

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2003**

OF THE **MNM-1997, Inc.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION **CONSOLIDATED**

(Location)

**EXHIBIT II (Filed Annually and Quarterly)  
ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES**

Indicate Reporting Period: Current Quarter **X**

	1. Total	2. COMMERCIAL RISK (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business)		4. MEDICAID (Omit Provider HMO Business)		5. POINT OF SERVICE RIDER COVERAGE	6. ASSUMED RISK (as Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. PUBLICLY SUPPORTED HEALTH CARE	9. NON-RISK
			RISK	COST	RISK	COST					
1. ENROLLEES AT THE END OF REPT PERIOD.....	4,079	4,079	0	0	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	12,059	12,059	0	0	0	0	0	0	0	0	0
3. Premiums.....	95,453	95,453	0	0	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Change in Unearn. Prem. Resrv & Resrv for Rate Credits..	0	0	0	0	0	0	0	0	0	0	0
5. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
6. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
7. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
8. TOTAL HEALTHCARE RELATED REVENUES(L3 to L7)	95,453	95,453	0	0	0	0	0	0	0	0	0
9. Other Revenues (excluding investment income).....	2,331	2,331	0	0	0	0	0	0	0	0	0
10. TOTAL REVENUE (L8 to L9).....	97,784	97,784	0	0	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
11. Hospital/Medical Benefits.....	49,151	49,151	0	0	0	0	0	0	0	0	0
12. Other Professional Services.....	0	0	0	0	0	0	0	0	0	0	0
13. Outside Referrals.....	0	0	0	0	0	0	0	0	0	0	0
14. Emergency Room and Out-of-Area.....	0	0	0	0	0	0	XXXXXXXX	0	0	0	0
15. Other Medical & Hospital.....	0	0	0	0	0	0	0	0	0	0	0
16. Incentive Pool & Withhold Adjustments.....	0	0	0	0	0	0	0	0	0	0	0
17. SUBTOTAL MED & HOSP (L11 to L16).....	49,151	49,151	0	0	0	0	0	0	0	0	0
18. Net Reins Recoveries Incurred.....	0	0	0	0	0	0	0	0	0	0	0
19. TOTAL MEDICAL & HOSP (L17 less L18).....	49,151	49,151	0	0	0	0	0	0	0	0	0
20. Claims Adjustment Expenses.....	0	0	0	0	0	0	0	0	0	0	0
21. General Administrative Expenses.....	51,183	51,183	0	0	0	0	0	0	0	0	0
22. Increase in Reserves for A&H contracts.....	0	0	0	0	0	0	0	0	0	0	0
23. TOTAL UNDERWRITING DEDUCTIONS(L19 to L22)....	100,334	100,334	0	0	0	0	0	0	0	0	0
24. NET UNDERWRITING GAIN/(LOSS) (L8 less L23).....	(4,881)	(4,881)	0	0	0	0	0	0	0	0	0
25. Net Investment Income Earned.....	1,603	1,603	0	0	0	0	0	0	0	0	0
26. Net Realized Capital Gains/(Losses).....	0	0	0	0	0	0	0	0	0	0	0
27. NET INVESTMENT GAINS/(LOSSES) (L25 to L26).....	1,603	1,603	0	0	0	0	0	0	0	0	0
28. Other Expenses.....	0	0	0	0	0	0	0	0	0	0	0
29. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L9+L24+L28)</b>	<b>(947)</b>	<b>(947)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
30. Extraordinary Items & Federal income taxes.....	0	0	0	0	0	0	0	0	0	0	0
31. <b>NET INCOME (LOSS) (L29 less L30).....</b>	<b>(947)</b>	<b>(947)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
31a. NON-TAXABLE COMMERCIAL RISK ENROLLEES.....	0		(Examples of non-taxable enrollees are State								
31b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....	0		of Texas enrollees and Federal employees.)								

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**EXHIBIT II (Filed Annually and Quarterly)  
ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES**

Indicate Reporting Period: Year-to-Date **X**

	1. Total	2. COMMERCIAL RISK (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business)		4. MEDICAID (Omit Provider HMO Business)		5. POINT OF SERVICE RIDER	6. ASSUMED RISK (as Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. PUBLICLY SUPPORTED HEALTH CARE	9. NON-RISK
			RISK	COST	RISK	COST					
1. ENROLLEES AT THE END OF REPT PERIOD.....	4,079	4,079	0	0	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	22,856	22,856	0	0	0	0	0	0	0	0	0
3. Premiums.....	182,555	182,555	0	0	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Change in Unearn. Prem. Resrv & Resrv for Rate Credits..	0	0	0	0	0	0	0	0	0	0	0
5. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
6. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
7. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
8. TOTAL HEALTHCARE RELATED REVENUES(L3 to L7)	182,555	182,555	0	0	0	0	0	0	0	0	0
9. Other Revenues (excluding investment income).....	3,690	3,690	0	0	0	0	0	0	0	0	0
10. TOTAL REVENUE (L8 to L9).....	186,245	186,245	0	0	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
11. Hospital/Medical Benefits.....	97,346	97,346	0	0	0	0	0	0	0	0	0
12. Other Professional Services.....	0	0	0	0	0	0	0	0	0	0	0
13. Outside Referrals.....	0	0	0	0	0	0	0	0	0	0	0
14. Emergency Room and Out-of-Area.....	0	0	0	0	0	0	XXXXXXXX	0	0	0	0
15. Other Medical & Hospital.....	0	0	0	0	0	0	0	0	0	0	0
16. Incentive Pool & Withhold Adjustments.....	0	0	0	0	0	0	0	0	0	0	0
17. SUBTOTAL MED & HOSP (L11 to L16).....	97,346	97,346	0	0	0	0	0	0	0	0	0
18. Net Reins Recoveries Incurred.....	0	0	0	0	0	0	0	0	0	0	0
19. TOTAL MEDICAL & HOSP (L17 less L18).....	97,346	97,346	0	0	0	0	0	0	0	0	0
20. Claims Adjustment Expenses.....	0	0	0	0	0	0	0	0	0	0	0
21. General Administrative Expenses.....	86,823	86,823	0	0	0	0	0	0	0	0	0
22. Increase in Reserves for A&H contracts.....	0	0	0	0	0	0	0	0	0	0	0
23. TOTAL UNDERWRITING DEDUCTIONS(L19 to L22)....	184,169	184,169	0	0	0	0	0	0	0	0	0
24. NET UNDERWRITING GAIN/(LOSS) (L8 less L23).....	(1,614)	(1,614)	0	0	0	0	0	0	0	0	0
25. Net Investment Income Earned.....	2,669	2,669	0	0	0	0	0	0	0	0	0
26. Net Realized Capital Gains/(Losses).....	0	0	0	0	0	0	0	0	0	0	0
27. NET INVESTMENT GAINS/(LOSSES) (L25 to L26).....	2,669	2,669	0	0	0	0	0	0	0	0	0
28. Other Expenses.....	0	0	0	0	0	0	0	0	0	0	0
29. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L9+L24+L28)</b>	<b>4,745</b>	<b>4,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
30. Extraordinary Items & Federal income taxes.....	0	0	0	0	0	0	0	0	0	0	0
31. <b>NET INCOME (LOSS) (L29 less L30).....</b>	<b>4,745</b>	<b>4,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
31a. <b>NON-TAXABLE COMMERCIAL RISK ENROLLEES.....</b>	<b>0</b>	<b>0</b>	(Examples of non-taxable enrollees are State								
31b. <b>NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....</b>	<b>0</b>	<b>0</b>	of Texas enrollees and Federal employees.)								