	429,637	445,681	429,637	(15,931)	0	0	0	0	13,487	
31385H-RK-0	FNMA Pool #545090 6%	12/25/2003	PRINCIPAL RECEIPT		3,308,987	3,308,987	3,468,749	3,308,987	(159,762)	0	0	0	0	65,733	
31385W-UE-7	FNMA Pool #555081 6.329%	12/25/2003	PRINCIPAL RECEIPT		20,515	20,515	22,720	20,515	(2,207)	0	0	0	0	721	
31387A-3Y-9	FNMA Pool #578715	12/25/2003	PRINCIPAL RECEIPT		963,110	963,110	978,761	963,110	(14,572)	0	0	0	0	25,538	
31387C-LV-1	FNMA Pool #580040	12/25/2003	PRINCIPAL RECEIPT		1,006,243	1,006,243	1,002,784	1,006,243	3,368	0	0	0	0	26,848	
31387D-3Q-0	FNMA Pool #581407	12/25/2003	PRINCIPAL RECEIPT		373,823	373,823	380,248	373,823	(6,349)	0	0	0	0	11,378	
31387F-SF-2	FNMA Pool #582918	12/25/2003	PRINCIPAL RECEIPT		598,578	598,578	597,923	598,578	680	0	0	0	0	15,959	
31387H-3W-8	FNMA Pool 585013	12/25/2003	PRINCIPAL RECEIPT		757,660	757,660	788,558	757,660	(29,062)	0	0	0	0	22,728	
31389M-CQ-8	FNMA Pool #629279 6.50%	12/25/2003	PRINCIPAL RECEIPT		794,966	794,966	808,133	794,966	(13,161)	0	0	0	0	23,192	

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**ANNUAL STATEMENT FOR THE YEAR 2003 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
31390E-TW-2	FNMA Pool #644165	12/25/2003	PRINCIPAL RECEIPT		4,195	4,195	4,148	4,195	47	0	0	0	0	92	
31390J-RP-8	FNMA POOL #647694	12/25/2003	PRINCIPAL RECEIPT		1,404,216	1,404,216	1,429,667	1,404,216	(24,855)	0	0	0	0	40,156	
31390K-RV-2	FNMA Pool #648600 5.5%	12/25/2003	PRINCIPAL RECEIPT		211,308	211,308	208,930	211,308	2,373	0	0	0	0	6,326	
31390S-WK-3	FNMA Pool #655050	12/25/2003	PRINCIPAL RECEIPT		191,544	191,544	189,389	191,544	2,151	0	0	0	0	6,883	
31390T-WG-1	FNMA Pool #655659 6.50%	03/25/2003	VARIOUS		11,009,315	10,588,246	10,985,305	10,931,259	(54,285)	0	0	78,055	78,055	184,159	
31390U-5A-0	FNMA Pool #657041 6.50%	03/25/2003	VARIOUS		1,856,945	1,784,174	1,851,081	1,837,313	(10,628)	0	0	19,632	19,632	32,392	
31391W-NE-7	FNMA PASS-THRU POOL #679089	12/25/2003	PRINCIPAL RECEIPT		187,293	187,293	189,312	187,293	(2,019)	0	0	0	0	773	
31392B-UH-7	FNMA Remic Series 2002-3	12/25/2003	PRINCIPAL RECEIPT		783,755	783,755	828,086	783,755	(44,091)	0	0	0	0	44,722	
31392D-7G-1	FNR 2002-T12 CL A3 7.5%	12/30/2003	PRINCIPAL RECEIPT		356,655	356,655	393,324	356,655	(36,669)	0	0	0	0	4,866	
31392D-CE-0	FNMA Remic Ser 2002-37 6.50%	10/20/2003	Ferris Baker		2,570,243	2,504,500	2,538,937	2,535,847	(2,188)	0	0	34,396	34,396	145,609	
31392D-P9-7	FNMA 2002-W8 A2 7%	12/25/2003	PRINCIPAL RECEIPT		479,117	479,117	502,624	479,117	(23,579)	0	0	0	0	18,970	
31392E-XC-9	FNR 2002-68KC 5.5%	11/14/2003	Ferris Baker		2,560,938	2,500,000	2,612,500	2,594,133	(14,307)	0	0	(33,196)	(33,196)	132,917	
31392J-AA-7	FNMA Series 2003-W2 6.50%	12/26/2003	PRINCIPAL RECEIPT		901,313	901,313	954,194	901,313	(52,882)	0	0	0	0	26,687	
31392M-EM-0	FHLMC REMIC SERIES T0041	12/25/2003	PRINCIPAL RECEIPT		932,240	932,240	968,364	932,240	(6,397)	0	0	0	0	36,305	
31392X-XZ-6	FHR - 2524 CL LA 5.0%	12/15/2003	PRINCIPAL RECEIPT		3,639,436	3,639,436	3,667,867	3,639,436	(28,431)	0	0	0	0	22,129	
31393F-5B-8	FHLMC Remic 2522 5.5%	11/17/2003	Futureshare Financial LLC		5,062,500	5,000,000	5,076,563	5,068,222	(7,697)	0	0	(5,722)	(5,722)	266,597	
31400Q-AX-1	FNMA PASS-THRU POOL #694022	12/25/2003	PRINCIPAL RECEIPT		2,104	2,104	2,114	2,104	(10)	0	0	0	0	8	
31400Y-BU-9	FNMA PASS-THRU POOL #701251	12/25/2003	PRINCIPAL RECEIPT		2,172	2,172	2,182	2,172	(10)	0	0	0	0	8	
31401D-P2-1	FNMA PASS-THRU POOL #705241	12/25/2003	PRINCIPAL RECEIPT		1,682	1,682	1,690	1,682	(8)	0	0	0	0	6	
31401J-AG-3	FNMA Pool #709307 5.50%	12/25/2003	PRINCIPAL RECEIPT		691,363	691,363	718,261	691,363	(26,898)	0	0	0	0	9,794	
31402U-EZ-1	FNMA PASS-THRU LNG 30 YEAR	12/25/2003	PRINCIPAL RECEIPT		154,313	154,313	158,913	154,313	(4,599)	0	0	0	0	876	
31402V-LK-4	FNMA PASS-THRU POOL #739330	12/25/2003	PRINCIPAL RECEIPT		4,198	4,198	4,218	4,198	(20)	0	0	0	0	16	
31402Y-DB-7	FNMA PASS-THRU POOL #741798	12/25/2003	PRINCIPAL RECEIPT		340	340	342	340	(2)	0	0	0	0	1	
31403F-XJ-8	FNMA PASS-THRU POOL #747781	12/25/2003	PRINCIPAL RECEIPT		388	388	390	388	(2)	0	0	0	0	1	
31403G-6H-0	FNMA PASS-THRU POOL #748872	12/25/2003	PRINCIPAL RECEIPT		2,152	2,152	2,162	2,152	(10)	0	0	0	0	8	
31403R-KN-7	FNMA PASS-THRU POOL #755501	12/25/2003	PRINCIPAL RECEIPT		1,320	1,320	1,326	1,320	(6)	0	0	0	0	5	
31403S-QT-6	FNMA PASS-THRU INT 15 YEAR	12/25/2003	PRINCIPAL RECEIPT		682	682	685	682	(3)	0	0	0	0	0	
31403S-YE-0	FNMA PASS-THRU POOL #756809	12/25/2003	PRINCIPAL RECEIPT		1,759	1,759	1,767	1,759	(8)	0	0	0	0	7	
36202D-ZY-0	GNMA PASS-THRU M SINGLE FAMILY	11/03/2003	REVERSAL		12,436	12,281	12,436	12,436	0	0	0	0	0	9	
83162C-EV-1	SMALL BUS ADMIN GTD DEV 93-20I	09/01/2003	PRINCIPAL RECEIPT		217,610	217,610	231,755	217,610	(14,145)	0	0	0	0	10,552	
83162C-HM-8	US SMALL BUS ADMIN GTD DB97-20E	11/04/2003	PRINCIPAL RECEIPT		79,211	79,211	79,211	79,211	0	0	0	0	0	4,132	
83162C-JF-1	US SMALL BUS ADMIN GTD DEV 98-20E	11/03/2003	PRINCIPAL RECEIPT		197,256	197,256	200,221	197,256	(2,898)	0	0	0	0	8,560	
83162C-JR-5	US SMALL BUS ADMIN GTD 98-20L	12/01/2003	PRINCIPAL RECEIPT		100,897	100,897	100,897	100,897	0	0	0	0	0	4,964	
83162C-JX-2	US SMALL BUS ADMIN 99-20D	10/01/2003	PRINCIPAL RECEIPT		85,949	85,949	85,949	85,949	0	0	0	0	0	3,065	
83162C-KM-4	US SMALL BUS ADMIN GTD DB00-20A	07/01/2003	PRINCIPAL RECEIPT		71,593	71,593	71,593	71,593	0	0	0	0	0	2,810	
STATE TOTAL					84,690,324	83,870,546	85,707,995	84,468,977	(1,187,628)	0	0	221,345	221,345	2,357,054	XXX
COUNTRY TOTAL - U.S.					84,690,324	83,870,546	85,707,995	84,468,977	(1,187,628)	0	0	221,345	221,345	2,357,054	XXX
3199996 - Bonds - Special Revenues - United States					84,690,324	83,870,546	85,707,995	84,468,977	(1,187,628)			221,345	221,345	2,357,054	XXX
3199999 - Bonds - Special Revenues					84,690,324	83,870,546	85,707,995	84,468,977	(1,187,628)			221,345	221,345	2,357,054	XXX
PUBLIC UTILITIES - U.S.															
845335-BR-8	SOUTHWESTERN BELL TEL 7.25% 7/15/	07/15/2003	Redemption		1,337,187	1,300,000	1,291,251	1,292,096	78	0	0	45,091	45,091	47,125	
912912-AQ-5	US WEST CAP FDG 6.875% 7/15/	03/03/2003	Warburg, S.G		496,000	775,000	772,032	426,250	0	0	69,750	69,750	69,750	34,189	
COUNTRY TOTAL - U.S.					1,833,187	2,075,000	2,063,283	1,718,346	78	0	0	114,841	114,841	81,314	XXX
3899996 - Bonds - Public Utilities - United States					1,833,187	2,075,000	2,063,283	1,718,346	78			114,841	114,841	81,314	XXX
3899999 - Bonds - Public Utilities					1,833,187	2,075,000	2,063,283	1,718,346	78			114,841	114,841	81,314	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.															
001957-BE-8	AT&T Corp. 6.375%	01/23/2003	Morgan Stanley		525,340	500,000	511,250	510,084	(525)	0	0	15,256	15,256	11,120	
00209T-AA-3	AT&T Broadband Corp. 8.375%	04/22/2003	Warburg, S.G		360,807	300,000	332,841	332,028	(695)	0	0	28,779	28,779	10,957	
023551-AF-1	Amerada Hess Corp. 7.875%	01/30/2003	Lehman Brothers		828,855	750,000	894,135	893,459	(167)	0	0	(64,604)	(64,604)	20,180	
023650-AG-9	American Airlines 8.057%	11/24/2003	VARIOUS		1,517,866	1,423,603	1,555,073	1,536,338	(7,966)	0	0	(18,472)	(18,472)	156,430	
02378J-BH-0	American Airlines 7.858%	04/01/2003	Morgan Stanley		1,957,750	2,050,000	2,050,000	2,050,000	0	0	0	(92,250)	(92,250)	80,992	
025537-AB-7	American Elec Power Inc. 5.50%	05/15/2003	UNDEFINED		1,100,000	1,100,000	1,099,703	1,099,737	7	0	0	263	263	30,250	
029163-AD-4	American RE Corp. 7.45%	05/13/2003	WARBURG DILLON READ LLC		942,043	875,000	996,529	988,487	(759)	0	0	(46,445)	(46,445)	27,343	
032511-AP-2	Anadarko Petrol. Corp. Zero Coupon	04/15/2003	Call/Redemption		278,230	500,000	328,750	348,581	2,125	0	0	(70,351)	(70,351)	0	
036734-AA-9	Anthem Insurance 9.0%	10/28/2003	Credit Suisse		890,649	675,000	751,862	747,083	(858)	0	0	143,566	143,566	65,813	
037388-AE-5	AON Capital Trust 8.205%	02/13/2003	SALOMON BROTHERS		480,760	500,000	555,575	552,420	(95)	0	0	(71,660)	(71,660)	25,983	
03760A-AD-3	Apogent Tech. Inc. 2.25%	02/24/2003	BANKERS TRUST		270,359	275,000	285,313	284,732	(63)	0	0	(14,372)	(14,372)	2,269	
06423A-AM-5	Bank One Corp. 6.50%	08/28/2003	Nationsbank		2,725,750	2,500,000	2,530,460	2,517,018	(4,216)	0	0	208,732	208,732	176,944	
109641-AC-4	Brinker Int'l Inc. Zero Coupon	10/06/2003	Nationsbank		249,704	375,000	249,704	256,032	4,114	0	0	(6,328)	(6,328)	3,492	
12189P-AG-7	Burlington Northern Santa Fe 8.25%	07/15/2003	Principal Receipt		3,737	3,737	3,737	3,737	0	0	0	0	0	292	

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**ANNUAL STATEMENT FOR THE YEAR 2003 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
125581-AA-6	CIT Group Holdings 7.375%	09/04/2003	Nationsbank		391,794	350,000	358,943	357,070	(1,157)	0	0	34,723	34,723	24,163	
125581-AC-2	CIT Group Inc. 5.75%	04/17/2003	Lehman Brothers		311,898	300,000	299,833	299,850	9	0	0	12,048	12,048	9,967	
130335-AG-7	CALIF 1 & EDB PG & E 1 1997-1 A-7	12/29/2003	PRINCIPAL RECEIPT		121,940	121,940	122,423	121,940	(196)	0	0	0	0	7,339	
130335-AW-2	CALIF 1 & EDB SDG & E 1997-1 A-6	12/25/2003	PRINCIPAL RECEIPT		95,233	95,233	95,620	95,233	(225)	0	0	0	0	6,009	
14040E-ES-7	Capital One Bank 6.50%	09/03/2003	Spear Leeds & Kellog		776,475	750,000	751,005	750,324	(228)	0	0	26,151	26,151	53,896	
14040K-AM-0	Capital One Master Trust 1998-4	11/15/2003	PRINCIPAL RECEIPT		2,000,000	2,000,000	2,072,344	2,000,000	(58,551)	0	0	0	0	99,550	
143658-AN-2	Carnival Corp. Conv. 2.00%	01/24/2003	KBC Fin. Prods		627,480	600,000	612,500	612,306	(36)	0	0	15,174	15,174	3,467	
151313-AF-0	Cendant Corp. Zero Coupon	02/24/2003	Lehman Brothers		96,375	150,000	102,750	106,326	299	0	0	(9,951)	(9,951)	0	
151313-AN-3	Cendant Corp 3.875% 11/27/11	02/24/2003	Lehman Brothers		453,375	450,000	445,428	445,631	61	0	0	7,744	7,744	4,214	
166760-AA-6	ChevronTexaco Cap. Co. 3.5%	08/20/2003	Bear Stearns		2,023,480	2,000,000	2,012,780	2,010,618	(1,532)	0	0	12,862	12,862	67,083	
172967-BM-2	Citigroup Inc. 4.125%	06/23/2003	Morgan Stanley		3,684,485	3,500,000	3,596,570	3,573,472	(16,776)	0	0	111,013	111,013	70,599	
184502-AB-8	Clear Channel Comms. 2.625%	01/24/2003	BT Alex Brown, Inc.		174,563	175,000	184,806	175,970	(333)	0	0	(1,407)	(1,407)	1,506	
204912-AQ-2	Computer Assoc. Inc. 1.625%	12/03/2003	VARIOUS		622,914	450,000	450,166	450,138	(22)	0	0	172,776	172,776	7,231	
210805-CQ-8	Continental Airlines 6.545%	08/04/2003	VARIOUS		656,534	781,094	781,094	781,094	0	0	0	(124,560)	(124,560)	30,093	
210805-DD-6	Continental Airlines 7.707%	10/02/2003	Sink PMT @ 100.00000000		52,013	52,013	56,224	52,013	(4,149)	0	0	0	0	2,004	
224044-AW-7	Cox Communications 3.0%	06/05/2003	Tender Offer		109,150	185,000	185,000	185,000	0	0	0	(75,850)	(75,850)	4,024	
224051-AC-6	Cox Radio Inc. 6.25%	05/15/2003	MATURITY		433,000	433,000	436,061	433,000	(616)	0	0	0	0	13,531	
233835-AB-3	DaimlerChrysler 6.90%	02/05/2003	Warburg, S.G		1,062,270	1,000,000	1,018,985	1,014,192	(825)	0	0	48,078	48,078	30,475	
235811-AL-0	Dana Corp. 7%	04/29/2003	VARIOUS		1,349,197	1,700,000	1,537,736	1,198,500	0	0	0	150,697	150,697	69,358	
244199-BB-0	Deere & Co. 6.95%	01/23/2003	MLPF&S Fixed Income Ops.		696,420	600,000	599,406	599,432	2	0	0	96,988	96,988	10,773	
244217-BG-9	John Deere Capital Corp. 7%	01/23/2003	Morgan Stanley		342,678	300,000	300,867	300,816	(4)	0	0	41,862	41,862	7,758	
247367-AP-0	Delta Air Lines Inc. 7.57%	04/01/2003	SALOMON BROTHERS		465,000	500,000	545,645	540,644	(817)	0	0	(75,644)	(75,644)	13,983	
25156P-AC-7	Deutsche Telekom Intl. Fin. 8.25%	01/23/2003	Lehman Brothers		27,848	25,000	28,384	28,380	(2)	0	0	(532)	(532)	261	
25179M-AA-1	Devon Energy 4.9%	02/24/2003	VARIOUS		509,425	500,000	496,856	497,843	48	0	0	11,582	11,582	12,005	
25466K-BY-4	DISCOVER CARD 98-6 A	07/15/2003	Redemption		1,465,000	1,465,000	1,494,643	1,472,012	(2,010)	0	0	(7,012)	(7,012)	85,703	
25746U-AJ-8	Dominion Resources Inc. 6.25%	08/07/2003	SALOMON BROTHERS		530,395	500,000	499,075	499,152	42	0	0	31,243	31,243	19,271	
277432-AD-2	Eastman Chemical 7.6%	04/22/2003	VARIOUS		2,177,585	2,000,000	2,082,980	2,078,556	(347)	0	0	99,029	99,029	107,667	
291011-AR-5	Emerson Electric Co. 4.625%	04/29/2003	Chase Manhattan Bank		503,495	500,000	501,060	501,052	(6)	0	0	2,443	2,443	13,168	
31331F-AX-9	Federal Express 6.72%	07/15/2003	UNDEFINED		14,706	14,706	16,524	16,505	(19)	0	0	(1,799)	(1,799)	494	
31786Y-AF-7	Fingerhut Master Tr 6.23%	09/15/2003	PRINCIPAL RECEIPT		348,333	348,333	355,791	348,333	(6,301)	0	0	0	0	9,769	
337932-AC-1	FirstEnergy Corp. 7.375%	12/23/2003	VARIOUS		564,768	600,000	613,284	613,035	(98)	0	0	(48,267)	(48,267)	36,547	
345370-BY-5	Ford Motor Co. 6.625%	05/20/2003	Morgan Stanley		416,045	500,000	456,870	458,634	217	0	0	(42,589)	(42,589)	21,347	
345397-RR-6	Ford Motor Credit 7.2%	10/17/2003	WARBURG DILLON READ LLC		133,230	125,000	132,223	128,421	(643)	0	0	4,809	4,809	7,675	
345397-TR-4	Ford Motor Credit Co. 6.875%	11/12/2003	CS First Boston		1,050,540	1,000,000	1,019,390	1,010,077	(3,551)	0	0	40,463	40,463	88,993	
370425-OW-3	GMAC	01/08/2003	Lehman Brothers		763,598	750,000	755,858	751,116	(25)	0	0	12,482	12,482	7,547	
370425-RT-9	General Motors Acceptance Corp Nts.	11/17/2003	Barclays Dezoete		1,072,540	1,000,000	1,042,820	1,026,385	(9,855)	0	0	46,155	46,155	90,938	
38141G-AV-6	Goldman Sachs Group Note 1% Conv.	10/17/2003	Redemption		350,000	350,000	350,000	350,000	0	0	0	0	0	2,965	
38141G-AZ-7	Goldman Sachs Group 6.875%	06/24/2003	SALOMON BROTHERS		895,988	750,000	764,933	762,527	(607)	0	0	133,460	133,460	48,984	
416515-AC-8	HARTFORD FIN SERV 6.375%	10/30/2003	VARIOUS		1,887,712	1,700,000	1,656,704	1,670,044	3,955	0	0	217,668	217,668	107,029	
421933-AB-8	Health Management Assoc. .25%	08/16/2003	Call/Redemption		381,528	600,000	405,000	412,796	5,485	0	0	(31,268)	(31,268)	1,500	
441812-JT-2	Household Financial 6.5% 01/24/06	06/23/2003	Spear Leeds & Kellog		1,113,430	1,000,000	1,016,090	1,009,355	(1,573)	0	0	104,075	104,075	59,944	
453258-AM-7	Inco Ltd. Zero Coupon	03/04/2003	MLPF&S Fixed Income Ops.		294,713	435,000	264,867	269,376	1,250	0	0	25,336	25,336	0	
460690-AJ-9	Interpublic Group Co.	09/08/2003	WARBURG DILLON READ LLC		309,313	350,000	349,075	290,239	23,364	0	0	19,073	19,073	5,091	
480081-AD-0	Jones Apparel Group Conv Sr Nt Zer.	01/14/2003	BANKERS TRUST		386,313	700,000	386,943	386,665	49	0	0	(353)	(353)	0	
492386-AP-2	Kerr-McGee 5.25% 02/15/10 Conv.	01/22/2003	BANKERS TRUST		324,000	300,000	319,420	314,619	(105)	0	0	9,381	9,381	7,088	
49337W-AC-4	Keyspan Corp. 8%	12/03/2003	Wach		762,046	605,000	758,230	755,666	(2,005)	0	0	6,380	6,380	51,492	
530715-AF-8	Liberty Media 4.00% Of 11/15/29	03/21/2003	Montgomery Securities		230,000	400,000	417,000	415,836	(85)	0	0	(185,836)	(185,836)	5,822	
530715-AM-3	Liberty Media AT&T Corp. Conv.	03/21/2003	Bear Stearns		131,116	200,000	200,875	200,837	(4)	0	0	(69,721)	(69,721)	4,881	
530715-AR-2	Liberty Media Corp. 3.25%	09/22/2003	Nationsbank		108,075	110,000	105,024	105,093	70	0	0	2,982	2,982	3,674	
55263E-AF-2	MBNA Corp. 6.15%	10/01/2003	MATURITY		640,000	640,000	648,174	640,000	(2,918)	0	0	0	0	44,389	
5526E0-AH-6	MBNA America Bank NA 7.75%	02/14/2003	Morgan Stanley		551,505	500,000	516,755	510,007	(424)	0	0	41,498	41,498	16,684	
585055-AA-4	Medtronic Inc. 1.250%	10/07/2003	Exchange		188,950	180,000	189,767	188,950	(351)	0	0	0	0	2,250	
585055-AB-2	Medtronic Inc. Conv. 1.25%	10/08/2003	KBC Fin. Prods		481,163	470,000	484,718	484,029	(549)	0	0	(2,867)	(2,867)	6,348	
604074-AA-2	Minnesota Life Ins. Co. 8.25%	01/08/2003	WARBURG DILLON READ LLC		1,131,460	1,000,000	1,115,460	1,113,426	(39)	0	0	18,034	18,034	27,042	
626717-AA-0	MURPHY OIL 7.05% 5/01/	05/14/2003	Goldman Sachs & Co.		267,334	225,000	221,281	221,448	17	0	0	45,886	45,886	8,724	
654730-AJ-2	Nisource Finance Corp. 7.875	01/15/2003	Barclays Dezoete		330,561	300,000	336,528	332,622	(126)	0	0	(2,061)	(2,061)	4,331	
667294-AW-2	Northwest Airlines Inc. 7.041%	10/01/2003	VARIOUS		493,424	536,662	563,269	562,233	(178)	0	0	(68,809)	(68,809)	19,682	
690353-BR-7	OVERSEAS PRIV INV 6.78% 1/15/	09/15/2003	VARIOUS		88,889	88,889	88,889	88,889	0	0	0	0	0	3,013	
69350E-AC-4	Pp&I Transition Bond Co Llc 6.60%	04/01/2003	Principal Receipt		157,587	157,587	157,587	157,587	0	0	0	0	0	2,600	
74436J-EU-7	Prudential Sec Fin Corp 99-NRF1	12/17/2003	PRINCIPAL RECEIPT		652,336	652,336	700,956	652,336	(48,619)	0	0	0	0	12,253	
74834L-AF-7	Quest Diagnostic 1.75% 11/30/2021	11/10/2003	KBC Fin. Prods		284,900	280,000	281,293	281,253	(52)	0	0	3,647	3,647	4,682	

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**ANNUAL STATEMENT FOR THE YEAR 2003 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
74913E-AL-4	Owest Capital Funding 5.875%	05/13/2003	Warburg, S.G.		475,000	500,000	504,715	420,000	0	0	0	55,000	55,000	23,092	
78004V-AB-9	Royal & Sun Alliance Ins. 8.95%	02/11/2003	SALOMON BROTHERS		512,000	800,000	873,827	548,872	0	0	0	(36,872)	(36,872)	23,668	
78388B-AA-1	SOUTHTRUST FUNDING 6.65% 11/28/13	10/28/2003	VARIOUS		50,542	50,542	50,784	11,873	(37,178)	0	0	38,669	38,669	2,541	
786429-AD-2	Safeco Corp 7.875%	01/27/2003	Goldman Sachs & Co.		1,260,938	1,250,000	1,251,563	1,250,690	(21)	0	0	10,248	10,248	32,539	
805901-AP-0	Scana Corp MTN 6.875%	05/15/2003	Credit Suisse First Bosto.		1,166,970	1,000,000	1,139,470	1,131,214	(4,975)	0	0	35,756	35,756	35,330	
812404-BC-4	Sears Roebuck Accep Corp. 6%	03/20/2003	MATURITY		1,050,000	1,050,000	1,071,998	1,050,000	(3,065)	0	0	0	0	31,500	
834182-AK-3	Solectron Corp. Zero Of 05/08/20	05/12/2003	Redemption		191,714	305,000	198,301	209,766	26,004	0	0	(18,052)	(18,052)	0	
844030-AC-0	SOUTHERN UNION CO.	01/14/2003	Warburg, S.G.		779,888	750,000	779,888	778,991	(11)	0	0	897	897	10,656	
868536-AN-3	SuperValu 0% 11/02/31	01/31/2003	Goldman Sachs & Co.		199,472	700,000	196,805	207,368	728	0	0	(7,896)	(7,896)	0	
868536-AP-8	Supervalu Inc. Zero Coupon	02/25/2003	Goldman Sachs & Co.		157,094	550,000	172,213	176,965	1,046	0	0	(19,871)	(19,871)	0	
883556-AH-5	Thermo Electron Corp. 4%	02/24/2003	William Blair & Co LLO		373,875	375,000	344,063	359,917	1,094	0	0	13,958	13,958	9,250	
887315-AW-9	Time Warner Inc. Notes 8.11%	10/03/2003	Spear Leeds & Kellog		1,136,600	1,000,000	1,080,120	1,046,597	(10,954)	0	0	90,003	90,003	93,040	
887364-AE-7	TIMES MIRROR CONV ZERO CPN 4/15/	06/27/2003	Convertible Debentures		208,248	300,000	197,130	208,186	2,677	0	0	62	62	0	
891492-AA-8	Tosco Corp. 8.58%	02/27/2003	Lazard		969,000	800,000	899,856	887,035	(1,532)	0	0	81,965	81,965	34,892	
893485-AM-4	Transamerica Corp 6.75% 11/15/06	07/10/2003	SALOMON BROTHERS		2,247,620	2,000,000	2,064,760	2,041,132	(5,733)	0	0	206,488	206,488	90,000	
893830-AG-4	Transocean Sedco Forex 6.50%	04/15/2003	MATURITY		730,000	730,000	744,673	730,000	(2,593)	0	0	0	0	23,725	
902118-AK-4	Tyco Intl. Group 6.875%	05/27/2003	WARBURG DILLON READ LLC		480,000	500,000	478,455	478,846	38,846	0	0	1,154	1,154	30,078	
902124-AC-0	Tyc International Ltd.	05/08/2003	First Union Capital Marke.		379,375	500,000	383,750	394,295	36,170	0	0	(14,920)	(14,920)	0	
903290-AD-6	USF&G CONV ZERO CPN 3/03/	08/01/2003	Goldman Sachs & Co.		193,775	250,000	166,273	198,076	4,749	0	0	(4,301)	(4,301)	0	
90332U-AN-3	US Airways Pass Thru Crtf 7.076%	01/30/2003	Credit Suisse First Bosto.		996,518	967,494	972,389	971,763	(20)	0	0	24,756	24,756	25,482	
907833-AB-3	Union Pacific RR Pass-Thru 7.06%	05/15/2003	MATURITY		1,000,000	1,000,000	998,030	1,000,000	523	0	0	0	0	35,300	
907833-AF-4	UNION PACIFIC RR	07/02/2003	Sink PMT @ 100.0000000		29,691	29,691	29,691	29,691	0	0	0	0	0	380	
907833-AG-2	UNION PACIFIC RR	01/02/2003	Principal Receipt		34,225	34,225	34,225	34,225	0	0	0	0	0	1,083	
909317-AV-1	United Airlines Pass Thru 2000-2	09/17/2003	VARIOUS		806,856	981,577	1,021,093	1,013,098	(2,206)	0	0	(206,242)	(206,242)	67,440	
911312-AB-2	United Parcel Svc. 1.75%	12/30/2003	Redemption		200,000	200,000	200,225	200,124	(32)	0	0	(124)	(124)	9,820	
91529Y-AC-0	Unum Provident Corp. Note 7.625%	09/25/2003	VARIOUS		357,800	345,000	343,396	343,635	30	0	0	14,165	14,165	15,297	
91529Y-AD-8	Unum Provident Corp. 7.375%	07/24/2003	Chase Manhattan Bank		343,525	350,000	308,623	308,800	177	0	0	34,726	34,726	16,061	
918866-AH-7	Valassis Comms. Zero Coupon	04/10/2003	KBC Fin. Prods		519,750	900,000	521,608	530,170	4,227	0	0	(10,420)	(10,420)	0	
939322-AD-5	Washington Mutual Inc. 7.50%	11/04/2003	ISI Group		783,664	700,000	743,414	724,461	(6,624)	0	0	59,203	59,203	64,458	
947074-AB-6	Weatherford Intl Inc. Conv Zero Co.	02/25/2003	Thomas Weisel Partners		195,300	300,000	207,696	214,919	619	0	0	(19,619)	(19,619)	0	
94975C-AJ-6	Wells Fargo Financial 6.125%	02/11/2003	Chase Manhattan Bank		1,662,465	1,500,000	1,658,220	1,653,303	(1,480)	0	0	9,162	9,162	29,604	
U74078-AE-3	Nestle Holding Inc. 3%	11/04/2003	Credit Suisse First Bosto.		195,525	180,000	207,186	193,615	(7,738)	0	0	1,910	1,910	5,370	
COUNTRY TOTAL - U.S.					70,385,405	71,077,662	70,349,153	69,176,266	(107,461)	0	0	1,209,135	1,209,135	2,811,547	XXX
4599996 - Bonds - Industrial and Misc - United States					70,385,405	71,077,662	70,349,153	69,176,266	(107,461)	0	0	1,209,135	1,209,135	2,811,547	XXX
4599999 - Bonds - Industrial and Miscellaneous					70,385,405	71,077,662	70,349,153	69,176,266	(107,461)	0	0	1,209,135	1,209,135	2,811,547	XXX
6099997 - Bonds - Part 4					180,428,731	179,524,968	181,292,289	178,252,945	(1,492,330)	0	0	2,175,778	2,175,778	5,936,058	XXX
6099998 - Bonds - Part 5					126,904,458	122,016,481	127,391,831	127,238,249	(153,582)	0	0	(333,791)	(333,791)	1,505,026	XXX
6099999 - Total - Bonds					307,333,189	301,541,449	308,684,120	305,491,194	(1,645,912)	0	0	1,841,987	1,841,987	7,441,084	XXX
PUBLIC UTILITIES - U.S.															
69352F-20-4	PPL Capital Funding Pfd	11/03/2003	First Union Capital Marke.		8,000,000	168,392	200,120	145,200	0	0	0	23,192	23,192	11,625	
COUNTRY TOTAL - U.S.					168,392	XXX	200,120	145,200	0	0	0	23,192	23,192	XXX	11,625
6199999 - Preferred Stocks - Public Utilities					168,392	XXX	200,120	145,200	0	0	0	23,192	23,192	XXX	11,625
INDUSTRIAL & MISCELLANEOUS - U.S.															
29476L-85-9	EQ RES PPTYs TR SER 6 CONV PFD	12/26/2003	Redemption		5,500,000	141,488	212,125	212,125	77,925	0	0	(70,637)	(70,637)	16,005	
460137-30-0	INTERNATIONAL PAPER 5.25% CONV PFD	08/14/2003	First Union Capital Marke.		6,250,000	309,361	320,013	320,013	32,606	0	0	(10,652)	(10,652)	8,203	
632525-30-9	NATL AUSTRALIA BK LTD 7.875% CONV	12/16/2003	Gold		7,000,000	261,793	198,614	198,614	(29,236)	0	0	63,179	63,179	17,226	
651195-30-7	NEWELL FINL TR I 5.25% CONV PFD	08/04/2003	Bear Stearns		6,000,000	266,988	291,390	291,390	0	0	0	(24,403)	(24,403)	7,875	
91528T-20-7	UNOCAL CAP TR 6.25% CONV PFD	02/25/2003	Warburg, S.G.		14,000,000	680,730	716,640	716,640	0	0	0	(35,911)	(35,911)	0	
91821D-10-7	VEC TR I Prem Equity 7.75%	08/19/2003	Convertible Debentures		18,000,000	466,329	466,329	466,329	0	0	0	0	0	26,156	
COUNTRY TOTAL - U.S.					2,126,689	XXX	2,205,111	2,205,111	81,295	0	0	(78,424)	(78,424)	XXX	75,465
6399999 - Preferred Stocks - Industrial and Miscellaneous					2,126,689	XXX	2,205,111	2,205,111	81,295	0	0	(78,424)	(78,424)	XXX	75,465
6599997 - Preferred Stocks - Part 4					2,295,081	XXX	2,405,231	2,350,311	81,295	0	0	(55,232)	(55,232)	XXX	87,090
6599998 - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					2,295,081	XXX	2,405,231	2,350,311	81,295	0	0	(55,232)	(55,232)	XXX	87,090
BANKS, TRUST AND INSURANCE COMPANIES - U.S.															
759351-10-9	Reinsurance Group Of America	09/15/2003	VARIOUS		12,500,000	473,728	366,491	366,491	27,991	0	0	107,237	107,237	0	
957090-10-3	Westamerica Bancorporation	12/15/2003	Wach		7,100,000	362,260	281,337	281,337	(3,941)	0	0	80,923	80,923	8,696	
COUNTRY TOTAL - U.S.					835,988	XXX	647,828	647,828	24,050	0	0	188,160	188,160	XXX	8,696
6799999 - Common Stocks - Banks, Trust and Insurance Companies					835,988	XXX	647,828	647,828	24,050	0	0	188,160	188,160	XXX	8,696

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**ANNUAL STATEMENT FOR THE YEAR 2003 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
<b>INDUSTRIAL &amp; MISCELLANEOUS - U.S.</b>															
00790K-10-9	Advance PCS	09/23/2003	Legg Mason Wood	8,165,000	351,687		231,878	231,878	50,533	0	0	119,809	119,809		0
02660M-10-8	American Home Mtg. Holdings Inc	07/02/2003	Friedman,Billings & Ramse	21,000,000	404,540		333,962	333,962	102,962	0	0	70,578	70,578		3,150
037899-10-1	Applebees Intl. Inc	09/12/2003	Factset Data Systems	12,700,000	400,778		286,266	286,266	(8,260)	0	0	114,512	114,512		762
052769-10-6	Autodesk	09/16/2003	VARIOUS	27,800,000	495,226		482,546	482,546	85,006	0	0	12,680	12,680		2,502
053807-10-3	Avnet Inc	07/11/2003	ESI Securities	19,000,000	252,952		517,396	517,396	311,626	0	0	(264,444)	(264,444)		0
066821-10-9	Banta Corporation	11/20/2003	Petrie Parkman & Co.	4,700,000	182,052		121,260	121,260	(25,709)	0	0	60,792	60,792		1,232
084423-10-2	Berkley W.R. Corp	04/25/2003	ESI Securities	9,050,000	402,621		331,085	331,085	(27,385)	0	0	71,536	71,536		1,720
102183-10-0	Bowater Inc	09/09/2003	ISI Group	9,700,000	433,090		473,489	473,489	66,574	0	0	(40,400)	(40,400)		7,760
144418-10-0	Carramerica Realty Corp	04/03/2003	VARIOUS	5,800,000	147,806		145,269	145,269	(21)	0	0	2,538	2,538		1,638
14754D-10-0	Cash America Intl. Inc	07/02/2003	VARIOUS	45,600,000	506,613		365,132	365,132	(68,980)	0	0	141,481	141,481		901
195493-30-9	Colonial Bangroup Inc	09/12/2003	ISI Group	31,000,000	448,258		390,229	390,229	20,399	0	0	58,030	58,030		14,308
216648-40-2	Cooper Cos Inc	11/20/2003	VARIOUS	12,100,000	470,065		239,883	239,883	(62,859)	0	0	230,182	230,182		1,029
231021-10-6	Cummins Inc	01/30/2003	ESI Securities	1,500,000	36,674		54,383	54,383	(12,188)	0	0	(17,709)	(17,709)		0
247131-10-5	Delphi Finl Group Inc	05/02/2003	VARIOUS	2,800,000	115,538		93,179	93,179	(13,109)	0	0	22,359	22,359		0
247357-10-6	Delta & Pine Land Co	12/19/2003	ESI Securities	14,700,000	345,555		275,891	275,891	(24,136)	0	0	69,664	69,664		1,985
29265N-10-8	ENERGEN CORP	09/04/2003	ESI Securities	10,100,000	336,721		216,926	216,926	(76,984)	0	0	119,796	119,796		1,591
336453-10-5	First St. Bancorp	10/03/2003	VARIOUS	9,800,000	284,796		224,178	224,178	(18,862)	0	0	60,617	60,617		3,257
37803P-10-5	Glenborough Rlty Tr Inc	11/25/2003	Lehman	3,400,000	66,151		71,747	71,747	(11,159)	0	0	(5,596)	(5,596)		8,272
413086-10-9	Harman International Ind. Inc	11/20/2003	VARIOUS	3,600,000	362,039		137,340	137,340	(76,860)	0	0	224,699	224,699		260
45031U-10-1	Istar Financial Inc	09/09/2003	ESI Securities	4,800,000	180,286		111,840	111,840	(22,800)	0	0	68,446	68,446		6,360
46072H-10-8	Interstate Bakeries	09/09/2003	William O'Neil	15,900,000	211,947		412,300	412,300	169,825	0	0	(200,353)	(200,353)		2,226
466210-10-1	JLG INDS INC	01/31/2003	VARIOUS	8,000,000	48,650		93,040	93,040	32,800	0	0	(44,390)	(44,390)		204
651824-10-4	Newport Corp	06/10/2003	Weeden & Co.	19,900,000	290,224		309,903	309,903	59,959	0	0	(19,679)	(19,679)		0
666666-66-4	Neighborhood Economic Dev Corp	11/28/2003	GHMIS DIVERSIED	2,000	100,000		100,000	100,000	100,000	0	0	0	0		0
670872-10-0	OM Group Inc	02/26/2003	Bank Of New York	8,400,000	71,896		422,003	422,003	364,211	0	0	(350,107)	(350,107)		0
681904-10-8	Omicare Inc	11/20/2003	VARIOUS	15,700,000	519,783		203,906	203,906	(170,225)	0	0	315,877	315,877		376
693419-20-2	PMA Capital Corp -CI A	04/25/2003	ESI Securities	1,800,000	14,400		42,604	42,604	16,810	0	0	(28,203)	(28,203)		1,334
708870-10-0	PMA Capital Corp	04/25/2003	VARIOUS	10,900,000	78,531		191,161	191,161	34,964	0	0	(112,630)	(112,630)		1,334
748356-10-2	Questar Corp	09/04/2003	William O'Neil	7,700,000	252,065		218,341	218,341	4,127	0	0	33,724	33,724		4,428
755111-40-8	Raytheon Co. Class B	06/24/2003	Merrill Lynch	400,000	13,260		11,396	11,396	0	0	0	1,864	1,864		0
755111-50-7	Raytheon Co	06/24/2003	Merrill Lynch	9,500,000	314,425		330,838	330,838	38,713	0	0	(16,413)	(16,413)		3,960
78440X-10-1	S.L. Green Realty Corp	01/07/2003	ESI Securities	3,000,000	94,347		90,321	90,321	(4,479)	0	0	4,026	4,026		0
876664-10-3	Taubman Centers Inc	06/23/2003	VARIOUS	24,300,000	428,078		315,191	315,191	(79,198)	0	0	112,887	112,887		9,100
898402-10-2	Trustmark Corp	04/03/2003	ESI Securities	10,400,000	247,615		237,635	237,635	(9,885)	0	0	9,980	9,980		1,716
903236-10-7	URS CORP	04/07/2003	Lehman Brothers	18,000,000	211,787		410,266	410,266	154,126	0	0	(198,479)	(198,479)		0
917290-10-1	USF Corp	10/31/2003	ISI Group	6,500,000	205,872		173,383	173,383	(13,492)	0	0	32,489	32,489		2,445
932270-10-1	Wallace Computer Services Inc	01/17/2003	ESI Securities	20,800,000	524,610		400,189	400,189	(47,219)	0	0	124,422	124,422		0
958259-10-3	Western Gas Res Inc	05/02/2003	ESI Securities	15,100,000	558,534		564,056	564,056	7,621	0	0	(5,522)	(5,522)		1,510
616962-10-5	BUNGE LTD. CL F	09/09/2003	UNDEF INED	16,500,000	508,221		307,121	307,121	(89,869)	0	0	201,099	201,099		3,465
Y8564W-10-3	Teekay Shipping Corp	04/03/2003	ESI Securities	1,300,000	50,126		58,321	58,321	5,411	0	0	(8,196)	(8,196)		0
<b>COUNTRY TOTAL - U.S.</b>						10,967,819	XXX	9,995,854	9,995,854	808,682	0	971,966	971,966	XXX	88,825
6899999 - Common Stocks - Industrial and Miscellaneous						10,967,819	XXX	9,995,854	9,995,854	808,682		971,966	971,966	XXX	88,825
7099997 - Common Stocks - Part 4						11,803,807	XXX	10,643,682	10,643,682	832,732		1,160,126	1,160,126	XXX	97,521
7099998 - Common Stocks - Part 5						2,740,735	XXX	2,739,166	2,739,166	0	0	1,569	1,569	XXX	10,592
7099999 - Total - Common Stocks						14,544,542	XXX	13,382,848	13,382,848	832,732	0	1,161,695	1,161,695	XXX	108,113
7199999 - Total - Preferred and Common Stocks						16,839,623	XXX	15,733,159	15,733,159	914,027	0	1,106,463	1,106,463	XXX	195,203
<b>7299999 Totals</b>						324,172,812	XXX	324,472,199	321,224,353	(731,885)	0	2,948,450	2,948,450	7,441,084	195,203

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**ANNUAL STATEMENT FOR THE YEAR 2003 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.																
01N060-64-3	GNMA TBA 6%	04/01/2003	Lehman Brothers	04/09/2003	Lehman Brothers	5,375,000	5,561,025	5,605,957	5,567,734	6,709	0	0	38,223	38,223	0	0
313396-AS-2	FHLMC Discount Note	01/03/2003	Lehman Brothers	01/17/2003	Lehman Brothers	10,000,000	9,995,256	10,000,000	10,000,000	4,745	0	0	0	0	0	0
313444-TZ-7	FHLMC Note 4.50%	08/05/2003	UNDEF INED	09/02/2003	Credit Suisse First Bosto	2,000,000	1,917,856	1,904,375	1,918,332	476	0	0	(13,957)	(13,957)	11,750	5,000
313588-KR-5	FNMA Disc. Note	07/22/2003	Goldman Sachs & Co	08/20/2003	MATURITY	5,300,000	5,295,773	5,300,000	5,300,000	4,227	0	0	0	0	0	0
31359M-NP-4	FNMA Note 4.25%	08/06/2003	Greenwich Capital Markets	10/15/2003	Greenwich Capital Markets	5,500,000	5,704,824	5,729,883	5,695,483	(9,342)	0	0	34,400	34,400	61,684	16,882
36200D-B0-5	GNMA Pool #597747	04/09/2003	Lehman Brothers	08/05/2003	SALOMON BROTHERS	899,265	932,706	940,715	932,594	(112)	0	0	8,121	8,121	2,698	2,698
36200D-NC-3	GNMA Pool #598087 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	157,795	157,137	159,150	157,758	(37)	0	0	1,392	1,392	456	456
36200F-E8-7	GNMA Pool #599659	04/09/2003	Lehman Brothers	08/04/2003	SALOMON BROTHERS	907,605	941,357	949,440	941,254	(103)	0	0	8,187	8,187	2,723	2,723
36201T-J3-2	GNMA Pool #92582 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	189,540	196,589	198,277	196,543	(46)	0	0	1,734	1,734	569	569
36201T-KU-0	GNMA Pool #592607 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	1,419,981	1,472,786	1,485,433	1,472,445	(342)	0	0	12,989	12,989	4,260	4,260
36201T-LX-3	GNMA Pool #592642	04/09/2003	Lehman Brothers	08/04/2003	SALOMON BROTHERS	477,909	495,681	499,938	495,627	(54)	0	0	4,310	4,310	1,434	1,434
36208R-2J-2	GNMA Pool #458977 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	45,419	45,419	45,809	45,407	(12)	0	0	402	402	131	131
36210B-SE-6	GNMA Pool #487517 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	153,855	159,577	160,946	159,535	(42)	0	0	1,411	1,411	462	462
36210V-RS-2	GNMA Pool #503697 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	186,461	193,395	195,056	193,344	(51)	0	0	1,711	1,711	559	559
36210X-T6-4	GNMA Pool #505573	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	100,873	104,624	105,522	104,597	(28)	0	0	926	926	303	303
36213E-D8-6	GNMA Pool #551927	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	50,073	51,935	52,381	51,922	(13)	0	0	458	458	150	150
36213F-K6-9	GNMA Pool #562579 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	48,505	50,308	50,740	50,296	(12)	0	0	444	444	146	146
36213R-60-5	GNMA Pool #562579 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	50,563	52,443	52,894	52,431	(13)	0	0	463	463	152	152
36213T-F9-9	GNMA Pool #563692 6%	04/09/2003	Lehman Brothers	05/30/2003	SALOMON BROTHERS	693,908	719,713	725,893	719,545	(168)	0	0	6,348	6,348	2,082	2,082
38373Y-TW-4	GNR 2003-9 VB 5.5%	01/10/2003	Legg Mason Wood	10/22/2003	Bear Stearns	5,000,000	5,037,500	4,993,750	5,033,347	(4,153)	0	0	(39,597)	(39,597)	226,111	22,153
912810-FG-8	U.S. Treasury Bond 5.25%	06/11/2003	Deutsche Bank Govt Sec	09/05/2003	HSBC Securities	1,000,000	1,142,695	938,227	1,141,990	(706)	0	0	(203,763)	(203,763)	36,568	17,548
912810-FP-8	U.S. Treasury Bonds 5.375%	08/18/2003	VARIOUS	08/21/2003	VARIOUS	975,000	1,059,330	1,038,547	1,059,126	(204)	0	0	(20,579)	(20,579)	13,022	9,123
912827-3T-7	U.S. Treasury Note 3.625%	05/15/2003	Inflation Index	11/28/2003	Inflation Index	22,011	0	12,467	12,470	0	0	0	(3)	(3)	0	0
912827-6X-5	US Treasury Note 4.625%	04/22/2003	Merrill Lynch	08/28/2003	SALOMON BROTHERS	1,800,000	1,927,688	1,908,984	1,913,595	(14,093)	0	0	(4,611)	(4,611)	66,736	37,026
912827-TJ-5	U.S. Treasury Notes 3.375%	01/15/2003	Inflation Index	03/15/2003	Inflation Index	827	0	0	1,073	0	0	0	(1,073)	(1,073)	0	0
912828-AC-4	US Treasury Note 4.375%	05/21/2003	Deutsche Bank Govt Sec	09/11/2003	Credit Suisse First Bosto	4,000,000	4,361,094	4,244,688	4,334,314	(26,780)	0	0	(89,626)	(89,626)	58,967	5,707
912828-AF-7	US Treasury Note 3.00%	02/05/2003	BANKERS TRUST	07/16/2003	Credit Suisse First Bosto	3,000,000	3,261,061	3,335,109	3,251,961	(9,099)	0	0	83,148	83,148	39,262	6,513
912828-AT-7	US Treasury Note 3.0%	07/16/2003	Deutsche Bank Govt Sec	10/16/2003	Greenwich Capital Markets	1,500,000	1,516,641	1,492,559	1,515,782	(859)	0	0	(23,223)	(23,223)	30,693	19,392
912828-BA-7	US Treasury Note 3.875%	08/07/2003	VARIOUS	09/05/2003	VARIOUS	1,750,000	1,758,078	1,697,932	1,757,874	(204)	0	0	(59,943)	(59,943)	13,382	2,261
912828-BG-4	UNITED STATES TREAS NTS	10/28/2003	Barclays Dezoete	12/16/2003	VARIOUS	2,100,000	2,105,086	2,098,537	2,105,018	(68)	0	0	(6,481)	(6,481)	19,246	14,281
912828-BH-2	US Treasury 4.25%	11/13/2003	VARIOUS	11/19/2003	VARIOUS	1,650,000	1,648,593	1,636,094	1,648,590	(3)	0	0	(12,496)	(12,496)	17,072	13,992
COUNTRY TOTAL - U.S.						56,347,304	57,866,828	57,559,303	57,829,987	(36,844)	0	0	(270,685)	(270,685)	610,618	186,003
0399996 - Bonds - U.S. Government						56,347,304	57,866,828	57,559,303	57,829,987	(36,844)	0	0	(270,685)	(270,685)	610,618	186,003
0399999 - Bonds - U.S. Governments						56,347,304	57,866,828	57,559,303	57,829,987	(36,844)	0	0	(270,685)	(270,685)	610,618	186,003
STATES, TERRITORIES, POSSESSIONS - U.S.																
U.S. GOVERNMENT																
120568-AJ-9	BUNGE LTD FIN CORP	12/10/2003	Gold	12/10/2003	Gold	400,000	399,468	401,588	399,468	0	0	0	2,120	2,120	0	0
STATE TOTAL						400,000	399,468	401,588	399,468	0	0	0	2,120	2,120	0	0
COUNTRY TOTAL - U.S.						400,000	399,468	401,588	399,468	0	0	0	2,120	2,120	0	0
1799996 - Bonds - States, Territories and Possessions - United States						400,000	399,468	401,588	399,468	0	0	0	2,120	2,120	0	0
1799999 - Bonds - States, Territories and Possessions						400,000	399,468	401,588	399,468	0	0	0	2,120	2,120	0	0
SPECIAL REVENUE AND ASSESSMENTS - U.S.																
U.S. GOVERNMENT																
01F052-64-9	FNMA TBA 5.50%	04/01/2003	Bear Stearns	04/09/2003	Bear Stearns	4,000,000	4,043,750	4,085,313	4,048,497	4,747	0	0	36,815	36,815	0	0
01F052-66-4	FNMA TBA 5.50%	04/09/2003	Bear Stearns	05/30/2003	Bear Stearns	4,000,000	4,055,000	4,145,625	4,021,973	(33,027)	0	0	123,652	123,652	0	0
01F060-64-2	FNMA TBA 6%	04/01/2003	Paine Webber	04/09/2003	Paine Webber	5,400,000	5,563,688	5,599,547	5,570,495	6,808	0	0	29,051	29,051	0	0
01F060-66-7	FNMA TBA 6%	04/09/2003	Paine Webber	05/30/2003	Paine Webber	5,400,000	5,565,375	5,603,344	5,564,218	(1,157)	0	0	39,126	39,126	0	0
01N052-67-3	GNMA TBA 5.5%	05/30/2003	SALOMON BROTHERS	05/30/2003	SALOMON BROTHERS	2,800,000	2,912,875	2,917,250	2,912,875	0	0	0	4,375	4,375	0	0
01N060-67-6	GNMA TBA 6%	05/30/2003	SALOMON BROTHERS	05/30/2003	SALOMON BROTHERS	2,575,000	2,689,064	2,696,307	2,689,064	0	0	0	7,242	7,242	0	0
31294K-UM-5	FHLMC PC GOLD CASH 15	11/03/2003	Paine Webber	12/15/2003	VARIOUS	7,000,000	7,103,359	7,102,456	7,103,551	192	0	0	(1,095)	(1,095)	33,837	4,861
31359M-FG-3	FNMA 7.25%	09/11/2003	HSBC Securities	10/15/2003	Bear Stearns	4,000,000	4,703,048	4,687,412	4,692,126	(10,922)	0	0	(4,714)	(4,714)	76,528	49,139
31401W-G3-7	FNMA PASS-THRU POOL #720318	09/30/2003	Goldman Sachs & Co	09/30/2003	REVERSAL	67,152	67,467	67,467	67,467	0	0	0	0	0	143	143
31403C-RZ-6	FNMA PASS-THRU POOL 744904	09/30/2003	Goldman Sachs & Co	09/30/2003	REVERSAL	250,025	251,197	251,197	251,197	0	0	0	0	0	590	590
36202D-ZY-0	GNMA PASS-THRU M SINGLE FAMILY	11/03/2003	Warburg, S.G	12/20/2003	VARIOUS	4,000,000	4,050,313	4,050,158	4,050,953	641	0	0	(795)	(795)	21,328	3,056
STATE TOTAL						39,492,177	41,005,136	41,206,076	40,972,416	(32,718)	0	0	233,657	233,657	132,426	57,789
COUNTRY TOTAL - U.S.						39,492,177	41,005,136	41,206,076	40,972,416	(32,718)	0	0	233,657	233,657	132,426	57,789
3199996 - Bonds - Special Revenue - United States						39,492,177	41,005,136	41,206,076	40,972,416	(32,718)	0	0	233,657	233,657	132,426	57,789

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**ANNUAL STATEMENT FOR THE YEAR 2003 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
3199999 - Bonds - Special Revenue						39,492,177	41,005,136	41,206,076	40,972,416	(32,718)			233,657	233,657	132,426	57,789
INDUSTRIAL & MISCELLANEOUS - U.S.																
02378J-BH-0	American Airlines 7.858%	02/06/2003	Credit Suisse First Bosto	04/01/2003	Morgan Stanley	950,000	883,500	907,250	884,299	799	0	0	22,951	22,951	37,533	26,957
026609-AE-7	American Home Products 7.90%	02/26/2003	Morgan Stanley	11/06/2003	Nationsbank	1,000,000	1,104,310	1,071,930	1,068,131	(36,179)	0	0	3,799	3,799	58,592	3,950
031162-AE-0	Amgen Inc. 0%	04/25/2003	CS First Boston	11/10/2003	Morgan Stanley	630,000	494,346	468,195	496,601	2,256	0	0	(28,407)	(28,407)	0	0
035229-CF-8	Anheuser Busch Inc. 7.55%	09/23/2003	Futureshare Financial LLC	12/09/2003	Wach	2,600,000	3,173,898	3,197,818	3,172,053	(1,845)	0	0	25,765	25,765	136,865	95,424
054303-AJ-7	Avon Products 0%	05/16/2003	VARIOUS	07/14/2003	Redemption	900,000	487,688	478,566	491,025	3,337	0	0	(12,459)	(12,459)	0	0
059438-AK-7	Banc One Corp. 8.0%	06/25/2003	Futureshare Financial LLC	12/09/2003	Gold	2,500,000	3,426,650	3,132,000	3,417,583	(9,067)	0	0	(285,583)	(285,583)	123,889	33,889
07383F-EH-7	Bear Stearns Commercial Mtge 7.32%	04/21/2003	Bear Stearns	11/06/2003	Bear Stearns	2,100,000	2,474,309	2,425,500	2,448,179	(26,130)	0	0	(22,679)	(22,679)	94,367	9,821
073902-CD-8	BEAR STEARNS COS INC	11/13/2003	Futureshare Financial LLC	12/09/2003	Lehman	2,000,000	1,828,520	1,818,640	1,829,079	559	0	0	(10,439)	(10,439)	43,142	36,942
126408-GF-4	CSX CORP	11/13/2003	CS First Boston	11/13/2003	SALOMON BROTHERS	450,000	446,733	449,960	446,733	0	0	0	3,227	3,227	0	66
172967-BS-9	Citigroup Inc. 3.50%	02/05/2003	BANKERS TRUST	06/10/2003	Lehman Brothers	750,000	745,223	780,900	745,482	260	0	0	35,418	35,418	9,698	729
204912-AR-0	COMPUTER ASSOC INTL INC	10/17/2003	SG Cowen Securities	12/02/2003	Gold	125,000	157,813	150,625	156,560	(1,253)	0	0	(5,935)	(5,935)	1,389	642
208251-AD-0	Conoco Inc. 6.35%	08/20/2003	Bear Stearns	09/22/2003	Futureshare Financial LLC	2,000,000	2,236,020	2,238,340	2,232,685	(3,335)	0	0	5,655	5,655	56,444	45,861
208251-AE-8	Conoco Inc. 6.95%	09/22/2003	Futureshare Financial LLC	12/09/2003	Futureshare Financial LLC	2,000,000	2,251,780	2,263,560	2,250,874	(906)	0	0	12,686	12,686	22,008	61,778
233835-AV-9	DaimlerChrysler NA 3.75%	05/28/2003	Nationsbank	06/05/2003	BT Alex Brown, Inc.	250,000	249,143	251,933	249,143	0	0	0	2,790	2,790	0	0
25243E-AF-0	Diageo Cap. PLC 4.85%	04/25/2003	WARBURG DILLON READ LLC	10/24/2003	BHF Securities	500,000	500,000	477,225	500,000	0	0	0	(22,775)	(22,775)	11,923	0
25746U-AJ-8	Dominion Resources Inc. 6.25%	01/30/2003	MLPF&S Fixed Income Ops	08/07/2003	SALOMON BROTHERS	422,000	449,278	447,653	448,102	(1,176)	0	0	(449)	(449)	16,265	2,491
26353L-JB-8	DuPont El De Nemours & Co. 4.125%	03/03/2003	Credit Suisse First Bosto	03/04/2003	Credit Suisse First Bosto	250,000	247,678	248,058	247,678	0	0	0	380	380	29	0
277461-8X-0	Eastman Kodak	10/07/2003	Lehman Brothers	10/08/2003	JP Morgan Securities, Inc.	130,000	130,000	133,738	130,000	0	0	0	3,738	3,738	49	0
305915-AD-2	Falconbridge LTD 5.375%	05/22/2003	BT Alex Brown, Inc.	09/26/2003	WARBURG DILLON READ LLC	425,000	424,588	416,568	424,596	8	0	0	(8,028)	(8,028)	7,805	0
41020V-AA-9	HANCOCK JOHN MUT LIFE INS CO	10/28/2003	First Albany Corp	11/07/2003	Advest, Inc	3,500,000	3,925,865	3,948,625	3,925,749	(116)	0	0	22,876	22,876	53,878	53,878
571748-AJ-1	Marsh & McLennan Cos. Inc.	02/11/2003	Goldman Sachs & Co.	10/28/2003	Morgan Stanley	225,000	224,755	224,120	224,768	13	0	0	(648)	(648)	7,639	0
585055-AB-2	Medtronic Inc. Conv. 1.25%	10/07/2003	Exchange	10/07/2003	Alex Brown & Sons	180,000	188,950	186,179	188,950	0	0	0	(2,771)	(2,771)	138	0
743315-AJ-2	Progressive Corp. Ohio 6.625%	04/01/2003	Credit Suisse First Bosto	10/31/2003	MLPF&S Fixed Income Ops	500,000	547,925	537,775	547,455	(470)	0	0	(9,680)	(9,680)	39,014	3,036
744320-AB-1	Prudential Financial Inc. 4.50%	06/30/2003	Nationsbank	12/09/2003	Wach	350,000	349,409	334,261	349,428	20	0	0	(15,168)	(15,168)	6,781	0
867229-AD-8	SUNCOR ENERGY INC	11/24/2003	Gold	12/01/2003	Wach	300,000	298,233	295,119	298,233	0	0	0	(3,114)	(3,114)	149	0
902494-AM-5	Tyson Foods Inc. 8.25%	06/10/2003	Morgan Stanley	09/24/2003	Barclays Dezoete	440,000	528,788	517,101	526,286	(2,502)	0	0	(9,185)	(9,185)	17,948	7,260
939322-AD-5	Washington Mutual Inc. 7.50%	03/06/2003	Advest, Inc	11/04/2003	ISI Group	300,000	345,000	335,856	336,705	(8,295)	0	0	(849)	(849)	16,375	1,625
COUNTRY TOTAL - U.S.						25,777,000	28,120,402	27,737,495	28,036,377	(84,022)	0	0	(298,884)	(298,884)	761,986	384,283
4599996 - Bonds - Industrial and Miscellaneous - United States						25,777,000	28,120,402	27,737,495	28,036,377	(84,022)	0	0	(298,884)	(298,884)	761,986	384,283
4599999 - Bonds - Industrial and Miscellaneous						25,777,000	28,120,402	27,737,495	28,036,377	(84,022)	0	0	(298,884)	(298,884)	761,986	384,283
6099998 - Total - Bonds						122,016,481	127,391,834	126,904,462	127,238,248	(153,584)	0	0	(333,792)	(333,792)	1,505,030	628,075
BANKS, TRUST AND INSURANCE COMPANIES - U.S.																
957090-10-3	Westamerica Bancorporation	03/25/2003	ESI Securities	12/15/2003	Wach	2,100,000	83,461	104,953	83,461	0	0	0	21,492	21,492	0	0
COUNTRY TOTAL - U.S.						XXX	83,461	104,953	83,461	0	0	0	21,492	21,492	0	0
6799999 - Common Stocks - Banks, Trust and Insurance Companies						XXX	83,461	104,953	83,461	0	0	0	21,492	21,492	0	0
INDUSTRIAL & MISCELLANEOUS - U.S.																
00790K-10-9	Advance PCS	09/23/2003	Legg Mason Wood	11/05/2003	Warrant Exercise	11,682,000	510,854	597,062	510,854	0	0	0	86,209	86,209	0	0
02607P-30-5	Amer. Finl Rlty TR	06/24/2003	Friedman,Billings & Ramse	07/16/2003	Friedman,Billings & Ramse	2,200,000	27,500	32,668	27,500	0	0	0	5,168	5,168	0	0
053807-10-3	Avnet Inc	01/29/2003	ESI Securities	07/14/2003	ESI Securities	7,500,000	79,125	100,717	79,125	0	0	0	21,592	21,592	0	0
147528-10-3	Caseys General Store Inc.	03/28/2003	Bank Of New York	04/04/2003	REVERSAL	15,500,000	184,636	184,636	184,636	0	0	0	0	0	0	0
336453-10-5	First St. Bancorp	03/25/2003	ESI Securities	10/06/2003	ESI Securities	2,800,000	60,616	86,183	60,616	0	0	0	25,566	25,566	0	0
489170-10-0	Kennametal Inc	03/28/2003	Bank Of New York	04/04/2003	REVERSAL	9,500,000	279,205	279,205	279,205	0	0	0	0	0	2,125	0
505447-10-2	Labranche & Co	09/09/2003	VARIOUS	11/20/2003	Friedman,Billings & Ramse	26,100,000	476,708	214,080	476,708	0	0	0	(262,628)	(262,628)	2,096	0
63607P-20-8	Natl. Finl. Partners Corp	09/17/2003	Merrill Lynch	10/07/2003	Merrill Lynch	3,800,000	87,400	105,879	87,400	0	0	0	18,479	18,479	0	0
654086-10-7	Nicor Inc	04/03/2003	VARIOUS	09/11/2003	VARIOUS	9,900,000	275,106	352,617	275,106	0	0	0	77,510	77,510	6,371	0
896047-10-7	Tribune Co. Common Stock	06/27/2003	Convertible Debentures	08/14/2003	Lehman Brothers	4,371,000	208,248	201,716	208,248	0	0	0	(6,532)	(6,532)	0	0
91913Y-10-0	Valero Ref. & Mkt. Co	08/19/2003	Convertible Debentures	09/25/2003	UNDEFINED	12,875,000	466,307	481,018	466,307	0	0	0	14,712	14,712	0	0
COUNTRY TOTAL - U.S.						XXX	2,655,705	2,635,781	2,655,705	0	0	0	(19,924)	(19,924)	10,592	0
6899999 - Common Stocks - Industrial and Miscellaneous						XXX	2,655,705	2,635,781	2,655,705	0	0	0	(19,924)	(19,924)	10,592	0
7099998 - Total - Common Stocks						XXX	2,739,166	2,740,734	2,739,166	0	0	0	1,568	1,568	10,592	0
7199999 - Total - Preferred and Common Stocks						XXX	2,739,166	2,740,734	2,739,166	0	0	0	1,568	1,568	10,592	0
<b>7299999 Totals</b>							130,131,000	129,645,196	129,977,414	(153,584)	0	0	(332,224)	(332,224)	1,515,622	628,075

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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 Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 If Yes, Amount of Such Intangible Assets	7 Statement Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
	The GHMSI Companies		3B2B	No			25,000,000	100.0
	Access America Inc		3B2B	No			10,000,000	100.0
1999999 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: \$ 0
2. Total amount of intangible assets nonadmitted: \$ 0

**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 Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	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	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	DeMarva Health Plan	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-PP0, 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



















## 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 .....	494,755,369	513,510,385	18,755,016
2. Preferred Stocks .....	9,159,961	9,590,487	430,526
3. Totals	503,915,330	523,100,872	19,185,542

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

The methods utilized in determining the fair values is the unit price provided by the custodial banks.....

The methods utilized in determining the fair values is the unit price provided by the custodial banks.....







**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Group Hospitalization and Medical Services, Inc.**

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

1	2	3	4	5	6	7
Line Number	Type	Description of Deposit	Where Deposited and Purpose of Deposit	Par or Book Value	Statement Value (a)	Fair Value
DC00001.....	B.....	U.S. Treasury Notes Rate of 4.625%, matures 05/15/06.....	SunTrust Bank-DC RSD by Ins Code Title 26 DCMR Chapter 3507.5.....	125,000	133,843	132,500
DC99999 - District of Columbia				125,000	133,843	132,500
9999997 - Totals - Not All Policyholders				125,000	133,843	132,500
9999999 Totals				125,000	133,843	132,500

(a) Including \$ cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.