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HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2003

OF THE CONDITION AND AFFAIRS OF THE

Aetna Health Inc. (a Michigan corporation)

NAIC Group Code ..... **0001** (Current Period) **0001** (Prior Period) NAIC Company Code ..... **95756** Employer's ID Number **23-2861565**

Organized under the Laws of **Michigan** State of Domicile or Port of Entry ……. . **Michigan**

Country of Domicile …… **United States**

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

Date Incorporated or Organized ..... **September 10, 1996** Date Commenced Business ..... **April 1, 1998**

Statutory Home Office ..... **26933 Northwestern Highway, Suite 100** ..... **Southfield** ..... **MI**..... **48034-4728**
(Street and Number) (City, State and Zip Code)

Main Administrative Office …….. **26933 Northwestern Highway, Suite 100**
(Street and Number)
…….. **Southfield** .. **MI** .. **48034-4728** …….. **248-208-8600**
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address ..... **26933 Northwestern Highway, Suite 100** ..... **Southfield** ..... **MI**..... **48034-4728**
(Street and Number or P. O. Box) (City, State and Zip Code)

Primary Location of Books and Records …….. **26933 Northwestern Highway, Suite 100**
(Street and Number)
…… **Southfield** .. **MI** .. **48034-4728** …….. **248-208-8600**
(City, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address …… **www.aetna.com**

Statutory Statement Contact ..... **James David Weiss** **215-775-6508**
(Name) (Area Code) (Telephone Number) (Extension)
..... **AUSHC.HMOReporting@aetna.com** **215-775-6790**
(E-mail Address) (Fax Number)

Policyowner Relations Contact …. **Plan Sponsor Services, 151 Farmington Avenue, Hartford, CT 06156** …….. **800-247-5472**
(Street and Number) (City, State and Zip Code) (Area Code) (Telephone Number)

OFFICERS

President ..... **Allan Ira Greenberg**
Treasurer (Controller) ..... **James David Weiss**
Secretary (and Vice President) ..... **William Calvin Baskin III**

VICE PRESIDENTS

Senior Medical Director:	**Burton Fred Vanderlaan, M.D.**
Treasurer:	**Russell Page Smith**
Vice President:	**Gregory Stephen Martino**
Senior Investment Officer:	**Kevin James Casey**
Assistant Controller:	**Alicia Helene Bolton**

DIRECTORS OR TRUSTEES

Allan Ira Greenberg **Gregory Stephen Martino** **Burton Fred Vanderlaan, M.D.**

State of..... Pennsylvania
County of..... Montgomery

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 state above, and of its income and deductions therefrom for the period, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals 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.

/s/ Allan Ira Greenberg	/s/ William Calvin Baskin III	/s/ James David Weiss
(Signature)	(Signature)	(Signature)
Allan Ira Greenberg	**William Calvin Baskin III**	**James David Weiss**
President	**Secretary (and Vice President)**	**Treasurer (Controller)**

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

NOTARY PUBLIC (Seal)

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	1,060,441	0	1,060,441	1,061,014
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $.....0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $.....0 encumbrances)	0	0	0	0
5. Cash ($.....15,861,277) and short-term investments ($.....350,735)	16,212,012	0	16,212,012	12,942,923
6. Contract loans (including $.....0 premium notes)	0	0	0	0
7. Other invested assets	0	0	0	0
8. Receivable for securities	0	0	0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	17,272,453	0	17,272,453	14,003,937
11. Investment income due and accrued	2,693	0	2,693	2,796
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection	268,239	118,995	149,244	44,618
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	0	0	0	0
12.3 Accrued retrospective premiums	0	0	0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	0	0	0	0
13.2 Funds held by or deposited with reinsured companies	0	0	0	0
13.3 Other amounts receivable under reinsurance contracts	0	0	0	0
14. Amounts receivable relating to uninsured plans	0	0	0	0
15.1 Current federal and foreign income tax recoverable and interest thereon-Aetna Inc.	388,172	0	388,172	0
15.2 Net deferred tax asset	82,678	0	82,678	0
16. Guaranty funds receivable or on deposit	0	0	0	0
17. Electronic data processing equipment and software	0	0	0	0
18. Furniture and equipment, including health care delivery assets ($.....0)	0	0	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates	46,723	0	46,723	243,817
21. Health care ($.....0) and other amounts receivable	0	0	0	0
22. Other assets nonadmitted	0	0	0	0
23. Aggregate write-ins for other than invested assets	179,000	0	179,000	179,000
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	18,239,958	118,995	18,120,963	14,474,168
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. TOTALS (Lines 24 and 25)	18,239,958	118,995	18,120,963	14,474,168

DETAILS OF WRITE-INS

0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0999) (Line 9 above)	0	0	0	0
2301. Current state income tax receivable	179,000	0	179,000	179,000
2302.	0	0	0	0
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	179,000	0	179,000	179,000

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....0 reinsurance ceded)	1,584,772	287,357	1,872,129	4,547,872
2.	Accrued medical incentive pool and bonus payments	0	0	0	0
3.	Unpaid claims adjustment expenses	64,806	0	64,806	141,296
4.	Aggregate health policy reserves	109,105	0	109,105	271,762
5.	Aggregate life policy reserves	0	0	0	0
6.	Property/casualty unearned premium reserve	0	0	0	0
7.	Aggregate health claim reserves	89,806	0	89,806	216,429
8.	Premiums received in advance	27,753	0	27,753	67,631
9.	General expenses due or accrued	0	0	0	0
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	0	0	0	211,139
10.2	Net deferred tax liability	0	0	0	0
11.	Ceded reinsurance premiums payable	10,654	0	10,654	5,716
12.	Amounts withheld or retained for the account of others	0	0	0	0
13.	Remittances and items not allocated	0	0	0	0
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)	0	0	0	0
15.	Amounts due to parent, subsidiaries and affiliates	7,155,994	0	7,155,994	2,050,291
16.	Payable for securities	0	0	0	0
17.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)	0	0	0	0
18.	Reinsurance in unauthorized companies	0	0	0	0
19.	Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
20.	Liability for amounts held under uninsured accident and health plans	0	0	0	0
21.	Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22.	Total liabilities (Lines 1 to 21)	9,042,890	287,357	9,330,247	7,512,136
23.	Common capital stock	XXX	XXX	10	10
24.	Preferred capital stock	XXX	XXX	0	0
25.	Gross paid in and contributed surplus	XXX	XXX	10,099,990	10,099,990
26.	Surplus notes	XXX	XXX	0	0
27.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28.	Unassigned funds (surplus)	XXX	XXX	(1,309,284)	(3,137,968)
29.	Less treasury stock, at cost:				
	29.1 .....0.000 shares common (value included in Line 23 $.....0)	XXX	XXX	0	0
	29.2 .....0.000 shares preferred (value included in Line 24 $.....0)	XXX	XXX	0	0
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	8,790,716	6,962,032
31.	Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	18,120,963	14,474,168

DETAILS OF WRITE-INS

2101.		0	0	0	0
2102.		0	0	0	0
2103.		0	0	0	0
2198.	Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199.	Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2701.		XXX	XXX	0	0
2702.		XXX	XXX	0	0
2703.		XXX	XXX	0	0
2798.	Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	32,838	104,103
2. Net premium income (including $.....0 non-health premium income)	XXX	6,763,289	16,207,034
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of $.....0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	6,763,289	16,207,034
Hospital and Medical:			
9. Hospital/medical benefits	238,396	2,917,001	12,341,893
10. Other professional services	0	2,371	5,693
11. Outside referrals	245,884	245,884	1,119,187
12. Emergency room and out-of-area	42,785	267,408	1,062,302
13. Prescription drugs	0	605,558	1,814,406
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool and withhold adjustments	0	0	0
16. Subtotal (Lines 9 to 15)	527,065	4,038,222	16,343,481
Less:			
17. Net reinsurance recoveries	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	527,065	4,038,222	16,343,481
19. Non-health claims	0	0	0
20. Claims adjustment expenses	0	121,147	490,304
21. General administrative expenses	0	704,284	1,625,233
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)	0	(162,657)	(2,048,776)
23. Total underwriting deductions (Lines 18 through 22)	527,065	4,700,996	16,410,242
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	2,062,293	(203,208)
25. Net investment income earned	0	102,361	242,246
26. Net realized capital gains or (losses)	0	30	(23,457)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	102,391	218,789
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	2,164,684	15,581
31. Federal and foreign income taxes incurred	XXX	711,795	5,000
32. Net income (loss) (Lines 30 minus 31)	XXX	1,452,889	10,581

DETAILS OF WRITE-INS

0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year
33. Capital and surplus prior reporting period	6,962,032	4,657,768
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	1,452,889	712,561
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Net unrealized capital gains and losses	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	(114,629)	31,476
39. Change in nonadmitted assets	393,832	560,227
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	170,486	0
44. Capital changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	0	1,000,000
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	(73,894)	0
48. Net change in capital and surplus (Lines 34 to 47)	1,828,684	2,304,264
49. Capital and surplus end of reporting period (Line 33 plus 48)	8,790,716	6,962,032

DETAILS OF WRITE-INS

4701. Correction of Nonadmitted Deferred Taxes in Prior Period	35,169	0
4702. Correction for Reversal of Change in Net Deferred IncomeTaxes in Prior Period	3,693	0
4703. Correction of Gross Deferred Taxes in Prior Period	(35,169)	0
4798. Summary of remaining write-ins for Line 47 from overflow page	(77,587)	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	(73,894)	0

CASH FLOW

		1 Current Year to Date	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	6,990,734	27,454,953
2.	Net investment income	103,037	467,252
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	7,093,771	27,922,205
5.	Benefit and loss related payments	7,038,225	29,817,302
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	704,284	2,778,110
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)	1,385,000	(1,524,175)
10.	Total (Lines 5 through 9)	9,127,509	31,071,237
11.	Net cash from operations (Line 4 minus Line 10)	(2,033,738)	(3,149,032)
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	0	8,190,312
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash and short-term investments	30	106
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	30	8,190,418
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	0	4,523,633
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	0	4,523,633
14.	Net increase (decrease) in policy loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	30	3,666,785
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	1,000,000
	16.3 Borrowed funds received	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	5,302,797	2,659,735
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,302,797	3,659,735
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18.	Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	3,269,089	4,177,488
19.	Cash and short-term investments:		
	19.1 Beginning of year	12,942,923	8,765,435
	19.2 End of period (Line 18 plus Line 19.1)	16,212,012	12,942,923

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at End of:													
1. Prior Year	8,166	37	8,129	0	0	0	0	0	0	0	0	0	0
2. First Quarter	5,570	17	5,553	0	0	0	0	0	0	0	0	0	0
3. Second Quarter	4,833	15	4,818	0	0	0	0	0	0	0	0	0	0
4. Third Quarter	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	32,838	111	32,727	0	0	0	0	0	0	0	0	0	0
Total Member Ambulatory Encounters for Period:													
7. Physician	32,487	110	32,377	0	0	0	0	0	0	0	0	0	0
8. Non-Physician	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Total	32,487	110	32,377	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	512	0	512	0	0	0	0	0	0	0	0	0	0
11. Number of Inpatient Admissions	130	0	130	0	0	0	0	0	0	0	0	0	0
12. Health Premiums Collected	7,008,783	0	7,008,783	0	0	0	0	0	0	0	0	0	0
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	6,786,276	0	6,786,276	0	0	0	0	0	0	0	0	0	0
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	6,840,588	0	6,840,436	0	0	0	152	0	0	0	0	0	0
18. Amount Incurred for Provision of Health Care Services	4,038,222	0	4,066,184	0	0	0	(27,962)	0	0	0	0	0	0

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Payable (Reported)						
Aging estimated based on claims in process of adjudication as of 06/30/03	0	0	0	0	0	0
0199999. Individually Listed Claims Payable	0	0	0	0	0	0
0299999. Aggregate Accounts Not Individually Listed-Uncovered	7,002	0	0	0	60	7,062
0399999. Aggregate Accounts Not Individually Listed-Covered	117,016	26	893	95	4,801	122,831
0499999. Subtotals	124,018	26	893	95	4,861	129,893
0599999. Unreported Claims and Other Claim Reserves						1,742,236
0799999. Total Claims Payable						1,872,129

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	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	2,543,065	4,297,371	502,300	1,457,200	3,045,365	4,733,752
2. Medicare Supplement	0	0	0	0	0	0
3. Dental only	0	0	0	0	0	0
4. Vision only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan Premiums	152	0	2,435	0	2,587	30,549
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	2,543,217	4,297,371	504,735	1,457,200	3,047,952	4,764,301
10. Other non-health	0	0	0	0	0	0
11. Medical incentive pools, accruals and disbursements	0	0	0	0	0	0
12. Totals	2,543,217	4,297,371	504,735	1,457,200	3,047,952	4,764,301

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Accounting Practices

The accompanying financial statements of Aetna Health Inc. (a Michigan corporation) (the Company) have been prepared in conformity with accounting practices prescribed and permitted by the Michigan Division of Insurance.

As of January 1, 2003, the Company is required to prepare its statutory financial statements in accordance with the NAIC's Statements of Statutory Accounting Principles (Codification). The State of Michigan (the State) has adopted the current provisions of Codification. Based on the current requirements of Codification, excluding any net impact of future NAIC requirements which the Company cannot currently predict, the impact of Codification to the Company's net worth is a net increase of $170,486. The Company recorded this amount as a change in accounting principle on page 5 of accompanying financial statements.

As of June 30, 2003, the Company does not employ any permitted practices, which requires the Division's approval, in the preparation of its statutory financial statements. As such, as of June 30, 2003, there were no differences between the Company's net worth and net income as reported in accordance with statutory accounting procedures as permitted by the State and Codification.

The Michigan Division of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual(NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Michigan.

The Company's net income (loss) and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the State of Michigan are the same at June 30, 2003.

(2) Accounting Changes and Corrections of Errors

During the quarter's financial statement preparation, the Company discovered an error in the reporting of admitted and non-admitted deferred tax assets. In the prior year, Federal and foreign income tax recoverable and interest thereon (Asset page, Line 19, Column 1) was overstated by $35,169. This resulted in the calculation of the corresponding non-admitted Federal and foreign income tax recoverable and interest thereon (Asset page, Line 19, column 2) to be overstated by $35,169. Lines 4701 and 4703 on the Statement of Revenue and Expense (continued) page have been adjusted in the current year to correct the error in the reporting of deferred tax assets.

During the quarter's financial statement preparation, the Company discovered an error in the calculation of its Federal income taxes incurred. In the prior year, Federal and Foreign income tax payable and interest thereon (Liabilities page, Line 8, column 1) and corresponding expenses (Statement of Revenue and Expenses page, Line 29, respectfully) was understated by $73,894, (net of a $3,693 correction for reversal of a change in deferred income taxes in prior period), and $77,587, respectively. Line 4702 and 4704 on the Statement of Revenue and Expenses (continued) page has been adjusted in the current year to correct the Federal income taxes incurred error.

(10) Information Concerning Parent, Subsidiaries, and Affiliates

Effective January 1, 2003, Aetna Inc. assigned its responsibility for administering its administration services agreement with the Company to Aetna Health Management, LLC ("AHM") (which AHM assumed). The Department of Insurance approved this assignment and assumption.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Wash Sales

This item is not applicable.

(20) Other Items

Certain reclassifications have been made to the 2002 financial statements to conform with the classifications used in 2003.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since 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 [ ]

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 [X] No [ ]
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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that 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 [X] No [ ] N/A [ ]
If yes, attach an explanation.
Effective January 1, 2003, Aetna Inc. assigned its responsibility for administering its administration services agreement with the Company to Aetna Health Management, LLC ("AHM") (which AHM assumed). The Department of Insurance approved this assignment and assumption.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1999.....

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. 12/31/1999.....

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). 04/12/2001.....

7.4 By what department or departments?..... State of Michigan, Division of Insurance

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:

9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

9.2 If response to 9.1 is yes, please identify the name of the bank holding company.

9.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

9.4 If the response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.....	.....	.....	.....	.....

GENERAL INTERROGATORIES (continued)

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

INVESTMENT

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

10.2 If yes, explain:...

11.1 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]

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds	$.....0	$.....0
14.22 Preferred Stock	$.....0	$.....0
14.23 Common Stock	$.....0	$.....0
14.24 Short-Term Investments	$.....0	$.....0
14.25 Mortgages, Loans or Real Estate	$.....0	$.....0
14.26 All Other	$.....0	$.....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$.....0	$.....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$.....0	$.....0
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above	$.....0	$.....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

16. 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 [ ] No [X]

16.1 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
State Street Bank & Trust Co. *	225 Franklin Street, Boston, MA 02110

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

16.5 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
None. All investment decisions are made by the		
Senior Investment Officer of the Company		
and his delegatees, who are investment		
professionals employed by Aetna.		

*The Custodial Services Agreement between the Company and State Street Bank and Trust Company, dated as of March 1999, substantially complies with Part-1 General, Section IV.H and was drafted to comply law and regulations of the Company's domiciliary state.

SCHEDULE A - VERIFICATION

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Increase (decrease) by adjustment	0	0
3. Cost of acquired	0	0
4. Cost of additions to and permanent improvements	0	0
5. Total profit (loss) on sales	0	0
6. Increase (decrease) by foreign exchange adjustment	0	0
7. Amount received on sales	0	0
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance	0	0
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts	0	0
12. Statement value, current period (Page 2, real estate lines, current period)	0	0

SCHEDULE B - VERIFICATION

NONE

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

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

NONE

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

SCHEDULE D - VERIFICATION

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,061,014	4,649,593
2. Cost of bonds and stocks acquired	0	4,523,633
3. Accrual of discount	74	163
4. Increase (decrease) by adjustment	0	0
5. Increase (decrease) by foreign exchange adjustment	0	0
6. Total profit (loss) on disposal	0	82,727
7. Consideration for bonds and stocks disposed of	0	8,190,312
8. Amortization of premium	647	4,790
9. Book/adjusted carrying value, current period	1,060,441	1,061,014
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	1,060,441	1,061,014
12. Total nonadmitted amounts	0	0
13. Statement value (Lines 11 minus 12)	1,060,441	1,061,014

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 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	13,435,527	4,502,647	16,540,857	13,859	13,435,527	1,411,176	0	1,818,989
2. Class 2	0	0	0	0	0	0	0	0
3. Class 3	0	0	0	0	0	0	0	0
4. Class 4	0	0	0	0	0	0	0	0
5. Class 5	0	0	0	0	0	0	0	0
6. Class 6	0	0	0	0	0	0	0	0
7. Total Bonds	13,435,527	4,502,647	16,540,857	13,859	13,435,527	1,411,176	0	1,818,989
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	13,435,527	4,502,647	16,540,857	13,859	13,435,527	1,411,176	0	1,818,989

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals	350,735	XXX	350,735	15,568	0

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	757,975	8,167,246
2. Cost of short-term investments acquired	22,063,994	42,444,528
3. Increase (decrease) by adjustment	34,732	113,918
4. Increase (decrease) by foreign exchange adjustment	0	0
5. Total profit (loss) on disposal of short-term investments	0	106
6. Consideration received on disposal of short-term investments	22,505,966	49,967,823
7. Book/adjusted carrying value, current period	350,735	757,975
8. Total valuation allowance	0	0
9. Subtotal (Lines 7 plus 8)	350,735	757,975
10. Total nonadmitted amounts	0	0
11. Statement value (Lines 9 minus 10)	350,735	757,975
12. Income collected during period	38,549	120,115
13. Income earned during period	38,549	120,115

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only Year-to-Date					
				3	4	5	6	7	8
	State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
1.	Alabama AL	NO	NO	0	0	0	0	0	0
2.	Alaska AK	NO	NO	0	0	0	0	0	0
3.	Arizona AZ	NO	NO	0	0	0	0	0	0
4.	Arkansas AR	NO	NO	0	0	0	0	0	0
5.	California CA	NO	NO	0	0	0	0	0	0
6.	Colorado CO	NO	NO	0	0	0	0	0	0
7.	Connecticut CT	NO	NO	0	0	0	0	0	0
8.	Delaware DE	NO	NO	0	0	0	0	0	0
9.	District of Columbia DC	NO	NO	0	0	0	0	0	0
10.	Florida FL	NO	NO	0	0	0	0	0	0
11.	Georgia GA	NO	NO	0	0	0	0	0	0
12.	Hawaii HI	NO	NO	0	0	0	0	0	0
13.	Idaho ID	NO	NO	0	0	0	0	0	0
14.	Illinois IL	NO	NO	0	0	0	0	0	0
15.	Indiana IN	NO	NO	0	0	0	0	0	0
16.	Iowa IA	NO	NO	0	0	0	0	0	0
17.	Kansas KS	NO	NO	0	0	0	0	0	0
18.	Kentucky KY	NO	NO	0	0	0	0	0	0
19.	Louisiana LA	NO	NO	0	0	0	0	0	0
20.	Maine ME	NO	NO	0	0	0	0	0	0
21.	Maryland MD	NO	NO	0	0	0	0	0	0
22.	Massachusetts MA	NO	NO	0	0	0	0	0	0
23.	Michigan MI	NO	YES	6,786,276	0	0	0	0	0
24.	Minnesota MN	NO	NO	0	0	0	0	0	0
25.	Mississippi MS	NO	NO	0	0	0	0	0	0
26.	Missouri MO	NO	NO	0	0	0	0	0	0
27.	Montana MT	NO	NO	0	0	0	0	0	0
28.	Nebraska NE	NO	NO	0	0	0	0	0	0
29.	Nevada NV	NO	NO	0	0	0	0	0	0
30.	New Hampshire NH	NO	NO	0	0	0	0	0	0
31.	New Jersey NJ	NO	NO	0	0	0	0	0	0
32.	New Mexico NM	NO	NO	0	0	0	0	0	0
33.	New York NY	NO	NO	0	0	0	0	0	0
34.	North Carolina NC	NO	NO	0	0	0	0	0	0
35.	North Dakota ND	NO	NO	0	0	0	0	0	0
36.	Ohio OH	NO	NO	0	0	0	0	0	0
37.	Oklahoma OK	NO	NO	0	0	0	0	0	0
38.	Oregon OR	NO	NO	0	0	0	0	0	0
39.	Pennsylvania PA	NO	NO	0	0	0	0	0	0
40.	Rhode Island RI	NO	NO	0	0	0	0	0	0
41.	South Carolina SC	NO	NO	0	0	0	0	0	0
42.	South Dakota SD	NO	NO	0	0	0	0	0	0
43.	Tennessee TN	NO	NO	0	0	0	0	0	0
44.	Texas TX	NO	NO	0	0	0	0	0	0
45.	Utah UT	NO	NO	0	0	0	0	0	0
46.	Vermont VT	NO	NO	0	0	0	0	0	0
47.	Virginia VA	NO	NO	0	0	0	0	0	0
48.	Washington WA	NO	NO	0	0	0	0	0	0
49.	West Virginia WV	NO	NO	0	0	0	0	0	0
50.	Wisconsin WI	NO	NO	0	0	0	0	0	0
51.	Wyoming WY	NO	NO	0	0	0	0	0	0
52.	American Samoa AS	NO	NO	0	0	0	0	0	0
53.	Guam GU	NO	NO	0	0	0	0	0	0
54.	Puerto Rico PR	NO	NO	0	0	0	0	0	0
55.	U.S. Virgin Islands VI	NO	NO	0	0	0	0	0	0
56.	Canada CN	NO	XXX	0	0	0	0	0	0
57.	Aggregate Other alien OT	XXX	XXX	0	0	0	0	0	0
58.	Total (Direct Business)	XXX	(a) 1	6,786,276	0	0	0	0	0

DETAILS OF WRITE-INS

5701.		0	0	0	0	0	0
5702.		0	0	0	0	0	0
5703.		0	0	0	0	0	0
5798.	Summary of remaining write-ins for line 57 from overflow page	0	0	0	0	0	0
5799.	Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)	0	0	0	0	0	0

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

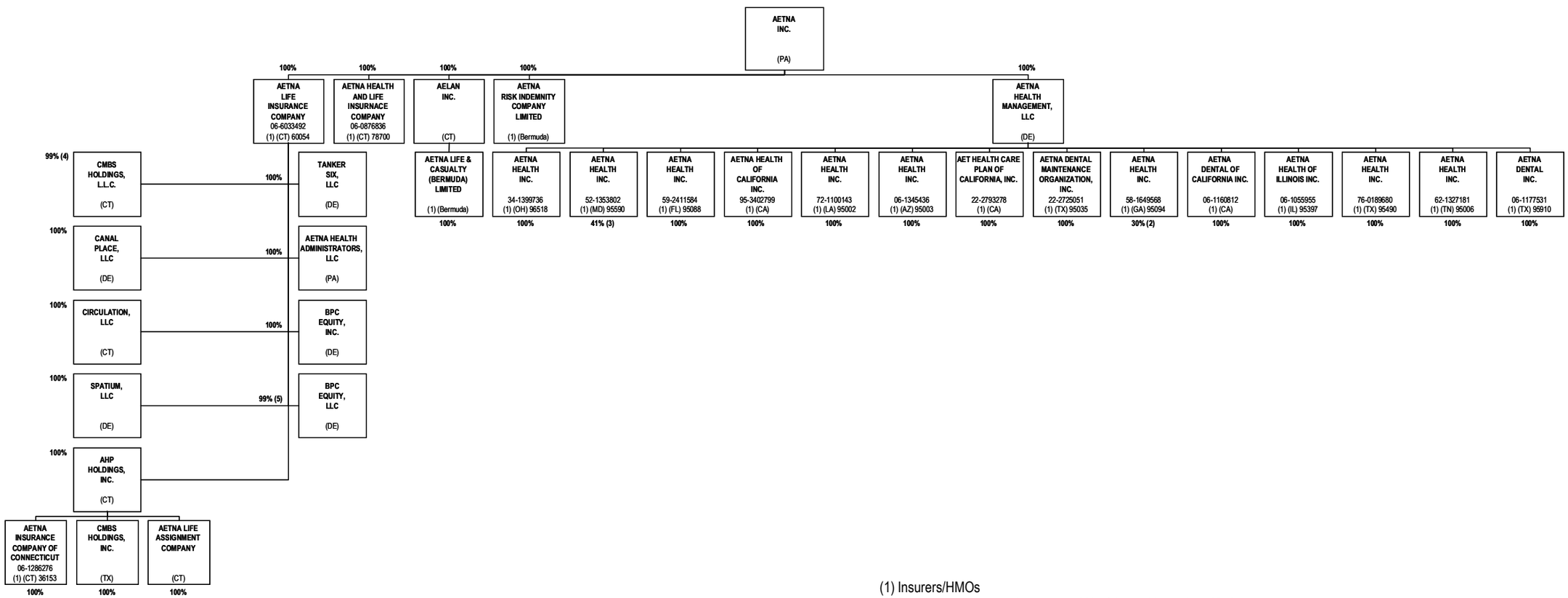
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF JUNE 30, 2003 OF THE
AETNA INC. AND ITS INSURANCE AFFILIATES

SCHEDULE Y — INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBER OF A HOLDIN G COMPANY GROUP

PART 1 — ORGANIZATIONAL CHART



(1) Insurers/HMOs
(2) Primary Investments, Inc. owns 70% of Aetna Health Inc. (GA) .
(3) NYLCare Health Plans, Inc. owns 44% and Primary Investments, Inc. owns 15% of Aetna Health Inc. (MD).
(4) CMBS Holdings, Inc. – II owns 1% of CMBS Holdings, L.L.C.
(5) BPC Equity, Inc. owns 1% of BPC Equity, LLC.
Percentages are rounded to the nearest whole percent and are bas ed on ownership of voting rights.

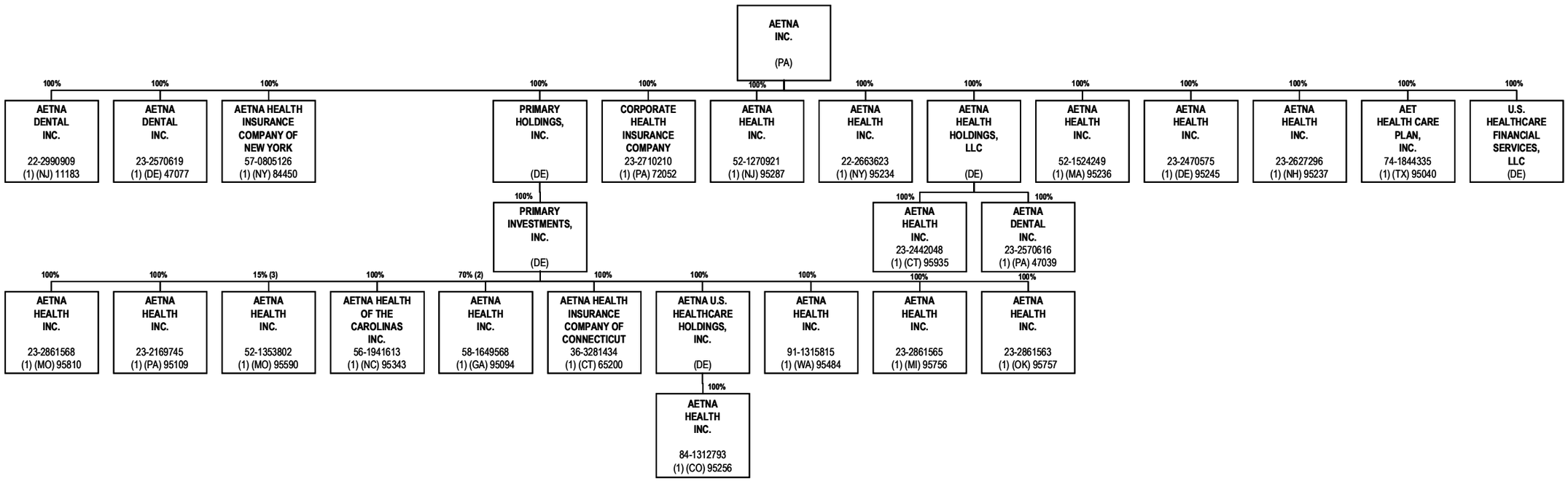
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF JUNE 30, 2003 OF THE
AETNA INC. AND ITS INSURANCE AFFILIATES

SCHEDULE Y — INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBER OF A HOLDING COMPANY GROUP

PART 1 — ORGANIZATIONAL CHART



RECONCILIATION:

(1) Add – Aetna Health Holdings, LLC ("AHHLLC").
(2) Aetna Inc. contributed Aetna Health Inc. (CT) and Aetna Dent al Inc. (PA) to AHHLLC effective 6/30/03.

(1) Insurers/HMOs
(2) Aetna Health Management LLC owns 30% of Aetna Health Inc. (G A).
(3) NYLCare Health Plans, Inc. owns 44% and Aetna Health Managem ent LLC owns 41% of Aetna Health Inc. (MD).
Percentages are rounded to the nearest whole percent and are bas ed on ownership of voting rights.

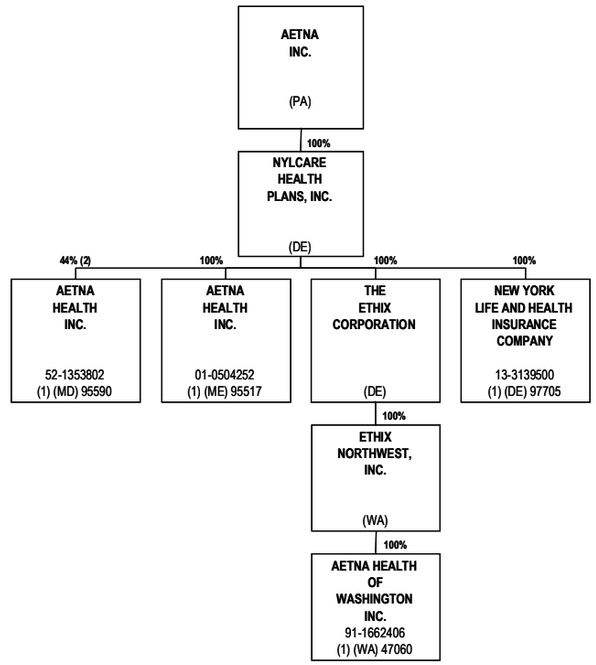
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

QUARTERLY STATEMENT AS OF JUNE 30, 2003 OF THE
AETNA INC. AND ITS INSURANCE AFFILIATES

SCHEDULE Y — INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBER OF A HOLDIN G COMPANY GROUP

PART 1 — ORGANIZATIONAL CHART



(1) Insurers/HMOs
(2) Aetna Health Management LLC owns 41% and Primary Investments , Inc. owns 15% of Aetna Health Inc. (MD).
Percentages are rounded to the nearest whole percent and are bas ed on ownership of voting rights.

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 a "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 questions.

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

EXPLANATION:

BAR CODE:

Overflow Page for Write-Ins

Additional Write-ins for Statement of Revenue:

	1 Current Year to Date	2 Prior Year
4704. Correction of Federal Tax Incurred in Prior Period	(77,587)	0
4797. Summary of remaining write-ins for Line 47	(77,587)	0

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

Sch. D-Part 3
NONE

Sch. D-Part 4
NONE

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5 First Month	6 Second Month	7 Third Month	*
Open Depositories								
PEARSON INC.	Due 08/25/2003 At Maturity	1.150	92	0	0	0	718,735	XXX
US TREASURY BILL	Due 05/08/2003 At Maturity	1.160	1,193	0	999,774	0	0	XXX
US TREASURY BILL	Due 05/08/2003 At Maturity	1.140	1,759	0	1,499,667	0	0	XXX
US TREASURY BILL	Due 05/08/2003 At Maturity	1.070	1,100	0	999,792	0	0	XXX
US TREASURY BILL	Due 05/08/2003 At Maturity	1.090	1,009	0	899,809	0	0	XXX
US TREASURY BILL	Due 05/08/2003 At Maturity	1.090	1,029	0	999,788	0	0	XXX
US TREASURY BILL	Due 05/08/2003 At Maturity	1.120	498	0	999,782	0	0	XXX
US TREASURY BILL	Due 08/07/2003 At Maturity	1.075	21,157	0	0	13,108,702	13,120,464	XXX
US TREASURY BILL	Due 08/28/2003 At Maturity	1.085	963	0	0	997,348	998,250	XXX
US TREASURY BILL	Due 08/07/2003 At Maturity	0.950	553	0	0	0	999,023	XXX
Mellon Bank		0.000	0	0	65,551	172,934	24,805	XXX
Chase		0.000	0	0	0	22,192	0	XXX
0199999. Total Open Depositories		XXX	29,353	0	6,464,163	14,301,176	15,861,277	XXX
0399999. Total Cash on Deposit		XXX	29,353	0	6,464,163	14,301,176	15,861,277	XXX
0599999. Total Cash		XXX	29,353	0	6,464,163	14,301,176	15,861,277	XXX