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AMERICAN MEDICAL SECURITY GROUP INC
Form 8-K
September 10, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): SEPTEMBER 10, 2001

AMERICAN MEDICAL SECURITY GROUP, INC.
(Exact name of Registrant as specified in its charter)

WISCONSIN	1-13154	39-1431799
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
3100 AMS BOULEVARD, GREEN BAY, WISCONSIN		54313
(Address of principal executive offices)		(Zip Code)
	(920) 661-1111	
	(Registrant's telephone number, including area code)	

ITEM 9. REGULATION FD DISCLOSURE

American Medical Security Group, Inc. (the "Company") has developed an investor financial presentation that is available on its website - www.AMSchoices.com, and presented to a number of financial analysts, investors and potential investors. The presentation filed herewith supercedes a presentation previously furnished pursuant to a Form 8-K dated May 18, 2001 and the presentation on the Company's website. The presentation (i)describes the Company's current businesses, strategies and financial highlights; (ii) describes projected changes in the mix of revenue contributions from the Company's major businesses anticipated by 2003; and (iii) provides new forward looking revenue projections through 2003. The content of the presentation will form the base of future presentations the Company expects to make at financial forums, including health care conferences sponsored by various financial institutions. The presentation is prepared in summary fashion and contains information that should be read in conjunction with the Company's reports filed with the Securities and Exchange Commission from time to time.

Following is the content of the presentation.

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MEDICAL SECURITY
RX for Good Health

SEPTEMBER 2001

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Rx for Good Health

AMS OVERVIEW

[Map of the United States]
Markets served:

Alabama	Arizona-1	Arkansas	- Specializes in providing
Colorado-1	Delaware	Florida-1,2	healthcare benefit plans
Georgia-1	Illinois-1	Indiana-1	for small-employer groups,
Iowa	Kansas-1	Louisiana	individuals & families
Maryland	Michigan-2	Mississippi	- PPO model
Missouri-1	Nebraska-2	Nevada	- 2000 Revenues:
New Mexico-2	North Carolina-2	North Dakota	\$989.9 million
Ohio-1,2	Oklahoma-1,2	Pennsylvania-1,2	- YTD 6/30/2001 Revenues:
South Carolina	South Dakota	Tennessee-1,2	\$455.6 million
Texas-1,2	Utah-2	Virginia-1	- 626,867 health members
West Virginia	Wisconsin-1,2,3	Washington DC	at 6/30/2001

1-Regional Sales Office located in this state
2-District Sales Office located in this state
3-Headquarters located in Green Bay, Wisconsin

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AMS OVERVIEW

-- Strategies

- Grow individual MedOne business
- Return Small Group business to profitability
- Grow stand-alone Dental business
- Reduce drug costs
- Promote Affordable Series products

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BUSINESSES

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--Revenue Contribution Changes (% of all AMS revenues)

[Pie Chart]

63% Small Group
25% MedOne
9% Specialty
3% Corporate

2000

[Pie Chart]

44% Small Group
46% MedOne
9% Specialty
1% Corporate

2003 (projected)

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MedOne

MedOne Medical, and Life
associated with MedOne members

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MEDONE COMPONENT

-- Product for individuals and their families

- No employer coverage
- Self-employed
- Temporary coverage

-- Sold through Independent Agents

-- Higher profit potential than small group

- More flexibility in underwriting and pricing
- Better risk selection
- Plans feature higher deductibles, copays, etc.

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MEDONE COMPONENT

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-- Revenues

- Up 24% in 2000 from 1999
- Up 28% in 2Q 2001 over 2Q 2000

-- Membership

- 34% of total 2000 membership vs. 23% in 1999
- 41% of total 2Q 2001 membership

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MEDONE COMPONENT

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-- Significantly increase revenues & profitability:

- Expanding number of agents
- Creating additional regional/national distribution relationships
- Develop e-business

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SMALL GROUP

Small Group Medical, Dental, Life and STD
associated with group members

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SMALL GROUP COMPONENT

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- Small-employer groups, ranging in size from 2 to 50 employees
- Average group size is 6 employees
- Distribution through 17,500 Independent Agents

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SMALL GROUP COMPONENT

-- Increase Small Group profitability by:

- Focusing on core markets
- Developing new products
 - Higher deductibles, copays, etc.
- Providing agents with power of Internet
 - eAMS.com secured agent site

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SPECIALTY BUSINESS

Stand-Alone Dental, Provider Network and Self-Funded

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SPECIALTY BUSINESS

--Consists of:

- Dental Business
 - 187,000 stand-alone dental members
 - 88,000 additional members bundled to group plans
- Owned Provider Network leased to third parties
 - 96,000 non-AMS members
- Self-Funded Business

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SPECIALTY BUSINESS

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-- Increase Profitability by:

- Expanding dental business
 - Increase sales & marketing activity
- Grow non-AMS provider network members
- Selectively develop self-funded business

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FINANCIAL HIGHLIGHTS

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TOTAL REVENUE
(in millions)

[line graph]

	1998	1999	2000	2001*	2002*
Revenues:					
Total	961	1,097	990	880	941
Small Group	634	750	620	472	451
MedOne	187	206	253	311	391
Other	140	141	117	97	99

* Projected

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EARNINGS PER SHARE
(excluding non-recurring charges)

[line graph]

	Earnings Per Share
Actual:	
Quarter 3 2000	\$ (0.04)

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Quarter 4 2000 \$ 0.01
 Quarter 1 2001 \$ 0.05
 Quarter 2 2001 \$ 0.10

Company guidance as of 8/7/2001:

Quarter 3 2001 \$ 0.15
 Quarter 4 2001 \$ 0.17

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (in millions)

	Year 1999*	Year 2000	YTD 6/30 2001*
REVENUES:			
Insurance premiums	\$1,056.1	\$ 951.1	\$ 436.1
Investment and other income	41.3	38.8	19.5

Total revenues	1,097.4	989.9	455.6
EXPENSES:			
Medical and other benefits	841.3	724.6	322.8
SG&A and other expenses	274.0	259.2	128.7

Total expenses	1,115.3	983.8	451.5

Pre-tax income (loss)	(17.9)	6.1	4.1
After-tax income (loss)	\$ (12.2)	\$ 2.7	\$ 2.2
	=====		
EPS	\$ (.74)	\$ 0.18	\$ 0.15
EBITDA	\$ (5.5)	\$ 18.1	\$ 10.1
	=====		

* EXCLUDES NONRECURRING CHARGES

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CONDENSED CONSOLIDATED BALANCE SHEETS (in millions)

	December 31, 2000	June 30, 2001
	-----	-----
ASSETS:		
Cash and invested assets	\$ 285.0	\$ 279.4
Goodwill and intangibles	107.5	105.7
Other assets	79.4	75.9

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Total assets	\$471.9	\$ 461.0
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Medical and other benefits payable	\$ 145.3	\$ 131.9
Notes payable	41.2	40.7
Other liabilities	64.2	69.6
	-----	-----
Total liabilities	250.7	242.2
Shareholders' equity	221.2	218.8
	-----	-----
Total liabilities and shareholders' equity	\$ 471.9	\$ 461.0
	=====	=====

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OTHER FINANCIAL DATA

	AS OF		
	12/31/99	12/31/00	6/30/01
	-----	-----	-----
Book Value per Share	\$14.86	\$15.77	\$15.70
Tangible Book Value per Share	\$7.69	\$8.24	\$8.15
Debt to Total Capital Ratio	16.2%	15.7%	15.7%
Capital Adequacy (RBC)	339%	389%	--

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FINANCIAL HIGHLIGHTS

SMALL CAP VALUE

-- Investment Considerations

- Growing MedOne business
- Leader in small group market
- Profitable dental business
- Strong systems and back office

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- Low debt to total capital ratio - 15.7%
- Book value of \$15.70 per share on 6/30/2001
 - Tangible book value of \$8.15 per share on 6/30/2001
 - Closing price of \$6.65 on 9/5/2001

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CAUTIONARY STATEMENT

Rx for Good Health

This presentation contains certain "forward-looking" statements (within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995) with respect to strategic business plans, earnings and changes in business mix. Such statements are subject to inherent risks and uncertainties that may cause actual results to differ materially from those contemplated. Risk factors that may affect actual results include:

- Inability to successfully implement the Company's business plan, attain new business sales goals (particularly for MedOne, dental and re-designed products), retain existing customers and maintain acceptable profit margins
- Unexpected increases in medical costs and increased utilization of medical services and prescription drugs
- Competitive practice and demand for the Company's products
- Changes in the Company's relationship with key sales agents and the ability of the Company to expand its distribution network
- Developments in health care reform and changes in insurance and health care regulations and other regulatory issues
- General economic conditions affecting consumer spending and the Company's investment performance
- Outcome of commercial and other litigation
- Other factors referred to in the Company's reports filed with the Securities and Exchange Commission from time to time

The Company undertakes no obligation to update this information as a result of new information or future events.

Information in this presentation related to the Company's major business products is provided in addition to previously disclosed information. In this presentation, historical and forward-looking data reflecting the Company's health and life insurance segment businesses have been allocated to major business products based on the underlying customer base.

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SIGNATURE

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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.

Dated: SEPTEMBER 10, 2001 AMERICAN MEDICAL SECURITY GROUP, INC.

/S/ GARY D. GUENGERICH

Gary D. Guengerich
Executive Vice President & Chief Financial Officer