* 9 6 4 7 5 2 0 0 2 2 0 1 0 0 1 0 0 *

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2002

of the Condition and Affairs of the

HealthLink HMO, Inc.

NAIC Group Code..... 0742, 0742 (Current Period) (Prior Period) NAIC Company Code..... 96475 Employer's ID Number..... 43-1616135

Organized under the Laws of Missouri State of Domicile or Port of Entry Missouri Country of Domicile US

Licensed as Business Type Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Date Incorporated or Organized..... July 29, 1992 Date Commenced Business..... January 14, 1993

Statutory Home Office	12443 Olive Boulevard ..... St. Louis ..... MO ..... 63141 *(Street and Number) (City or Town, State and Zip Code)*	
Address of Main Administrative Office	4553 La Tienda Drive ..... Thousand Oaks ..... CA ..... 91362 *(Street and Number) (City or Town, State and Zip Code)*	877-864-2273 *(Area Code) (Telephone Number)*
Mail Address	4553 La Tienda Drive ..... Thousand Oaks ..... CA ..... 91362 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	4553 La Tienda Drive ..... Thousand Oaks ..... CA ..... 91362 *(Street and Number) (City or Town, State and Zip Code)*	877-864-2273 *(Area Code) (Telephone Number)*
Internet Website Address	www.healthlink.com	
Statement Contact	Stewart Levine *(Name)*	805-557-5546 *(Area Code) (Telephone Number) (Extension)*
	stewart.levine@wellpoint.com *(E-Mail Address)*	*805-557-5119* *(Fax Number)*
Policyowner Relations Contact	12443 Olive Boulevard ..... St. Louis ..... MO ..... 63141 *(Street and Number) (City or Town, State and Zip Code)*	314-989-6032 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... David Timothy Ott

Chief Financial Officer ..... James Darrell Kenneth Lindgren

Secretary ..... Thomas Christopher Geiser

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

John Allen O'Rourke David Timothy Ott Leonard David Schaeffer

State of..... Missouri / California
County of..... St. Louis / Ventura

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.

(Signature)	(Signature)	(Signature)
David Timothy Ott	Thomas Christopher Geiser	James Darrell Kenneth Lindgren
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Chief Financial Officer

Subscribed and sworn to before me this

.....day of February, 2003

.....

a. Is this an original filing? Yes [X] No [ ]

b. If no: 1. State the amendment number
2. Date filed.....
3. Number of pages attached.....

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	Prior Year 4 Net Admitted Assets
1. Bonds	5,794,040		5,794,040	2,362,968
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)			(a) 0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....783,098, Schedule E, Part 1) and short-term investments ($.....15,057,597, Schedule DA, Part 2)	15,840,695		15,840,695	11,405,426
6. Other long-term invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotal cash and invested assets (Lines 1 to 8)	21,634,735	0	21,634,735	13,768,394
10. Accident and health premiums due and unpaid	208,178	(1,497)	209,675	300,006
11. Health care receivables	512,869	512,869	0	
12. Amounts recoverable from reinsurers			0	
13. Net adjustment in assets and liabilities due to foreign exchange rates			0	
14. Investment income due and accrued	89,659		89,659	18,822
15. Amounts due from parent, subsidiaries and affiliates	88,367		88,367	
16. Amounts receivable relating to uninsured accident and health plans			0	
17. Furniture and equipment			0	
18. Amounts due from agents			0	
19. Federal and foreign income tax recoverable and interest thereon (including $.....449,276 net deferred tax asset)	1,216,164		1,216,164	41,716
20. Electronic data processing equipment and software			0	
21. Other nonadmitted assets			0	
22. Aggregate write-ins for other than invested assets	1,715,420	418,720	1,296,700	5,778,148
23. Total assets (Lines 9 plus 10 through 22)	25,465,392	930,092	24,535,300	19,907,086

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2201. Medical Claims Receivable	1,536,815	240,115	1,296,700	5,151,866
2202. Provider Admin Fee Receivable	177,991	177,991	0	
2203. Receivables-ASO Business	614	614	0	626,282
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	1,715,420	418,720	1,296,700	5,778,148

(a) $.....0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	2 Uncovered	3 Total	Prior year 4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	102,159		102,159	48,601
2. Accrued medical incentive pool and bonus payments			0	
3. Unpaid claims adjustment expenses			0	
4. Aggregate policy reserves			0	
5. Aggregate claim reserves			0	
6. Premiums received in advance			0	
7. General expenses due or accrued	65,516		65,516	15,879
8. Federal and foreign income tax payable and interest thereon (including $.....0 (on realized capital gains (losses)) (including $.....0 net deferred tax liability)			0	1,414
9. Amounts withheld or retained by company for the account of others			0	
10. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
11. Amounts due to parent, subsidiaries and affiliates			0	1,189,178
12. Payable for securities			0	
13. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
14. Reinsurance in unauthorized companies			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	
16. Liability for amounts held under uninsured accident and health plans			0	
17. Aggregate write-ins for other liabilities (including $.....0 current)	213,758	0	213,758	3,876,930
18. Total liabilities (Lines 1 to 17)	381,433	0	381,433	5,132,002
19. Common capital stock	XXX	XXX	1,000	1,000
20. Preferred capital stock	XXX	XXX		
21. Gross paid in and contributed surplus	XXX	XXX	2,499,000	2,499,000
22. Surplus notes	XXX	XXX	1,462,025	1,422,843
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
24. Unassigned funds (surplus)	XXX	XXX	20,191,842	10,852,241
25. Less treasury stock, at cost:				
25.1 .....0.000 shares common (value included in Line 19 $.....0)	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 $.....0)	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less Line 25)	XXX	XXX	24,153,867	14,775,084
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	24,535,300	19,907,086

DETAILS OF WRITE-INS

1701. Medical Claims Payable	213,758		213,758	3,765,000
1702. Other Payables			0	(2,548)
1703. Accrued Payables - ASO Business			0	114,478
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	213,758	0	213,758	3,876,930
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	172,377	150,447
2. Net premium income	XXX	4,146,371	3,944,537
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	9,539,770	13,133,686
7. Total revenues (Lines 2 to 6)	XXX	13,686,141	17,078,223
Medical and Hospital:			
8. Hospital/medical benefits		1,457,996	1,188,731
9. Other professional services		599,964	646,114
10. Outside referrals			
11. Emergency room and out-of-area			
12. Prescription drugs			
13. Aggregate write-ins for other medical and hospital	0	0	221,425
14. Incentive pool and withhold adjustments			
15. Subtotal (Lines 8 to 14)	0	2,057,960	2,056,270
Less:			
16. Net reinsurance recoveries			
17. Total medical and hospital (Lines 15 minus 16)	0	2,057,960	2,056,270
18. Claims adjustment expenses			
19. General administrative expenses		3,244,951	8,115,352
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	0	5,302,911	10,171,622
22. Total underwriting gain or (loss) (Lines 7 minus 21)	XXX	8,383,230	6,906,601
23. Net investment income earned		292,887	537,111
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Lines 23 plus 24)	0	292,887	537,111
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
27. Aggregate write-ins for other income or expenses	0	0	0
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	8,676,117	7,443,712
29. Federal and foreign income taxes incurred	XXX	2,995,234	3,002,496
30. Net income (loss) (Lines 28 minus 29)	XXX	5,680,883	4,441,216

DETAILS OF WRITE-INS

0601. Provider Admin. Fees	XXX	572,604	9,476,040
0602. Revenue - ASO Business	XXX	8,543,631	3,387,343
0603. Prescription Drug Rebates	XXX	423,535	270,303
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	9,539,770	13,133,686
1301. Expense - ASO Business			221,425
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	221,425
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
31. Capital and surplus prior reporting year	14,775,085	11,241,649
GAINS AND LOSSES TO CAPITAL AND SURPLUS		
32. Net income or (loss) from Line 30	5,680,883	4,441,216
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	407,559	96,334
37. Change in nonadmitted assets	3,290,340	(1,004,114)
38. Change in unauthorized reinsurance		
39. Change in treasury stock		
40. Change in surplus notes	39,182	48,001
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	(39,182)	(48,001)
46. Net change in capital and surplus (Lines 32 to 45)	9,378,782	3,533,436
47. Capital and surplus end of reporting year (Line 31 plus 46)	24,153,867	14,775,085

DETAILS OF WRITE-INS

4501. Interest on Surplus Notes	(39,182)	(48,001)
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	(39,182)	(48,001)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance	4,289,249	4,457,726
2. Claims and claims adjustment expenses	2,004,402	1,875,395
3. General administrative expenses paid	3,195,314	8,207,724
4. Other underwriting income (expenses)	9,539,770	12,328,964
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	8,629,303	6,703,571
6. Net Investment income	278,702	518,289
7. Other income (expenses)	4,339,939	
8. Federal and foreign income taxes (paid) recovered	(3,763,537)	(3,231,653)
9. Net cash from operations (Lines 5 to 8)	9,484,407	3,990,207
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		
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)	0	0
11. Cost of investments acquired (long-term only):		
11.1 Bonds	3,487,724	2,362,968
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)	3,487,724	2,362,968
12. Net cash from investments (Line 10.8 minus Line 11.7)	(3,487,724)	(2,362,968)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in	39,182	48,001
13.2 Net transfers from affiliates		195,789
13.3 Borrowed funds received		
13.4 Other cash provided	189,818	6,377,598
13.5 Total (Lines 13.1 to 13.4)	229,000	6,621,388
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates	1,277,545	
14.3 Borrowed funds repaid		
14.4 Other applications	512,869	6,081,312
14.5 Total (Lines 14.1 to 14.4)	1,790,414	6,081,312
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(1,561,414)	540,076
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	4,435,269	2,167,315
17. Cash and short-term investments:		
17.1 Beginning of year	11,405,426	9,238,111
17.2 End of year (Line 16 plus Line 17.1)	15,840,695	11,405,426

ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medical Only	4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefit Plans	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
1. Net premium income	4,146,371	4,146,371											
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of $.....0 medical expenses)	0												
4. Risk revenue	0												
5. Aggregate write-ins for other health care related revenues	9,539,770	737,753	0	0	0	0	0	0	0	0	0	0	8,802,017
6. Total revenues (Lines 1 to 5)	13,686,141	4,884,124	0	0	0	0	0	0	0	0	0	0	8,802,017
7. Medical/hospital benefits	1,457,996	1,457,996											
8. Other professional services	599,964	599,964											
9. Outside referrals	0												
10. Emergency room and out-of-area	0												
11. Prescription drugs	0												
12. Aggregate write-ins for other medical and hospital	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Incentive pool and withhold adjustments	0												
14. Subtotal (Lines 7 to 13)	2,057,960	2,057,960	0	0	0	0	0	0	0	0	0	0	0
15. Net reinsurance recoveries	0												
16. Total medical and hospital (Lines 14 minus 15)	2,057,960	2,057,960	0	0	0	0	0	0	0	0	0	0	0
17. Claims adjustment expenses	0												
18. General administrative expenses	3,244,951												3,244,951
19. Increase in reserves for accident and health contracts	0												
20. Total underwriting deductions (Lines 16 to 19)	5,302,911	2,057,960	0	0	0	0	0	0	0	0	0	0	3,244,951
21. Net underwriting gain or (loss) (Line 6 minus Line 20)	8,383,230	2,826,164	0	0	0	0	0	0	0	0	0	0	5,557,066

DETAILS OF WRITE-INS

0501. Provider Admin. Fees	572,604	572,604											
0502. Revenue - ASO Business	8,543,631												8,543,631
0503. Prescription Drug Rebates	423,535	165,149											258,386
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	9,539,770	737,753	0	0	0	0	0	0	0	0	0	0	8,802,017
1201.	0												
1202.	0												
1203.	0												
1298. Summary of remaining write-ins for Line 12 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
1299. Total (Lines 1201 thru 1203 plus 1298) (Line 12 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (medical and hospital)	4,146,371			4,146,371
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan premiums				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Other				0
9. Totals	4,146,371	0	0	4,146,371

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan Premium	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Payments during the year:									
1.1 Direct	2,004,402	1,159,325			72,161				772,916
1.2 Reinsurance assumed	0								
1.3 Reinsurance ceded	0								
1.4 Net	2,004,402	1,159,325	0	0	72,161	0	0	0	772,916
2. Paid medical incentive pools and bonuses	0								
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	102,159	102,159							
3.2 Reinsurance assumed	0								
3.3 Reinsurance ceded	0								
3.4 Net	102,159	102,159	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct	0								
4.2 Reinsurance assumed	0								
4.3 Reinsurance ceded	0								
4.4 Net	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0								
6. Amounts recoverable from reinsurers December 31, current year	0								
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	48,601	48,601							
7.2 Reinsurance assumed	0								
7.3 Reinsurance ceded	0								
7.4 Net	48,601	48,601	0	0	0	0	0	0	0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct	0								
8.2 Reinsurance assumed	0								
8.3 Reinsurance ceded	0								
8.4 Net	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year	0								
10. Amounts recoverable from reinsurers December 31, prior year	0								
11. Incurred benefits:									
11.1 Direct	2,057,960	1,212,883	0	0	72,161	0	0	0	772,916
11.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0
11.4 Net	2,057,960	1,212,883	0	0	72,161	0	0	0	772,916
12. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan Premium	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Reported in process of adjustment:									
1.1 Direct	(15,707)	(15,707)							
1.2 Reinsurance assumed	0								
1.3 Reinsurance ceded	0								
1.4 Net	(15,707)	(15,707)	0	0	0	0	0	0	0
2. Incurred but unreported:									
2.1 Direct	0								
2.2 Reinsurance assumed	0								
2.3 Reinsurance ceded	0								
2.4 Net	0	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:									
3.1 Direct	117,866	117,866							
3.2 Reinsurance assumed	0								
3.3 Reinsurance ceded	0								
3.4 Net	117,866	117,866	0	0	0	0	0	0	0
4. Totals:									
4.1 Direct	102,159	102,159	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0
4.4 Net	102,159	102,159	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		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 (medical and hospital)	71,195	1,933,207		102,159	71,195	48,601
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other					0	
9. Subtotal	71,195	1,933,207	0	102,159	71,195	48,601
10. Medical incentive pools, accruals and disbursements					0	
11. Totals	71,195	1,933,207	0	102,159	71,195	48,601

U & I Ex.-Pt.2C-Sn A-Paid Claims-Grand Total
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Grand Total
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Grand Total
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Other
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Other
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Other
NONE

U & I Ex.-Pt.2D
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent ($.....0 for occupancy of own building)		85,061		85,061
2. Salaries, wages and other benefits		1,365,070		1,365,070
3. Commissions (less $.....0 ceded plus $.....0 assumed)				0
4. Legal fees and expenses		615,657		615,657
5. Certifications and accreditation fees				0
6. Auditing, actuarial and other consulting services		87,701		87,701
7. Traveling expenses		39,965		39,965
8. Marketing and advertising		30,503		30,503
9. Postage, express and telephone		75,518		75,518
10. Printing and office supplies		51,298		51,298
11. Occupancy, depreciation and amortization		45,419		45,419
12. Equipment		15,814		15,814
13. Cost or depreciation of EDP equipment and software		51,455		51,455
14. Outsourced services including EDP, claims, and other services		82,955		82,955
15. Boards, bureaus and association fees				0
16. Insurance, except on real estate		14,536		14,536
17. Collection and bank service charges		64		64
18. Group service and administration fees				0
19. Reimbursements by uninsured accident and health plans				0
20. Reimbursements from fiscal intermediaries				0
21. Real estate expenses				0
22. Real estate taxes				0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes				0
23.2 State premium taxes				0
23.3 Regulatory authority licenses and fees		52		52
23.4 Payroll taxes		82,699		82,699
23.5 Other (excluding federal income and real estate taxes)		543,279		543,279
24. Investment expenses not included elsewhere		43,273		43,273
25. Aggregate write-ins for expenses	0	14,632	0	14,632
26. Total expenses incurred (Lines 1 to 25)	0	3,244,951	0	(a) 3,244,951
27. Add expenses unpaid December 31, prior year		15,879		15,879
28. Less expenses unpaid December 31, current year		65,516		65,516
29. Amounts receivable relating to uninsured accident and health plans, prior year				0
30. Amounts receivable relating to uninsured accident and health plans, current year				0
31. Total expenses paid (Lines 26 plus 27 minus 28 minus 29 plus 30)	0	3,195,314	0	3,195,314

DETAILS OF WRITE-INS

2501. Other Expenses		14,632		14,632
2502.				0
2503.				0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	14,632	0	14,632

(a) Includes management fees of $.....0 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 74,673	145,510
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash/short-term investments	(e) 161,522	161,522
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	236,195	307,032
11.	Investment expenses		(g) 14,145
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		14,145
17.	Net investment income (Line 10 minus Line 16)		292,887

DETAILS OF WRITE-INS

0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....327 accrual of discount less $.....56,979 amortization of premium and less $.....0 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....14,145 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1.	U.S. government bonds					0
1.1	Bonds exempt from U.S. tax					0
1.2	Other bonds (unaffiliated)					0
1.3	Bonds of affiliates					0
2.1	Preferred stocks (unaffiliated)					0
2.11	Preferred stocks of affiliates					0
2.2	Common stocks (unaffiliated)					0
2.21	Common stocks of affiliates					0
3.	Mortgage loans					0
4.	Real estate					0
5.	Contract loans					0
6.	Cash/short-term investments					0
7.	Derivative instruments					0
8.	Other invested assets					0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0	0

NONE

DETAILS OF WRITE-INS

0901.						0
0902.						0
0903.						0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 10 to 16 and 19 to 20, Column 2	511,372	280,050	(231,322)
2. Other nonadmitted assets:			
2.1 Bills receivable			0
2.2 Leasehold improvements			0
2.3 Cash advanced to or in hands of officers and agents			0
2.4 Loans on personal security, endorsed or not			0
2.5 Commuted commissions			0
3. Total (Lines 2.1 to 2.5)	0	0	0
4. Aggregate write-ins for other than invested assets	418,720	3,940,382	3,521,662
5. Total (Line 1 plus Lines 3 and 4)	930,092	4,220,432	3,290,340

DETAILS OF WRITE-INS

0401. Medical Claims Receivable	240,115	375,633	135,518
0402. Provider Admin Fee Receivable	177,991	3,465,421	3,287,430
0403. Receivables-ASO Business	614	99,328	98,714
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	418,720	3,940,382	3,521,662

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health maintenance organizations	9,870	9,858	14,407	14,533	14,418	167,223
2. Provider service organizations						
3. Preferred provider organizations						
4. Point of service	2,033	4,265	15	15	13	5,154
5. Indemnity only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	11,903	14,123	14,422	14,548	14,431	172,377

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of HealthLink HMO, Inc. ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Missouri Department of Insurance ("DOI"). Effective January 1, 2001, the DOI has adopted the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("NAIC Accounting Manual"). The accompanying financial statements have been prepared in accordance with the NAIC Accounting Manual.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Annual Statement Instructions and the NAIC Accounting Manual requires management to make a variety of estimates and assumptions. These estimates and assumptions affect, among other things, the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses. Actual results can differ from the amounts previously estimated, which were based on the information available at the time the estimates were made.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance contracts or policies. Premiums applicable to the unexpired terms of policies in force are recorded as unearned premiums and are included in aggregate reserves. Expenses incurred in connection with acquiring new insurance business, such as sales commissions, premium taxes and other underwriting expenses, are charged to operations as incurred.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash investments and investment securities. The Company invests its excess cash primarily in commercial paper and money market funds. Although a majority of the cash accounts at times exceed the federally insured deposit amount, management does not anticipate nonperformance by financial institutions and reviews the financial viability of these institutions on a periodic basis. The Company attempts to limit its concentration of credit risk in investment securities by maintaining a diversified portfolio.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.

2. Bonds not backed by other loans are stated at amortized cost using the scientific method.

3. The Company has no investments in common stocks.

4. The Company has no investments in preferred stocks.

5. The Company has no investments in mortgage loans on real estate.

6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, those are valued using the prospective method.

7. The Company has no investments in subsidiaries, controlled and affiliated companies.

8. The Company has no investments in joint ventures, partnerships and limited liability companies.

9. The Company has no derivatives.

10. The Company does not anticipate investment income as a factor in the premium deficiency calculation.

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on historical claim payment experience and statistics, for

NOTES TO FINANCIAL STATEMENTS

losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

The Company has no investments in mortgage loans, debt restructuring, reverse mortgages, loan-backed securities or repurchase agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

7. Investment Income

Not applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

For the year ended December 31, 2002, the operating results for the Company are included in the consolidated income tax return filed by WellPoint. Health Networks Inc. ("WellPoint") For the year ended December 31, 2001, the operating results for the company were included in the consolidated income tax return filed by RightCHOICE Managed Care, Inc. The income tax provisions for 2002 and 2001 were calculated separately for the Company. For the year ended December 31, 2002, the tax-sharing agreement, approved by WellPoint's Board of Directors, provides for federal income tax to be paid or received from the Parent Company based on the Company's taxable income or taxable loss as if reported on a separate return basis.

As a health insurance company, the Company generally pays all premium taxes to the state based on premiums collected by state. Premium tax rate is 0.4% of premiums collected in certain states.

The components of the net deferred tax assets/(liabilities) recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2002	December 31, 2001
Total gross deferred tax assets	$ 483,330	$ 172,966
Total gross deferred tax liabilities	(34,054)	(19,371)
Total netdeferred taxassets	449,276	153,595

NOTES TO FINANCIAL STATEMENTS

Deferred tax assets nonadmitted	-	(111,879)
Net admitted deferred tax assets	$ 449,276	$ 41,716
Increase/(decrease) in nonadmitted assets	$ (111,879)	$ 111,879

The Company recognized the entire amount of deferred tax liabilities as of December 31, 2002 and December 31, 2001.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2002	December 31, 2001
Gross deferred tax assets:		
Incurred claim reserve discounting	$ 2,049	$ 41,716
Provision for doubtful accounts	481,281	131,250
Total gross deferred tax assets	483,330	172,966
Non-admitted assets	-	(111,879)
Admitted deferred tax assets	483,330	61,087
Deferred tax liabilities:		
Market valuation on investment securities	(34,054)	(19,371)
Total deferred tax liabilities	(34,054)	(19,371)
Net deferred tax assets	$ 449,276	$ 41,716

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the annual statement):

	December 31, 2002	December 31, 2001	Change
Total Deferred Tax Assets	$ 483,330	$ 172,966	$ 310,364
Total Deferred Tax Liabilities	(34,054)	(19,371)	(14,683)
Net Deferred Tax Asset(Liability)	449,276	153,595	295,681
Tax effect of unrealized (gains)/losses	34,054	19,371	14,683
Change in net deferred tax	$ 483,330	$ 172,966	$ 310,364

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	December 31, 2002	Effective Rate	December 31, 2001	Effective Rate
Tax provision based on the federal statutory rate	$ 3,198,756	35.0%	$ 2,605,299	35.0%
State income tax deduction	(174,390)	(1.9)	-	-
Other, net	4,551	(0.1)	-	-
Federal income taxes incurred	3,028,917	33.2%	2,605,299	35.0%

NOTES TO FINANCIAL STATEMENTS

Change in net deferred income taxes	310,364	3.3	397,197	5.3
Change in statutory non-admitted taxes	(344,047)	(3.7)	-	-
Effective tax rate	$ 2,995,234	32.8%	$ 3,002,496	40.3%

At December 31, 2002, the Company did not have any unused loss carryforwards available to offset future taxable income.

The following is income tax expense for 2002 and 2001 that is available for recoupment in the event of future net losses:

Year	Amount
2002	2,995,234
2001	3,002,496

For the short period from January 1, 2002 through January 31, 2002, the Company's federal income tax return is consolidated with the following entities:

Entity Name	EIN
RightChoice Managed Care, Inc.	47-0851593
HMO Missouri, Inc.	37-1216698
Diversified Life Insurance Agency of Missouri, Inc.	43-1394810
Fourty-Four Fourty-Four Forest Redevelopment Corp.	43-1047923
Healthy Alliance Life Insurance Company	86-0257201
R & P Realty, Inc.	43-1595640
C & S Properties, Inc.	43-1590976
HealthLink, Inc.	43-1364135
HealthLink HMO, Inc.	43-1616135
RightChoice Insurance Company	36-3506910
Preferred Health Plans of Missouri, Inc.	43-1795610

For the short period from February 1, 2002 through December 31, 2002, the Company's federal income tax return is consolidated with the following entities:

Entity Name	EIN
WellPoint Health Networks Inc.	95-4635504
WellPoint California Services, Inc.	95-4640531
Blue Cross of California	95-3760980
Comprehensive Integrated Marketing Services	94-2785058
BC Life & Health Insurance Company	95-4331852
Group Benefits Plus, Inc.	95-3727534
Park Square I, Inc.	95-4386221
Park Square II, Inc.	95-4249345
Park Square Holdings, Inc.	95-4147867
BCC Holding Corporation, Inc.	94-4147867
UNICARE National Services, Inc.	95-4635507
UNICARE Life & Health Insurance Company	52-0913817
National Capital Health Plan, Inc.	54-1759184
UNICARE National Capital Preferred Provider Organization, Inc.	52-1519940
WellPoint Development Company, Inc.	95-4454589
UNICARE of Texas Health Plans, Inc.	76-0427315
UNICARE Health Plan of Virginia, Inc.	52-2305332
UNICARE Illinois Services, Inc.	36-3899137
UNICARE Health Plans of Georgia	95-4672841
Water Polo Acquisition Corporation	77-0507793
Health Ventures Partner, LLC	36-3897701
UNICARE Health Plans	36-3897080
UNICARE Health Plans of the Midwest, Inc.	36-3897076

NOTES TO FINANCIAL STATEMENTS

UNICARE Health Insurance Company of the Midwest	36-3304416
UNICARE Health Benefits Services, Inc. (fka Methodist Health Benefit Services, Inc.)	76-0665853
Texas Managed Care Administrative Services, Inc.	76-0628924
UNICARE Health Plans of Texas, Inc. (fka Methodist Care Inc.)	74-2151310
UNICARE Health Insurance Company of Texas (fka Methodist Health Insurance Company)	76-0648301
AHI Healthcare Corporation	76-0402108
American Managing Company	76-0284205
Affiliated Healthcare, Inc.	76-0284205
UNICARE Specialty Services, Inc.	77-0494551
Cost Care, Inc.	33-0413979
WellPoint Behavioral Health, Inc.	95-4613835
WellPoint Dental Services, Inc.	95-4657170
Professional Claim Services, Inc.	16-1279199
UNICARE Service Co.	95-3550920
Health Management Associates of Santa Barbara	77-0379868
Health Management Associates of San Luis Obispo	95-4523254
TriState, Inc.	33-0567409
WellPoint Association Services Group, Inc.	91-1132750
WellPoint Pharmacy Management, Inc.	95-4510036
Precision Rx, Inc.	74-2974964
Cerulean Companies, Inc.	58-2217138
Blue Cross Blue Shield of Georgia, Inc.	58-0469845
Greater Georgia Life Insurance Company	58-1473042
Group Benefits of Georgia, Inc.	58-1364729
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. (fka HMO Georgia, Inc.)	58-1638390
CSRA Healthcare Partners, Inc.	58-2234121
RightChoice Managed Care, Inc.	47-0851593
HMO Missouri, Inc.	37-1216698
Diversified Life Insurance Agency of Missouri, Inc.	43-1394810
Fourty-Four Fourty-Four Forest Redevelopment Corp.	43-1047923
Healthy Alliance Life Insurance Company	86-0257201
R & P Realty, Inc.	43-1595640
C & S Properties, Inc.	43-1590976
HealthLink, Inc.	43-1364135
HealthLink HMO, Inc.	43-1616135
RightChoice Insurance Company	36-3506910
Preferred Health Plans of Missouri, Inc.	43-1795610
Foxfield Ventures II, Inc.	95-4640529

10. Information Concerning Parent, Subsidiaries and Affiliates

A. On January 31, 2002, WellPoint completed its merger (the "merger") with RightCHOICE Managed Care, Inc., the parent company of HealthLink, Inc. The Company's common stock is as follows: $100 par value, 300 shares authorized and 10 shares issued and outstanding. All outstanding shares were issued to HealthLink, Inc., a wholly-owned subsidiary of RightCHOICE Managed Care, Inc.

B. There are no inter-company transactions with the Company's affiliates involving the trade or transfer of assets. All other inter-company transactions are detailed in Schedule Y. Inter-company balances are settled within 30 days.

C. Dollar amounts for inter-company transactions are detailed in Schedule Y.

D. At December 31, 2002, the Company reported $0 as amounts due to affiliates, and $88,367 as amounts due from affiliates. The terms of the settlement require that these amounts be settled within 30 days.

E. The Company did not enter into guarantees or undertakings for the benefit of an affiliate, which would result in

NOTES TO FINANCIAL STATEMENTS

a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

F. The Company has entered into an Administrative Services Agreement with its affiliated companies. Pursuant to this agreement, office space and various administrative, management and support services are provided to the Company. These expenses are allocated to and paid by the Company in an amount equal to the direct and indirect costs and expenses incurred in furnishing these services.

G. All outstanding shares of the Company are owned by HealthLink Inc.

H. Not applicable

I. Not applicable

J. Not applicable

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences, and Other Post-retirement Benefit Plans

A. Employee Benefit Plan

The Company had no employees prior to the WellPoint merger, All services were, and still are, provided by employees of the Company's parent, RightCHOICE Managed Care, Inc. ("RCMC") pursuant to an administrative services agreement. Eligible employees of RCMC are covered under a defined pension plan and entitled to postretirement benefits. The National Blue Cross and Blue Shield Association (BCBSA) is responsible for administration of the defined benefit pension plan in which RCMC participates.

Pension benefits are based on years of service and average annual compensation for the employee's highest consecutive five of the last ten years. RCMC's funding policy is to contribute amounts needed to meet the minimum funding requirements as set forth in the Employee Retirement Income Security Act of 1974 (ERISA), plus additional amounts as may be determined from time to time.

RCMC provides certain health care and life insurance benefits for retired and terminated employees. Substantially all RCMC employees may become eligible for those benefits if they reach normal retirement age while working for RCMC. The health care and life insurance benefits for retired employees are provided through insurance companies whose premiums are based on the benefits paid during the year.

Employee benefit costs allocated to HealthLink are approximated as follows

	Period ended December 31, 2002	Period ended December 31, 2001
Net periodic postretirement benefit cost	$ 69,6203	$ 123,744

B. Defined Contribution Plan

Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-reorganizations.

1 The Company's common stock is as follows: $100 parvalue, 300 shares authorized, 10 shares issued and outstanding. All outstanding shares were issued to HealthLink, Inc.

2 The Company has nopreferred stock.

3 The maximum amount of dividends that may be paid bythe Company to HealthLink without prior approval by the Missouri DOI is limited to the lesser of ten percent of net worth (as of the preceding December 31) or net

NOTES TO FINANCIAL STATEMENTS

investment income of the previous year. All dividends are required to be paid from surplus profits, as defined by Missouri law.

4 Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholder.

5 There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

6 There have been no advances to surplus.

7 The Company did not hold any stock, including stock from affiliated companies, for special purposes.

8 There are no changes in balances of special surplus funds from the prior year.

9 The portion of unassigned funds (surplus) represented or reduced by each of the following items:

a.	Unrealized gains and (losses)	$ 0
b.	Nonadmitted asset values	$ 930,092
c.	Provision for reinsurance	$ 0

10 The Company issued surplus notes of $1,000,000 to HealthLink, Inc. The surplus notes are unsecured and subordinated to all contractual obligations for membership benefits. The note bears interest at the rate paid on U.S. Treasury Notes, or other such instruments, held by a specific bank. Repayment of the surplus note and related interest can occur only to the extent surplus profits, as defined by Missouri law, exceed the minimum surplus of $300,000, required by Missouri law. Repayment of this surplus note and the related accrued interest requires prior approval from the Missouri Department of Insurance. Management has determined the estimation of the fair value of the surplus note payable and related accrued interest, thereto, to be impracticable due to regulatory repayment requirements described above. The repayment of the surplus notes and the related interest was made on January 31, 2003.

11 There has been no restatement of surplus due to quasi-reorganizations.

12 Not applicable

14. Contingencies

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company has no contingent assessments.

C. Gain Contingencies

The Company has no gain contingencies

D. All Other Contingencies

From time to time, the Company is a party to various legal and regulatory proceedings, including claims for coverage encountered in the ordinary course of business. The Company excludes certain health care services from coverage. The Company is subject to the claims of its enrollees arising out of decisions to restrict treatment or reimbursement for certain services or to deny claims under life insurance policies issued by the Company. The loss of even one such claim, if it results in a significant punitive damage award, could have a material adverse effect on the Company. In addition, the risk of potential liability under punitive damage theories may increase significantly the difficulty of obtaining reasonable settlements of coverage claims. The financial and operational impact that such evolving theories of recovery will have on the Company is at present unknown

NOTES TO FINANCIAL STATEMENTS

The Company's ultimate parent entity, WellPoint Health Networks Inc. ("WellPoint"), and certain of WellPoint's wholly owned subsidiaries are defendants in *Shane v. Humana, et al.,* a class action lawsuit brought on behalf of health care providers nationwide. The lawsuit alleges, among other things, that the defendants violated the Racketeer Influenced and Corrupt Organizations Act ("RICO") as well as the Employee Retirement Income Security Act of 1975 ("ERISA") and federal and state "prompt pay" statutes and regulations. WellPoint and its subsidiaries that are parties to the lawsuit are vigorously defending the litigation.

In July 2001, two individual physicians seeking to represent a class of physicians, hospitals and other providers brought suit in the Circuit Court of Madison County, Illinois, against the Company's affiliate HealthLink, Inc. The physicians allege that HealthLink breached its contracts with these physicians by engaging in the practices of "bundling" and "down-coding" in its processing and payment of provider claims. The relief sought includes an injunction against these practices and damages in an unspecified amount. In early 2003, the lawsuit was dismissed at the request of the plaintiffs.

A similar action was brought by physicians (including one of the physicians in the case described above) in the same court in Madison County, Illinois, on behalf of a nationwide class of providers who contract with Blue Cross and Blue Shield plans against the Blue Cross and Blue Shield Association and another Blue Cross Blue Shield plan. The complaints recites that it is brought against those entities and their "unnamed subsidiaries, licensees, and affiliates," listing a large number of Blue Cross and Blue Shield plans, including "Alliance Blue Cross Blue Shield of Missouri (RightCHOICE)." The plaintiffs also allege that the plans have systematically engaged in practices known as "short paying," "bundling," and "down-coding" in their processing and payment of subscriber claims. The Company has not been formally named or served as a defendant in the suit.

Certain of such legal proceedings are or may be covered under insurance policies or indemnification agreements. Based upon information presently available, management of the Company believes that the final outcome of all such proceedings should not have a material adverse effect on the Company's Statements of Operations (Statutory Basis), Statement of Admitted Assets (Statutory Basis), Liabilities and Capital and Surplus, or Cash Flow (Statutory Basis).

15. Leases

Not applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans

The gain from operations from Administrative service only (ASO) uninsured plans and the uninsured portion of partially insured plans is as follows during 2002:

Gross reimbursement for medical costs incurred	$	23,548,635
Gross administrative fees accrued		8,802,017
Gross expenses incurred (claims and administrative)		26,793,586
Total net gain from operations	$	5,557,066

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

20. Other Items

A. Extraordinary Items – Not applicable

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring – Not applicable

C. Other Disclosures – Not applicable

D. Balance That is Reasonably Possible to be Uncollectible – Not applicable

E. At December 31, 2002 and 2001 the Company had admitted assets of $289,675 and $926,288, respectively in accident and health premiums due and unpaid, and Amounts receivable relating to uninsured accident and health plans. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.

21. Events Subsequent

Not applicable

22. Reinsurance

Not applicable

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

24. Salvage and Subrogation

Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

Not applicable

26. Organization and Operation

HealthLink HMO, Inc. was incorporated under the laws of Missouri on July 29, 1992 and operates as a state qualified health maintenance organization which provides health care services principally for a predetermined, prepaid, periodic fee to enrolled subscriber groups and individuals of selected insurance companies. The Company is a wholly-owned by HealthLink Inc., which is an indirect wholly-owned subsidiary of WellPoint Health Networks Inc. The Company is a qualified health maintenance organization under Title XIII of Public Health Service Act. The Company contracts with independent physician groups and other independent medical care providers, which are paid either on a capitation basis (fixed amounts per member) or on a fee-for-services basis. The Company is licensed to transact business in the State of Missouri and the Company's primary service areas include the St. Louis metropolitan and Jefferson City-Columbia areas in Missouri, southern and central Illinois, and northern and central Arkansas.

The books and records of the Company are maintained at 4553 La Tienda Drive, Thousand Oaks, California 91362.

27. Minimum Net Worth

In accordance with rules promulgated by the Missouri Department of Insurance, The Company must maintain a net worth of at least two percent of annual premium as shown in its most recently filed annual statement.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	434,082	2.0	434,082	2.0
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.0		0.0
1.22 Issued by U.S. government sponsored agencies	5,359,958	24.8	5,359,958	24.8
1.3 Foreign government (including Canada, excluding mortgage-backed securities)		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations		0.0		0.0
1.43 Revenue and assessment obligations		0.0		0.0
1.44 Industrial development and similar obligations		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.0		0.0
1.512 Issued by FNMA and FHLMC		0.0		0.0
1.513 Privately issued		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC		0.0		0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC		0.0		0.0
1.523 All other privately issued		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.0		0.0
2.2 Unaffiliated foreign securities		0.0		0.0
2.3 Affiliated securities		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated		0.0		0.0
3.22 Unaffiliated		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.0		0.0
3.32 Unaffiliated		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated		0.0		0.0
3.42 Unaffiliated		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.0		0.0
3.52 Unaffiliated		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development		0.0		0.0
4.2 Agricultural		0.0		0.0
4.3 Single family residential properties		0.0		0.0
4.4 Multifamily residential properties		0.0		0.0
4.5 Commercial loans		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company		0.0		0.0
5.2 Property held for production of income (includes $.....0 of property acquired in satisfaction of debt)		0.0		0.0
5.3 Property held for sale ($.....0 including property acquired in satisfaction of debt)		0.0		0.0
6. Policy loans		0.0		0.0
7. Receivables for securities		0.0		0.0
8. Cash and short-term investments	15,840,695	73.2	15,840,695	73.2
9. Other invested assets		0.0		0.0
10. Total invested assets	21,634,735	100.0	21,634,735	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? MISSOURI

2.1 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]

2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000

3.2 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. 12/31/2000

3.3 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). 10/12/2002

3.4 By what department or departments? MISSOURI DEPARTMENT OF INSURANCE

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

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 the 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

6.1 Has the 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]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control. .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PRICEWATERHOUSECOOPERS LLP
350 SOUTH GRAND AVENUE, LOS ANGELES, CA 90071

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
VINCENT G. MACE, VP, VALUATION ACTUARY, FSA, MAAA
ONE WELLPOINT WAY, THOUSAND OAKS, CA 91362

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

13. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

14.11 To directors or other officers $.....0

14.12 To stockholders not officers $.....0

14.13 Trustees, supreme or grand (Fraternal only) $.....0

14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

14.21 To directors or other officers $.....0

14.22 To stockholders not officers $.....0

14.23 Trustees, supreme or grand (Fraternal only) $.....0

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

15.2 If yes, state the amount thereof at December 31 of the current year:

15.21 Rented from others $.....0

15.22 Borrowed from others $.....0

15.23 Leased from others $.....0

15.24 Other $.....0

Disclose in the Notes to Financial the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

16.2 If answer is yes:

16.21 Amount paid as losses or risk adjustment $.....0

16.22 Amount paid as expenses $.....0

16.23 Other amounts paid $.....0

GENERAL INTERROGATORIES (continued)

INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [ ] No [ ]	Yes [ ] No [ ]
Common	300.000	10.000	100.00	XXX	XXX XXX	XXX XXX

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 2-Special Deposits? Yes [ ] No [X]

18.2 If no, give full and complete information relating thereto.
BONDS AND SHORT-TERM SECURITIES SUBJECT TO OUR FULL CONTROL, ARE HELD ON OUR BEHALF AT MELLON TRUST.

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 2-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [ ] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	$ 0
19.22 Subject to repurchase agreements	$ 0
19.23 Subject to reverse repurchase agreements	$ 0
19.24 Subject to dollar repurchase agreements	$ 0
19.25 Subject to reverse dollar repurchase agreements	$ 0
19.26 Pledged as collateral	$ 0
19.27 Placed under option agreements	$ 0
19.28 Letter stock or securities restricted as to sale	$ 0
19.29 Other	$ 0

19.3 For each category above, if any of these assets are held by others, identify by whom held:
19.31
19.32
19.33
19.34
19.35
19.36
19.37
19.38
19.39

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year: $ 0

22. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
MELLON TRUST	ROOM 151-1035, ONE MELLON CENTER, PITTSBURGH, PA 15258-0001

GENERAL INTERROGATORIES (continued)

INVESTMENT

22.02 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)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes [X] No [ ]

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

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

22.05 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 Number(s)	2 Name	3 Address

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $.....0

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

24.1 Amount of payments for legal expenses, if any? $.....0

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only $.....0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $.....0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $.....0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $.....0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $.....0

1.62 Total incurred claims $.....0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $.....0

1.65 Total incurred claims $.....0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $.....0

1.72 Total incurred claims $.....0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $.....0

1.75 Total incurred claims $.....0

1.76 Number of covered lives 0

2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

2.2 If yes, give particulars:

3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes [X] No [ ]

3.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

4.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

4.2 If no, explain:

SEE NOTES TO FINANCIALS.

4.3 Maximum retained risk (see instructions):

4.31 Comprehensive medical $.....0

4.32 Medical only $.....0

4.33 Medicare supplement $.....0

4.34 Dental $.....0

4.35 Other limited benefit plan $.....0

4.36 Other $.....0

5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

OUR PROVIDER CONTRACTS INCLUDE "HOLD HARMLESS" CLAUSES.

6.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes [X] No [ ]

6.2 If no, give details:

7. Provide the following information regarding participating providers:

7.1 Number of providers at start of reporting year 11,369

7.2 Number of providers at end of reporting year 12,714

8.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

8.2 If yes, direct premium earned:

8.21 Business with the rate guarantees between 15-36 months $.....0

8.22 Business with rate guarantees over 36 months $.....0

9.1 Does the reporting entity have Bonus/withhold arrangements in its provider contracts? Yes [X] No [ ]

9.2 If yes:

9.21 Maximum amount payable bonuses $.....0

9.22 Amount actually paid for year bonuses $.....0

9.23 Maximum amount payable withholds $.....85,000

9.24 Amount actually paid for year withholds $.....84,215

10. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
ADAIR, MO; AUDRAIN, MO; BARRY, MO; BOONE, MO; CALLAWAY, MO; CHARITON, MO; CHRISTIAN, MO; CLARK, MO; COLE, MO; COOPER, MO; CRAWFORD, MO; MADE, MO; DALLAS, MO; DOUGLAS, MO; DUNKLIN, MO; FRANKLIN, MO; GASCONADE, MO; GREENE, MO; HOWARD, MO; IRON, MO; JASPER, MO; JEFFERSON, MO; KNOX, MO; LACLEDE, MO; LAWRENCE, MO; LEWIS, MO; LINCOLN, MO; LINN, MO; MACON, MO; MADISON, MO; MARRIES, MO; MCDONALD, MO; MILLER, MO; MONITEAU, MO; MONROE, MO; MONTGOMERY, MO; NORGAN, MO; NEW MADRID, MO; NEWTON, MO; OSAGE, MO; PEMISCOT, MO; PERRY, MO; PIKE, MO; PUTNAM, MO; RANDOLPH, MO; SCHUYLER, MO; SCOTLAND, MO; ST. CHARLES, MO;

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

ST. FRANCOIS, MO; ST. LOUIS CITY, MO; ST. LOUIS, MO; STE.
GENEVIEVE, MO; STONE, MO; SULLIVAN, MO; WARREN, MO;
WASHINGTON, MO; WEBSTER, MO; WRIGHT, MO

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	24,535,300	19,907,086	22,217,116	17,987,765	13,196,870
2. Total liabilities (Page 3, Line 18)	381,433	5,132,002	10,975,467	10,939,020	8,591,975
3. Statutory surplus	2,499,000	2,499,000	2,499,000	2,499,000	2,499,000
4. Total capital and surplus (Page 3, Line 26)	24,153,867	14,775,084	11,241,649	7,048,745	4,604,895
Income Statement Items (Page 4)					
5. Total revenues (Line 7)	13,686,141	17,078,222	21,034,770	18,061,048	11,302,901
6. Total medical and hospital expenses (Line 17)	2,057,960	2,056,270	5,057,370	5,425,482	5,015,567
7. Total administrative expenses (Line 19)	3,244,951	8,115,352	7,676,857	6,259,300	3,957,003
8. Net underwriting gain (loss) (Line 22)	8,383,230	6,906,600	8,300,543	6,376,266	2,330,331
9. Net investment gain (loss) (Line 25)	292,887	537,111	512,071	321,099	268,438
10. Total other income (Lines 26 plus 27)					
11. Net income or (loss) (Line 30)	5,680,883	7,443,711	8,812,614	6,697,365	2,598,769
Risk-Based Capital Analysis					
12. Total adjusted capital	24,153,867	14,775,084	11,241,649	7,048,745	4,604,895
13. Authorized control level risk-based capital	753,833	788,306	1,003,952	869,739	612,469
Enrollment (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	14,431	11,903	30,149	30,609	25,908
15. Total member months (Column 6, Line 7)	172,377	150,447	374,172	353,001	299,823
Operating Percentage (Page 4) **(Item divided by Page 4, sum of Lines 2, 3, and 5)**					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	49.6	52.1	50.0	50.5	54.3
18. Total underwriting deductions (Line 21)	127.9	257.9	126.0	108.8	97.1
19. Total underwriting gain (loss) (Line 22)	202.2	175.1	82.1	59.4	25.2
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	71,195	67,558	154,932	152,683	180,315
21. Estimated liability of unpaid claims - prior year (Line 11, Col. 6)	48,601	89,152	150,191	389,901	375,731

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Investments in Parent, Subsidiaries and Affiliates					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
23. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1)					
24. Affiliated common stocks (Sch D. Summary, Line 53, Col. 2)					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
26. Affiliated mortgage loans on real estate					
27. All other affiliated					
28. Total of above Lines 22 to 27	0	0	0	0	0

NONE

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	5,794,040	5,813,620	5,850,692	5,737,000
Governments	2. Canada				
(Including all obligations guaranteed	3. Other Countries				
by governments)	4. Totals	5,794,040	5,813,620	5,850,692	5,737,000
	5. United States				
States, Territories and Possessions	6. Canada				
(Direct and guaranteed)	7. Other Countries				
	8. Totals	0	0	0	0
Political Subdivisions of States,	9. United States				
Territories and Possessions	10. Canada				
(Direct and guaranteed)	11. Other Countries				
	12. Totals	0	0	0	0
Special Revenue and Special Assessment	13. United States				
Obligations and all Non-guaranteed Obligations	14. Canada				
of Agencies and Authorities of Governments	15. Other Countries				
and their Political Subdivisions	16. Totals	0	0	0	0
	17. United States				
Public Utilities	18. Canada				
(unaffiliated)	19. Other Countries				
	20. Totals	0	0	0	0
Industrial and Miscellaneous and	21. United States				
Credit Tenant Loans	22. Canada				
(Unaffiliated)	23. Other Countries				
	24. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals				
	26. **Total Bonds**	5,794,040	5,813,620	5,850,692	5,737,000
PREFERRED STOCKS	27. United States				
Public Utilities	28. Canada				
(Unaffiliated)	29. Other Countries				
	30. Totals	0	0	0	
	31 United States				
Banks, Trust and Insurance Companies	32. Canada				
(Unaffiliated)	33. Other Countries				
	34. Totals	0	0	0	
	35. United States				
Industrial and Miscellaneous	36. Canada				
(Unaffiliated)	37. Other Countries				
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. **Total Preferred Stocks**	0	0	0	
COMMON STOCKS	41. United States				
Public Utilities	42. Canada				
(Unaffiliated)	43. Other Countries				
	44. Totals	0	0	0	
	45. United States				
Banks, Trust and Insurance Companies	46. Canada				
(Unaffiliated)	47. Other Countries				
	48. Totals	0	0	0	
	49. United States				
Industrial and Miscellaneous	50. Canada				
(Unaffiliated)	51. Other Countries				
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals				
	54. **Total Common Stocks**	0	0	0	
	55. **Total Stocks**	0	0	0	
	56. **Total Bonds and Stocks**	5,794,040	5,813,620	5,850,692	

(a) The aggregate value of bonds which are valued at other than actual fair value is $.....4,592,663.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year		2,362,968
2. Cost of bonds and stocks acquired, Column 6, Part 3		3,487,724
3. Increase (decrease) by adjustment:		
3.1 Column 16, Part 1	(56,652)	
3.2 Column 12, Part 2, Section 1		
3.3 Column 10, Part 2, Section 2		
3.4 Column 10, Part 4		(56,652)
4. Total gain (loss), Column 14, Part 4		
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4		
6. Foreign exchange adjustment:		
6.1 Column 17, Part 1		
6.2 Column 13, Part 2, Section 1		
6.3 Column 11, Part 2, Section 2		
6.4 Column 11, Part 4		0
7. Book/adjusted carrying value at end of current period		5,794,040
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)		5,794,040
10. Total nonadmitted amounts		
11. Statement value of bonds and stocks, current period		5,794,040

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only 3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums
1. Alabama AL		NO				
2. Alaska AK		NO				
3. Arizona AZ		NO				
4. Arkansas AR		YES				
5. California CA		NO				
6. Colorado CO		NO				
7. Connecticut CT		NO				
8. Delaware DE		NO				
9. District of Columbia DC		NO				
10. Florida FL		NO				
11. Georgia GA		NO				
12. Hawaii HI		NO				
13. Idaho ID		NO				
14. Illinois IL		YES	1,839,464			
15. Indiana IN		NO				
16. Iowa IA		NO				
17. Kansas KS		NO				
18. Kentucky KY		NO				
19. Louisiana LA		NO				
20. Maine ME		NO				
21. Maryland MD		NO				
22. Massachusetts MA		NO				
23. Michigan MI		NO				
24. Minnesota MN		NO				
25. Mississippi MS		NO				
26. Missouri MO		YES	2,306,907			
27. Montana MT		NO				
28. Nebraska NE		NO				
29. Nevada NV		NO				
30. New Hampshire NH		NO				
31. New Jersey NJ		NO				
32. New Mexico NM		NO				
33. New York NY		NO				
34. North Carolina NC		NO				
35. North Dakota ND		NO				
36. Ohio OH		NO				
37. Oklahoma OK		NO				
38. Oregon OR		NO				
39. Pennsylvania PA		NO				
40. Rhode Island RI		NO				
41. South Carolina SC		NO				
42. South Dakota SD		NO				
43. Tennessee TN		NO				
44. Texas TX		NO				
45. Utah UT		NO				
46. Vermont VT		NO				
47. Virginia VA		NO				
48. Washington WA		NO				
49. West Virginia WV		NO				
50. Wisconsin WI		NO				
51. Wyoming WY		NO				
52. American Samoa AS		NO				
53. Guam GU		NO				
54. Puerto Rico PR		NO				
55. U.S. Virgin Islands VI		NO				
56. Canada CN		NO				
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0
58. Total (Direct Business)	XXX	(a) 3	4,146,371	0	0	0

DETAILS OF WRITE-INS

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

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

(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