

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **SEPTEMBER 30, 2004**

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.....	37,484	37,484	0	0	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	107,511	107,511	0	0	0	0	0	0	0	0	0
3. Direct Premium.....	354,886	354,886	0	0	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Premiums.....	354,886	354,886	0	0	0	0	0	XXXXXXXX	0	0	XXXXXXXX
5. Chg in unearned prem. reserve & reserve for rate credits...	0	0	0	0	0	0	0	0	0	0	0
6. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
7. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
8. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
9. TOTAL HEALTHCARE RELATED REVENUES(L4 to L8)	354,886	354,886	0	0	0	0	0	0	0	0	0
10. Other Revenues (excluding investment income).....	2,863	2,863	0	0	0	0	0	0	0	0	0
11. TOTAL REVENUE (L9 to L10).....	357,749	357,749	0	0	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
12. Hospital/Medical Benefits.....	160,496	160,496	0	0	0	0	0	0	0	0	0
13. Other Professional Services.....	0	0	0	0	0	0	0	0	0	0	0
14. Outside Referrals.....	0	0	0	0	0	0	0	0	0	0	0
15. Emergency Room and Out-of-Area.....	165	165	0	0	0	0	XXXXXXXX	0	0	0	0
16. Other Medical & Hospital.....	0	0	0	0	0	0	0	0	0	0	0
17. Incentive Pool & Withhold Adjustments.....	0	0	0	0	0	0	0	0	0	0	0
18. SUBTOTAL MED & HOSP (L12 to L17).....	160,661	160,661	0	0	0	0	0	0	0	0	0
19. Net Reins Recoveries Incurred.....	0	0	0	0	0	0	0	0	0	0	0
20. TOTAL MEDICAL & HOSP (L18 less L19).....	160,661	160,661	0	0	0	0	0	0	0	0	0
21. Claims Adjustment Expenses.....	0	0	0	0	0	0	0	0	0	0	0
22. General Administrative Expenses.....	197,538	197,538	0	0	0	0	0	0	0	0	0
23. Increase in Reserves for A&H contracts.....	0	0	0	0	0	0	0	0	0	0	0
24. TOTAL UNDERWRITING DEDUCTIONS(L20 to L23)....	358,199	358,199	0	0	0	0	0	0	0	0	0
25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24).....	(3,313)	(3,313)	0	0	0	0	0	0	0	0	0
26. Net Investment Income Earned.....	1,654	1,654	0	0	0	0	0	0	0	0	0
27. Net Realized Capital Gains/(Losses).....	0	0	0	0	0	0	0	0	0	0	0
28. NET INVESTMENT GAINS/(LOSSES) (L26 to L27).....	1,654	1,654	0	0	0	0	0	0	0	0	0
29. Other Expenses.....	0	0	0	0	0	0	0	0	0	0	0
30. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L10+L25+L26+L27+L28+L29)</b>	<b>1,204</b>	<b>1,204</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>
31. Extraordinary Items & Federal income taxes.....	0	0	0	0	0	0	0	0	0	0	0
32. <b>NET INCOME (LOSS) (L30 less L31)</b> .....	<b>1,204</b>	<b>1,204</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>
33a. NON-TAXABLE COMMERCIAL RISK ENROLLEES.....		31,110	(Examples of non-taxable enrollees are State								
33b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....		88,953	of Texas enrollees and Federal employees.)								

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(Location)

**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.....	37,484	37,484	0	0	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	316,756	316,756	0	0	0	0	0	0	0	0	0
3. Direct Premium.....	1,038,654	1,038,654	0	0	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Premiums.....	1,038,654	1,038,654	0	0	0	0	0	XXXXXXXX	0	0	XXXXXXXX
5. Chg in unearned prem. reserve & reserve for rate credits...	0	0	0	0	0	0	0	0	0	0	0
6. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
7. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
8. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
9. TOTAL HEALTHCARE RELATED REVENUES(L4 to L8)	1,038,654	1,038,654	0	0	0	0	0	0	0	0	0
10. Other Revenues (excluding investment income).....	8,439	8,439	0	0	0	0	0	0	0	0	0
11. TOTAL REVENUE (L9 to L10).....	1,047,093	1,047,093	0	0	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
12. Hospital/Medical Benefits.....	459,701	459,701	0	0	0	0	0	0	0	0	0
13. Other Professional Services.....	0	0	0	0	0	0	0	0	0	0	0
14. Outside Referrals.....	0	0	0	0	0	0	0	0	0	0	0
15. Emergency Room and Out-of-Area.....	165	165	0	0	0	0	XXXXXXXX	0	0	0	0
16. Other Medical & Hospital.....	0	0	0	0	0	0	0	0	0	0	0
17. Incentive Pool & Withhold Adjustments.....	0	0	0	0	0	0	0	0	0	0	0
18. SUBTOTAL MED & HOSP (L12 to L17).....	459,866	459,866	0	0	0	0	0	0	0	0	0
19. Net Reins Recoveries Incurred.....	0	0	0	0	0	0	0	0	0	0	0
20. TOTAL MEDICAL & HOSP (L18 less L19).....	459,866	459,866	0	0	0	0	0	0	0	0	0
21. Claims Adjustment Expenses.....	0	0	0	0	0	0	0	0	0	0	0
22. General Administrative Expenses.....	583,695	583,695	0	0	0	0	0	0	0	0	0
23. Increase in Reserves for A&H contracts.....	0	0	0	0	0	0	0	0	0	0	0
24. TOTAL UNDERWRITING DEDUCTIONS(L20 to L23)....	1,043,561	1,043,561	0	0	0	0	0	0	0	0	0
25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24).....	(4,907)	(4,907)	0	0	0	0	0	0	0	0	0
26. Net Investment Income Earned.....	4,734	4,734	0	0	0	0	0	0	0	0	0
27. Net Realized Capital Gains/(Losses).....	0	0	0	0	0	0	0	0	0	0	0
28. NET INVESTMENT GAINS/(LOSSES) (L26 to L27).....	4,734	4,734	0	0	0	0	0	0	0	0	0
29. Other Expenses.....	0	0	0	0	0	0	0	0	0	0	0
30. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS(L10+L25+L</b>	<b>8,266</b>	<b>8,266</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>
31. Extraordinary Items & Federal income taxes.....	0	0	0	0	0	0	0	0	0	0	0
32. <b>NET INCOME (LOSS) (L30 less L31).....</b>	<b>8,266</b>	<b>8,266</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>
33a. <b>NON-TAXABLE COMMERCIAL RISK ENROLLEES.....</b>		31,110	(Examples of non-taxable enrollees are State								
33b. <b>NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....</b>		263,371	of Texas enrollees and Federal employees.)								