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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

of the Condition and Affairs of the

Anthem Health Plans of Maine, Inc.

NAIC Group Code..... 0671, 0671 (Current Period) (Prior Period) NAIC Company Code..... 52618 Employer's ID Number..... 31-1705652

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

Licensed as Business Type Other

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

Date Incorporated or Organized..... March 10, 2000 Date Commenced Business..... June 5, 2000

Statutory Home Office	2 Gannett Drive ..... South Portland ..... ME ..... 04106-6911 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	2 Gannett Drive ..... South Portland ..... ME ..... 04106-6911 *(Street and Number) (City or Town, State and Zip Code)*	207-822-7000 *(Area Code) (Telephone Number)*
Mail Address	2 Gannett Drive ..... South Portland ..... ME ..... 04106-6911 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	2 Gannett Drive ..... South Portland ..... ME ..... 04106-6911 *(Street and Number) (City or Town, State and Zip Code)*	207-822-7000 *(Area Code) (Telephone Number)*
Internet Website Address	N/A	
Statutory Statement Contact	Shawn Kevin Staples *(Name)*	207-822-7942 *(Area Code) (Telephone Number) (Extension)*
	shawn.staples@anthem.com *(E-Mail Address)*	*207-822-8999* *(Fax Number)*
Policyowner Relations Contact	2 Gannett Drive ..... South Portland ..... ME ..... 04106-6911 *(Street and Number) (City or Town, State and Zip Code)*	207-822-7000 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Marjorie Warner Dorr Treasurer ..... George Dominic Martin Secretary ..... Nancy Louise Purcell

Assistant Secretary and Clerk ..... Martin Jack Robles, Esq. Valuation Actuary ..... Daniel Dee Andersen

VICE PRESIDENTS

BOARD OF DIRECTORS

Larry Clayborn Glasscock
Nancy Louise Purcell
George Dominic Martin
David Rhoads Frick
Clark Michael Millman
Michael Lynn Smith
Michael Carl Wyatt

State of..... Maine
County of..... Cumberland

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)
Marjorie Warner Dorr	Nancy Louise Purcell	George Dominic Martin
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

.....day of ....., 2004

.....

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 (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	157,925,066		157,925,066	125,169,287
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	34,876,793	6,207,043	28,669,750	19,902,966
3. Mortgage loans on real estate (Schedule B):				
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)	32,597,610	14,576,084	18,021,526	18,534,449
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(10,426,117), Sch. E-Part 1), cash equivalents ($.....7,998,150, Sch. E-Part 2) and short-term investments ($.....6,374,754 Sch. DA)	3,946,787		3,946,787	13,258,327
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets (Schedule BA)			0	
8. Receivable for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	229,346,256	20,783,127	208,563,129	176,865,029
11. Investment income due and accrued	1,471,737		1,471,737	1,283,725
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in course of collection	15,162,682	1,936,876	13,225,806	27,979,303
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
12.3 Accrued retrospective premiums			0	
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	
13.2 Funds held by or deposited with reinsured companies			0	
13.3 Other amounts receivable under reinsurance contracts			0	
14. Amounts receivable relating to uninsured plans	17,034,469	1,547,245	15,487,224	14,460,864
15.1 Current federal and foreign income tax recoverable and interest thereon	681,236		681,236	821,376
15.2 Net deferred tax asset	16,921,478	12,208,928	4,712,550	4,112,069
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software	1,009,489	844,220	165,269	337,544
18. Furniture and equipment, including health care delivery assets ($.....0)	1,600,876	1,600,876	0	
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	13,790,932		13,790,932	12,282,179
21. Health care ($.....46,714,791) and other amounts receivable	52,789,797	6,075,006	46,714,791	1,003,610
22. Other assets nonadmitted	153,412	153,412	0	
23. Aggregate write-ins for other than invested assets	29,185,381	502,396	28,682,985	29,011,341
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	379,147,745	45,652,086	333,495,659	268,157,040
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	379,147,745	45,652,086	333,495,659	268,157,040

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
0999. Totals (Lines 0901 thru 0903 plus 0999) (Line 9 above)	0	0	0	0
2301. Accounts Receivable - Federal Employee Program	28,124,758		28,124,758	25,546,038
2302. Prepaid Expenses	497,894	497,894	0	
2303. Miscellaneous Receivables	261,286		261,286	66,390
2398. Summary of remaining write-ins for Line 23 from overflow page	301,443	4,502	296,941	3,398,913
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	29,185,381	502,396	28,682,985	29,011,341

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	86,977,067		86,977,067	81,779,462
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses	3,212,635		3,212,635	4,959,566
4. Aggregate health policy reserves	21,098,577		21,098,577	7,139,498
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves	1,619,804		1,619,804	
8. Premiums received in advance	8,004,467		8,004,467	9,664,191
9. General expenses due or accrued	16,335,148		16,335,148	16,983,846
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	4,694,648		4,694,648	9,722,551
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others	142,924		142,924	69,305
13. Remittances and items not allocated	4,877,254		4,877,254	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates	38,314,666		38,314,666	40,041,111
16. Payable for securities			0	95
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured accident and health plans	6,652,256		6,652,256	353,104
21. Aggregate write-ins for other liabilities (including $.....0 current)	5,302,074	0	5,302,074	5,390,350
22. Total liabilities (Lines 1 to 21)	197,231,520	0	197,231,520	176,103,079
23. Common capital stock	XXX	XXX	2,500,000	2,500,000
24. Preferred capital stock	XXX	XXX		
25. Gross paid in and contributed surplus	XXX	XXX	120,652,900	120,652,900
26. Surplus notes	XXX	XXX		
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	13,111,239	(31,098,939)
29. Less treasury stock at cost:				
29.1 .....0.000 shares common (value included in Line 23 $.....0)	XXX	XXX		
29.2 .....0.000 shares preferred (value included in Line 24 $.....0)	XXX	XXX		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	136,264,139	92,053,961
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	333,495,659	268,157,040

DETAILS OF WRITE-INS

2101. Federal Employee Program Liabilities	3,353,457		3,353,457	2,870,164
2102. Other Liabilities	1,063,128		1,063,128	1,001,643
2103. Accounts Payable - ITS	885,489		885,489	395,485
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	1,123,058
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	5,302,074	0	5,302,074	5,390,350
2701.	XXX	XXX		
2702.	XXX	XXX		
2703.	XXX	XXX		
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 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	3,413,096	3,582,723
2. Net premium income (including $.....0 non-health premium income)	XXX	844,646,860	840,409,063
3. Change in unearned premium reserves and reserve for rate credits	XXX	(13,959,079)	(2,861,885)
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		1,593,347
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	830,687,781	839,140,525
Hospital and Medical:			
9. Hospital/medical benefits		529,972,263	540,542,835
10. Other professional services		13,791,402	13,762,352
11. Outside referrals		428,424	529,160
12. Emergency room and out-of-area		17,755,258	16,171,205
13. Prescription drugs		109,928,983	119,523,456
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)	0	671,876,330	690,529,008
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)	0	671,876,330	690,529,008
19. Non-health claims			
20. Claims adjustment expenses		39,058,209	56,003,851
21. General administrative expenses		63,294,900	42,154,078
22. Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		1,619,804	(4,300,000)
23. Total underwriting deductions (Lines 18 through 22)	0	775,849,243	784,386,937
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	54,838,538	54,753,588
25. Net investment income earned		10,044,609	4,958,342
26. Net realized capital gains or (losses)		337,613	1,108,952
27. Net investment gains or (losses) (Lines 25 plus 26)	0	10,382,222	6,067,294
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29. Aggregate write-ins for other income or expenses	0	8,748	421,618
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	65,229,508	61,242,500
31. Federal and foreign income taxes incurred	XXX	23,436,988	16,445,452
32. Net income (loss) (Lines 30 minus 31)	XXX	41,792,520	44,797,048

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
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		
0702.	XXX		
0703.	XXX		
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.			
1402.			
1403.			
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. Miscellaneous Income		8,748	421,618
2902.			
2903.			
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	8,748	421,618

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	92,053,961	53,353,704
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	41,792,520	44,797,048
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	9,045,199	1,953,311
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	279,762	(8,600,540)
39. Change in nonadmitted assets	14,368,841	76,261,999
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(21,276,144)	(75,711,561)
48. Net change in capital and surplus (Lines 34 to 47)	44,210,178	38,700,257
49. Capital and surplus end of reporting period (Line 33 plus 48)	136,264,139	92,053,961

DETAILS OF WRITE-INS

4701. Non Allowed Intangibles	100,000	(76,773,810)
4702. Beginning GAAP Allowance for Bad Debts		1,468,804
4703. Depreciation on Nonadmitted Increase to Market Value of Buildings	(620,911)	(620,911)
4798. Summary of remaining write-ins for Line 47 from overflow page	(20,755,233)	214,356
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	(21,276,144)	(75,711,561)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	856,933,084	850,006,888
2. Net investment income	12,841,972	6,550,382
3. Miscellaneous income	(79,528)	(34,329,161)
4. Total (Lines 1 through 3)	869,695,528	822,228,109
5. Benefit and loss related payments	665,058,921	706,768,599
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	99,942,124	50,193,173
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)	28,324,751	11,290,885
10. Total (Lines 5 through 9)	793,325,796	768,252,657
11. Net cash from operations (Line 4 minus Line 10)	76,369,732	53,975,452
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	92,635,492	102,069,874
12.2 Stocks	174,030	174,435
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash and short-term investments	31	
12.7 Miscellaneous proceeds		766
12.8 Total investment proceeds (Lines 12.1 to 12.7)	92,809,553	102,245,075
13. Cost of investments acquired (long-term only):		
13.1 Bonds	126,324,427	134,330,268
13.2 Stocks	2,786	10,827,781
13.3 Mortgage loans		
13.4 Real estate	535,177	2,579,479
13.5 Other invested assets		
13.6 Miscellaneous applications	95	95
13.7 Total investments acquired (Lines 13.1 to 13.6)	126,862,485	147,737,623
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(34,052,932)	(45,492,548)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds received		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(51,628,340)	6,377,396
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(51,628,340)	6,377,396
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	(9,311,540)	14,860,300
19. Cash and short-term investments:		
19.1 Beginning of year	13,258,327	(1,601,973)
19.2 End of year (Line 18 plus Line 19.1)	3,946,787	13,258,327

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

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Net premium income	844,646,860	674,366,878	70,574,174	248,186	13,420	96,876,255			2,567,947				
2. Change in unearned premium reserves and reserve for rate credit	(13,959,079)	(13,998,152)	(3,337,978)			3,377,051							
3. Fee-for-service (net of $.....0 medical expenses)	0												XXX
4. Risk revenue	0												XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	830,687,781	660,368,726	67,236,196	248,186	13,420	100,253,306	0	0	2,567,947	0	0	0	0
8. Hospital/medical benefits	529,972,263	424,566,465	46,919,316			57,462,467			1,024,015				XXX
9. Other professional services	13,791,402			235,299	12,773	13,543,330							XXX
10. Outside referrals	428,424					428,424							XXX
11. Emergency room and out-of-area	17,755,258	16,452,535	1,302,723										XXX
12. Prescription drugs	109,928,983	84,677,736	3,111,780			22,139,467							XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0												XXX
15. Subtotal (Lines 8 to 14)	671,876,330	525,696,736	51,333,819	235,299	12,773	93,573,688	0	0	1,024,015	0	0	0	XXX
16. Net reinsurance recoveries	0												XXX
17. Total hospital and medical (Lines 15 minus 16)	671,876,330	525,696,736	51,333,819	235,299	12,773	93,573,688	0	0	1,024,015	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses	39,058,209	32,424,400	4,061,447	12,887	647	2,558,828							
20. General administrative expenses	63,294,900	52,566,446	6,581,758			4,146,696							
21. Increase in reserves for accident and health contracts	1,619,804	1,619,804											XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	775,849,243	612,307,386	61,977,024	248,186	13,420	100,279,212	0	0	1,024,015	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	54,838,538	48,061,340	5,259,172	0	0	(25,906)	0	0	1,543,932	0	0	0	0

DETAILS OF WRITE-INS

0501.	0												XXX
0502.	0												XXX
0503.	0												XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0												XXX
1302.	0												XXX
1303.	0												XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX

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 (hospital and medical)	674,366,878			674,366,878
2. Medicare supplement	70,574,174			70,574,174
3. Dental only	248,186			248,186
4. Vision only	13,420			13,420
5. Federal employees health benefits plan	96,876,255			96,876,255
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Stop loss				0
9. Disability income				0
10. Long-term care				0
11. Other health	2,567,947			2,567,947
12. Health subtotal (Lines 1 through 11)	844,646,860	0	0	844,646,860
13. Life				0
14. Property/casualty				0
15. Totals (Lines 12 to 14)	844,646,860	0	0	844,646,860

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Payments during the year:													
1.1 Direct	665,058,921	528,634,290	51,216,340	115,299	4,773	84,316,204			772,015				
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	0												
1.4 Net	665,058,921	528,634,290	51,216,340	115,299	4,773	84,316,204	0	0	772,015	0	0	0	0
2. Paid medical incentive pools and bonuses	0												
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	86,977,067	53,788,471	10,672,430	120,000	8,000	22,136,166			252,000				
3.2 Reinsurance assumed	0												
3.3 Reinsurance ceded	0												
3.4 Net	86,977,067	53,788,471	10,672,430	120,000	8,000	22,136,166	0	0	252,000	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct	1,619,804	1,619,804											
4.2 Reinsurance assumed	0												
4.3 Reinsurance ceded	0												
4.4 Net	1,619,804	1,619,804	0	0	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	81,779,462	58,345,830	10,554,950			12,878,682							
7.2 Reinsurance assumed	0												
7.3 Reinsurance ceded	0												
7.4 Net	81,779,462	58,345,830	10,554,950	0	0	12,878,682	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	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	671,876,330	525,696,735	51,333,820	235,299	12,773	93,573,688	0	0	1,024,015	0	0	0	0
11.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
11.4 Net	671,876,330	525,696,735	51,333,820	235,299	12,773	93,573,688	0	0	1,024,015	0	0	0	0
12. Incurred medical incentive pools and bonuses	0	0	0	0	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	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Reported in process of adjustment:													
1.1 Direct	7,034,716	5,698,120	492,430			844,166							
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	0												
1.4 Net	7,034,716	5,698,120	492,430	0	0	844,166	0	0	0	0	0	0	0
2. Incurred but unreported:													
2.1 Direct	79,202,780	47,350,780	10,180,000	120,000	8,000	21,292,000			252,000				
2.2 Reinsurance assumed	0												
2.3 Reinsurance ceded	0												
2.4 Net	79,202,780	47,350,780	10,180,000	120,000	8,000	21,292,000	0	0	252,000	0	0	0	0
3. Amounts withheld from paid claims and capitations:													
3.1 Direct	739,571	739,571											
3.2 Reinsurance assumed	0												
3.3 Reinsurance ceded	0												
3.4 Net	739,571	739,571	0	0	0	0	0	0	0	0	0	0	0
4. Totals:													
4.1 Direct	86,977,067	53,788,471	10,672,430	120,000	8,000	22,136,166	0	0	252,000	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	86,977,067	53,788,471	10,672,430	120,000	8,000	22,136,166	0	0	252,000	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 (hospital and medical)	34,622,168	494,012,122	1,133,397	54,274,878	35,755,565	58,345,830
2. Medicare supplement	9,124,587	42,091,753	858,902	9,813,528	9,983,489	10,554,950
3. Dental only		115,299		120,000	0	
4. Vision only		4,773		8,000	0	
5. Federal employees health benefits plan	18,243,645	66,072,559	967,404	21,168,762	19,211,049	12,878,682
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health		772,015		252,000	0	
9. Health subtotal (Lines 1 to 8)	61,990,400	603,068,521	2,959,703	85,637,168	64,950,103	81,779,462
10. Other non-health					0	
11. Medical incentive pools, accruals and disbursements					0	
12. Totals (Lines 9 to 11)	61,990,400	603,068,521	2,959,703	85,637,168	64,950,103	81,779,462

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	41,986	70,509		
4. 2001	XXX	XXX	591,639	28,453	
5. 2002	XXX	XXX	XXX	622,364	61,990
6. 2003	XXX	XXX	XXX	XXX	603,068

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	122,983	71,209		
4. 2001	XXX	XXX	633,006	29,714	
5. 2002	XXX	XXX	XXX	702,883	64,951
6. 2003	XXX	XXX	XXX	XXX	688,705

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	0.0			0	0.0
2. 1999				0.0	0	0.0			0	0.0
3. 2000			2,283	0.0	2,283	0.0			2,283	0.0
4. 2001	469,434	620,092	21,604	3.5	641,696	136.7			641,696	136.7
5. 2002	840,408	684,354	53,506	7.8	737,860	87.8	2,960	107	740,927	88.2
6. 2003	847,215	603,068	39,058	6.5	642,126	75.8	85,637	3,106	730,869	86.3
7. Total (Lines 1 through 6)	XXX	1,907,514	116,451	XXX	2,023,965	XXX	88,597	3,213	2,115,775	XXX
8. Total (Lines 2 through 6)	2,157,057	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	(893)	49,214		
4. 2001	XXX	XXX	486,720	7,608	
5. 2002	XXX	XXX	XXX	511,267	34,622
6. 2003	XXX	XXX	XXX	XXX	494,012

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	60,646	49,566		
4. 2001	XXX	XXX	504,633	8,364	
5. 2002	XXX	XXX	XXX	568,857	35,756
6. 2003	XXX	XXX	XXX	XXX	548,287

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000			1,594	0.0	1,594	0.0			1,594	0.0
4. 2001	319,920	494,328	16,415	3.3	510,743	159.6			510,743	159.6
5. 2002	682,054	545,889	43,955	8.1	589,844	86.5	1,134	41	591,019	86.7
6. 2003	676,936	494,012	32,040	6.5	526,052	77.7	54,275	1,982	582,309	86.0
7. Total (Lines 1 through 6)	XXX	1,534,229	94,004	XXX	1,628,233	XXX	55,409	2,023	1,685,665	XXX
8. Total (Lines 2 through 6)	1,678,910	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	17,258	10,904		
4. 2001	XXX	XXX	43,057	9,736	
5. 2002	XXX	XXX	XXX	43,458	9,124
6. 2003	XXX	XXX	XXX	XXX	42,092

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	27,980	11,165		
4. 2001	XXX	XXX	55,219	9,927	
5. 2002	XXX	XXX	XXX	53,822	9,984
6. 2003	XXX	XXX	XXX	XXX	51,905

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000			353	0.0	353	0.0			353	0.0
4. 2001	67,968	52,793	2,231	4.2	55,024	81.0			55,024	81.0
5. 2002	68,380	52,582	3,736	7.1	56,318	82.4	859	31	57,208	83.7
6. 2003	70,574	42,092	2,726	6.5	44,818	63.5	9,813	356	54,987	77.9
7. Total (Lines 1 through 6)	XXX	147,467	9,046	XXX	156,513	XXX	10,672	387	167,572	XXX
8. Total (Lines 2 through 6)	206,922	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	115

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	235

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003	248	115	13	11.3	128	51.6	120		248	100.0
7. Total (Lines 1 through 6)	XXX	115	13	XXX	128	XXX	120	0	248	XXX
8. Total (Lines 2 through 6)	248	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	5

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	13

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003	13	5		0.0	5	38.5	8		13	100.0
7. Total (Lines 1 through 6)	XXX	5	0	XXX	5	XXX	8	0	13	XXX
8. Total (Lines 2 through 6)	13	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	25,621	10,391		
4. 2001	XXX	XXX	61,862	11,109	
5. 2002	XXX	XXX	XXX	67,639	18,244
6. 2003	XXX	XXX	XXX	XXX	66,072

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX	34,357	10,478		
4. 2001	XXX	XXX	73,154	11,423	
5. 2002	XXX	XXX	XXX	80,204	19,211
6. 2003	XXX	XXX	XXX	XXX	87,241

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000			336	0.0	336	0.0			336	0.0
4. 2001	81,546	72,971	2,958	4.1	75,929	93.1			75,929	93.1
5. 2002	89,974	85,883	5,815	6.8	91,698	101.9	967	35	92,700	103.0
6. 2003	96,876	66,072	4,279	6.5	70,351	72.6	21,169	768	92,288	95.3
7. Total (Lines 1 through 6)	XXX	224,926	13,388	XXX	238,314	XXX	22,136	803	261,253	XXX
8. Total (Lines 2 through 6)	268,396	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	CUmulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	772

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior					
2. 1999					
3. 2000	XXX				
4. 2001	XXX	XXX			
5. 2002	XXX	XXX	XXX		
6. 2003	XXX	XXX	XXX	XXX	1,024

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1999	XXX			XXX	0	XXX			0	XXX
2. 1999				0.0	0	0.0			0	0.0
3. 2000				0.0	0	0.0			0	0.0
4. 2001				0.0	0	0.0			0	0.0
5. 2002				0.0	0	0.0			0	0.0
6. 2003	2,568	772		0.0	772	30.1	252		1,024	39.9
7. Total (Lines 1 through 6)	XXX	772	0	XXX	772	XXX	252	0	1,024	XXX
8. Total (Lines 2 through 6)	2,568	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other
POLICY RESERVE												
1. Unearned premium reserves	7,044,742	3,706,764	3,337,978									
2. Additional policy reserves (a)	0											
3. Reserve for future contingent benefits	0											
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	14,053,835	10,577,866				3,475,969						
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross)	21,098,577	14,284,630	3,337,978	0	0	3,475,969	0	0	0	0	0	0
7. Reinsurance ceded	0											
8. Totals (net) (Page 3, Line 4)	21,098,577	14,284,630	3,337,978	0	0	3,475,969	0	0	0	0	0	0
CLAIM RESERVE												
9. Present value of amounts not yet due on claims	0											
10. Reserve for future contingent benefits	0											
11. Aggregate write-ins for other claim reserves	1,619,804	1,619,804	0	0	0	0	0	0	0	0	0	0
12. Totals (gross)	1,619,804	1,619,804	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0											
14. Totals (net) (Page 3, Line 7)	1,619,804	1,619,804	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
0501.	0											
0502.	0											
0503.	0											
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0
1101. Other policyholder liabilities	1,619,804	1,619,804										
1102.	0											
1103.	0											
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	1,619,804	1,619,804	0	0	0	0	0	0	0	0	0	0

(a) Includes $.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent ($.....4,704,529 for occupancy of own building)	3,489,824	2,063,664		5,553,488
2. Salaries, wages and other benefits	40,805,071	36,047,236		76,852,307
3. Commissions (less $.....0 ceded plus $.....0 assumed)		8,226,786		8,226,786
4. Legal fees and expenses		166,497		166,497
5. Certifications and accreditation fees				0
6. Auditing, actuarial and other consulting services	4,717,340	3,805,986		8,523,326
7. Traveling expenses	598,698	1,066,293		1,664,991
8. Marketing and advertising		2,069,765		2,069,765
9. Postage, express and telephone	3,238,951	1,520,194		4,759,145
10. Printing and office supplies	581,316	1,859,897		2,441,213
11. Occupancy, depreciation and amortization				0
12. Equipment	1,459,236	1,453,509		2,912,745
13. Cost or depreciation of EDP equipment and software	2,918,288	1,874,925		4,793,213
14. Outsourced services including EDP, claims, and other services	280,739	397,257		677,996
15. Boards, bureaus and association fees		514,107		514,107
16. Insurance, except on real estate		1,853,610		1,853,610
17. Collection and bank service charges			143,085	143,085
18. Group service and administration fees	12,165,569			12,165,569
19. Reimbursements by uninsured accident and health plans	(19,621,320)	(12,609,450)		(32,230,770)
20. Reimbursements from fiscal intermediaries	(14,061,152)	(9,374,101)		(23,435,253)
21. Real estate expenses		2,346,573		2,346,573
22. Real estate taxes		688,944		688,944
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes		1,433,646		1,433,646
23.2 State premium taxes		8,984,888		8,984,888
23.3 Regulatory authority licenses and fees		91,617		91,617
23.4 Payroll taxes	1,976,037	1,900,024		3,876,061
23.5 Other (excluding federal income and real estate taxes)	38,304	35,053		73,357
24. Investment expenses not included elsewhere			150,379	150,379
25. Aggregate write-ins for expenses	471,308	6,877,980	0	7,349,288
26. Total expenses incurred (Lines 1 to 25)	39,058,209	63,294,900	293,464	(a) 102,646,573
27. Less expenses unpaid December 31, current year	3,212,635	16,335,148		19,547,783
28. Add expenses unpaid December 31, prior year	4,959,566	16,983,846		21,943,412
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 minus 27 plus 28 minus 29 plus 30)	40,805,140	63,943,598	293,464	105,042,202

DETAILS OF WRITE-INS

2501. Contributions		5,907,134		5,907,134
2502. Miscellaneous	471,308	970,846		1,442,154
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)	471,308	6,877,980	0	7,349,288

(a) Includes management fees of $.....36,109,378 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) 1,985,371	2,104,325
1.1	Bonds exempt from U.S. tax	(a) (1,868)	632
1.2	Other bonds (unaffiliated)	(a) 4,353,154	4,419,712
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	6,496	6,496
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 4,725,094	4,725,094
5.	Contract loans		
6.	Cash/short-term investments	(e) 154,530	154,530
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	620,911
10.	Total gross investment income	11,222,777	12,031,700
11.	Investment expenses		(g) 293,464
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) 1,669,011
15.	Aggregate write-ins for deductions from investment income		24,615
16.	Total deductions (Lines 11 through 15)		1,987,090
17.	Net investment income (Line 10 minus Line 16)		10,044,610

DETAILS OF WRITE-INS

0901.	Depreciation on increases to market value of buildings		620,911
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	620,911
1501.	Miscellaneous investment expenses		24,615
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)		24,615

(a) Includes $.....280,695 accrual of discount less $.....1,597,059 amortization of premium and less $.....532,921 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 $.....4,704,529 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....103,141 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 $.....0 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 $.....1,669,011 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	(262,126)				(262,126)
1.1	Bonds exempt from U.S. tax					0
1.2	Other bonds (unaffiliated)	645,326				645,326
1.3	Bonds of affiliates					0
2.1	Preferred stocks (unaffiliated)					0
2.11	Preferred stocks of affiliates					0
2.2	Common stocks (unaffiliated)	(45,618)		54,055		8,437
2.21	Common stocks of affiliates			8,991,143	6,207,043	15,198,186
3.	Mortgage loans					0
4.	Real estate					0
5.	Contract loans					0
6.	Cash/short-term investments	31				31
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)	337,613	0	9,045,198	6,207,043	15,589,854

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 12 to 20, Column 2	18,138,145	16,313,122	(1,825,023)
2. Other nonadmitted assets:			
2.1 Bills receivable			0
2.2 Leasehold improvements	153,412	186,332	32,920
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)	153,412	186,332	32,920
4. Aggregate write-ins for other than invested assets	6,577,402	22,738,346	16,160,944
5. Total (Line 1 plus Lines 3 and 4)	24,868,959	39,237,800	14,368,841

DETAILS OF WRITE-INS

0401. Health care receivable	6,075,006		(6,075,006)
0402. Net Increase to Market Value on Purchase of Real Estate		15,196,995	15,196,995
0403. Change in admitted value of affiliates		6,084,413	6,084,413
0498. Summary of remaining write-ins for Line 4 from overflow page	502,396	1,456,938	954,542
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	6,577,402	22,738,346	16,160,944

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

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	13,480	15,376	16,509	15,852	15,059	190,476
2. Provider service organizations						
3. Preferred provider organizations	70,443	74,152	74,331	98,413	99,664	1,035,061
4. Point of service	86,018	87,192	86,442	55,433	55,861	857,250
5. Indemnity only	126,738	126,010	126,194	95,780	95,551	1,330,309
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	296,679	302,730	303,476	265,478	266,135	3,413,096

DETAILS OF WRITE-INS

0601. Medicare Supplement - included in line 5 above						
0602. Federal Employee Program - included in line 3 above						
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

Accounting Practices

The accompanying financial statements of Anthem Health Plans of Maine, Inc. (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") *Annual Statement Instructions* and in accordance with accounting practices prescribed or permitted by the NAIC *Accounting Practices and Procedures Manual,* subject to any deviations prescribed or permitted by the Maine Bureau of Insurance (the "Bureau").

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

B. Accounting Policies

Premiums are earned over the term of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed by pro rata methods. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. The premium paid by subscribers prior to the effective date is recorded in the balance sheet as advance premiums and subsequently credited to income as earned during the coverage period. Premium rates for certain lines of business are subject to approval by the Bureau.

In addition, the Company uses the following accounting policies:

(1) Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost.
(2) Bonds not backed by loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity.
(3) The Company does not hold investments in common stocks of unaffiliated companies.
(4) The Company does not hold investments in preferred stocks of unaffiliated companies.
(5) The Company does not hold investments in mortgage loans.
(6) Loan-backed securities are stated at amortized cost. Pre-payment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
(7) The Company owns 100% of the common stock of each of its direct subsidiaries. The investments in these subsidiaries are reported on the equity basis.
(8) The Company has no ownership interests in joint ventures, limited partnerships and other non-controlled corporations.
(9) The Company has no derivative instruments. However, the Company does invest in structured products (i.e. mortgage-backed securities) that have low volatility which are credit rated double A or better by Moody's Investor Service, Inc. and/or Standard & Poor's Rating Services.
(10) The Company has no premium deficiency reserves.
(11) Unpaid claims and claims adjustment expenses include amounts based on historical loss development patterns and certain individual case estimates. The established liability estimates consider health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is reasonable, 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 the results of such studies are incorporated into current period estimates.

2. Accounting Changes and Correction of Errors

A. Correction of Errors

There were no corrections of errors during the years ended December 31, 2003 and 2002.

B. Cumulative Effect of Changes in Accounting Principles as a Result of the Initial Implementation of Codification

Effective January 1, 2001, the State of Maine required insurance companies domiciled in Maine to prepare their statutory-basis financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Bureau. The cumulative effect of accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures Manual* effective January 1, 2001 was reported as an increase to 2001 unassigned surplus.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

On February 28, 2002, the Company acquired Maine Medical Center's 50% ownership interest in Maine Partners Health Plan, Inc. (MPHP), becoming the sole stockholder. The purchase price of $10.6 million, including Goodwill and Intangible assets of approximately $4.8 million, has been added to the GAAP equity value in MPHP. For statutory purposes, the Company's equity in MPHP is adjusted to the statutory equity basis as determined by MPHP's statutory filing.

NOTES TO FINANCIAL STATEMENTS

B. Statutory Merger: Not applicable

C. Assumption Reinsurance: Not applicable

D. Impairment Loss: Not applicable

4. Discontinued Operations

The Company had no operations that were discontinued during 2003.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has no investments in mortgage loans.

B. Debt Restructuring

The Company has no invested assets that are restructured debt.

C. Reverse Mortgages

The Company has no investments in reverse mortgages.

D. Loan-Backed Securities

(1) The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

(2) Prepayment assumptions for mortgage-backed securities were obtained from broker dealer survey values.

(3) The Company had no negative yield circumstances requiring a change from the retrospective to prospective methodology.

E. Repurchase Agreements

The Company has no investments in repurchase agreements.

F. Real Estate

The Company has no investments in real estate.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies.

B. Not applicable

7. Investment Income

A. Investment income due and accrued:

Investment income will not be accrued on bonds when interest payments are in default.

B. At December 31, 2003, the Company did not have accrued investment income that was non-admitted.

8. Derivative Instruments

The Company has no derivative instruments. However, the Company does invest in structured products that have low volatility which are credit rated double A or better by Moody's Investor Service, Inc. and/or Standard & Poor's Rating Services. An example of such an investment is mortgage backed securities.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of deferred tax assets/(liabilities) at December 31 are as follows:

	Dec. 31, 2003	Dec. 31, 2002
Total of gross deferred tax assets	$17,230,303	$16,844,104
Total of deferred tax liabilities	308,825	202,388
Net deferred tax asset	16,921,478	16,641,716
Deferred tax asset nonadmitted	(12,208,928)	(12,529,647)
Net admitted deferred tax asset	$4,712,550	$4,112,069
(Increase) decrease in nonadmitted asset	$320,719	$4,940,625

B. Deferred tax liabilities are not recognized for the following amounts:

The Company has no unrecognized deferred tax liabilities to be disclosed under SSAP No. 10 paragraph 19.

C. Current income taxes incurred consist of the following major components:

	2003	2002
Federal	$23,318,824	$16,057,319
Foreign	0	0
	23,318,824	16,057,319
Federal income tax on net capital gains	118,164	388,133
Utilization of capital loss carry-forwards	0	0
Federal and foreign income taxes incurred	$23,436,988	$16,445,452

The main components of the deferred tax amounts are as follows :

	Dec. 31, 2003	Dec. 31, 2002
Deferred tax assets:		
Discounting of unpaid losses	$538,280	$828,553
Accrued Future Expenses	1,948,626	380,895
Goodwill & Intangibles	10,918,632	12,334,617
Premium deficiency reserves	0	0
Unearned Premium Adjustment	1,108,972	676,493
Depreciation & nonadmitted fixed assets	1,195,741	1,214,107
Other	1,520,104	1,409,439
Total deferred tax assets	17,230,303	16,844,104
Nonadmitted deferred tax assets	(12,208,928)	(12,529,647)
Admitted deferred tax assets	5,021,375	4,314,457
Deferred tax liabilities:		
Returned Premium Reserve	104,458	122,500
Accrual of bond discount	55,609	33,359
COB Receivable discounting	40,293	17,829
Other	108,465	28,700
Total deferred tax liabilities	308,825	202,388
Net admitted deferred tax asset	$4,712,550	$4,112,069

The changes in main components of DTAs and DTLs are as follows:

	Dec. 31, 2003	Dec. 31, 2002	Change
Total deferred tax assets	$17,230,303	$16,844,104	$386,199
Total deferred tax liabilities	308,825	202,388	106,437
Net deferred tax asset (liability)	$16,921,478	$16,641,716	$279,762
Tax effect of unrealized gains (losses)			0
Change in net deferred income tax			$279,762

D. The provision for federal and foreign 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:

	Dec. 31, 2003	Dec. 31, 2002
Provision computed at statutory rate	$22,830,328	$21,434,875
Tax exempt income	(8,550)	(11,421)
Deferred tax adjustments	131,563	3,536,843
Nondeductible expenditures	203,885	85,695
Total current & deferred tax	$23,157,226	$25,045,992
Federal and foreign income taxes incurred	$23,436,988	$16,445,452
Change in net deferred income taxes	(279,762)	8,600,540
Total statutory income taxes	$23,157,226	$25,045,992

NOTES TO FINANCIAL STATEMENTS

E. The Company has no net operating loss carryforwards available and no tax credit carryforwards. The amounts of federal income taxes incurred in the current and preceding year, which are available for recoupment in the event of future losses are $23.4 million and $16.6 million.

F. (1) The Company's Federal Income Tax return is consolidated with the following entities:

AdminaStar Federal, Inc.
Anthem, Inc.
Anthem Benefit Administrators, Inc.
Anthem East, Inc.
Anthem Financial, Inc.
Anthem Health & Life Insurance Company of New York
Anthem Health Plans, Inc.
Anthem Health Plans of Kentucky, Inc.
Anthem Health Plans of Maine, Inc.
Anthem Health Plans of New Hampshire, Inc.
Anthem Health Plans of Virginia, Inc.
Anthem Holding Corporation
Anthem Insurance Companies, Inc.
Anthem Midwest, Inc.
Anthem Services, Inc.
Anthem Southeast, Inc.
Anthem UM Services, Inc.
Anthem West, Inc.
Arison Insurance Services, Inc.
Associated Group, Inc.
Benefit Administration Services, Inc.
Community Insurance Company
Consolidated Holdings Corporation
Dayton Services Company
Health Initiatives, Inc.
Health Management Corporation
Health Management Systems, Inc.
Healthkeepers, Inc.
HealthReach Services, Inc.
Healthy Homecomings, Inc.
HMO Colorado, Inc.
Lease Partners, Inc.
Machigonne, Inc.
Maine Partners Health Plan, Inc.
Matthew Thornton Health Plan, Inc.
Monticello Service Agency, Inc.
Northeast Consolidated Services, Inc.
One Nation Insurance Company
Priority Healthcare, Inc.
Priority, Inc.
Priority Insurance Agency, Inc.
Rocky Mountain Health Care Corporation
Rocky Mountain Hospital and Medical Service, Inc.
The Anthem Companies, Inc.
Trigon Health and Life Insurance Company

The method of allocation between the companies is subject to an executed Tax Sharing Agreement and is based upon separate return calculations with credit for net losses that can be used on a consolidated basis. Intercompany tax balances are settled based on the Internal Revenue Service due dates.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of the relationship involved

The Company is a wholly-owned subsidiary of Anthem East, Inc. which in turn, is a wholly-owned subsidiary of Anthem Insurance Company, Inc. ("Anthem Insurance").

On October 27, 2003, Anthem and WellPoint Health Networks Inc. ("WellPoint") announced that they have entered into a definitive agreement and plan of merger ("Merger Agreement") pursuant to which WellPoint will merge into a wholly-owned subsidiary of Anthem. Under the Merger Agreement, WellPoint's stockholders will receive $23.80 in cash and one share of Anthem common stock for each WellPoint share outstanding. The value of the transaction was estimated to be approximately $16.4 billion based on the closing price of Anthem's common stock on October 24, 2003. The transaction is expected to close by mid-2004, subject to, among other things, regulatory and shareholder approvals.

B. Transactions for each of the Periods for which Financial Statements are Presented

During 2003, there were no reportable transactions.

NOTES TO FINANCIAL STATEMENTS

C. Management and Service Arrangements

There were no changes to the intercompany management and service arrangements.

D. Amounts Due to or from Related Parties

At December 31, 2003, the Company reported $13,790,932 due from affiliates and $38,314,666 due to affiliates. Both the receivables and payables are current items generated in 2003, and will be settled during 2004.

The Company utilizes an affiliate, Anthem Prescription Management, LLC ("APM"), as its prescription benenfits manager. Prescription rebates are provided by APM and recorded as receivables based on detailed reports from APM. Outstanding rebates receivable, as of December 31, 2003, are included in the above balances.

E. Guarantees or Contingencies for Related Parties

The Company has no contingent exposures except as stated in Note 14.

F. Management, Service Contracts, Cost Sharing Arrangements

The Company has agreed to provide certain administrative and management services to various subsidiaries.

The Company also purchases from certain affiliates marketing, administration and management services for the Company's insurance products. For purposes of the Underwriting and Investment Exhibit Part 3, these fees are allocated to the individual line items in the same manner as the direct expenses.

G. Nature of Relationships that Could Affect Operations

Anthem Insurance, through Anthem East, Inc., its wholly-owned subsidiary, owns all the outstanding shares of the Company.

H. Amount Deducted for Investment in Upstream Company

The Company and its subsidiaries do not own any investments in Anthem Insurance, their ultimate parent.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

Not applicable

B. Defined Contribution Plan

Not applicable

C. Multi-employer Plans

The Company does not participate in a multi-employer plan.

D. Consolidated/Holding Company Plans

Anthem Insurance sponsors a defined benefit pension plan covering substantially all employees of the Company who have completed one year of service and attained the age of twenty-one. The pension plan is a cash balance arrangement where plan participants have an individual account balance and earn a pay credit equal to three to six percent of compensation, depending on years of service. In addition to the pay credit, participant accounts earn interest at a rate based on 10-year treasury notes. Anthem Insurance allocates to the subsidiaries a share of the total accumulated costs of the pension plan. In 2003, the amount allocated to the Company was $1,132,488. The Company has no legal obligation for the benefits under this plan.

NOTES TO FINANCIAL STATEMENTS

Anthem Insurance sponsors a postretirement benefit plan which provides certain health, life, vision and dental benefits upon retirement. Substantially all employees with ten years of service become eligible for these benefits if they reach retirement age while working for the Company. Anthem Insurance allocates to the Company a share of the total accumulated costs of these postretirement benefits. In 2003, the amount allocated to the Company was $184,896. The Company has no legal obligation for the benefits under this plan.

Anthem Insurance has adopted a deferred compensation plan which covers certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. Anthem Insurance allocates to the Company a share of the cost of the plan. For 2003, the amount allocated to the Company was $855,144. The Company has no legal obligation for benefits under this plan.

Anthem Insurance sponsors a defined contribution savings plan covering substantially all employees of the Company. Anthem Insurance provides a 50% match on the first 6% of salary each employee contributes to the plan. Anthem Insurance allocates to the Company a share of the cost of the plan. For 2003, the amount allocated to the Company was $34,668. The Company has no legal obligation for benefits under this plan.

E. Postemployment Benefits and Compensated Absences

Not applicable

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

(1) The Company has 2,500 shares of Class A, $1,000 par value, common stock authorized, issued and outstanding.
(2) The Company has no preferred stock.
(3) In accordance with the Bureau's May 25, 2000 Decision and Order approving the purchase of Associated Hospital Service of Maine, the Company cannot declare any dividends during the five years following the closing (June 5, 2000) without first obtaining prior written approval from the Bureau. No dividends were declared during 2003 or 2002.
(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 stockholders.
(5) Unassigned surplus funds are not restricted.
(6) Not applicable
(7) There are no shares of stock held for special purposes.
(8) Not applicable
(9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a.	Unrealized gains and losses	$ 9,045,199
b.	Nonadmitted asset values	$ 14,368,841
c.	Separate account business	_
d.	Asset valuation revenues	_
e.	Provision for reinsurance	_

(10) Surplus Notes – Not applicable
(11) The Company had no quasi-reorganizations.
(12) Not applicable

14. Contingencies

A. Contingent Commitments

Not applicable

B. Assessments

The Company is subject to Guaranty Fund and other assessments by the State of Maine. Guaranty Fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of the assessment or at the time that the losses are incurred.

The State of Maine has not issued a Guaranty Fund assessment, and the Company has not recorded a liability for a Guaranty Fund assessment as of December 31, 2003.

C. Gain Contingencies

Not applicable

D. All Other Contingencies

Managed care lawsuits throughout the country have been consolidated into the Multi District Litigation ("MDL") class action lawsuit pending in the United States District Court for the Southern District of Florida, Miami Division captioned *In re: Humana, Inc. Managed Care Litigation, MDL No. 1334* , under the MDL rules. Other defendants include Humana, Aetna, Cigna, Coventry, Health Net, PacifiCare, Prudential, United and Wellpoint. All of the managed care lawsuits filed against the Company have at various dates been transferred to the MDL as tag along cases.

The Company is also involved in various legal actions in the ordinary course of business. In the opinion of management, there are no legal proceedings pending against or involving the Company whose outcome is likely to have a material adverse effect on the

financial position or results of the Company.

15. Leases

A. Lessee Leasing Arrangements

The Company leases office space, computer hardware and software products, and miscellaneous equipment under operating leases. The terms of these leases vary from one to five years. Operating lease expense was $1,020,576 and $869,702 for the periods ended December 31, 2003 and 2002, respectively. Future minimum lease payments under the non-cancelable operating leases are as follows:

Year	Amount
2004	$ 845,612
2005	697,842
2006	483,614
2007	288,480
Total minimum lease payments	$ 2,315,548

B. Lessor Leasing Arrangements

1. The Company has not entered into any operating leases as lessor.
2. The Company has not entered into any leveraged leases as lessor.

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

The Company has no financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers according to policies authorized by the Board of Directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2003, there were no significant concentrations.

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

A. Transfers of receivables reported as Sales

Not applicable

B. Transfer and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

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

A. ASO Plans

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$1,764,508	---	$1,764,508
Total net other income or expenses (including interest paid to or received from plans)	---	---	---
Net gain or (loss) from operations	$1,764,508	---	$1,764,508
Total claim payment volume	$260,785,726	---	$260,785,726

B. ASC Plans

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

The Company acts as an administrative agent, processing claims for Medicare and certain other agencies. Revenues relating to these contracts amounted to $23,435,253 in 2003 and $23,619,373 in 2002. The claim payments and administrative expenses charged to other agencies are subject to audit by those agencies.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2003 and 2002.

20. September 11 Events

No losses were incurred as a result of the terrorist attacks of September 11, 2001.

21. Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring

Not applicable

C. Other Disclosures

Land is recorded at cost and other real estate is recorded at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets. Real estate was not adjusted to market value at date of purchase.

D. Uncollectible Premiums Receivable

The Company routinely assesses the collectibility of receivables. Based on Company experiences, management believes that sufficient reserves for potentially uncollectible accounts have been established.

E. Noncash transactions

The Company has reported no noncash transactions for the years ended December 31, 2003 and 2002.

F. Business Interruption Insurance Recoveries

Not applicable

22. Events Subsequent

Not applicable

23. Reinsurance

A. Ceded Reinsurance Report

Not applicable

B. Uncollectible Reinsurance

Not applicable

C. Commutation of Ceded Reinsurance

Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company sells group accident and health policies for which the premiums vary based on loss experience. Future premium adjustments for these retrospective policies are estimated and accrued. The Company estimates these accrued retrospective premium adjustments through the review of each retrospectively rated account, comparing the loss development with that anticipated in the policy contracts to determine if any retrospective premium adjustments are required.

NOTES TO FINANCIAL STATEMENTS

B. Net premiums earned for 2003 were $251,116,758 or 29.73% of the total net premiums earned..

25. Change in Incurred Claims and Claim Adjustment Expenses

The liability for the costs of both reported and unreported claims is estimated based on historical experience, estimates of trends in claim severity and frequency, and other factors which could vary as claims are ultimately settled. Although such liabilities are based on estimates, management believes that the recorded liabilities for claims and claims adjustment expenses are adequate in the aggregate to cover the ultimate settlement cost of reported and unreported claims. The estimated liability for health care claims is continually reviewed, and adjustments, as required, are included in operations. Health care claim liabilities and reserves are established by management and reviewed by an independent actuarial firm. Anthem Insurance has guaranteed the payment of insurance benefits granted to the Company's subscribers.

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

See Note 10 D

B. Risk Sharing Receivables

Not applicable

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

Not applicable

31. Anticipated Salvage and Subrogation

Anticipated salvage and subrogation included as a reduction to loss reserves and loss adjustment expense are reported in the Underwriting and Investment Exhibit and Page 3 - Liabilities, Capital and Surplus Line are as follows:

Year	2003 Pending	2002 Pending
1999 and prior	$ 337,102	$ 402,539
2000	334,231	328,750
2001	1,147,792	1,747,442
2002	1,359,123	1,818,794
2003	3,958,121	
Total	$ 7,136,369	$ 4,297,525

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	39,313,214	17.1	39,313,214	18.8
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		0.0		0.0
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	670,756	0.3	670,756	0.3
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations		0.0		0.0
1.43 Revenue and assessment obligations	214,767	0.1	214,767	0.1
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	25,126,157	11.0	25,126,157	12.0
1.512 Issued by FNMA and FHLMC	27,980,430	12.2	27,980,430	13.4
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	171,904	0.1	171,904	0.1
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	64,447,838	28.1	64,447,838	30.9
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	172,686	0.1	172,686	0.1
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	34,289,891	15.0	28,082,848	13.5
3.42 Unaffiliated	414,216	0.2	414,216	0.2
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
4.6 Mezzanine real estate loans		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company	32,597,610	14.2	18,021,526	8.6
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	3,946,787	1.7	3,946,787	1.9
9. Other invested assets		0.0		0.0
10. Total invested assets	229,346,256	100.0	208,563,129	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? Maine

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. 06/30/2002

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. 06/30/2002

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). 04/11/2003

3.4 By what department or departments? State of Maine Bureau 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%

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)

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

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 225 Asylum Street, Hartford, CT 06103

10. 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?
Daniel D. Andersen, MAAA, Director of Actuarial Services, Anthem Health Plans of Maine, Inc., 2 Gannett Drive, South Portland, Maine 04106-6911 (employee)

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

11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
Question #11 not applicable

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

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

11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

BOARD OF DIRECTORS

12. 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 [ ]

13. 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 [ ]

14. 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

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

15.11 To directors or other officers 0

15.12 To stockholders not officers 0

15.13 Trustees, supreme or grand (Fraternal only) 0

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

15.21 To directors or other officers 0

15.22 To stockholders not officers 0

15.23 Trustees, supreme or grand (Fraternal only) 0

16.1 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]

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

16.21 Rented from others 0

16.22 Borrowed from others 0

16.23 Leased from others 0

16.24 Other 0

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

17.1 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]

17.2 If answer is yes:

17.21 Amount paid as losses or risk adjustment 0

17.22 Amount paid as expenses 0

17.23 Other amounts paid 0

GENERAL INTERROGATORIES (continued)

INVESTMENT

18. 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	2,500.000	2,500.000	1,000.00	XXX	XXX XXX	XXX XXX

19.1 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 3-Special Deposits? Yes [ ] No [X]

19.2 If no, give full and complete information relating thereto.
All securities are held in custody at J.P. Morgan Chase Bank, Brooklyn, NY.

20.1 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 3-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 16.1) Yes [ ] No [X]

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

20.21 Loaned to others	0
20.22 Subject to repurchase agreements	0
20.23 Subject to reverse repurchase agreements	0
20.24 Subject to dollar repurchase agreements	0
20.25 Subject to reverse dollar repurchase agreements	0
20.26 Pledged as collateral	0
20.27 Placed under option agreements	0
20.28 Letter stock or securities restricted as to sale	0
20.29 Other	0

20.3 For each category above, if any of these assets are held by others, identify by whom held:
20.31
20.32
20.33
20.34
20.35
20.36
20.37
20.38
20.39

For categories (20.21) and (20.23) 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.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

22.1 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]

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

GENERAL INTERROGATORIES (continued)

INVESTMENT

23. 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 [ ]

23.01 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
J.P. Morgan Chase Bank	Brooklyn, NY

23.02 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)

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year? Yes [ ] No [X]

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

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

23.05 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
108056	PIMCO Specialty Markets	Westport, CT

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [ ] No [X]

24.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
9999999. TOTAL		0

24.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

GENERAL INTERROGATORIES (continued)

OTHER

25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $.....598,201

25.2 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
Blue Cross Blue Shield Association	263,366
Maine Health Data Services Organization	258,565

26.1 Amount of payments for legal expenses, if any? $.....230,078

26.2 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
Bernstein Shur Sawyer & Nelson	181,931

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

27.2 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 [X] No [ ]

1.2 If yes, indicate premium earned on U.S. business only $.....70,574,174

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. $.....51,333,819

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $.....8,298,247

1.62 Total incurred claims $.....5,838,533

1.63 Number of covered lives 5,526

All years prior to most current three years:

1.64 Total premium earned $.....58,902,324

1.65 Total incurred claims $.....43,184,624

1.66 Number of covered lives 34,028

1.7 Group policies:

Most current three years:

1.71 Total premium earned $.....708,912

1.72 Total incurred claims $.....472,597

1.73 Number of covered lives 549

All years prior to most current three years:

1.74 Total premium earned $.....2,664,691

1.75 Total incurred claims $.....1,838,065

1.76 Number of covered lives 1,753

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator		
2.2 Premium Denominator	844,646,860	840,409,063
2.3 Premium Ratio (2.1/2.2)	0.0	0.0
2.4 Reserve Numerator	111,063,252	88,918,960
2.5 Reserve Denominator	109,695,448	88,918,960
2.6 Reserve Ratio (2.4/2.5)	101.2	100.0

3.1 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]

3.2 If yes, give particulars:

4.1 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 [ ]

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

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

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive medical $.....0

5.32 Medical only $.....0

5.33 Medicare supplement $.....0

5.34 Dental $.....0

5.35 Other limited benefit plan $.....0

5.36 Other $.....0

6. 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:

Effective July 1, 2000, the Company entered into an Insolvency Reinsurance Agreement with its parent, Anthem Insurance Companies, Inc., whereby the parent reinsures certain liabilities in the event of the Company's insolvency, in accordance with Condition 11 of the Decision and Order of the Maine Superintendant of Insurance dated May 25, 2000. Provider and professional contracts include Hold Harmless provisions.

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

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 2,558

8.2 Number of providers at end of reporting year 2,828

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

9.2 If yes, direct premium earned:

9.21 Business with the rate guarantees between 15-36 months $.....116,081

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

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES (continued)

10.1 Does the reporting entity have Incentive Pool, Withhold and Bonus arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses $.....0

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

10.23 Maximum amount payable withholds $.....3,049,258

10.24 Amount actually paid for year withholds $.....1,130,655

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or Yes [ ] No [X]

11.14 A Mixed Model (combination of above)? Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. Maine

11.4 If yes, show the amount required. $.....62,657,030

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation:
250% of Health Risk-Based Capital Authorized Control Level (250% x $25,062,812 = $62,657,030)

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

1 Name of Service Area
State of Maine

FIVE-YEAR HISTORICAL DATA

	1 2003	2 2002	3 2001	4 2000	5 1999
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	333,495,659	268,157,040	460,837,936	184,821,453	
2. Total liabilities (Page 3, Line 22)	197,231,520	176,103,079	407,484,232	159,393,934	
3. Statutory surplus	62,657,030	68,172,523	37,816,920	22,562,820	
4. Total capital and surplus (Page 3, Line 30)	136,264,139	92,053,961	53,353,704	25,427,519	
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	830,687,781	839,140,525	469,433,363	173,134,830	
6. Total medical and hospital expenses (Line 18)	671,876,330	690,529,008	654,550,591	148,020,914	
7. Total administrative expenses (Line 21)	63,294,900	42,154,078	28,563,659	13,980,654	
8. Net underwriting gain (loss) (Line 24)	54,838,538	54,753,588	25,283,816	6,078,409	
9. Net investment gain (loss) (Line 27)	10,382,222	6,067,294	4,802,254	3,721,698	
10. Total other income (Lines 28 plus 29)	8,748	421,618	234,871	698,719	
11. Net income or (loss) (Line 32)	41,792,520	44,797,048	30,320,941	7,744,226	
Risk-Based Capital Analysis					
12. Total adjusted capital	136,264,139	92,053,961	53,353,704	25,427,519	
13. Authorized control level risk-based capital	25,062,812	27,269,009	15,126,768	7,520,942	
Enrollment (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	266,135	296,679	307,337	306,144	
15. Total member months (Column 6, Line 7)	3,413,096	3,582,723	3,661,813	2,214,343	
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 hospital and medical (Line 18)	80.9	82.3	139.4	85.5	
18. Total underwriting deductions (Line 23)	93.4	93.5	94.6	96.5	
19. Total underwriting gain (loss) (Line 24)	6.6	6.5	5.4	3.5	
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	64,950,103	29,713,515	71,208,906		
21. Estimated liability of unpaid claims - [prior year (Line 12, Col. 6)]	81,779,462	42,067,514	80,996,577		
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)	34,289,892	25,298,748	12,640,073	13,766,846	
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	34,289,892	25,298,748	12,640,073	13,766,846	0

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	64,439,372	64,353,354	64,430,455	63,469,283
Governments	2. Canada				
(Including all obligations guaranteed	3. Other Countries				
by governments)	4. Totals	64,439,372	64,353,354	64,430,455	63,469,283
	5. United States	670,756	670,756	671,124	600,000
States, Territories and Possessions	6. Canada				
(Direct and guaranteed)	7. Other Countries				
	8. Totals	670,756	670,756	671,124	600,000
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	28,195,197	28,195,199	28,168,162	27,257,276
Obligations and all Non-guaranteed Obligations	14. Canada				
of Agencies and Authorities of Governments	15. Other Countries				
and their Political Subdivisions	16. Totals	28,195,197	28,195,199	28,168,162	27,257,276
	17. United States	3,081,943	3,210,589	3,087,345	3,000,000
Public Utilities	18. Canada				
(unaffiliated)	19. Other Countries				
	20. Totals	3,081,943	3,210,589	3,087,345	3,000,000
Industrial and Miscellaneous and	21. United States	61,537,798	63,668,375	61,890,560	60,151,828
Credit Tenant Loans	22. Canada				
(Unaffiliated)	23. Other Countries				
	24. Totals	61,537,798	63,668,375	61,890,560	60,151,828
Parent, Subsidiaries and Affiliates	25. Totals				
	26. **Total Bonds**	157,925,066	160,098,273	158,247,646	154,478,387
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	414,216	414,216	219,286	
Banks, Trust and Insurance Companies	46. Canada				
(Unaffiliated)	47. Other Countries				
	48. Totals	414,216	414,216	219,286	
	49. United States	172,685	172,685	187,013	
Industrial and Miscellaneous	50. Canada				
(Unaffiliated)	51. Other Countries				
	52. Totals	172,685	172,685	187,013	
Parent, Subsidiaries and Affiliates	53. Totals	34,289,892	34,289,892	34,289,892	
	54. **Total Common Stocks**	34,876,793	34,876,793	34,696,191	
	55. **Total Stocks**	34,876,793	34,876,793	34,696,191	
	56. **Total Bonds and Stocks**	192,801,859	194,975,066	192,943,837	

(a) The aggregate value of bonds which are valued at other than actual fair value is $.....101,967,994.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year		151,156,666
2. Cost of bonds and stocks acquired, Column 6, Part 3		126,327,213
3. Increase (decrease) by adjustment:		
3.1 Column 16, Part 1	(248,145)	
3.2 Column 12, Part 2, Section 1		
3.3 Column 10, Part 2, Section 2	9,045,199	
3.4 Column 10, Part 4	(1,007,134)	7,789,920
4. Total gain (loss), Column 14, Part 4		337,582
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4		92,809,522
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		192,801,859
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)		192,801,859
10. Total nonadmitted amounts		6,207,043
11. Statement value of bonds and stocks, current period		186,594,816

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 Accident & Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
1. Alabama AL	NO	NO						
2. Alaska AK	NO	NO						
3. Arizona AZ	NO	NO						
4. Arkansas AR	NO	NO						
5. California CA	NO	NO						
6. Colorado CO	NO	NO						
7. Connecticut CT	NO	NO						
8. Delaware DE	NO	NO						
9. District of Columbia DC	NO	NO						
10. Florida FL	NO	NO						
11. Georgia GA	NO	NO						
12. Hawaii HI	NO	NO						
13. Idaho ID	NO	NO						
14. Illinois IL	NO	NO						
15. Indiana IN	NO	NO						
16. Iowa IA	NO	NO						
17. Kansas KS	NO	NO						
18. Kentucky KY	NO	NO						
19. Louisiana LA	NO	NO						
20. Maine ME	YES	YES	746,110,881			96,876,255		
21. Maryland MD	NO	NO						
22. Massachusetts MA	NO	NO						
23. Michigan MI	NO	NO						
24. Minnesota MN	NO	NO						
25. Mississippi MS	NO	NO						
26. Missouri MO	NO	NO						
27. Montana MT	NO	NO						
28. Nebraska NE	NO	NO						
29. Nevada NV	NO	NO						
30. New Hampshire NH	NO	NO						
31. New Jersey NJ	NO	NO						
32. New Mexico NM	NO	NO						
33. New York NY	NO	NO						
34. North Carolina NC	NO	NO						
35. North Dakota ND	NO	NO						
36. Ohio OH	NO	NO						
37. Oklahoma OK	NO	NO						
38. Oregon OR	NO	NO						
39. Pennsylvania PA	NO	NO						
40. Rhode Island RI	NO	NO						
41. South Carolina SC	NO	NO						
42. South Dakota SD	NO	NO						
43. Tennessee TN	NO	NO						
44. Texas TX	NO	NO						
45. Utah UT	NO	NO						
46. Vermont VT	NO	NO						
47. Virginia VA	NO	NO						
48. Washington WA	NO	NO						
49. West Virginia WV	NO	NO						
50. Wisconsin WI	NO	NO						
51. Wyoming WY	NO	NO						
52. American Samoa AS	NO	NO						
53. Guam GU	NO	NO						
54. Puerto Rico PR	NO	NO						
55. U.S. Virgin Islands VI	NO	NO						
56. Canada CN	NO	NO						
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)	XXX	(a) 1	746,110,881	0	0	96,876,255	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	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)		0	0	0	0	0	0

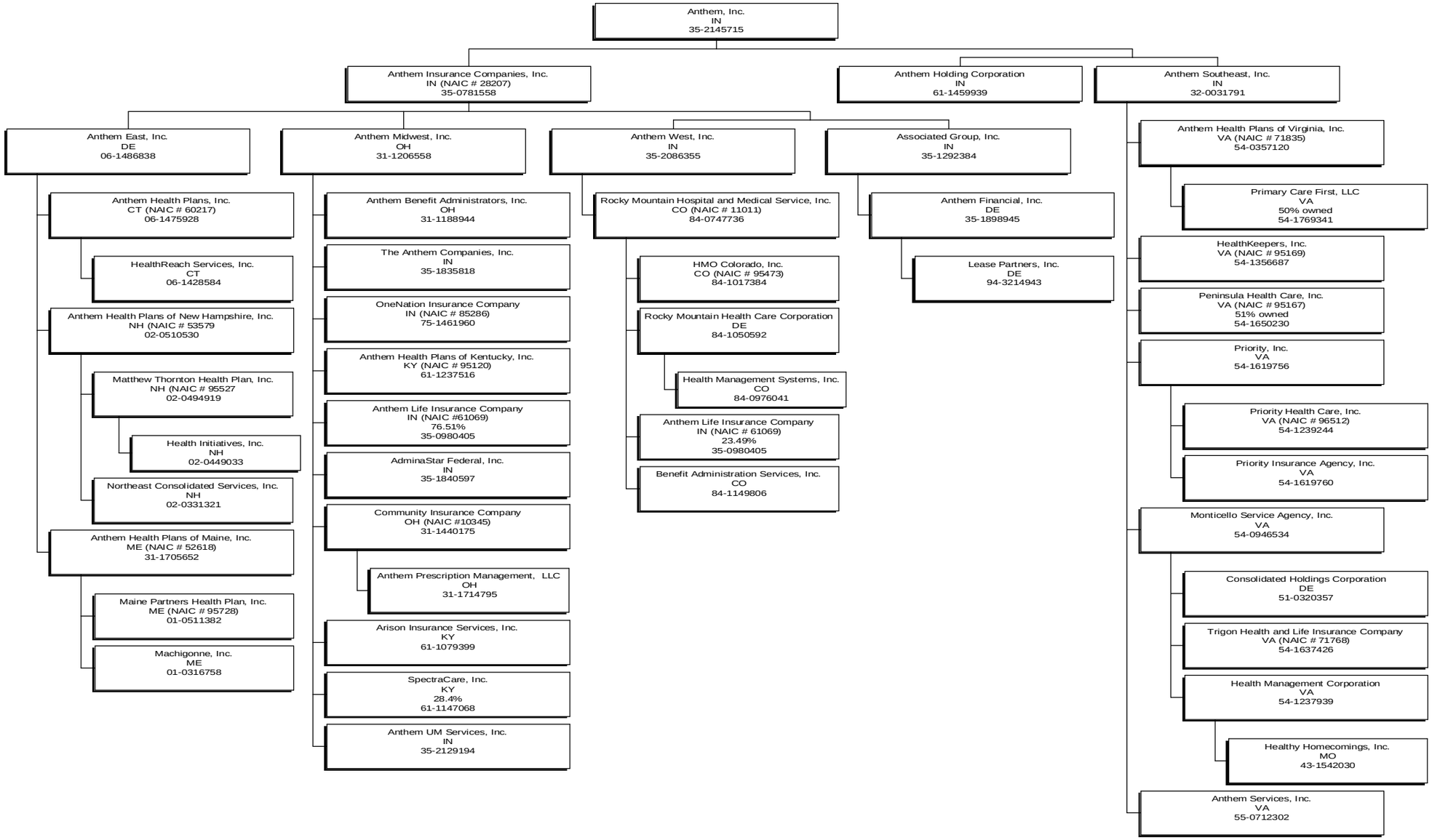
Explanation of basis of allocation by states, premiums by state, etc.

Premiums are allocated to the state where the policy is issued and delivered.

(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



All subsidiaries 100% Owned Unless Otherwise Noted