



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2002
OF THE CONDITION AND AFFAIRS OF THE

NAIC Group Code _____ (Current Period) _____ (Prior Period) NAIC Company Code 95453 Employer's ID Number 38-2396958

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

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

Incorporated 12/03/1981 Commenced Business 02/05/1982

Statutory Home Office 829 Forest Hills Ave SE, Grand Rapids, MI 49546
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 829 Forest Hills Ave
(Street and Number) Grand Rapids, MI 49546
(City or Town, State and Zip Code) 616-949-2410-119
(Area Code) (Telephone Number)

Mail Address 829 Forest Hills Ave SE, Grand Rapids, MI 49546
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 829 Forest Hills Ave
(Street and Number) Grand Rapids, MI 49546
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address brownj@gvhp.com

Statement Contact Jean Marie Brown 616-949-2410 x 119
(Name) (Area Code) (Telephone Number)
(E-mail Address) (FAX Number)

Policyowner Relations Contact _____
(Street and Number) _____
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President Roland E. Palmer Secretary Thomas W. Schouten JD
Treasurer Thomas W Schouten JD

VICE PRESIDENTS

James T. Kerby MD

DIRECTORS OR TRUSTEES

Gerald Bax James T. Kerby MD Lucille Grimm Roland Palmer Shirley Grice Thomas Scouten Kathy Lentz
Herbert Start John Miller

State of Michigan }
County of Kent } 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.

Roland E. Palmer

Thomas W Schouten JD

Thomas W. Schouten JD

President

Secretary

Treasurer

Subscribed and sworn to before me this
15 day of May, 2002
Pam Silva

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

ASSETS

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	50,000		50,000	50,820
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	1,354,271		(a) 1,354,271	1,373,955
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$2,102,071) and short-term investments (\$962,209)	3,064,280		3,064,280	2,375,684
6. Other long-term invested assets	805,019		805,019	811,476
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	5,273,570		5,273,570	4,611,935
10. Accident and health premiums due and unpaid	580,161	1,317	578,844	799,554
11. Health care receivables	60,171	23,852	36,319	75,215
12. Amounts recoverable from reinsurers	329,485		329,485	
13. Net adjustment in assets and liabilities due to foreign exchange rates				
14. Investment income due and accrued				
15. Amounts due from parent, subsidiaries and affiliates	800,071	102,000	698,071	320,976
16. Amounts receivable relating to uninsured accident and health plans				
17. Furniture and equipment	71,382		71,382	277,081
18. Amounts due from agents				
19. Federal and foreign income tax recoverable and interest thereon (including \$ net deferred tax asset)	1,831,770	1,831,770	0	
20. Electronic data processing equipment and software.....	195,982		195,982	228,431
21. Other nonadmitted assets	185,008	185,008	0	
22. Aggregate write-ins for other than invested assets	342,609	6,000	336,609	307,165
23. Total assets (Lines 9 plus 10 through 22)	9,670,209	2,149,947	7,520,262	6,620,357
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)				
2201. Pharmacy Inventory.....	242,886		242,886	305,719
2202. AR Other.....	99,723	6,000	93,723	1,446
2203.			0	0
2298. Summary of remaining write-ins for Line 22 from overflow page				
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	342,609	6,000	336,609	307,165

(a) \$ health care delivery assets included in Line 4.1, Column 3

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	3,657,485	65,169	3,722,654	
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses				4,113,648
4. Aggregate policy reserves				
5. Aggregate claim reserves				
6. Premiums received in advance	354,094		354,094	417,138
7. General expenses due or accrued	952,208		952,208	536,786
8. Federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses) (including \$ net deferred tax liability)				
9. Amounts withheld or retained for the account of others				
10. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				5,693
11. Amounts due to parent, subsidiaries and affiliates	310,624		310,624	
12. Payable for securities				
13. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
14. Reinsurance in unauthorized companies				
15. Net adjustments in assets and liabilities due to foreign exchange rates				
16. Liability for amounts held under uninsured accident and health plans				
17. Aggregate write-ins for other liabilities (including \$ current)	57,482		57,482	57,482
18. Total liabilities (Lines 1 to 17).....	5,331,893	65,169	5,397,062	5,130,747
19. Common capital stock	XXX	XXX	312,996	312,996
20. Preferred capital stock	XXX	XXX		
21. Gross paid in and contributed surplus	XXX	XXX	1,212,873	1,212,873
22. Surplus notes	XXX	XXX	500,000	500,000
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	97,331	(536,259)
24. Unassigned funds (surplus)	XXX	XXX		
25. Less treasury stock, at cost:				
25.1 shares common (value included in Line 19) \$)	XXX	XXX		
25.2 shares preferred (value included in Line 20) \$)	XXX	XXX		
26. Total capital and surplus (Lines 19 to 25)	XXX	XXX	2,123,200	1,489,610
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	7,520,262	6,620,357
DETAILS OF WRITE-INS				
1701. Malpractice Tail.....	57,482		57,482	57,482
1702.				
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page				
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	57,482		57,482	57,482
2301. Adj for non-admitted assets.....	XXX	XXX	97,331	(536,259)
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	97,331	(536,259)

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	179,631	255,910
2. Net premium income	XXX	29,186,461	35,979,806
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$ medical expenses)	XXX	562,478	739,752
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	904,194	1,192,419
7. Total revenues (Lines 2 to 6)	XXX	30,653,133	37,911,977
Medical and Hospital:			
8. Hospital/medical benefits	924,254	19,489,129	24,334,299
9. Other professional services	24,559	1,874,869	2,740,967
10. Outside referrals			
11. Emergency room and out-of-area		550,421	768,587
12. Prescription drugs		4,589,852	5,663,444
13. Aggregate write-ins for other medical and hospital	4,105	589,731	897,674
14. Incentive pool and withhold adjustments			
15. Subtotal (Lines 8 to 14)	952,918	27,094,002	34,404,971
Less:			
16. Net reinsurance recoveries		329,485	12,322
17. Total medical and hospital (Lines 15 minus 16)	952,918	26,764,517	34,392,649
18. Claims adjustment expenses		42,726	183,922
19. General administrative expenses		3,311,820	3,270,426
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	952,918	30,119,063	37,846,997
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	534,070	64,980
23. Net investment income earned		94,873	191,198
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Lines 23 plus 24)		94,873	191,198
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
27. Aggregate write-ins for other income or expenses		1,146	
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)		630,089	256,178
29. Federal and foreign income taxes incurred	XXX	214,230	113,000
30. Net income (loss) (Lines 28 minus 29)	XXX	415,859	143,178
DETAILS OF WRITE-INS			
0601. Copayments.....	XXX	904,194	1,192,419
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	904,194	1,192,419
1301. Other Medical Expense.....	4,105	589,731	897,674
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page			
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	4,105	589,731	897,674
2701. Misc income and expense.....		188	0
2702. Intercompany interest.....		958	0
2703.			0
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)		1,146	

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year to Date	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
31. Capital and surplus prior reporting period	1,489,610	635,782
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32. Net income or (loss) from Line 30	415,859	143,178
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses		
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax	214,230	
37. Change in nonadmitted assets	3,501	241,495
38. Change in unauthorized reinsurance		
39. Change in treasury stock		
40. Change in surplus notes		500,000
41. Cumulative effect of changes in accounting principles		
42. Capital Changes:		
42.1 Paid in		
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in		
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus		(30,845)
46. Net change in capital & surplus (Lines 32 to 45)	633,590	853,828
47. Capital and surplus end of reporting period (Line 31 plus 46)	2,123,200	1,489,610
DETAILS OF WRITE-INS		
4501. Adj for Surplus increase.....		(30,845)
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page		
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)		(30,845)

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

CASH FLOW

	1 Current Year to Date	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	781,871	36,498,738
2. Claims and claims adjustment expenses	329,485	34,989,814
3. General administrative expenses paid		3,482,818
4. Other underwriting income (expenses)		1,692,883
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	452,386	(281,011)
6. Net investment income		191,200
7. Other income (expenses)	275,004	
8. Federal and foreign income taxes (paid) recovered	(214,230)	(113,000)
9. Net cash from operations (Lines 5 to 8)	513,160	(202,811)
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		300,000
10.2 Stocks		
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Lines 10.1 to 10.7)		300,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds		
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)		
12. Net Cash from investments (Line 10.8 minus Line 11.7)		300,000
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		500,000
13.2 Net transfers from affiliates		
13.3 Borrowed funds received		
13.4 Other cash provided	277,044	585,839
13.5 Total (Lines 13.1 to 13.4)	277,044	1,085,839
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates	66,471	214,696
14.3 Borrowed funds repaid	5,693	17,253
14.4 Other applications	29,444	70,230
14.5 Total (Lines 14.1 to 14.4)	101,608	302,179
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	175,436	783,660
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	688,596	880,849
17. Cash and short-term investments:		
17.1 Beginning of period	2,375,684	1,494,835
17.2 End of period (Line 16 plus Line 17.1)	3,064,280	2,375,684

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	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	20,503	279	20,224							
2. First Quarter	20,071	191	19,880							
3. Second Quarter	19,637	180	19,457							
4. Third Quarter	19,703	157	19,546							
5. Current Year										
6. Current Year Member Months	179,631	1,595	178,036							
Total Member Ambulatory Encounters for Period:										
7. Physician	15,497	138	15,359							
8. Non-Physician	46,452	412	46,040							
9. Total	61,949	550	61,399							
10. Hospital Patient Days Incurred	3,094	27	3,067							
11. Number of Inpatient Admissions	826	7	819							
12. Premiums Collected	30,775,778	360,568	30,415,210							
13. Premiums Earned	29,397,380	360,568	29,036,812							
14. Amount Paid for Provision of Health Care Services	27,155,511	353,361	26,802,150							
15. Amount Incurred for Provision of Health Care Services	26,764,517	237,636	26,526,881							

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (Hospital & Medical)	3,288,191	11,569,424	17,248	3,705,406	3,305,439	4,113,648
2. Medicare Supplement						
3. Dental Only.....						
4. Vision Only.....						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid.....						
8. Other		12,297,895				
9. Subtotal	3,288,191	23,867,319	17,248	3,705,406	3,305,439	4,113,648
10. Medical incentive pools, accruals and disbursements						
11. Totals	3,288,191	23,867,319	17,248	3,705,406	3,305,439	4,113,648

NOTES TO FINANCIAL STATEMENTS

Note 1: Not currently by State of Michigan

Note 2: No accounting changes or corrections of errors.

Note 3: No business combinations or goodwill.

Note 4: No discontinued operations.

Note 5: No mortgage loans, debt restructured or repurchase agreements.

Note 6 : Grand Valley Health Plans ownership interest in Leonard Street LLC was \$805,019 as if 9/30/02

Note 7: Investment income accrued based on investment account statements provided by Trustee Fifth Third Bank.

Note 8: None

Note 9: Deferred Income Taxes as of 9/30/02 comprised of the following:

Deferred Income Taxes	\$ 2,046,000
Accrued Federal Income Taxes of	<u>(214,230)</u>
Total	\$ 1,879,299

Note 10: There were no changes in the holding company structure.

GVHM	\$ 234,328
GVHF	\$ 463,743
Amount owed to GVHC	\$ 310,624

Note 11: No change in debt. Please note that during the third quarter of 2002, the lien on the Wyoming Health Center was released as collateral on a loan to an affiliate.

Note 12: No changes

Note 13: No changes

Note 14: Not applicable

Note 15: No new leases

Note 16: Not applicable

Note 17: The Gambro litigation was settled and all amounts due were paid.

Note 18: Not applicable

Note 19: Not applicable

Note 20: No extraordinary items.

Note 21: All significant subsequent events have been disclosed.

Note 22: No change in reinsurance carrier. Reinsurance in the amount of \$329,485 has been ceded.

Note 23: Not applicable.

Note 24: GVHP remains a staff model HMO serving West Michigan.

Note 25: No significant salvage or subrogation.

Note 26: No changes in claims processing and claims adjustments expenses.

Note 27: Under Michigan law, GVHP must maintain a net worth of \$1.5 million.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, attach an organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/1999
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1995
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/19/1997
- 7.4 By what department or departments?
Michigan Office of Financial and Insurance Services.....
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

9.2 If yes, explain:
.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

10.2 If yes, give full and complete information relating thereto:
.....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

12. Amount of real estate and mortgages held in short-term investments: \$0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	\$0	\$
13.22 Preferred Stock	\$0	\$
13.23 Common Stock	\$0	\$
13.24 Short-term Investments	\$0	\$
13.25 Mortgages, Loans or Real Estate	\$0	\$
13.26 All Other	\$0	\$
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$	\$
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$0	\$
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$0	\$

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X]

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank.....	110 Lyons St Grand Rapids.....

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Fifth Third Bank.....	Maureen Hale.....	110 Lyons St Grand Rapids Michigan

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	1,373,954	1,357,032	1,335,681	1,440,136
2. Increase (decrease) by adjustment	(16,922)	(21,351)	18,590	(66,182)
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	1,357,032	1,335,681	1,354,271	1,373,954
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	1,357,032	1,335,681	1,354,271	1,373,954
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	1,357,032	1,335,681	1,354,271	1,373,954

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period				
2. Amount loaned during period:				
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 period				
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

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	811,476	811,476	805,019	811,476
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions				
2.2. Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment		(6,457)		
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
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	811,476	805,019	805,019	811,476
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	811,476	805,019	805,019	811,476
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	811,476	805,019	805,019	811,476

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	1,373,954	1,357,032	1,335,681	
2. Increase (decrease) by adjustment	(16,922)	(21,351)	18,590	
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	1,357,032	1,335,681	1,354,271	
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	1,357,032	1,335,681	1,354,271	
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	1,357,032	1,335,681	1,354,271	

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period				
2. Amount loaned during period:				
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 period				
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				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period				
2. Cost of acquisitions during period:				
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 period				
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				

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1								
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds								
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock								

NONE

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	962,209	XXX	962,209	2,805	

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	950,736	950,736	959,404	603,423
2. Cost of short-term investments acquired		7,026	2,805	344,914
3. Increase (decrease) by adjustment		1,642		2,399
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments				
7. Book/adjusted carrying value, current period	950,736	959,404	962,209	950,736
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	950,736	959,404	962,209	950,736
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	950,736	959,404	962,209	950,736
12. Income collected during period			2,805	20,088
13. Income earned during period			2,805	20,088

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only Year-to-Date			
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefit Program Premium
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI	No	Yes	29,186,461		
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Canada	CN					
57. Aggregate Other Alien	OT	XXX	XXX			
58. Total (Direct Business)	XXX	(a) 1	29,186,461			
DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798.	Summary of remaining write-ins for Line 57 from overflow page					
5799.	Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)					

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**

**Grand Valley Health Corporation
Organization Chart**



All Companies Common Stock Only

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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 on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

.....Yes.....

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Grand Valley Health Plan

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Book Value/Recorded Investment Excluding Accrued Interest	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Value of Land and Buildings	11 Date of Last Appraisal or Valuation
	2 City	3 State								
NONE										
9999999 Totals										XXX

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
NONE												
9999999 Totals												

E02

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

