



HEALTH ANNUAL STATEMENT FOR THE YEAR ENDING DECEMBER 31, 2005 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/Organized 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)
Owings Mills, MD 21117 410-581-3000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

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)
Owings Mills, MD 21117 410-998-7011
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

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)
Washington, DC 20065 800-321-3497
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
<u>William Lockwood Jews</u>	<u>President & CEO</u>	<u>John Anthony Picciotto</u>	<u>Corp. Secretary, Exec. VP & Gen. Counsel</u>
<u>Jeanne Ann Kennedy</u>	<u>Corp. Treasurer & VP</u>		

OTHER OFFICERS

<u>Eric Randolph Baugh M.D.</u>	<u>Sr. VP, Chief Medical Officer</u>	<u>David Donald Wolf</u>	<u>Exec VP, Med Sysys, Corp Dev</u>
<u>Gregory Mark Chaney</u>	<u>Exec. VP & CFO</u>	<u>Gregory Allen Devou</u>	<u>Exec VP, Chief Mktg Office</u>
<u>Leon Kaplan</u>	<u>Exec VP, Operations</u>	<u>Gwendolyn Denise Skillern</u>	<u>Sr. VP and General Auditor</u>
<u>Edward William O'Neil</u>	<u>Sr. VP, Chief Actuary</u>	<u>Michael John Felber</u>	<u>SVP, Sales</u>
<u>Livio Renato Broccolino Esq.</u>	<u>Deputy General Counsel</u>	<u>Sharon Jean Vecchioni</u>	<u>Exec VP, Chief of Staff</u>
<u>Rita Ann Costello</u>	<u>Sr. VP, Strategic Marketing</u>	<u>Joseph Gabriel Rampone</u>	<u>Sr. VP, Operations</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 R.N.,M.S.</u>
<u>George Burch Wilkes III</u>	<u>Edward John Baran</u>	<u>Elizabeth Lisboa-Farrow #</u>	<u>Robert Marcellus Willis Esq.</u>
<u>Natalie Olivia Ludaway Esq. #</u>	<u>James Wallace #</u>	<u>Larry Donovan Bailey #</u>	

State of

ss

County of

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

William Lockwood Jews
President & CEO

John Anthony Picciotto
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy
Corp. Treasurer & VP

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

- 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 _____

EXHIBIT 8 – 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	13,897,248	0	5,317,320	8,579,928	8,579,928	0
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	13,897,248	0	5,317,320	8,579,928	8,579,928	0



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF District of Columbia		DURING THE YEAR 2005									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 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other	
		2 Individual	3 Group											
Total Members at end of:														
1. Prior Year	491,095	8,532	68,313	1,801			347,527			64,922				
2. First Quarter	483,080	8,346	68,477	1,759			340,358			64,140				
3. Second Quarter	480,486	8,451	70,308	1,664			336,185			63,878				
4. Third Quarter	477,817	8,514	71,599	1,778			331,397			64,529				
5. Current Year	479,496	8,662	73,858	1,758			330,415			64,803				
6. Current Year Member Months	5,769,074	102,443	845,971	20,897			4,028,550			771,213				
Total Member Ambulatory Encounters for Year:														
7. Physician	4,308,632	65,547	587,020	24,011			3,632,054							
8. Non-Physician	537,667	6,746	49,873	3,642			477,406							
9. Total	4,846,299	72,293	636,893	27,653	0	0	4,109,460	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	267,155	1,748	15,825	4,710			244,872							
11. Number of Inpatient Admissions	16,243	403	4,082	604			11,154							
12. Health Premiums Written	1,543,997,080	27,526,976	243,842,772	4,442,641		11,708,245	1,250,938,856			5,527,261		2,371	7,958	
13. Life Premiums Direct	0													
14. Property/Casualty Premiums Written	0													
15. Health Premiums Earned	1,543,422,802	27,526,976	243,268,494	4,442,641		11,708,245	1,250,938,856			5,527,261		2,371	7,958	
16. Property/Casualty Premiums Earned	0		0											
17. Amount Paid for Provision of Health Care Services	1,399,342,890	20,488,906	190,937,261	3,338,340		7,236,377	1,174,123,769			3,213,661		2,960	1,616	
18. Amount Incurred for Provision of Health Care Services	1,414,619,860	21,190,350	191,258,018	3,218,046		7,673,543	1,187,153,769			4,134,971		(6,862)	(1,975)	

(a) For health business: number of persons insured under PPO managed care products 407,357 and number of persons under indemnity only products 10,197

30.DC



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF Maryland		DURING THE YEAR 2005								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 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other	
		2 Individual	3 Group											
Total Members at end of:														
1. Prior Year	149,070	5,196	91,024	2,779						50,071				
2. First Quarter	155,508	5,008	96,679	2,667						51,154				
3. Second Quarter	155,806	5,198	100,452	2,408						47,748				
4. Third Quarter	163,944	5,347	103,327	2,516						52,754				
5. Current Year	176,346	5,493	105,622	2,449						62,782				
6. Current Year Member Months	1,926,710	62,933	1,205,965	30,489						627,323				
Total Member Ambulatory Encounters for Year:														
7. Physician	1,541,943	47,109	1,453,244	41,590										
8. Non-Physician	131,377	3,584	124,440	3,353										
9. Total	1,673,320	50,693	1,577,684	44,943	0	0	0	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	52,440	1,357	45,726	5,357										
11. Number of Inpatient Admissions	13,965	313	12,708	944										
12. Health Premiums Written	407,191,416	20,112,127	352,501,992	6,055,667		22,372,981				6,066,595		6,184	75,870	
13. Life Premiums Direct	0													
14. Property/Casualty Premiums Written	0													
15. Health Premiums Earned	406,361,233	20,112,127	351,671,809	6,055,667		22,372,981				6,066,595		6,184	75,870	
16. Property/Casualty Premiums Earned	0													
17. Amount Paid for Provision of Health Care Services	342,297,184	15,278,673	304,077,620	4,067,290		14,840,750				4,015,235		2,207	15,409	
18. Amount Incurred for Provision of Health Care Services	345,190,631	15,801,742	304,588,443	3,920,730		15,737,313				5,166,348		(5,117)	(18,828)	

(a) For health business: number of persons insured under PPO managed care products 145,701 and number of persons under indemnity only products 3,647

30.MD



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

NAIC Group Code 0380

BUSINESS IN THE STATE OF Virginia

DURING THE YEAR 2005

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 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	97,604	17,227	66,591	2,504			0			11,282			
2. First Quarter	97,231	16,825	68,989	2,457			0			8,960			
3. Second Quarter	98,418	16,852	70,506	2,379			0			8,681			
4. Third Quarter	98,475	16,835	70,584	2,511			0			8,545			
5. Current Year	101,077	16,820	72,939	2,509			0			8,809			
6. Current Year Member Months	1,180,415	203,118	843,341	29,548			0			104,408			
Total Member Ambulatory Encounters for Year:													
7. Physician	808,760	136,575	634,219	37,966			0						
8. Non-Physician	71,132	11,917	54,401	4,814			0						
9. Total	879,892	148,492	688,620	42,780	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	27,554	4,230	18,010	5,314			0						
11. Number of Inpatient Admissions	6,270	922	4,560	788			0						
12. Health Premiums Written	307,183,889	52,464,174	240,798,957	5,885,228		7,181,630	0			837,288		11,799	4,813
13. Life Premiums Direct	0			0			0						
14. Property/Casualty Premiums Written	0			0									
15. Health Premiums Earned	306,616,779	52,464,174	240,231,847	5,885,228		7,181,630	0			837,288		11,799	4,813
16. Property/Casualty Premiums Earned	0			0									
17. Amount Paid for Provision of Health Care Services	253,254,144	41,345,840	201,825,308	4,527,604		5,417,359	0			131,083		5,972	978
18. Amount Incurred for Provision of Health Care Services	255,188,393	42,761,326	202,164,356	4,364,457		5,744,633	0			168,663		(13,848)	(1,194)

(a) For health business: number of persons insured under PPO managed care products 82,930 and number of persons under indemnity only products 2,076

30.VA



ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2.

(LOCATION)

NAIC Group Code	0380	BUSINESS IN THE STATE OF Consolidated		DURING THE YEAR 2005									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 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other	
		2 Individual	3 Group											
Total Members at end of:														
1. Prior Year	737,769	30,955	225,928	7,084	0	0	347,527	0	0	126,275	0	0	0	
2 First Quarter	735,819	30,179	234,145	6,883	0	0	340,358	0	0	124,254	0	0	0	
3 Second Quarter	734,710	30,501	241,266	6,451	0	0	336,185	0	0	120,307	0	0	0	
4 Third Quarter	740,236	30,696	245,510	6,805	0	0	331,397	0	0	125,828	0	0	0	
5 Current Year	756,919	30,975	252,419	6,716	0	0	330,415	0	0	136,394	0	0	0	
6 Current Year Member Months	8,876,199	368,494	2,895,277	80,934	0	0	4,028,550	0	0	1,502,944	0	0	0	
Total Member Ambulatory Encounters for Year:														
7. Physician	6,659,335	249,231	2,674,483	103,567	0	0	3,632,054	0	0	0	0	0	0	
8. Non-Physician	740,176	22,247	228,714	11,809	0	0	477,406	0	0	0	0	0	0	
9. Total	7,399,511	271,478	2,903,197	115,376	0	0	4,109,460	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	347,149	7,335	79,561	15,381	0	0	244,872	0	0	0	0	0	0	
11. Number of Inpatient Admissions	36,478	1,638	21,350	2,336	0	0	11,154	0	0	0	0	0	0	
12. Health Premiums Written	2,258,372,385	100,103,277	837,143,721	16,383,536	0	41,262,856	1,250,938,856	0	0	12,431,144	0	20,354	88,641	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	2,256,400,814	100,103,277	835,172,150	16,383,536	0	41,262,856	1,250,938,856	0	0	12,431,144	0	20,354	88,641	
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	0	
17. Amount Paid for Provision of Health Care Services	1,994,894,218	77,113,419	696,840,189	11,933,234	0	27,494,486	1,174,123,769	0	0	7,359,979	0	11,139	18,003	
18. Amount Incurred for Provision of Health Care Services	2,014,998,884	79,753,418	698,010,817	11,503,233	0	29,155,489	1,187,153,769	0	0	9,469,982	0	(25,827)	(21,997)	

(a) For health business: number of persons insured under PPO managed care products 635,988 and number of persons under indemnity only products 15,920

30.GT

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31, prior year.....	0
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11	0
2.2 Totals, Part 3, Column 7	0
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, Column 7, and net of credit to permanent improvements (Column 9)	0
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14	0
4.2 Totals, Part 3, Column 9	0
5. Total profit (loss) on sales, Part 3, Column 14	0
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12	0
6.2 Totals, Part 3, Column 8	0
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	0
8. Book/adjusted carrying value at end of current period	0
9. Total valuation allowance	0
10. Subtotal (Lines 8 plus 9)	0
11. Total nonadmitted amounts	0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31, prior year	0
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions	0
2.2 Additional investment made after acquisitions	0
3. Accrual of discount and mortgage interest points and commitment fees	0
4. Increase (decrease) by adjustment	0
5. Total profit (loss) on sale	0
6. Amounts paid on account or in full during the year	0
7. Amortization of premium	0
8. Increase (decrease) by foreign exchange adjustment	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0
10. Total valuation allowance	0
11. Subtotal (Lines 9 plus 10)	0
12. Total nonadmitted amounts	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....	0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	168,794
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions	0
2.2 Additional investment made after acquisitions	0
3. Accrual of discount	0
4. Increase (decrease) by adjustment	0
5. Total profit (loss) on sale	0
6. Amounts paid on account or in full during the year	0
7. Amortization of premium	0
8. Increase (decrease) by foreign exchange adjustment	0
9. Book/adjusted carrying value of long-term invested assets at end of current period	168,794
10. Total valuation allowance	0
11. Subtotal (Lines 9 plus 10)	168,794
12. Total nonadmitted amounts	168,794
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0

ANNUAL STATEMENT FOR THE YEAR 2005 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	65,534,377	68,633,486	13,726,651	9,894,025	7,737,598	165,526,137	27.5	176,725,363	31.0	165,526,137	
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0		
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0		
1.7 Totals	65,534,377	68,633,486	13,726,651	9,894,025	7,737,598	165,526,137	27.5	176,725,363	31.0	165,526,137	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1						0	0.0	0	0.0		
2.2 Class 2						0	0.0	0	0.0		
2.3 Class 3						0	0.0	0	0.0		
2.4 Class 4						0	0.0	0	0.0		
2.5 Class 5						0	0.0	0	0.0		
2.6 Class 6						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				3,019,981		3,019,981	0.5	198,727	0.0	3,019,981	
3.2 Class 2						0	0.0	0	0.0		
3.3 Class 3						0	0.0	0	0.0		
3.4 Class 4						0	0.0	0	0.0		
3.5 Class 5						0	0.0	0	0.0		
3.6 Class 6						0	0.0	0	0.0		
3.7 Totals	0	0	0	3,019,981	0	3,019,981	0.5	198,727	0.0	3,019,981	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		
4.2 Class 2						0	0.0	0	0.0		
4.3 Class 3						0	0.0	0	0.0		
4.4 Class 4						0	0.0	0	0.0		
4.5 Class 5						0	0.0	0	0.0		
4.6 Class 6						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	40,207,989	83,706,914	33,908,287	10,200,791	1,005,881	169,029,862	28.1	133,895,190	23.4	169,029,862	
5.2 Class 2						0	0.0	0	0.0		
5.3 Class 3						0	0.0	0	0.0		
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0		
5.6 Class 6						0	0.0	0	0.0		
5.7 Totals	40,207,989	83,706,914	33,908,287	10,200,791	1,005,881	169,029,862	28.1	133,895,190	23.5	169,029,862	0

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ANNUAL STATEMENT FOR THE YEAR 2005 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	1,000,467					1,000,467	0.2	1,006,016	0.2	1,000,467	
6.2 Class 2						0	0.0	0	0.0		
6.3 Class 3						0	0.0	0	0.0		
6.4 Class 4						0	0.0	0	0.0		
6.5 Class 5						0	0.0	0	0.0		
6.6 Class 6						0	0.0	0	0.0		
6.7 Totals	1,000,467	0	0	0	0	1,000,467	0.2	1,006,016	0.2	1,000,467	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1	62,723,155	41,502,479	36,076,158	17,820,733	32,915,841	191,038,366	31.7	177,545,581	31.1	188,811,043	2,227,324
7.2 Class 2	499,856	5,093,456	19,660,625	14,984,591	22,307,356	62,545,884	10.4	73,165,750	12.8	61,047,146	1,498,738
7.3 Class 3		2,633,420	6,737,839		725,455	10,096,714	1.7	8,006,164	1.4	10,096,714	
7.4 Class 4						0	0.0	0	0.0		
7.5 Class 5						0	0.0	0	0.0		
7.6 Class 6						0	0.0	0	0.0		
7.7 Totals	63,223,011	49,229,355	62,474,622	32,805,324	55,948,652	263,680,964	43.8	258,717,495	45.3	259,954,903	3,726,062
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1						0	0.0	0	0.0		
8.2 Class 2						0	0.0	0	0.0		
8.3 Class 3						0	0.0	0	0.0		
8.4 Class 4						0	0.0	0	0.0		
8.5 Class 5						0	0.0	0	0.0		
8.6 Class 6						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		
9.2 Class 2						0	0.0	0	0.0		
9.3 Class 3						0	0.0	0	0.0		
9.4 Class 4						0	0.0	0	0.0		
9.5 Class 5						0	0.0	0	0.0		
9.6 Class 6						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 2005 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	169,465,988	193,842,879	83,711,096	40,935,530	41,659,320	529,614,813	87.9	XXX	XXX	527,387,490	2,227,324
10.2 Class 2	499,856	5,093,456	19,660,625	14,984,591	22,307,356	62,545,884	10.4	XXX	XXX	61,047,146	1,498,738
10.3 Class 3	.0	2,633,420	6,737,839	.0	725,455	10,096,714	1.7	XXX	XXX	10,096,714	.0
10.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.7 Totals	169,965,844	201,569,755	110,109,560	55,920,121	64,692,131	602,257,411	100.0	XXX	XXX	598,531,350	3,726,062
10.8 Line 10.7 as a % of Col. 6	28.2	33.5	18.3	9.3	10.7	100.0	XXX	XXX	XXX	99.4	0.6
11. Total Bonds Prior Year											
11.1 Class 1	170,903,297	176,877,751	70,147,694	37,987,543	33,454,593	XXX	XXX	489,370,878	85.8	489,370,878	.0
11.2 Class 2	2,006,122	5,995,207	31,022,454	16,817,949	17,324,018	XXX	XXX	73,165,750	12.8	71,667,113	1,498,637
11.3 Class 3	.0	911,989	3,476,881	526,838	3,090,456	XXX	XXX	8,006,164	1.4	5,639,762	2,366,401
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	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 Totals	172,909,418	183,784,947	104,647,029	55,332,330	53,869,067	XXX	XXX	570,542,792	100.0	566,677,753	3,865,038
11.8 Line 11.7 as a % of Col. 8	30.3	32.2	18.3	9.7	9.4	XXX	XXX	100.0	XXX	99.0	1.0
12. Total Publicly Traded Bonds											
12.1 Class 1	169,465,988	193,842,879	83,711,096	40,935,529	39,431,996	527,387,488	87.6	489,370,878	85.8	527,387,489	XXX
12.2 Class 2	499,856	5,093,456	18,161,887	14,984,591	22,307,356	61,047,146	10.1	71,667,113	12.5	61,047,146	XXX
12.3 Class 3	.0	2,633,420	6,737,839	.0	725,455	10,096,714	1.7	5,639,762	1.0	10,096,714	XXX
12.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals	169,965,844	201,569,755	108,610,822	55,920,120	62,464,807	598,531,348	99.4	566,677,753	99.3	598,531,349	XXX
12.8 Line 12.7 as a % of Col. 6	28.4	34.0	18.0	9.0	10.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	28.2	33.0	18.0	9.0	10.0	99.0	XXX	XXX	XXX	99.4	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	.0	.0	.0	.0	.0	2,227,324	0.4	.0	0.0	XXX	2,227,324
13.2 Class 2	.0	.0	1,498,738	.0	.0	1,498,738	0.3	1,498,637	0.3	XXX	1,498,738
13.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	2,366,401	0.4	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	1,498,738	.0	.0	2,227,324	0.6	3,865,038	0.7	XXX	3,726,062
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	40.2	0.0	.0	59.8	100.0	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.2	0.0	0.0	0.4	0.6	XXX	XXX	XXX	0.6

(a) Includes \$ 3,726,062 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ current year, \$ prior year of bonds with Z designations and \$, current year, \$ 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 \$ current year, \$ prior year of bonds with 5* designations and \$, current year, \$ 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.

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ANNUAL STATEMENT FOR THE YEAR 2005 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	64,731,003	66,456,593	12,382,514	9,004,635	7,591,630	160,166,375	26.6	167,183,246	27.9	160,166,376	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	803,375	2,176,892	1,344,137	889,390	145,968	5,359,762	0.9	9,542,114	1.7	5,359,761	
1.7 Totals	65,534,378	68,633,485	13,726,651	9,894,025	7,737,598	165,526,137	27.5	176,725,360	29.6	165,526,137	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Issuer Obligations						0	0.0	0	0.0		
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
2.3 Defined						0	0.0	0	0.0		
2.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
2.5 Defined						0	0.0	0	0.0		
2.6 Other						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				3,019,981		3,019,981	0.5	198,727	0.0	3,019,981	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
3.3 Defined						0	0.0	0	0.0		
3.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
3.5 Defined						0	0.0	0	0.0		
3.6 Other						0	0.0	0	0.0		
3.7 Totals	0	0	0	3,019,981	0	3,019,981	0.5	198,727	0.0	3,019,981	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		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
4.3 Defined						0	0.0	0	0.0		
4.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
4.5 Defined						0	0.0	0	0.0		
4.6 Other						0	0.0	0	0.0		
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Issuer Obligations			2,363,084	1,309,010		3,672,094	0.6	0	0.0	3,672,094	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	36,152,921	74,464,056	28,071,727	7,838,826	752,949	147,280,479	24.4	119,993,519	20.9	147,280,479	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0		
5.3 Defined	4,055,068	9,242,858	3,473,476	1,052,954	252,932	18,077,288	3.0	13,901,670	2.4	18,077,288	
5.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES						0	0.0	0	0.0		
5.5 Defined						0	0.0	0	0.0		
5.6 Other						0	0.0	0	0.0		
5.7 Totals	40,207,989	83,706,914	33,908,287	10,200,790	1,005,881	169,029,862	28.1	133,895,189	23.4	169,029,862	0

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ANNUAL STATEMENT FOR THE YEAR 2005 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	1,000,467					1,000,467	0.2	1,006,016	0.2	1,000,467	
6.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined						0	0.0	0	0.0		
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	1,000,467	0	0	0	0	1,000,467	0.2	1,006,016	0.2	1,000,467	0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations	61,112,095	40,408,011	59,881,492	31,313,183	43,347,603	236,062,385	39.2	246,781,767	44.7	232,336,323	3,726,062
7.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined	499,756	589,790	752,543	565,926	707,196	3,115,211	0.5	1,541,148	0.3	3,115,211	
7.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined	1,611,160	8,231,554	1,840,586	566,030	11,654,039	23,903,368	4.0	10,394,580	1.8	23,903,368	
7.6 Other				360,185	239,815	600,000	0.1	0	0.0	600,000	
7.7 Totals	63,223,011	49,229,355	62,474,622	32,805,324	55,948,653	263,680,964	43.8	258,717,495	46.8	259,954,903	3,726,062
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations						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		
9.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined						0	0.0	0	0.0		
9.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined						0	0.0	0	0.0		
9.6 Other						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 2005 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	126,843,565	106,864,604	74,627,090	44,646,809	50,939,233	403,921,301	67.1	XXX	XXX	400,195,241	3,726,062
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	36,956,296	76,640,948	29,415,864	8,728,216	898,917	152,640,241	25.3	XXX	XXX	152,640,240	0
10.3 Defined	4,554,824	9,832,648	4,226,019	1,618,880	960,128	21,192,499	3.5	XXX	XXX	21,192,499	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	1,611,160	8,231,554	1,840,586	566,030	11,654,039	23,903,369	4.0	XXX	XXX	23,903,368	0
10.6 Other	0	0	0	360,185	239,815	600,000	0.1	XXX	XXX	600,000	0
10.7 Totals	169,965,845	201,569,754	110,109,559	55,920,120	64,692,132	602,257,410	100.0	XXX	XXX	598,531,348	3,726,062
10.8 Line 10.7 as a % of Col. 6	28.2	33.5	18.3	9.3	10.7	100.0	XXX	XXX	XXX	99.4	0.6
11. Total Bonds Prior Year											
11.1 Issuer Obligations	138,056,145	118,598,128	78,933,125	38,883,508	40,698,850	XXX	XXX	415,169,756	72.9	411,304,718	3,865,038
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	28,066,620	51,726,077	22,965,147	15,336,989	11,440,800	XXX	XXX	129,535,633	22.6	129,535,634	0
11.3 Defined	5,066,204	7,716,701	977,516	1,043,230	639,167	XXX	XXX	15,442,818	2.7	15,442,819	0
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Defined	1,720,449	5,744,040	1,771,240	68,602	1,090,249	XXX	XXX	10,394,580	1.8	10,394,579	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	172,909,418	183,784,947	104,647,029	55,332,329	53,869,066	XXX	XXX	570,542,787	100.0	566,677,750	3,865,038
11.8 Line 11.7 as a % of Col. 8	32.0	31.0	18.0	10.0	9.0	XXX	XXX	100.0	XXX	99.0	1.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	126,843,565	106,864,604	73,128,353	44,646,809	48,711,910	400,195,241	66.5	411,304,719	72.2	400,195,241	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	36,956,295	76,640,948	29,415,863	8,728,216	898,917	152,640,239	25.3	129,535,634	22.6	152,640,240	XXX
12.3 Defined	4,554,824	9,832,648	4,226,019	1,618,881	960,127	21,192,499	3.5	15,442,819	2.7	21,192,500	XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Defined	1,611,160	8,231,554	1,840,586	566,030	11,654,039	23,903,369	4.0	10,394,580	1.8	23,903,368	XXX
12.6 Other	0	0	0	360,185	239,815	600,000	0.1	0	0.0	600,000	XXX
12.7 Totals	169,965,844	201,569,755	108,610,822	55,920,121	62,464,808	598,531,348	99.4	566,677,750	99.3	598,531,349	XXX
12.8 Line 12.7 as a % of Col. 6	28.0	34.0	18.0	9.0	10.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	28.0	33.0	18.0	9.0	10.0	99.0	XXX	XXX	XXX	99.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations			1,498,738		2,227,324	3,726,062	0.6	3,865,038	0.7	XXX	3,726,062
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0	0	0.0	XXX	0
13.3 Defined						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	XXX	0
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	1,498,738	0	2,227,324	3,726,062	0.6	3,865,038	0.7	XXX	3,726,062
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	40.0	0.0	60.0	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	0.2	0.0	0.4	1.0	XXX	XXX	XXX	XXX	1.0

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ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	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	127,772,076	127,772,076	0	0	0
2. Cost of short-term investments acquired	1,392,578,268	1,392,578,268			
3. Increase (decrease) by adjustment	9,762,883	9,762,883			
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	(59,052)	(59,052)			
6. Consideration received on disposal of short-term investments	1,429,060,908	1,429,060,908			
7. Book/adjusted carrying value, current year	100,993,267	100,993,267	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	100,993,267	100,993,267	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	100,993,267	100,993,267	0	0	0
12. Income collected during year	2,364,587	2,364,587			
13. Income earned during year	2,439,266	2,439,266			

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

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed for Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
11227	52-2362725	07/01/2003	CapitalCare, Inc	3928 Pender Dr Ste 100 Fairfax, Va 22030	SSL/I/A	(75,666)	0	0	0	0	0
0199999 - Total Affiliates						(75,666)					
0399999 Totals						(75,666)					

Schedule S - Part 2

NONE

Schedule S - Part 3 - Section 2

NONE

Schedule S - Part 4

NONE

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

	1 2005	2 2004	3 2003	4 2002	5 2001
A. OPERATIONS ITEMS					
1. Premiums.....	0	0	293	95	407
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	0
5. Total hospital and medical expenses.....	0	0	0	0	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable.....	0	0	0	0	96
7. Claims payable.....	0	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	0
10. Commissions and reinsurance expense allowances unpaid.....	0	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 10)	779,128,233		779,128,233
2. Accident and health premiums due and unpaid (Line 13).....	656,884,803		656,884,803
3. Amounts recoverable from reinsurers (Line 14.1).....	0		0
4. Net credit for ceded reinsurance.....	XXX	0	0
5. All other admitted assets (Balance).....	92,754,625		92,754,625
6. Total assets (Line 26)	1,528,767,661	0	1,528,767,661
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	250,652,812	0	250,652,812
8. Accrued medical incentive pool and bonus payments (Line 2).....	0		0
9. Premiums received in advance (Line 8).....	511,697,352		511,697,352
10. Reinsurance in unauthorized companies (Line 18).....	0		0
11. All other liabilities (Balance).....	205,450,352		205,450,352
12. Total liabilities (Line 22).....	967,800,516	0	967,800,516
13. Total capital and surplus (Line 31).....	560,967,145	XXX	560,967,145
14. Total liabilities, capital and surplus (Line 32)	1,528,767,661	0	1,528,767,661
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 2005 OF THE Group Hospitalization and Medical Services, Inc.

**SCHEDULE Y
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					175,000				175,000	
53007	53-0078070	Group Hospitalization & Medical Services, Inc					(8,044,378)	(88,081)			(8,132,459)	
47058	52-1385894	CareFirst of Maryland, Inc		(5,726,764)			164,127,721	(132,122)			158,268,835	
	52-1635265	CFS Health Group		5,726,764			(451,851)				5,274,913	
60113	52-1962376	First Care, Inc					(85,456)				(85,456)	
	52-1187907	Willse & Associates					(704,349)				(704,349)	
	56-1641773	The Michelson Group, Inc. DBA NCAS					60,373				60,373	
11227	52-2362725	CapitalCare, Inc					(353,887)	220,203			(133,684)	
96202	52-1358219	CareFirst BlueChoice, Inc					(119,126,213)				(119,126,213)	
	52-1330940	National Capital Administrative Services, Inc					(542,297)				(542,297)	
	52-1118153	National Capital Insurance Agency, Inc					(1,137,572)				(1,137,572)	
53287	51-0020405	BlueCross BlueShield of Delaware, Inc					(7,300,129)				(7,300,129)	
	51-0383213	NCIA Insurance Agency, Inc					190,958				190,958	
	51-0293417	The Gateway Group, LTD					122,255				122,255	
	20-1907367	Service Benefit Plan Admin Services Corp					(29,194,155)				(29,194,155)	
52007	52-2055391	The Dental Network, Inc					2,259,728				2,259,728	
	52-1840919	TDN Administrative Services, Inc					4,252				4,252	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

52

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** 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

Responses

- | | |
|---|---------------|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? |YES..... |
| 2. Will an actuarial opinion be filed by March 1? |YES..... |
| 3. Will the Risk-based Capital Report be filed with the NAIC by March 1? |YES..... |
| 4. Will the Risk-based Capital be filed with the state of domicile, if required by March 1? |YES..... |

APRIL FILING

- | | |
|---|---------------|
| 5. Will Management's Discussion and Analysis be filed by April 1? |YES..... |
| 6. Will the Investment Risks Interrogatories be filed by April 1? |YES..... |

JUNE FILING

- | | |
|---|---------------|
| 7. Will an audited financial report be filed by June 1? |YES..... |
|---|---------------|

The following supplemental reports are required to be filed as part of your 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

- | | |
|---|---------------|
| 8. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? |YES..... |
| 9. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? |NO..... |
| 10. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? |NO..... |
| 11. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? |NO..... |

APRIL FILING

- | | |
|--|---------------|
| 12. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1? |YES..... |
| 13. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? |NO..... |
| 14. Will the Supplemental Property/Casualty data due April 1 be filed with the state of domicile and the NAIC? |NO..... |

EXPLANATION:

9. NA

10. NA

11. NA

13. NA

14.

BAR CODE:

9.	
10.	
11.	
13.	
14.	

OVERFLOW PAGE FOR WRITE-INS

M005 Additional Aggregate Lines for Page 05 Line 47.

*REVEEX2 - Capital and Surplus Account

	1 Current Year	2 Prior Year
4704. SBP Pension Spin off.....	342,271	0
4705. Miscellaneous.....	(4,512)	0
4797. Summary of remaining write-ins for Line 47 from Page 05	337,759	0

M014 Additional Aggregate Lines for Page 14 Line 25.

*EXEXP - Underwriting and Investment Exhibit - Part 3

	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Network Access Reimbursement/Direct Reimb.....			(17,331,252)		(17,331,252)
2505. Interest Claims Expens/Misc Expe.....	(282)	633,187	(5,582,574)		(4,949,669)
2506.					0
2507.					0
2508.					0
2509.					0
2597. Summary of remaining write-ins for Line 25 from Page 14	(282)	633,187	(22,913,826)	0	(22,280,921)



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2005
(To Be Filed by March 1)

FOR THE STATE OF District of Columbia

NAIC Group Code 0380 NAIC Company Code 53007
 Address (City, State and Zip Code) Owings Mills, Maryland 21117
 Person Completing This Exhibit John Wilhelm Telephone Number 411-998-4662
 Title Actuarial Analyst

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Character- istics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2002				Policies Issued in 2003, 2004, 2005			
										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	BlueCross	P	No	0000000	01/01/1995		11/06/1992	07/31/1992	DC BCBS 65	1,635,562	868,767	53.1	538	0	0	0.0	0
No	BlueShield PR065-0790	P	No	0000000	07/01/1990		11/06/1999	07/31/1992	DC Protection 65	527,325	344,968	65.4	150	0	0	0.0	0
Yes	Medigap Plan A DC (5/99)	A	No	0230500	12/11/1992		10/25/2000		DC Supplement 65	187,613	729,152	388.6	59	43,147	122,577	284.1	12
Yes	Medigap Plan C DC (5/99)	C	No	0230500	12/11/1992		10/25/2000		DC Supplement 65	369,186	265,407	71.9	108	12,424	44,140	355.3	4
Yes	Medigap Plan F DC (5/99)	F	No	0230500	12/11/1992		10/25/2000		DC Supplement 65	970,465	280,467	28.9	339	60,606	115,480	190.5	28
Yes	Medigap UW Plan C (1/01)	C	No	0234000	10/25/2000				DC Supplement 65	68,924	64,313	93.3	48	23,670	22,508	95.1	32
Yes	Medigap UW Plan F (1/01)	F	No	0234000	10/25/2000				DC Supplement 65	325,784	165,223	50.7	250	217,936	195,044	89.5	193
0199999 Total Experience on Individual Policies										4,084,859	2,718,297	66.5	1,492	357,783	499,749	139.7	269
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: 10455 Mill Run Circle Owings Mills, MD 21117
2.2 Contact Person and Phone Number: Booker T Carter 410-998-5725
- 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: Joe Rampone 410-998-5370
- Explain any policies identified above as policy type "O".
.....

360.DC



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2005
(To Be Filed by March 1)

FOR THE STATE OF Maryland

NAIC Group Code 0380 NAIC Company Code 53007
 Address (City, State and Zip Code) Owings Mills, Maryland 21117
 Person Completing This Exhibit John Wilhelm
 Title Actuarial Analyst Telephone Number 410-998-4662

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2002				Policies Issued in 2003, 2004, 2005			
										11	12		14	15	16		18
											Inurred Claims	Amount			Inurred Claims	Amount	
		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	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Percent of Premiums Earned	Number of Covered Lives		
No	BlueCross BlueShield 65	P	No	0000007	01/01/1995		10/27/1993	06/30/1992	MD BCBS 65	2,977,246	58.1	1,336			0.0		
No	PR065-0790	P	No	0000000	08/24/1990		10/27/1993	06/30/1992	MD Protection 65	942,449	66.2	358			0.0		
Yes	Medigap Plan A (5/99) MD	A	No	0000000	06/24/1992		09/25/2000	12/31/1999	MD Supplement 65	91,088	1,115.7	52			0.0		
Yes	Medigap Plan C (5/99) MD	C	No	0000000	06/24/1992		09/25/2000	12/31/1999	MD Supplement 65	625,451	69.0	212			0.0		
Yes	Medigap Plan F (5/99) MD	F	No	0000000	06/24/1992		09/25/2000	12/31/1999	MD Supplement 65	1,419,434	8.5	500			0.0		
0199999 Total Experience on Individual Policies										6,055,668	64.7	2,458	0	0	0.0		
0299999 Total Experience on Group Policies										0	0.0	0	0	0	0.0		

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give complete and full details:
 Product predates OBRA.....
2. 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: 10455 Mill Run Circle Owings Mills, MD 21117
 2.2 Contact Person and Phone Number: Booker T Carter 410-998-5725
3. 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: Joe Rampone 410-998-5370
4. Explain any policies identified above as policy type "O".

360.MD



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2005 OF THE Group Hospitalization and Medical Services, Inc.

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2005
(To Be Filed by March 1)

FOR THE STATE OF Virginia

NAIC Group Code 0380 NAIC Company Code 53007
 Address (City, State and Zip Code) Owings Mills, Maryland 21117
 Person Completing This Exhibit John Wilhelm
 Title Actuarial Analyst Telephone Number 410-998-4662

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Character- istics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2002				Policies Issued in 2003, 2004, 2005			
										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	BlueCross BlueShield 65	P	No	0000000	01/01/1995			07/31/1992	VA BCBS 65	1,832,104	1,159,778	63.3	847			0.0	
No	PRO65--790	P	No	0000000	07/01/1990			07/31/1992	VA Protection 65	392,046	296,200	75.6	209			0.0	
Yes	Medigap Plan A VA (5/99)	A	No	0230560	07/30/1992	10/12/2000	10/12/2000		VA Supplement 65	277,084	796,177	287.3	82	142,391	98,524	69.2	50
Yes	Medigap Plan C VA (5/99)	C	No	0230560	07/01/1990	10/12/2000	10/12/2000		VA Supplement 65	606,664	416,603	68.7	154	80,219	99,760	124.4	30
Yes	Medigap Plan F VA (5/99)	F	No	0230500	07/30/1992	10/12/2000	10/12/2000		VA Supplement 65	1,512,602	370,936	24.5	402	89,884	371,217	413.0	26
Yes	Medigap UWPlan C (1/01)	C	No	0234000	12/29/2000				VA Supplement 65	79,913	72,759	91.0	58	44,682	32,970	73.8	27
Yes	MedigapUWPlan F VA (1/01)	F	No	0234000	12/29/2000				VA Supplement 65	441,895	261,847	59.3	326	385,745	387,686	100.5	303
0199999 Total Experience on Individual Policies										5,142,308	3,374,300	65.6	2,078	742,921	990,157	133.3	436
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: 10455 Mill Run Circle Owings Mills, MD 21117
2.2 Contact Person and Phone Number: Booker T Carter 410-998-5725
- 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: Joe Rampone 410-998-5370
- Explain any policies identified above as policy type "O".
.....

360.VA