

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **DECEMBER 31, 2005**

OF THE **MNM-1997, Inc.**
(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION **CONSOLIDATED**
(Location)

EXHIBIT II - 2005 Quarter/Annual
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..... | 42,017 | 42,017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 124,622 | 124,622 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premiums..... | 410,146 | 410,146 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 | XXXXXXXX |
| 4. Net Premiums..... | 410,146 | 410,146 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 | XXXXXXXX |
| 5. Change in unearned premium reserve & reserve for rate cre | 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). | 410,146 | 410,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Other Revenues (excluding investment income)..... | 4,153 | 4,153 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. TOTAL REVENUE (L9 to L10)..... | 414,299 | 414,299 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MEDICAL AND HOSPITAL: | | | | | | | | | | | |
| 12. Hospital/Medical Benefits..... | 172,872 | 172,872 | 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..... | 0 | 0 | 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)..... | 172,872 | 172,872 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Reins Claims Incurred..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. TOTAL MEDICAL & HOSP (L18 less L19)..... | 172,872 | 172,872 | 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..... | 238,581 | 238,581 | 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)..... | 411,453 | 411,453 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24)..... | (1,307) | (1,307) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Net Investment Income Earned..... | 3,322 | 3,322 | 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)..... | 3,322 | 3,322 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. Other Expenses..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30. INCOME (LOSS) BEFORE FIT & EXP ITEMS (L10 + L25 + | 6,168 | 6,168 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Extraordinary Items & Federal Income Taxes..... | 2,525 | 2,525 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32. NET INCOME (LOSS) (L30 less L31)..... | 3,643 | 3,643 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33a. NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 34,864 | (Examples of non-taxable enrollees are State | | | | | | | | |
| 33b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 105,462 | of Texas enrollees and Federal employees.) | | | | | | | | |

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REPORT FOR :1. CORPORATION / 2. DIVISION **CONSOLIDATED**
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EXHIBIT II - 2005 Quarter/Annual
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 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..... | 42,017 | 42,017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 466,147 | 466,147 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premiums..... | 1,545,135 | 1,545,135 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 | XXXXXXXX |
| 4. Net Premiums..... | 1,545,135 | 1,545,135 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 | XXXXXXXX |
| 5. Change in unearned premium reserve & reserve for rate cre | 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)..... | 1,545,135 | 1,545,135 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Other Revenues (excluding investment income)..... | 16,573 | 16,573 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. TOTAL REVENUE (L9 to L10)..... | 1,561,708 | 1,561,708 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MEDICAL AND HOSPITAL: | | | | | | | | | | | |
| 12. Hospital/Medical Benefits..... | 682,193 | 682,193 | 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..... | 0 | 0 | 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)..... | 682,193 | 682,193 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Reins Claims Incurred..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. TOTAL MEDICAL & HOSP (L18 less L19)..... | 682,193 | 682,193 | 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..... | 857,680 | 857,680 | 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)..... | 1,539,873 | 1,539,873 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24)..... | 5,262 | 5,262 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Net Investment Income Earned..... | 10,566 | 10,566 | 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)..... | 10,566 | 10,566 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. Other Expenses..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30. INCOME (LOSS) BEFORE FIT & EXP ITEMS (L10 + L25 + | 32,401 | 32,401 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Extraordinary Items & Federal Income Taxes..... | 11,512 | 11,512 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32. NET INCOME (LOSS) (L30 less L31)..... | 20,889 | 20,889 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33a. NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 34,864 | (Examples of non-taxable enrollees are State | | | | | | | | |
| 33b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 385,334 | of Texas enrollees and Federal employees.) | | | | | | | | |