



HEALTH ANNUAL STATEMENT

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

Group Hospitalization and Medical Services, Inc.

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

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
Vision Service Corporation [] Other [] Health Maintenance Organization []
Hospital, Medical & Dental Service or Indemnity [x] Is HMO, Federally Qualified? Yes [] No [X]

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

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

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

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

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

Internet Website Address www.carefirst.com

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

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

OFFICERS

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

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

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

State of }
County of } ss

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

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

Subscribed and sworn to before me this _____ day of _____ 2003

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

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

EXHIBIT 8 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	.0	.0		.0		
2. Intermediaries	7,019,464	.5	404,330	77.8		7,019,464
3. All other providers	1,230,803	.1	115,245	22.2		1,230,803
4. Total capitation payments	8,250,267	.5	519,575	100.0	0	8,250,267
Other Payments:						
5. Fee-for-service	.0	.0	XXX	XXX		
6. Contractual fee payments	1,500,829,496	99.5	XXX	XXX		1,500,829,496
7. Bonus/withhold arrangements - fee-for-service	.0	.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	.0	.0	XXX	XXX		
9. Non-contingent salaries	.0	.0	XXX	XXX		
10. Aggregate cost arrangements	.0	.0	XXX	XXX		
11. All other payments	.0	.0	XXX	XXX		
12. Total other payments	1,500,829,496	99.5	XXX	XXX	0	1,500,829,496
13. TOTAL (Line 4 plus Line 12)	1,509,079,763	100 %	XXX	XXX	0	1,509,079,763

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	6 Intermediary's Total Adjusted Capital	7 Intermediary's Authorized Control Level RBC
	The Dental Network	40,851	6,809		
	Magellan Health Services	1,667,254	138,938		
	Maryland Eye Care	536,617	44,718		
	Valule Options	4,774,742	397,895		
9999999 Totals		7,019,464	XXX	XXX	XXX

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EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	5,964,467	1,003,480	2,592,379	4,375,568	4,375,568	
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	5,964,467	1,003,480	2,592,379	4,375,568	4,375,568	0



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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. DIVISION

(LOCATION)

NAIC Group Code 0380

BUSINESS IN THE STATE OF District of Columbia

DURING THE YEAR 2002

NAIC Company Code 53007

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	490,080	6,804	76,170	2,295			346,292			58,519
2. First Quarter	502,100	7,063	78,372	2,198			352,713			61,754
3. Second Quarter	500,575	7,334	79,731	2,169			349,798			61,543
4. Third Quarter	502,155	7,519	79,620	2,145			349,430			63,441
5. Current Year	503,679	7,599	79,167	2,114			350,909			63,890
6. Current Year Member Months	6,028,425	87,570	949,942	26,009			4,216,519			748,385
Total Member Ambulatory Encounters for Year:										
7. Physician	4,174,978	63,313	614,028	36,114			3,461,523			
8. Non-Physician	536,136	6,933	55,029	5,120			469,054			
9. Total	4,711,114	70,246	669,057	41,234	0	0	3,930,577	0	0	0
10. Hospital Patient Days Incurred	272,805	2,257	17,625	5,686			247,237			
11. Number of Inpatient Admissions	26,738	424	4,359	794			21,161			
12. Premiums Collected	1,213,739,885	18,675,564	198,263,088	4,649,460		11,505,059	976,407,701			4,239,013
13. Premiums Earned	1,226,071,751	18,865,312	200,277,485	4,696,699		11,621,953	986,328,220			4,282,082
14. Amount Paid for Provision of Health Care Services	1,115,421,008	13,578,906	162,221,372	3,025,848		8,694,132	925,767,131			2,133,619
15. Amount Incurred for Provision of Health Care Services	1,134,926,969	13,985,554	168,208,240	2,804,907		8,849,410	938,552,586			2,526,272

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. DIVISION

(LOCATION)

NAIC Group Code 0380

BUSINESS IN THE STATE OF Maryland

DURING THE YEAR 2002

NAIC Company Code 53007

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	113,600	7,224	71,611	4,231						30,534
2. First Quarter	118,973	7,146	75,154	4,050						32,623
3. Second Quarter	122,357	7,228	78,169	3,917						33,043
4. Third Quarter	126,040	7,045	82,236	3,786						32,973
5. Current Year	133,409	6,892	89,492	3,667						33,358
6. Current Year Member Months	1,485,321	85,324	956,956	46,822						396,219
Total Member Ambulatory Encounters for Year:										
7. Physician	836,318	78,507	683,506	74,305						
8. Non-Physician	67,846	7,418	54,747	5,681						
9. Total	904,164	85,925	738,253	79,986	0	0	0	0	0	0
10. Hospital Patient Days Incurred	37,163	4,386	22,392	10,385						
11. Number of Inpatient Admissions	8,150	818	5,633	1,699						
12. Premiums Collected	246,984,712	20,885,988	210,100,846	7,585,772		4,724,145				3,687,961
13. Premiums Earned	249,494,130	21,098,194	212,235,517	7,662,845		4,772,143				3,725,431
14. Amount Paid for Provision of Health Care Services	200,821,732	21,476,188	169,275,256	5,205,026		3,549,634				1,315,628
15. Amount Incurred for Provision of Health Care Services	208,919,544	22,277,432	176,642,784	5,108,441		3,606,888				1,283,999

34.MD



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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. DIVISION

(LOCATION)

NAIC Group Code 0380

BUSINESS IN THE STATE OF Virginia

DURING THE YEAR 2002

NAIC Company Code 53007

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	108,861	12,153	80,820	2,928						12,960
2. First Quarter	113,009	13,000	83,917	2,868						13,224
3. Second Quarter	111,237	14,318	81,196	2,829						12,894
4. Third Quarter	109,850	15,035	79,278	2,784						12,753
5. Current Year	111,178	15,555	79,358	2,770						13,495
6. Current Year Member Months	1,343,770	170,177	982,730	33,920						156,943
Total Member Ambulatory Encounters for Year:										
7. Physician	828,226	124,990	650,993	52,243						
8. Non-Physician	74,856	11,649	57,873	5,334						
9. Total	903,082	136,639	708,866	57,577	0	0	0	0	0	0
10. Hospital Patient Days Incurred	28,937	3,789	18,148	7,000						
11. Number of Inpatient Admissions	6,780	876	4,874	1,030						
12. Premiums Collected	241,852,662	32,592,505	193,883,925	6,094,540		8,116,135				1,165,557
13. Premiums Earned	244,309,938	32,923,652	195,853,829	6,156,462		8,198,596				1,177,399
14. Amount Paid for Provision of Health Care Services	192,837,023	27,093,152	155,088,650	4,186,097		6,338,727				130,397
15. Amount Incurred for Provision of Health Care Services	199,109,387	28,640,924	159,904,474	4,207,653		6,417,086				(60,750)

34.VA



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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. DIVISION

(LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF Consolidated		DURING THE YEAR 2002							NAIC Company Code	53007
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10		
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other		
Total Members at end of:												
1. Prior Year	712,541	26,181	228,601	9,454	0	0	346,292	0	0	102,013		
2. First Quarter	734,082	27,209	237,443	9,116	0	0	352,713	0	0	107,601		
3. Second Quarter	734,169	28,880	239,096	8,915	0	0	349,798	0	0	107,480		
4. Third Quarter	738,045	29,599	241,134	8,715	0	0	349,430	0	0	109,167		
5. Current Year	748,266	30,046	248,017	8,551	0	0	350,909	0	0	110,743		
6. Current Year Member Months	8,857,516	343,071	2,889,628	106,751	0	0	4,216,519	0	0	1,301,547		
Total Member Ambulatory Encounters for Year:												
7. Physician	5,839,522	266,810	1,948,527	162,662	0	0	3,461,523	0	0	0		
8. Non-Physician	678,838	26,000	167,649	16,135	0	0	469,054	0	0	0		
9. Total	6,518,360	292,810	2,116,176	178,797	0	0	3,930,577	0	0	0		
10. Hospital Patient Days Incurred	338,905	10,432	58,165	23,071	0	0	247,237	0	0	0		
11. Number of Inpatient Admissions	41,668	2,118	14,866	3,523	0	0	21,161	0	0	0		
12. Premiums Collected	1,702,577,259	72,154,057	602,247,859	18,329,772	0	24,345,339	976,407,701	0	0	9,092,531		
13. Premiums Earned	1,719,875,819	72,887,158	608,366,831	18,516,006	0	24,592,692	986,328,220	0	0	9,184,912		
14. Amount Paid for Provision of Health Care Services	1,509,079,763	62,148,246	486,585,278	12,416,971	0	18,582,493	925,767,131	0	0	3,579,644		
15. Amount Incurred for Provision of Health Care Services	1,542,955,900	64,903,910	504,755,498	12,121,001	0	18,873,384	938,552,586	0	0	3,749,521		

34.GT

SCHEDULE A VERIFICATION BETWEEN YEARS

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

NONE

SCHEDULE B VERIFICATION BETWEEN YEARS

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

NONE

SCHEDULE BA VERIFICATION BETWEEN YEARS

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

NONE

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

SCHEDULE D - PART 1A - SECTION 1

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	83,965,268	10,146,943	4,911,869	4,360,970	1,195,184	104,580,234	24.0	56,089,490	16.1	104,580,234	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	83,965,268	10,146,943	4,911,869	4,360,970	1,195,184	104,580,234	24.0	56,089,490	16.1	104,580,234	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1	0	0	0	986,631	0	986,631	0.2	1,000,430	0.3	986,631	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	986,631	0	986,631	0.2	1,000,430	0.3	986,631	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1	0	0	0	0	0	0	0.0	865,242	0.2	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	865,242	0.2	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	22,958,188	54,288,809	49,306,982	17,598,190	10,035,290	154,187,459	35.4	108,506,271	31.2	154,187,458	0
5.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	22,958,188	54,288,809	49,306,982	17,598,190	10,035,290	154,187,459	35.4	108,506,271	31.2	154,187,458	0

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

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1	.0	1,016,148	.0	.0	1,292,018	2,308,166	0.5	2,312,656	0.7	2,308,165	.0
6.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	772,151	0.2	.0	.0
6.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.5 Class 5	.0	.0	.0	.0	426,250	426,250	0.1	.0	0.0	426,250	.0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	0	1,016,148	0	0	1,718,268	2,734,416	0.6	3,084,807	0.9	2,734,415	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	4,092,260	33,483,144	33,633,642	12,889,590	6,540,567	90,639,203	20.8	103,651,866	29.8	88,276,699	2,362,504
7.2 Class 2	3,846,287	18,184,514	19,704,387	15,028,918	18,590,597	75,354,703	17.3	70,767,943	20.4	71,823,719	3,530,984
7.3 Class 3	.0	1,125,284	2,408,175	1,050,638	2,187,372	6,771,469	1.6	3,257,469	0.9	6,771,468	.0
7.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.5 Class 5	.0	420,000	.0	.0	.0	420,000	0.1	.0	0.0	420,000	.0
7.6 Class 6	0	0	427,500	0	0	427,500	0.1	250,000	0.1	427,500	0
7.7 Totals	7,938,547	53,212,942	56,173,704	28,969,146	27,318,536	173,612,875	39.8	177,927,278	51.2	167,719,386	5,893,488
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	111,015,716	98,935,044	87,852,493	35,835,381	19,063,059	352,701,693	80.9	XXX	XXX	350,339,187	2,362,504
10.2 Class 2	3,846,287	18,184,514	19,704,387	15,028,918	18,590,597	75,354,703	17.3	XXX	XXX	71,823,719	3,530,984
10.3 Class 3	0	1,125,284	2,408,175	1,050,638	2,187,372	6,771,469	1.6	XXX	XXX	6,771,468	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	420,000	0	0	426,250	846,250	0.2	XXX	XXX	846,250	0
10.6 Class 6	0	0	427,500	0	0	427,500	0.1	XXX	XXX	427,500	0
10.7 Totals	114,862,002	118,664,842	110,392,555	51,914,937	40,267,278	436,101,615	100.0	XXX	XXX	430,208,124	5,893,488
10.8 Line 10.7 as a % of Col. 6	26.3	27.2	25.3	11.9	9.2	100.0	XXX	XXX	XXX	98.6	1.4
11. Total Bonds Prior Year											
11.1 Class 1	53,722,684	90,315,207	78,200,358	33,788,221	16,399,486	XXX	XXX	272,425,956	78.4	272,425,956	0
11.2 Class 2	423,152	24,812,606	21,012,771	9,500,975	15,790,591	XXX	XXX	71,540,095	20.6	71,540,094	0
11.3 Class 3	0	0	835,519	654,750	1,767,200	XXX	XXX	3,257,469	0.9	3,257,469	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Class 6	0	250,000	0	0	0	XXX	XXX	250,000	0.1	250,000	0
11.7 Totals	54,145,836	115,377,813	100,048,648	43,943,946	33,957,277	XXX	XXX	347,473,520	100.0	347,473,519	0
11.8 Line 11.7 as a % of Col. 8	15.6	33.2	28.8	12.6	9.8	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	111,015,715	98,935,044	86,799,933	35,638,901	17,949,593	350,339,186	80.3	272,425,956	78.4	350,339,186	XXX
12.2 Class 2	3,846,287	18,184,514	17,654,387	15,028,918	17,109,614	71,823,720	16.5	71,540,094	20.6	71,823,720	XXX
12.3 Class 3	0	1,125,284	2,408,175	1,050,638	2,187,372	6,771,469	1.6	3,257,469	0.9	6,771,469	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	420,000	0	0	426,250	846,250	0.2	0	0.0	846,250	XXX
12.6 Class 6	0	0	427,500	0	0	427,500	0.1	250,000	0.1	427,500	XXX
12.7 Totals	114,862,002	118,664,842	107,289,995	51,718,457	37,672,829	430,208,125	98.6	347,473,519	100.0	430,208,125	XXX
12.8 Line 12.7 as a % of Col. 6	26.7	27.6	24.9	12.0	8.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	26.3	27.2	24.6	11.9	8.6	98.6	XXX	XXX	XXX	98.6	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	0	0	1,052,560	196,479	1,113,465	2,362,504	0.5	0	0.0	XXX	2,362,504
13.2 Class 2	0	0	2,050,000	0	1,480,984	3,530,984	0.8	0	0.0	XXX	3,530,984
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	3,102,560	196,479	2,594,449	5,893,488	1.4	0	0.0	XXX	5,893,488
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	52.6	3.3	44.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.7	0.0	0.6	1.4	XXX	XXX	XXX	XXX	1.4

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

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

SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Issuer Obligations	83,664,109	9,108,126	3,909,912	3,130,852	666,018	100,479,017	23.0	50,872,796	14.6	100,479,016	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	301,159	1,038,817	1,001,958	1,230,118	529,166	4,101,218	0.9	5,216,694	1.5	4,101,218	0
1.7 Totals	83,965,268	10,146,943	4,911,870	4,360,970	1,195,184	104,580,235	24.0	56,089,490	16.1	104,580,234	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)											
3.1 Issuer Obligations	0	0	0	986,631	0	986,631	0.2	1,000,430	0.3	986,631	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	986,631	0	986,631	0.2	1,000,430	0.3	986,631	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	865,242	0.2	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	865,242	0.2	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations	10,386,715	12,251,672	10,364,961	962,057	6,000,000	39,965,405	9.2	24,097,804	6.9	39,965,406	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	11,195,960	35,990,557	23,920,537	12,578,971	3,654,749	87,340,774	20.0	60,139,500	17.3	87,340,775	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Defined	1,375,512	6,046,580	15,021,483	4,057,161	380,541	26,881,277	6.2	24,268,966	7.0	26,881,277	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	22,958,187	54,288,809	49,306,981	17,598,189	10,035,290	154,187,456	35.4	108,506,270	31.2	154,187,458	0

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

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations	0	1,016,148	0	0	1,718,268	2,734,416	0.6	3,084,807	0.9	2,734,415	0
6.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	0	1,016,148	0	0	1,718,268	2,734,416	0.6	3,084,807	0.9	2,734,415	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	6,932,357	50,551,432	55,801,071	28,919,095	27,318,536	169,522,491	38.9	168,163,931	48.4	163,629,003	5,893,487
7.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined	737,167	1,657,778	131,560	0	0	2,526,505	0.6	5,957,353	1.7	2,526,505	0
7.4 Other	0	0	0	0	0	0	0.0	273,769	0.1	0	0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Other	269,023	1,003,731	241,072	50,050	0	1,563,876	0.4	3,532,230	1.0	1,563,877	0
7.7 Totals	7,938,547	53,212,941	56,173,703	28,969,145	27,318,536	173,612,872	39.8	177,927,283	51.2	167,719,385	5,893,487
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	100,983,181	72,927,378	70,075,944	33,998,635	35,702,822	313,687,960	71.9	XXX	XXX	307,794,471	5,893,487
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	11,497,119	37,029,374	24,922,495	13,809,089	4,183,915	91,441,992	21.0	XXX	XXX	91,441,993	.0
10.3 Defined	2,112,679	7,704,358	15,153,043	4,057,161	380,541	29,407,782	6.7	XXX	XXX	29,407,782	.0
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.5 Defined	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.6 Other	269,023	1,003,731	241,072	50,050	.0	1,563,876	0.4	XXX	XXX	1,563,877	.0
10.7 Totals	114,862,002	118,664,841	110,392,554	51,914,935	40,267,278	436,101,610	100.0	XXX	XXX	430,208,123	5,893,487
10.8 Line 10.7 as a % of Col. 6	26.3	27.2	25.3	11.9	9.2	100.0	XXX	XXX	XXX	98.6	1.4
11. Total Bonds Prior Year											
11.1 Issuer Obligations	42,722,710	74,107,059	72,202,161	29,372,670	29,680,410	XXX	XXX	248,085,010	71.4	248,085,010	.0
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	8,601,110	26,824,900	16,626,016	9,860,886	3,443,283	XXX	XXX	65,356,195	18.8	65,356,195	.0
11.3 Defined	2,619,822	11,813,340	10,747,964	4,378,239	666,954	XXX	XXX	30,226,319	8.7	30,226,319	.0
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	19,535	67,237	64,008	82,374	40,616	XXX	XXX	273,770	0.1	273,769	.0
11.5 Defined	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Other	182,659	2,565,277	408,498	246,963	128,832	XXX	XXX	3,532,229	1.0	3,532,230	.0
11.7 Totals	54,145,836	115,377,813	100,048,647	43,941,132	33,960,095	XXX	XXX	347,473,523	100.0	347,473,523	.0
11.8 Line 11.7 as a % of Col. 8	15.6	33.2	28.8	12.6	9.8	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	100,983,180	72,927,378	66,973,384	33,802,156	33,108,373	307,794,471	70.6	248,085,010	71.4	307,794,471	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	11,497,119	37,029,374	24,922,495	13,809,089	4,183,915	91,441,992	21.0	65,356,195	18.8	91,441,992	XXX
12.3 Defined	2,112,679	7,704,358	15,153,044	4,057,161	380,541	29,407,783	6.7	30,226,319	8.7	29,407,783	XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	273,769	0.1	.0	XXX
12.5 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Other	269,023	1,003,731	241,072	50,050	.0	1,563,876	0.4	3,532,230	1.0	1,563,876	XXX
12.7 Totals	114,862,001	118,664,841	107,289,995	51,718,456	37,672,829	430,208,122	98.6	347,473,523	100.0	430,208,122	XXX
12.8 Line 12.7 as a % of Col. 6	26.7	27.6	24.9	12.0	8.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	26.3	27.2	24.6	11.9	8.6	98.6	XXX	XXX	XXX	98.6	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	.0	.0	3,102,560	196,479	2,594,449	5,893,488	1.4	.0	0.0	XXX	5,893,488
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.3 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	.0	3,102,560	196,479	2,594,449	5,893,488	1.4	.0	0.0	XXX	5,893,488
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	52.6	3.3	44.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.7	0.0	0.6	1.4	XXX	XXX	XXX	XXX	1.4

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

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	35,465,545	35,465,545	0	0	0
2. Cost of short-term investments acquired	643,598,826	643,598,826	0	0	0
3. Increase (decrease) by adjustment	57,404	57,404	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	0
6. Consideration received on disposal of short-term investments	584,310,181	584,310,181	0	0	0
7. Book/adjusted carrying value, current year	94,811,594	94,811,594	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	94,811,594	94,811,594	0	0	0
10. Total nonadmitted amounts	0	0	0	0	0
11. Statement value (Lines 9 minus 10)	94,811,594	94,811,594	0	0	0
12. Income collected during year	871,468	871,468	0	0	0
13. Income earned during year	864,437	864,437	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: +0

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SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Owned

- 1. Aggregate write-in book value, December 31, prior year (Line 8, prior year)
- 2. Cost/Option Premium (Section 2, Column 7)
- 3. Increase/(Decrease) by Adjustment (Section 1, Column 12) (Section 3, Column 13)
- 4. Gain/(Loss) on Termination:
 - 4.1 Recognized (Section 3, Column 14)
 - 4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)
- 5. Consideration received on terminations (Section 3, Column 12)
- 6. Used to Adjust Basis on Open Contracts (Section 1, Column 13)
- 7. Disposition of deferred amount on contracts terminated in prior year:
 - 7.1 Recognized
 - 7.2 Used to Adjust Basis of Hedged Item
- 8. Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Written

- 1. Aggregate write-in book value, December 31, prior year (Line 8, prior year)
- 2. Consideration received (Section 2, Column 7)
- 3. Increase/(Decrease) by Adjustment (Section 1, Column 12) (Section 3, Column 13)
- 4. Gain/(Loss) on Termination:
 - 4.1 Recognized (Section 3, Column 14)
 - 4.2 Used to Adjust Basis (Section 3, Column 15)
- 5. Consideration paid on terminations (Section 3, Column 12)
- 6. Used to Adjust Basis on Open Contracts (Section 1, Column 13)
- 7. Disposition of deferred amount on contracts terminated in prior year:
 - 7.1 Recognized
 - 7.2 Used to Adjust Basis
- 8. Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)

NONE

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Swaps and Forwards

1. Aggregate write-in book value, December 31, prior year (Section 4, Line 8, prior year)	.....
2. Cost or (Consideration Received) (Section 2, Column 7)	.....
3. Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	.....
4. Gain/(Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	.....
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	.....
5. Consideration received (or paid) on terminations (Section 3, Column 12)	.....
6. Used to Adjust Basis of Hedged Item on Open Contracts (Section 1, Column 13)	.....
7. Disposition of deferred amount on contracts terminated in prior year:	
7.1 Recognized	.....
7.2 Used to Adjust Basis of Hedged Item	.....
8. Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7)	.....

NONE

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Verification Between Years of Aggregate Write-in Book Value on Futures Contracts and Insurance Futures Contracts

1. Aggregate write-in book value, December 31, prior year (Section 4, Line 8, prior year)	.....
2. Change in total Variation Margin on Open Contracts (Difference between Section 3, Column 11 and Section 1, Column 10)	.....
3.1 Change in Variation Margin on Open Contracts used to Adjust Basis of Hedged Item (Section 3, Column 11)	.....
3.2 Change in variation margin on open contracts recognized (Difference between years - Section 1, Column 10)	.....
4.1 Variation Margin on Contracts Terminated During the Year (Section 3, Column 6)	.....
4.2 Less:	
4.21 Gain/(Loss) Recognized in Current Year (Section 3, Column 11)	.....
4.22 Gain/(Loss) Used to Adjust Basis of Hedge (Section 3, Column 12)	.....
4.3 Subtotal (Line 4.1 minus Line 4.2)	.....
5.1 Net additions to Cash Deposits (Section 2, Column 7)	.....
5.2 Less: Net Reductions to Cash Deposits (Section 3, Column 9)	.....
6. Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2)	.....
7. Disposition of Gain/(Loss) on Contracts Terminated in Prior Year:	
7.1 Recognized	.....
7.2 Used to Adjust Basis of Hedged Item	.....
8. Aggregate write-in book value, December 31, Current Year (Lines 6 + 7.1 + 7.2)	.....

NONE

SCHEDULE DB - PART E - VERIFICATION BETWEEN YEARS

Verification of Statement Value and Fair Value of Open Contracts

	Statement Value
1. Part A, Section 1, Column 10	0
2. Part B, Section 1, Column 10	0
3. Part C, Section 1, Column 10	0
4. Part D, Section 1, Column 9 - 12	0
5. Lines (1) - (2) + (3) + (4)	0
6. Part E, Section 1, Column 4	0
7. Part E, Section 1, Column 5	0
8. Lines (5) - (6) - (7)	0
	Fair Value
9. Part A, Section 1, Column 11	360,748
10. Part B, Section 1, Column 11	0
11. Part C, Section 1, Column 11	0
12. Part D, Section 1, Column 9	0
13. Lines (9) - (10) + (11) + (12)	360,748
14. Part E, Section 1, Column 7	0
15. Part E, Section 1, Column 8	0
16. Lines (13) - (14) - (15)	360,748

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S - Part 1 - Section 2

NONE

Schedule S - Part 2

NONE

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

SCHEDULE S - PART 3 - SECTION 2

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

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
64696	87-0364806	01/01/1993	First Continental Life & Accident	Salt Lake City, Utah	OTH/A	67,166						
00000		01/01/1991	American Long Term Care Reinsurance Group	New York City, New York	OTH/A	27,845						
0199999 - Total Affiliates						95,011						
0399999 Totals						95,011						

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

SCHEDULE S - PART 4

Reinsurance Ceded to Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total Cols. (5+6+7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
NONE													
1199999 Totals													

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

	1 2002	2 2001	3 2000	4 1999	5 1998
A. OPERATIONS ITEMS					
1. Premiums.....	95	407	385	298	441
2. Title XVIII-Medicare.....	0	0	0	0	0
3. Title XIX-Medicaid.....	0	0	0	0	0
4. Commissions and reinsurance expense allowance.....		0	0	0	0
5. Total medical and hospital expenses.....		0	0	0	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable.....		96	120	120	126
7. Claims payable.....		0	0	0	0
8. Reinsurance recoverable on paid losses.....	0	0	0	0	0
9. Experience rating refunds due or unpaid.....		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid.....		0	0	0	0
11. Unauthorized reinsurance offset.....	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F).....	0	0	0	0	0
13. Letters of credit (L).....	0	0	0	0	0
14. Trust agreements (T).....	0	0	0	0	0
15. Other (O)	0	0	0	0	0

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 9)	517,916,522		517,916,522
2. Amounts recoverable from reinsurers (Line 12)	0		0
3. Accident and health premiums due and unpaid (Line 10).....	493,912,344		493,912,344
4. Net credit for ceded reinsurance.....	XXX	0	0
5. All other admitted assets (Balance).....	75,898,144		75,898,144
6. Total assets (Line 23)	1,087,727,010	0	1,087,727,010
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	237,430,531	0	237,430,531
8. Accrued medical incentive pool and bonus payments (Line 2).....	0		0
9. Premiums received in advance (Line 6).....	381,055,714		381,055,714
10. Reinsurance in unauthorized companies (Line 14).....	0		0
11. All other liabilities (Balance).....	178,467,740		178,467,740
12. Total liabilities (Line 18).....	796,953,985	0	796,953,985
13. Total capital and surplus (Line 26).....	290,773,025	XXX	290,773,025
14. Total liabilities, capital and surplus (Line 27)	1,087,727,010	0	1,087,727,010
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid.....	0		
16. Accrued medical incentive pool.....	0		
17. Premiums received in advance	0		
18. Reinsurance recoverable on paid losses	0		
19. Other ceded reinsurance recoverables	0		
20. Total ceded reinsurance recoverables	0		
21. Premiums receivable	0		
22. Unauthorized reinsurance	0		
23. Other ceded reinsurance payables/offsets	0		
24. Total ceded reinsurance payable/offsets	0		
25. Total net credit for ceded reinsurance	0		

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

SCHEDULE Y (continued)
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
47021	52-2069215	CareFirst, Inc					492,324			(30,000)	462,324	
53007	52-1435675	Group Hospitalization & Medical Services, Inc					(26,754,169)			10,020	(26,744,149)	
47058	52-1385894	CareFirst of Maryland, Inc					119,511,904			439,959	119,951,863	
	52-1635265	CFS Health Group					524,673			(419,979)	104,694	
95574	52-1226606	DeImarva Health Plan, Inc					(2,294,487)				(2,294,487)	
	52-0999133	Patuxent Medical Group					2,480,135				2,480,135	
60113	52-1962376	First Care, Inc					(90,553)				(90,553)	
	52-1187907	Willse & Associates					(632,089)				(632,089)	
	56-1641773	The Michelson Group, Inc., DBA CareFirst Admin					421,502				421,502	
	52-1589363	Potomac Physicians, PA of MD					1,249,599				1,249,599	
	52-1724358	Capital Area Services Co, Inc									0	
96202	52-1358219	CareFirst BlueChoice, Inc					(84,956,879)				(84,956,879)	
	52-1330940	National Capital Administrative Services, Inc					(608,096)				(608,096)	
	52-1118153	National Capital Insurance Agency, Inc					(688,631)				(688,631)	
53287	51-0020405	BlueCross BlueShield of Delaware, Inc					(6,144,723)				(6,144,723)	
	52-1529910	PHN Services, Inc					(1,060,631)				(1,060,631)	
95641	52-1474212	PHN-HMO, Inc					(1,449,879)				(1,449,879)	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

MARCH FILING

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

APRIL FILING

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

JUNE FILING

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

EXPLANATIONS:

BAR CODE:

OVERFLOW PAGE FOR WRITE-INS

M003 Additional Aggregate Lines for Page 03 Line 17.

*LIAB

1704.	Rate Stabilization.....	12,072,714		12,072,714	3,714,671
1705.	Deposits.....	7,977,837		7,977,837	3,961,924
1706.	Participating Hospitals.....	2,692,825		2,692,825	4,413,121
1707.	Claims Refund Suspense.....	7,254,291		7,254,291	4,458,751
1708.	Unallocated Receipts.....	525,020		525,020	525,020
1709.	Deferred Gain on Building.....	3,210,541		3,210,541	5,671,002
1710.	RSR DC Premium Tax.....	1,661,437		1,661,437	0
1797.	Summary of remaining write-ins for Line 17 from Page 03	35,394,665	0	35,394,665	22,744,489

M014 Additional Aggregate Lines for Page 14 Line 25.

*EXEXP

2504.	Miscellaneous.....	(39,654,589)	841,215		(38,813,374)
2505.	Prepaid Pension Statutory Adjustment.....	2,912,225			2,912,225
2506.	.....				0
2507.	.....				0
2508.	.....				0
2509.	.....				0
2597.	Summary of remaining write-ins for Line 25 from Page 14	(36,742,364)	841,215	0	(35,901,149)

M015 Additional Aggregate Lines for Page 15 Line 9.

*EXNETINVT

0904.	Other.....				(90,180)
0905.	.....				0
1597.	Summary of remaining write-ins for Line 15 from overflow page				0



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF District of Columbia

NAIC Group Code 0380 NAIC Company Code 53007
 Address (City, State and Zip Code) Washington, District of Columbia 20065
 Person Completing This Exhibit Victoria L. Spiegel
 Title Manager, Actuarial Services Telephone Number 202-479-8274

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 1999				Policies Issued in 2000, 2001, 2002			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
No	BCBS 65	P	No	0000000	01/01/1965		11/06/1992	07/31/1992	DC BCBS 65	2,057,537	1,029,201	50.0	926			0.0	
Yes	PR065-0790	P	No	0000000	07/01/1990			07/31/1992	DC Protection 65	540,676	364,031	67.3	218			0.0	
Yes	Medigap Plan A DC (5)	A	No	0000000	12/11/1992		10/25/2000		DC Supplement 65	180,636	312,950	173.2	65	105,364	113,340	107.6	43
Yes	Medigap Plan C DC (5)	C	No	0000000	12/11/1992		10/25/2000		DC Supplement 65	462,819	283,233	61.2	190	73,994	89,793	121.4	14
Yes	Medigap Plan C DC (5)	F	No	0000000	12/11/1992		10/25/2000		DC Supplement 65	837,715	396,968	47.4	357	160,174	61,746	38.5	73
Yes	Medigap UW Plan C (1)	C	No	0000000	10/25/2000				DC Supplement 65	20,514	4,036	19.7	16	44,564	43,438	97.5	33
Yes	Medigap UW Plan F (1)	F	No	0000000	10/25/2000				DC Supplement 65	77,144	19,270	25.0	67	135,562	86,900	64.1	112
0199999 Total Experience on Individual Policies										4,177,041	2,409,689	57.7	1,839	519,658	395,217	76.1	275
0299999 Total Experience on Group Policies										0	0	0.0	0	0	0	0.0	0

GENERAL INTERROGATORIES

- If response in Column 1 is no, give complete and full details:
 Product predates OBRA
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 2.1 Address: 550 12th Street S.W. Washington, D.C. 20065
 2.2 Contact Person and Phone Number: Mark King 202-479-6525
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
 3.1 Address: 10455 Mill Run Circle Owings Mills, Md 21117
 3.2 Contact Person and Phone Number: Linda Ann Dean 410-998-7690
- Explain any policies identified above as policy type "O".

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SUPPLEMENTAL EXHIBIT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF Maryland

NAIC Group Code 0380 NAIC Company Code 53007
 Address (City, State and Zip Code) Washington, Dc 20065
 Person Completing This Exhibit Victoria L Spiegel
 Title Manager, Actuarial Services Telephone Number 202-479-8274

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 1999				Policies Issued in 2000, 2001, 2002			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
No	BCBS65	P	No	0000000	01/01/1965		10/27/1993	06/30/1992	MD BCBS 65	4,152,128	2,630,746	63.4	2,122			0.0	
Yes	PR065-0790	P	No	0000000	08/24/1990		10/27/1993	06/30/1992	MD Protection 65	1,066,766	879,040	82.4	503			0.0	
Yes	Medigap Plan A (5/99)	A	No	0000000	06/24/1992		09/25/2000	12/31/1999	MD Supplement 65	97,159	183,986	189.4	68			0.0	
Yes	Medigap Plan C (5/99)	C	No	0000000	06/24/1992		09/25/2000	12/31/1999	MD Supplement 65	777,979	601,106	77.3	317			0.0	
Yes	Medigap Plan F (5/99)	F	No	0000000	06/24/1992		09/25/2000	12/31/1999	MD Supplement 65	1,568,813	813,563	51.9	657			0.0	
0199999 Total Experience on Individual Policies										7,662,845	5,108,441	66.7	3,667	0	0	0.0	0
0299999 Total Experience on Group Policies										0	0	0.0	0	0	0	0.0	0

GENERAL INTERROGATORIES

- If response in Column 1 is no, give complete and full details:
 Product predates OBRA.....
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 2.1 Address: 550 12th Street, S.W. Washington, D.C. 20065
 2.2 Contact Person and Phone Number: Mark King 202-479-6525
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
 3.1 Address:
 3.2 Contact Person and Phone Number: Linda Ann Dean 410-998-7690
- Explain any policies identified above as policy type "O".

360.MD



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2002 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF Virginia

NAIC Group Code 0380 NAIC Company Code 53007
 Address (City, State and Zip Code) Washington, D.C. 20065
 Person Completing This Exhibit Victoria L. Spiegel
 Title Manager, Actuarial Services Telephone Number 202-479-8274

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 1999				Policies Issued in 2000, 2001, 2002			
										11	12		14	15	16		18
											Incurred Claims	Percent of Premiums Earned			Incurred Claims	Percent of Premiums Earned	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Number of Covered Lives	Premiums Earned	Amount	Number of Covered Lives		
No	BCBS 65	P	No	0000000	.01/01/1965			.07/31/1992	VA BCBS 65	2,688,915	1,618,066	60.2	1,295		0.0		
Yes	PR065-0790	P	No	0000000	.07/01/1990			.07/31/1992	VA Protection 65	639,861	395,004	61.7	288		0.0		
Yes	Medigap Plan A VA	A	No	0000000	.07/30/1992		10/12/2000		VA Supplement 65	167,583	401,253	239.4	72	96,105	168,680	175.5	52
Yes	Medigap Plan C VA	C	No	0000000	.07/30/1992		10/12/2000		VA Supplement 65	547,142	314,719	57.5	184	120,900	151,640	125.4	45
Yes	Medigap Plan F VA	F	No	0000000	.07/30/1992		10/12/2000		VA Supplement 65	1,379,615	693,632	50.3	480	168,571	184,933	109.7	66
Yes	Medigap UW Plan C VA	C	No	0000000	.12/29/2000				VA Supplement 65	16,696	18,119	108.5	11	52,640	62,301	118.4	40
Yes	Medigap UW Plan F VA	F	No	0000000	.12/29/2000				VA Supplement 65	107,176	23,047	21.5	83	171,258	176,259	102.9	154
0199999 Total Experience on Individual Policies										5,546,988	3,463,840	62.4	2,413	609,474	743,813	122.0	357
0299999 Total Experience on Group Policies										0	0	0.0	0	0	0	0.0	0

GENERAL INTERROGATORIES

- If response in Column 1 is no, give complete and full details:
 Product predates OBRA.....
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 2.1 Address: 550 12th Street S.W. Washington, D.C. 20065
 2.2 Contact Person and Phone Number: Mark King 202-479-6525
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
 3.1 Address:
 3.2 Contact Person and Phone Number: Linda Ann Dean 410-998-7690
- Explain any policies identified above as policy type "O".

360.VA