

ING GROEP NV
Form 6-K
November 27, 2009

Table of Contents

**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
For November 27, 2009
Commission File Number 1-14642**

ING Groep N.V.
Amstelveenseweg 500
1081-KL Amsterdam
The Netherlands

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b).

Table of Contents

This Report contains a copy of the following:

- (1) The Press Release issued on November 27, 2009.

Page 2 of 6

Table of Contents

PRESS RELEASE

Amsterdam, 27 November 2009

NOT FOR DISTRIBUTION IN THE UNITED STATES

ING sets terms for its EUR 7.5 billion 6 for 7 rights issue

ISSUE OF 1,768,412,544 SHARES FOR EUR 4.24 PER SHARE

Issue price represents a 37.3% discount to the Theoretical Ex-Rights Price

Subscription and trading periods run from 30 November 2009 until 15 December 2009

Rights issue fully underwritten by syndicate of banks led by Goldman Sachs and J.P. Morgan

Goldman Sachs, ING Bank and J.P. Morgan act as Joint Global Coordinators

Proceeds used to finance repayment and cover charge for additional payments to Dutch State
ING today announced the detailed terms of the rights issue announced on 26 October 2009 which was authorised by the Extraordinary General Meeting of shareholders on 25 November 2009. The offering is fully underwritten by Goldman Sachs, J.P. Morgan and a syndicate of banks, subject to customary terms and conditions. Through the offering the share capital of ING will be increased by EUR 7.5 billion through the issue of 1,768,412,544 new (depository receipts for) shares.

Existing holders of (depository receipts for) shares will receive rights entitling them to subscribe for new (depository receipts for) shares subject to applicable securities laws. Eligible rights holders can subscribe for 6 new (depository receipts for) shares in relation to every 7 subscription rights that they hold. The issue price is set at EUR 4.24 per share. This represents a discount of 37.3% to the Theoretical Ex-Rights Price (TERP), based on the closing price of EUR 8.92 of ING's (depository receipts for) shares on Euronext Amsterdam and on Euronext Brussels on 26 November 2009.

Jan Hommen, CEO of ING commented: This rights issue is a critical component of the measures we announced to regain our independence and to chart a clear course forward. With investors' support, we will be able to repay half of the funds we received last year from the Dutch State and maintain our capital strength. The Dutch State has indicated it is open to discussing modification of the repayment terms of the second half of the Core Tier 1 Securities, which we plan to repay from potential divestment proceeds and retained earnings.

As announced on 26 October 2009, ING intends to use the proceeds of the issue to repurchase 50% of the Core Tier 1 Securities and to mitigate the impact on capital of additional payments to the Dutch State corresponding to an adjustment in the fees for the Illiquid Assets Back-up Facility (IABF). ING has reached an agreement with the Dutch State to facilitate early repayment of EUR 5 billion of the Core Tier 1 Securities issued in 2008 at the issue price (EUR 10) plus an amount of up to a maximum of approximately EUR 965 million consisting of the accrued coupon and a repayment premium. ING intends to execute the repurchase transaction in December 2009.

In order to get approval for its restructuring plan submitted to the European Commission (EC) (which ING received on 18 November 2009), ING has agreed to make a series of additional payments to the Dutch State corresponding to an adjustment of the fees for the IABF. In total, these extra payments will amount to a net present value of EUR 1.3 billion, which will be booked as a one-off pre-tax charge in the fourth quarter of 2009.

In connection with the rights issue, ING will not rebalance its delta hedge portfolio for employee options as previously scheduled for 1 December 2009. ING will sell all rights it receives on (depository receipts for) shares in the hedge portfolio and will at the same time buy back (depository receipts for) shares in order to maintain its economic position.

TERMS OF THE RIGHTS ISSUE

The rights issue is a 6 for 7 rights issue of 1,768,412,544 (depository receipts for) shares with a nominal value of EUR 0.24 (Offer Shares) at an issue price of EUR 4.24 per (depository receipt for an) ordinary share through the granting of rights to eligible holders of (depository receipts for) shares pro rata to their shareholdings. The issue price represents a discount of 37.3% to the TERP, based on the

Table of Contents

closing price of EUR 8.92 of (depository receipts for) shares on Euronext Amsterdam and Euronext Brussels, on 26 November 2009.

Each (depository receipt for a) share held today, 27 November 2009, at 17:40 hours (CET) will entitle its holder to one right. Eligible rights holders will be entitled to subscribe for 6 Offer Shares for every 7 rights that they hold.

Rights can be traded on Euronext Amsterdam and Euronext Brussels. Trading in the rights is expected to commence on Euronext Amsterdam (under the symbol INGRI, ISIN NL0009307941) and on Euronext Brussels (under the symbol INGRI, ISIN NL0009307941) at 9:00 hours (CET) on 30 November 2009, and will continue until 13:15 hours (CET) on 15 December 2009.

Eligible rights holders may subscribe for Offer Shares through the exercise of rights from 9:00 hours (CET) on 30 November 2009 until 15:00 hours (CET) on 15 December 2009. Any rights that have not been exercised by the end of the exercise period, will expire and can no longer be exercised.

After the exercise period has ended, any Offer Shares that have not been subscribed for during the exercise period will be offered for sale by the underwriters by way of private placements with qualified investors in the Netherlands and certain other jurisdictions and a public offering in the US at a price to be determined following a bookbuilding exercise (the rump offering). The rump offering, if any, is expected to commence on 16 December 2009 and to end no later than 17:30 hours (CET) on that same day.

Upon completion of the rump offering, if the aggregate proceeds for the Offer Shares offered and sold in the rump offering, after deduction of selling expenses related to procuring such subscribers (including any value added tax) exceed by more than 0.01 the aggregate issue price for such Offer Shares, subject to certain conditions, the excess amount will be paid as follows: each holder of a right that was not exercised will be entitled to receive a part of the excess amount in cash, proportional to the number of unexercised rights reflected in such holder's security account. The Offer Shares will be fully fungible and rank pari passu with each other and with the existing (depository receipts for) shares.

Goldman Sachs, ING Bank, and J.P. Morgan are acting as joint global coordinators and joint bookrunners for the rights issue.

ADDITIONAL INFORMATION

Today, ING published an English language prospectus that is available to all shareholders (other than US shareholders) through their brokers and/or through the dedicated website www.ing.com/rightsissue (English language) and at www.ing.com/claimemissie (Dutch language). We refer to these websites for more detailed information on the rights issue. Shareholders can also contact the following numbers:

Outside UK: 00800 2667 8825
 UK: 0117 378 5973

Timetable

Record date	27 November 2009 17:40 hours (CET)
Publication and distribution of prospectus	27 November 2009
Start rights trading and subscription period	30 November 2009 09:00 hours (CET)
End rights trading period	15 December 2009 13:15 hours (CET)
End rights subscription period	15 December 2009 15:00 hours (CET)
Rump offering	16 December 2009

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Table of Contents

ING PROFILE

ING is a global financial institution of Dutch origin issue banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 110,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.

IMPORTANT LEGAL INFORMATION

Certain of the statements contained herein are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in ING's core markets, (ii) performance of financial markets, including developing markets, (iii) the implementation of ING's restructuring plan to separate banking and insurance operations, (iv) changes in the availability of, and costs associated with, sources of liquidity, such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (v) the frequency and severity of insured loss events, (vi) mortality and morbidity levels and trends, (vii) persistency levels, (viii) interest rate levels, (ix) currency exchange rates, (x) general competitive factors, (xi) changes in laws and regulations, (xii) changes in the policies of governments and/or regulatory authorities, (xiii) conclusions with regard to purchase accounting assumptions and methodologies, (xiv) changes in ownership could affect the future availability to us of net operating loss, net capital loss and built-in loss carryforwards, and (xv) ING's ability to achieve projected operational synergies. ING assumes no obligation to update any forward-looking information contained in this document.

General, limitations on distribution, no offer

Not for release, publication or distribution, directly or indirectly, in or into Australia, Canada, Japan, their territories and possessions. The release, publication or distribution of this document in certain jurisdictions may be restricted by law or regulations. Therefore, persons in such jurisdictions in which this document is released, published or distributed must inform themselves about and observe such restrictions.

The issue, exercise and sale of rights which may be attributed in the rights issue (subscription rights) and the subscription and purchase of bearer depositary receipts in respect of shares of the Company (shares) are subject to specific legal and/or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, any securities, and cannot be relied on for any investment contract or decision. In connection with the offering of the securities described in this document, a prospectus within the meaning of Art. 13 of the EC Directive 2003/71/EC of the European Parliament and Council dated November 4, 2003 (the Prospectus Directive) has been or will be published by the Company (the Prospectus). All investment is subject to risk. The value of the securities offered may go down as well as up. Past performance is no guarantee of future returns. Any investment decision regarding any subscription rights or shares should only be made on the basis of the Prospectus, and investors are advised to consult with their bank, broker or investment advisor before taking any such investment decision. The approved Prospectus has been or will be notified by the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) to the competent authorities in other jurisdictions in accordance with Article 18 of the Prospectus Directive. Copies of the prospectus may be obtained at no cost through the website of Euronext Amsterdam by NYSE Euronext (Dutch residents only) and the website of the Company at www.ing.com/rightsissue.

European Economic Area

The Company will not authorize any offer to the public of shares or subscription rights in any Member State of the European Economic Area other than the Netherlands and any other jurisdiction into which the prospectus for the issue of shares or subscription rights will be passported. With respect to each Member State of the European Economic Area other than the Netherlands (and any other jurisdiction into which the prospectus for the issue of shares or subscription rights will be passported) and which has implemented the Prospectus Directive (each, a Relevant Member State), no action has been undertaken to date to make an offer to the public of shares or subscription rights requiring a publication of a prospectus in any Relevant Member State.

Notice to U.S. Persons

This document does not constitute an offer of securities for sale in the United States of America. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from ING and that will contain detailed information about the company, its management and financial statements.

Page 5 of 6

TABLE OF CONTENTS

SIGNATURE

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ING Groep N.V.
(Registrant)

By: /s/ J. Wolvius
J. Wolvius
General Manager Capital Management

By: /s/ W.A. Brouwer
W.A. Brouwer
Assistant General Counsel

Dated: November 27, 2009

Page 6 of 6

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Total Shareholders Equity
(10,146) (7,806)

Total Liabilities and Shareholders Equity
\$3,275 \$5,136

Table of Contents

MAXICARE HEALTH PLANS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands except per share data)
(Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2002	2001	2002	2001
Revenues				
Premiums	\$	\$ 792	\$	\$ 1,049
Investment income	13	58	30	177
Other income	75	396	168	662
Total Revenues	88	1,246	198	1,888
Expenses				
Health care expenses		813		939
Salary, general and administrative expenses	1,181	2,706	1,380	2,367
Depreciation and amortization		342	120	462
Impairment of leased assets			1,036	
Total Expenses	1,181	3,861	2,536	3,768
Loss from continuing operations before income taxes	(1,093)	(2,615)	(2,338)	(1,880)
Income tax provision				
Loss from continuing operations	(1,093)	(2,615)	(2,338)	(1,880)
Discontinued operations				
Loss from discontinued operations		(9,000)		(28,095)
Write-off of excess of rehabilitated and bankrupt subsidiaries' liabilities over assets		16,423		16,423
Income (loss) from discontinued operations		7,423		(11,672)
Net income (loss)	\$(1,093)	\$ 4,808	\$(2,338)	\$(13,552)
Net income (loss) per common share:				
Basic income (loss) per common share:				
Continuing operations	\$ (.11)	\$ (.27)	\$ (.24)	\$ (.19)
Discontinued operations	\$	\$.76	\$	\$ (1.20)
Basic income (loss) per common share	\$ (.11)	\$.49	\$ (.24)	\$ (1.39)
Weighted average number of common shares outstanding	9,742	9,742	9,742	9,742
Diluted income (loss) per common share:				
Continuing operations	\$ (.11)	\$ (.27)	\$ (.24)	\$ (.19)
Discontinued operations	\$	\$.76	\$	\$ (1.20)

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Diluted income (loss) per common share	\$ (.11)	\$.49	\$ (.24)	\$ (1.39)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Weighted average number of common and common dilutive potential shares outstanding	9,742	9,742	9,742	9,742
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Table of Contents

MAXICARE HEALTH PLANS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
(Amounts in thousands)
(Unaudited)

	Number of Common	Common	Additional Paid-in		Accumulated	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Stock	Capital	Other	Deficit		
Balances at December 31, 2001	9,742	\$ 98	\$283,466	(2,887)	\$ (288,485)	\$ 2	\$ (7,806)
Comprehensive income (loss):							
Net loss					(2,338)		(2,338)
Other comprehensive income, net of tax, related to unrealized gains on marketable securities						(2)	(2)
Comprehensive loss							(2,340)
Balances at June 30, 2002	9,742	\$ 98	\$283,466	\$ (2,887)	\$ (290,823)	\$ 0	\$ (10,146)

Table of Contents

MAXICARE HEALTH PLANS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the six months ended June 30,	
	2002	2001
Cash Flows from Operating Activities:		
Net loss	\$(2,338)	\$(13,552)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	120	1,063
Impairment of leased assets	1,036	
Write-off of rehabilitated and bankrupt subsidiaries excess of liabilities over assets		(16,423)
Changes in assets and liabilities (net of effect of rehabilitation and bankruptcy of subsidiaries):		
Decrease in accounts receivable		6,268
Increase (decrease) in estimated claims and other health care costs payable	113	(5,011)
Decrease in deferred income	(113)	(5,664)
Changes in other miscellaneous assets and liabilities	715	3,661
	<u>(467)</u>	<u>(29,658)</u>
Cash Flows from Investing Activities:		
Cash surrendered in rehabilitation and bankruptcy of subsidiaries		(42,040)
Purchases of property and equipment and intangible assets		(5,256)
Increase in restricted investments		(18)
Proceeds from sales and maturities of marketable securities	304	1,201
Purchases of marketable securities		(299)
	<u>304</u>	<u>(46,412)</u>
Net cash provided by (used for) investing activities		
Cash Flows from Financing Activities:		
Payments on capital lease obligations		(366)
		<u>(366)</u>
Net cash used for financing activities	0	(366)
Net decrease in cash and cash equivalents	(163)	(76,436)
Cash and cash equivalents at beginning of period	3,426	80,693
	<u>3,426</u>	<u>80,693</u>
Cash and cash equivalents at end of period	\$ 3,263	\$ 4,257
	<u>\$ 3,263</u>	<u>\$ 4,257</u>

Table of Contents

MAXICARE HEALTH PLANS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Continued)
(Amounts in thousands)
(Unaudited)

	For the six months ended June 30,	
	2002	2001
Supplemental disclosures of cash flow information:		
Cash paid during the year for Interest		\$ 88
Supplemental schedule of non-cash investing activities:		
Liabilities of rehabilitated and bankrupt subsidiaries		\$ 101,405
Assets of rehabilitated and bankrupt subsidiaries excluding cash		42,942
Net liabilities of rehabilitated and bankrupt subsidiaries excluding cash		58,463
Cash of rehabilitated and bankrupt subsidiaries surrendered		42,040
Write-off of excess of rehabilitated and bankrupt subsidiaries liabilities over assets		\$ (16,423)

Table of Contents

Note 1 Significant Accounting Policies

Basis of Presentation

Maxicare Health Plans, Inc., a Delaware corporation (MHP), is a holding company that owns various subsidiaries that had been engaged primarily in the field of managed care. As of March 15, 2002 all operations of MHP and its subsidiaries were terminated. Additionally, as of June 30, 2002, we were operating with a substantial capital deficiency (see Liquidity below).

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. In the opinion of management, all adjustments considered necessary for a fair presentation, which consist solely of normal recurring adjustments, have been included. All significant intercompany balances and transactions have been eliminated. In the opinion of the Company, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the consolidated financial position of the Company as of June 30, 2002 and the results of its operations for the three and six months ended June 30, 2002 and 2001. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto together with management's discussion and analysis of financial condition and results of operations contained in the Company's Form 10-K for the year ending December 31, 2001. The results of operations for the three and six months ended June 30, 2002 are not necessarily indicative of the results for the entire year or any future interim period.

Our California HMO filed for Chapter 11 bankruptcy protection on May 25, 2001, terminated all of its operations on December 31, 2001; and surrendered its Certificate of Authority to Operate as an HMO on that date. Our Indiana HMO was placed into rehabilitation by the Indiana Department of Insurance on May 4, 2001 and was subsequently placed into liquidation by the Indiana Department of Insurance in July, 2001. Maxicare Life and Health Insurance Company was placed under administrative supervision by the Missouri Department of Insurance on May 24, 2001, terminated all of its operations on December 31, 2001; and was placed into rehabilitation on January 28, 2002.

We also own Health Care Assurance Company, Ltd., a captive insurer that provided certain insurance coverage to MHP and its subsidiaries. Effective January 31, 2002, Health Care Assurance Company, Ltd., ceased providing all such insurance. We also served as administrator of the California Access for Infants and Mothers program (AIM) program through another of our subsidiaries. Administration of the AIM program was transferred to another health care provider effective March 15, 2002.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. As a result of the bankruptcy of our California HMO, the placement of our Indiana HMO into rehabilitation (and subsequently liquidation) by regulatory authorities; and the placement of Maxicare Life and Health Insurance Company under administrative supervision (and, subsequently, into rehabilitation), these three subsidiaries are excluded from the consolidated balance sheets; the consolidated statement of operations for the three and six months ended June 30, 2002; and the consolidated statements of cash flows for the six months ended June 30, 2002. The consolidated statement of operations for the three and six months ended June 30, 2001 and the consolidated statements of cash flows for the six months ended June 30, 2001 include the Indiana HMO and Maxicare Life and Health Insurance Company through May 4, 2001 and the California HMO through May 25, 2001.

Other Income

Other income consists primarily of revenue derived from our participation in the State of California's Access for Infants and Mothers program. Our participation in this program terminated on March 15, 2002. In the second quarter of 2002 we recorded an additional \$75,000 of revenue from this program as a result of the final reconciliation and settlement of amounts due us from the State of California.

Table of Contents

Accounting Policies

For further information on MHP and subsidiaries (collectively we or the Company) and our accounting policies refer to the consolidated financial statements and accompanying footnotes included in our annual report on Form 10-K for the year ended December 31, 2001.

Note 2 Reverse Stock Split

On March 27, 2001, we effected a one-for-five reverse split of our common stock. All share and per share information included in this quarterly report on Form 10-Q have been retroactively adjusted to reflect the reverse stock split.

Note 3 Liquidity and Going Concern Issues

As noted above, all of our significant subsidiaries are in bankruptcy, liquidation or rehabilitation; and we have terminated all operations. We had at June 30, 2002 a consolidated working capital deficiency of approximately \$6.8 million, and a deficiency in stockholders' equity of approximately \$10.1 million. We have no remaining operations and no means of generating additional capital.

Furthermore, of our total cash of \$3.3 million at June 30, 2002, all but \$96,000 was held at subsidiaries where the transfer of cash to MHP requires the approval of regulatory authorities. Subsequent to June 30, 2002 we were able to transfer \$500,000 from one of our subsidiaries to MHP. We cannot give any assurance that we will be able to transfer any more funds to MHP. MHP has certain contractual undertakings for which it may be liable and there are various claims that may be asserted against it, including, among others, undertakings to and/or purported claims against it by vendors and former employees of its subsidiaries who have provided goods or services to those subsidiaries.

At April 1, 2001, a note held by MHP in the approximate amount of \$2.9 million became due. The note, issued by a shareholder and former executive officer of MHP, had not been paid as of August 9, 2002. We commenced an action in California state court to collect on the note, and on October 18, 2001, the court granted summary adjudication in our favor. We cannot give assurance that we will recover all or a significant portion of this note. This note is presented as a reduction in shareholders' equity in the consolidated balance sheets.

MHP has defaulted in making the monthly payments due a former executive under his consulting agreement since October of 2001. The total amount due the former executive for the period of October 2001 through June 2002 is approximately \$390,000. Under that agreement, the former executive may elect to receive the present value of the remaining consulting fees due to him through June 30, 2003, which is estimated at no more than \$900,000. The former executive has not to date made such election.

These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of these uncertainties.

Management is exploring possible strategies to realize any possible value remaining in the Company. Any such strategy may include the ultimate liquidation of Health Care Assurance Company, Ltd.; however, because of our financial condition and the claims of our creditors, we may seek protection under the Bankruptcy Code.

Note 4 Discontinued Operations

The placement of the Indiana HMO into rehabilitation on May 4, 2001, the bankruptcy filing of the California HMO on May 25, 2001 and the rehabilitation of Maxicare Life and Health Insurance Company have effectively ended our involvement in the managed care industry. As a result, we have treated these subsidiaries as discontinued operations in the preparation of these financial statements to the extent that their operations and accounts have been included in the financial statements at all. The operations of these subsidiaries are included as discontinued operations in the consolidated statement of operations for the three and six months ended June 30, 2001.

Table of Contents

The operating results of the discontinued operations for three and six months ended June 30, 2001 are summarized as follows (in thousands):

	Three months ended	Six months ended
	June 30, 2001	
Revenues	\$ 79,642	\$ 237,243
Expenses	88,642	265,338
Loss from discontinued operations	(9,000)	(28,095)
Write-off of excess of rehabilitated and bankrupt subsidiaries' liabilities over assets	16,423	16,423
Income (loss) from discontinued operations	\$ 7,423	\$ (11,672)

Note 5 Commitments and Contingencies*Litigation and Contract Terminations*

On or about June 25, 2001, the Commissioner of the Indiana Department of Insurance (the "Commissioner"), as the rehabilitator of Maxicare Indiana, Inc., the Company's Indiana HMO, filed a complaint (the "Complaint") in the Marion County Circuit Court of Indiana against the Company and the five directors of the Indiana HMO, one of whom was a director of the Company. The Commissioner amended the Complaint on February 1, 2002. The Complaint, as amended, alleges, in substance, that: (1) the directors of the Indiana HMO breached their fiduciary duty by failing to maintain a plan providing for continuation of care benefits in the event that the Indiana HMO was placed in receivership, and that the Company is also liable for such failure; (2) the Company fraudulently concealed the financial condition of the Indiana HMO; (3) the Company manipulated the finances of the Indiana HMO for the Company's own benefit; and (4) the Company received preferential and/or fraudulent transfers of money from the Indiana HMO. The amended Complaint requests money damages but does not specify the amount of damages sought, except that it seeks approximately \$3.5 million respecting the alleged preferential and/or fraudulent transfers. All defendants answered the amended Complaint on April 5, 2002. Pre-trial discovery is proceeding but is not yet completed. The Company believes that the claims against it are without merit and intends to vigorously defend the suit.

On or about June 6, 2002, Eugene Froelich commenced a purported derivative action in the Superior Court of the State of California, Los Angeles County, on behalf of the Company against certain of its former and current officers and directors. The complaint, which names the Company as a nominal defendant, alleges, in substance, that the officers and directors breached their fiduciary duty to the Company in that they flagrantly mismanaged company affairs. The action seeks compensatory damages of not less than \$10 million, together with an unspecified amount of punitive damages. Mr. Froelich was previously the executive vice president, chief financial officer and a director of the Company. The Company has a judgment in excess of \$3 million against Mr. Froelich based on a promissory note that he gave to it while he was a Company executive.

On or about July 1, 2002, Mr. Froelich commenced an action in the Superior Court of the State of California, County of Los Angeles, against the Company and certain unnamed Company officers/directors. The complaint alleges that defendants' denial of a lump sum payment to Mr. Froelich under the Company's Supplemental Executive Retirement Program and the suspension of payments to him under such Program for one year constituted breaches of contract, breaches of fiduciary duty and violations of the Employee Retirement Income Security Act. The action seeks compensatory damages of no less than \$1.0 million, punitive damages in an amount to be determined and an award of attorneys' fees. On July 23, 2002, defendants served an answer to the complaint, and on July 26, 2002, defendants removed the case from California state court to the United States District Court for the Central District of California. Pre-trial discovery has not yet commenced. The Company believes that the claims are without merit and intends to vigorously defend the suit. As noted above, Mr. Froelich was previously a senior officer and director of the Company, and the Company has a judgment against him in excess of \$3 million based on a promissory note he gave to it.

Table of Contents

On September 1, 2000 the Company entered into an Application and Business Services Agreement (the "Trizetto Agreement") with the Trizetto Group, Inc. ("TZG"). The Trizetto Agreement called for TZG to provide a full range of management information services to us over a period of seven years in exchange for monthly payments. The Trizetto Agreement also called for a termination payment to be made by us under certain circumstances upon the termination of the Trizetto Agreement by the Company. The termination payment could be as much as \$15.0 million. In March 2001, the Company assigned the Trizetto Contract to Maxicare, the Company's California HMO. The California Department of Managed Health Care and the Committee of Creditors Holding Unsecured Claims in the California HMO's bankruptcy proceeding have questioned the validity of that assignment. The California HMO has continued to pay TZG for post-petition services at a monthly amount less than that contemplated in the Trizetto Agreement while TZG has provided services at a lower level than that contemplated in the Trizetto Agreement. In addition to asserting various pre- and post-petition claims in the California bankruptcy proceeding, TZG has demanded \$4.6 million from the Company in connection with this contract. The final amount of TZG's termination claim against us is unknown at this time.

Effective January 1, 2001, the Company entered into a Pharmacy Benefits Management Agreement (the "PBM Agreement") with Medimpact Healthcare Systems, Inc. ("Medimpact"). The PBM Agreement called for Medimpact to process and fill within its network of contracting pharmacies prescriptions for members of Maxicare Life and Health Insurance Company, Inc., the California HMO and the Indiana HMO. The PBM agreement called for the Company to reimburse Medimpact for the cost of drugs dispensed and to pay per transaction administrative fees on a bi-weekly basis. As a result of the Indiana HMO being placed in rehabilitation and the California HMO's bankruptcy, Medimpact allegedly has not received reimbursement for certain prescriptions filled on behalf of the members of those subsidiaries. Although it has yet to do so, Medimpact may seek reimbursement from the Company for such costs.

Effective February 2, 2000 the Company entered into a Services Agreement for Back Office Administration with Nichols TXEN Corporation calling for Nichols TXEN to provide certain claims adjudication services to certain of our subsidiaries in exchange for a predetermined per member per month fee. In late May 2002, the Company received a demand from Computer Sciences Corporation ("CSC"), parent of Nichols TXEN for \$879,695.75 in unpaid invoices under the terms of the contract.

Other than those noted above, no claims have been filed against the Company by the creditors of Maxicare Life and Health Insurance Company, Inc., the California HMO or the Indiana HMO. However, claims may be filed against us by such creditors in the future.

Note 6 Impairment of Leased Assets

During the first quarter of 2002 we determined that the termination of our business operations eliminated our need for certain high volume copying equipment held under capital lease agreements. We have returned that equipment to the lessor and have recorded an impairment charge of approximately \$1.0 million on our consolidated statements of operations in March, 2002 to write off the entire net book value of these leased assets. The liability associated with these leased assets remains on our consolidated balance sheets.

Table of Contents

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations, Rehabilitation and Bankruptcy

Current Status

On December 31, 2001, we effectively ceased all operations. On that date, our California HMO and PPO terminated all membership. Our remaining operations at December 31, 2001 consisted of Health Care Assurance Company, Ltd., a captive insurer that provided certain insurance coverage to us and our subsidiaries, and our administration of the California Access for Infants and Mothers program (AIM) program through another of our subsidiaries. The activities of Health Care Assurance Company, Ltd., essentially ended with the termination of our HMO and PPO business. Our involvement with the AIM program ended on March 15, 2002.

We are exploring possible strategies to realize any possible value remaining in the Company. Any such strategy may include the ultimate liquidation of Health Care Assurance Company, Ltd.; however, because of our financial condition and the claims of our creditors, we may seek protection under the Bankruptcy Code.

Liquidity/ Working Capital Deficiency

As noted above, we have terminated all operations. We had at June 30, 2002 a consolidated working capital deficiency of approximately \$6.8 million, and a deficiency in stockholders' equity of approximately \$10.1 million. We have no remaining operations and no means of generating additional capital. Furthermore, of our total cash and marketable securities of \$3.3 million at June 30, 2002, all but \$96,000 was held at subsidiaries where the transfer of cash to MHP requires the approval of regulatory authorities. Subsequent to June 30, 2002 we were able to transfer \$500,000 from one of our subsidiaries to MHP. We may not be able to transfer any more funds to MHP. MHP has certain contractual undertakings for which it may be liable and there are various alleged claims that may be asserted against it, including, among others, undertakings to and/or purported claims against it by vendors to and former employees of its subsidiaries who have provided goods or services to those subsidiaries.

MHP has defaulted in making the monthly payments due a former executive under his consulting agreement since October of 2001. The total amount due the former executive for the period of October 2001 through June 2002 is approximately \$390,000. Under that agreement, the former executive may elect to receive the present value of the remaining consulting fees due to him through June 30, 2003, which is estimated at no more than \$900,000. The former executive has not to date made such election.

Results of Operations

We reported a net loss of \$1.1 million for the quarter ended June 30, 2002. We reported net income of \$4.8 million for the quarter ended June 30, 2001 due to \$2.6 million in losses from continuing operations and \$9.0 million in losses from discontinued operations, offset by a gain of \$16.4 million realized by MHP upon the placement of our Indiana HMO and its wholly-owned subsidiary, MLH, into rehabilitation and the bankruptcy of our California HMO. This gain represents the extent to which liabilities of those subsidiaries exceeded their assets at the date of rehabilitation (Indiana) or bankruptcy (California).

We reported a net loss of \$2.3 million for the six months ended June 30, 2002. We reported a net loss of \$13.6 million for the six months ended June 30, 2001 due to \$1.9 million in losses from continuing operations and \$28.1 million in losses from discontinued operations, offset in part by the previously mentioned gain of \$16.4 million.

Table of Contents

Forward Looking Statements

The statements in this Form 10-Q may be forward-looking statements that are subject to risks and uncertainties. In particular, statements in this Form 10-Q that state our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions are forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are beyond our control, including, but not limited to, those identified under Risk Factors and Management's Discussion and Analysis of Financial Conditions and Results of Operations in our Form 10-K for the year ended December 31, 2001 and Management's Discussion and Analysis of Financial Conditions and Results of Operations in this Form 10-Q, as well as those described in any other filings by us with the Securities and Exchange Commission, as well as general economic conditions, any one or more of which could cause actual results to differ materially from those stated in such statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of June 30, 2002, we had approximately \$3.3 million in cash and cash equivalents, no marketable securities and no restricted investments. Our investment policies emphasize return of principal and liquidity and are focused on fixed returns that limit volatility and risk of principal. Because of our investment policies, the primary market risk associated with our portfolio is interest rate risk. As of June 30, 2002, the Company did not have any outstanding bank borrowings or debt obligations.

Table of Contents

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

On or about June 6, 2002, Eugene Froelich commenced a purported derivative action in the Superior Court of the State of California, Los Angeles County, on behalf of the Company against certain of its former and current officers and directors. The complaint, which names the Company as a nominal defendant, alleges, in substance, that the officers and directors breached their fiduciary duty to the Company in that they flagrantly mismanaged company affairs. The action seeks compensatory damages of not less than \$10 million, together with an unspecified amount of punitive damages. Mr. Froelich was previously the executive vice president, chief financial officer and a director of the Company.

On or about July 1, 2002, Mr. Froelich commenced an action in the Superior Court of the State of California, County of Los Angeles, against the Company and certain unnamed Company officers/directors. The complaint alleges that defendants' denial of a lump sum payment to Mr. Froelich under the Company's Supplemental Executive Retirement Program and the suspension of payments to him under such Program for one year constituted breaches of contract, breaches of fiduciary duty and violations of the Employee Retirement Income Security Act. The action seeks compensatory damages of no less than \$1.0 million, punitive damages in an amount to be determined and an award of attorneys' fees. On July 23, 2002, defendants served an answer to the complaint, and on July 26, 2002, defendants removed the case from California state court to the United States District Court for the Central District of California. Pre-trial discovery has not yet commenced. The Company believes that the claims are without merit and intends to vigorously defend the suit.

Mr. Froelich was previously a senior officer and director of the Company, and the Company has a judgment against him in excess of \$3 million based on a promissory note he gave to it.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

None

(b) Reports on Form 8-K

Report on Form 8-K, with an event date of June 6, 2002 was filed on June 13, 2002.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAXICARE HEALTH PLANS, INC.
(Registrant)

August 9, 2002	/s/ PAUL R. DUPEE, JR.
_____ Date	_____ Paul R. Dupee, Jr., Chief Executive Officer
August 9, 2002	/s/ JOSEPH W. WHITE
_____ Date	_____ Joseph W. White Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE AND FINANCIAL OFFICERS

The undersigned chief executive officer and chief financial officer of the Registrant do hereby certify that this Quarterly Report on Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended, and that the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the Registrant at the dates and for the periods shown in such report.

August 9, 2002	/s/ PAUL R. DUPEE, JR.
_____ Date	_____ Paul R. Dupee, Jr., Chief Executive Officer
August 9, 2002	/s/ JOSEPH W. WHITE
_____ Date	_____ Joseph W. White Chief Financial Officer