



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2008

OF THE CONDITION AND AFFAIRS OF THE

Memphis Managed Care Corp

NAIC Group Code 0000 (Current Period) NAIC Company Code 0000 (Prior Period) Employer's ID Number 621539163

Organized under the Laws of Tennessee, State of Domicile or Port of Entry Tennessee

Country of Domicile US

Licensed as business type:

Life Accident and Health [] Dental Service Corporation [] Health Maintenance Organization [X] Property/Casualty [] Vision Service Corporation [] Is HMO Federally Qualified? Yes () No (X) Hospital, Medical and Dental Service or Indemnity [] Other []

Incorporated/Organized July 7, 1993 Commenced Business January 1, 1994

Statutory Home Office 1407 Union Ave, Memphis, Tennessee 38104 (Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1407 Union Ave, Memphis, Tennessee 38104 (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1407 Union Ave, Memphis, Tennessee 38104 (Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1407 Union Ave, Memphis, Tennessee 38104 (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Jim Proctor 901-515-3003 (Name) (Area Code) (Telephone Number) (Extension)

jproctor@mmcc-tlc.com (E-Mail Address) (Fax Number)

OFFICERS

Steven Burkett (President & CEO) Jeff Brandon (Secretary)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Peggy Allen Jeff Brandon Steven Burkett Brenda Jeter Veronica T Mallet, MD Stuart Polly, MD Sylvester Reader

Slate of Tennessee } County of Shelby } SS

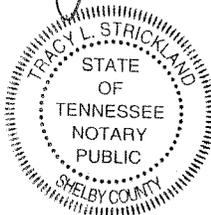
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Signature of Steven Burkett, President & CEO

Signature of Jeff Brandon, Secretary

Subscribed and sworn to before me this day of

11/25/2008 Tracy Strickland



- a. Is this an original filing? Yes (X) No () b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

ASSETS

| | Current Statement Date | | | 4 Prior Year Net Admitted Assets |
|---|------------------------|----------------------------|--|--|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Col. 1 minus Col. 2) | |
| 1. Bonds | 895,544 | | 895,544 | 814,032 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | | | | |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ encumbrances) | | | | |
| 5. Cash (\$ 7,176,159), cash equivalents (\$) and short-term investments (\$) | 7,176,159 | | 7,176,159 | 6,437,119 |
| 6. Contract loans (including \$ premium notes) | | | | |
| 7. Other invested assets | 1,201,999 | | 1,201,999 | 1,200,609 |
| 8. Receivables for securities | | | | |
| 9. Aggregate write-ins for invested assets | | | | |
| 10. Subtotals, cash and invested assets (Line 1 to Line 9) | 9,273,702 | | 9,273,702 | 8,451,760 |
| 11. Title plants less \$ charged off (for Title insurers only) | | | | |
| 12. Investment income due and accrued | 8,159 | | 8,159 | 8,027 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | | | | |
| 13.2 Deferred premiums, agents' balances and instalments booked but deferred and not yet due (including \$ earned but unbilled premiums) | | | | |
| 13.3 Accrued retrospective premiums | | | | |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | | | | |
| 14.2 Funds held by or deposited with reinsured companies | | | | |
| 14.3 Other amounts receivable under reinsurance contracts | | | | |
| 15. Amounts receivable relating to uninsured plans | 781,330 | | 781,330 | 1,391,737 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 16.2 Net deferred tax asset | | | | |
| 17. Guaranty funds receivable or on deposit | | | | |
| 18. Electronic data processing equipment and software | | | | |
| 19. Furniture and equipment, including health care delivery assets (\$) | | | | |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 21. Receivables from parent, subsidiaries and affiliates | 3,000 | 3,000 | | |
| 22. Health care (\$) and other amounts receivable | 570,166 | 570,166 | | 1,234,159 |
| 23. Aggregate write-ins for other than invested assets | | | | |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) | 10,636,357 | 573,166 | 10,063,191 | 11,085,683 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 26. Totals (Line 24 and Line 25) | 10,636,357 | 573,166 | 10,063,191 | 11,085,683 |
| DETAILS OF WRITE-INS | | | | |
| 0901. | | | | |
| 0902. | | | | |
| 0903. | | | | |
| 0996. Summary of remaining write-ins for Line 9 from overflow page | | | | |
| 0999. Totals (Line 0901 through Line 0903 plus Line 0996) (Line 9 above) | | | | |
| 2301. | | | | |
| 2302. | | | | |
| 2303. | | | | |
| 2396. Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. Totals (Line 2301 through Line 2303 plus Line 2396) (Line 23 above) | | | | |

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

LIABILITIES, CAPITAL AND SURPLUS

| | Current Period | | | Prior Year |
|--|----------------|----------------|------------|------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$ reinsurance ceded) | | | | |
| 2. Accrued medical incentive pool and bonus amounts | | | | |
| 3. Unpaid claims adjustment expenses | | | | |
| 4. Aggregate health policy reserves | | | | |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserve | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | | | | |
| 9. General expenses due or accrued | 1,500,000 | | 1,500,000 | 853,392 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | |
| 11. Ceded reinsurance premiums payable | | | | |
| 12. Amounts withheld or retained for the account of others | | | | 7,633 |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | | | | 162,451 |
| 16. Payable for securities | | | | |
| 17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers) | | | | |
| 18. Reinsurance in unauthorized companies | | | | |
| 19. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 20. Liability for amounts held under uninsured plans | 450,524 | | 450,524 | 756,509 |
| 21. Aggregate write-ins for other liabilities (including \$ current) | | | | |
| 22. Total liabilities (Line 1 to Line 21) | 1,950,524 | | 1,950,524 | 1,779,985 |
| 23. Aggregate write-ins for special surplus funds | XXX | XXX | | |
| 24. Common capital stock | XXX | XXX | | |
| 25. Preferred capital stock | XXX | XXX | | |
| 26. Gross paid in and contributed surplus | XXX | XXX | 3,699,498 | 3,699,498 |
| 27. Surplus notes | XXX | XXX | | |
| 28. Aggregate write-ins for other than special surplus funds | XXX | XXX | | |
| 29. Unassigned funds (surplus) | XXX | XXX | 4,413,169 | 5,606,199 |
| 30. Less treasury stock, at cost: | | | | |
| 30.1 shares common (value included in Line 24 \$) | XXX | XXX | | |
| 30.2 shares preferred (value included in Line 25 \$) | XXX | XXX | | |
| 31. Total capital and surplus (Line 23 to Line 29 minus Line 30) | XXX | XXX | 8,112,667 | 9,305,697 |
| 32. Total Liabilities, capital and surplus (Line 22 and Line 31) | XXX | XXX | 10,063,191 | 11,085,682 |
| DETAILS OF WRITE-INS | | | | |
| 2191. | | | | |
| 2192. | | | | |
| 2193. | | | | |
| 2198. Summary of remaining write-ins for Line 21 from overflow page | | | | |
| 2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above) | | | | |
| 2301. | XXX | XXX | | |
| 2302. | XXX | XXX | | |
| 2303. | XXX | XXX | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | XXX | XXX | | |
| 2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) | XXX | XXX | | |
| 2801. | XXX | XXX | | |
| 2802. | XXX | XXX | | |
| 2803. | XXX | XXX | | |
| 2898. Summary of remaining write-ins for Line 28 from overflow page | XXX | XXX | | |
| 2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above) | XXX | XXX | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year to Date | | Prior Year to Date | Prior Year Ended December 31 |
|---|----------------------|-------------|--------------------|---------------------------------|
| | 1 Uncovered | 2 Total | 3 Total | 4 Total |
| 1. Member Months | XXX | | | 2,054,803 |
| 2. Net premium income (including \$ non-health premium income) | XXX | | | |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | | |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | | | |
| 5. Risk revenue | XXX | | | |
| 6. Aggregate write-ins for other health care related revenues | XXX | | | |
| 7. Aggregate write-ins for other non-health revenues | XXX | | 4,002 | 10,537,867 |
| 8. Total revenues (Line 2 to Line 7) | XXX | | 4,002 | 10,537,867 |
| Hospital and Medical: | | | | |
| 9. Hospital/medical benefits | | | | |
| 10. Other professional services | | | | |
| 11. Outside referrals | | | | |
| 12. Emergency room and out-of-area | | | | |
| 13. Prescription drugs | | | | |
| 14. Aggregate write-ins for other hospital and medical | | | | |
| 15. Incentive pool, withhold adjustments and bonus amounts | | | | |
| 16. Subtotal (Line 9 to Line 15) | | | | |
| Less: | | | | |
| 17. Net reinsurance recoveries | | | | |
| 18. Total hospital and medical (Line 16 minus Line 17) | | | | |
| 19. Non-health claims (net) | | | | |
| 20. Claims adjustment expenses, including \$ cost containment expenses | | | | |
| 21. General administrative expenses | | 1,608,201 | (2,744,546) | (3,297,410) |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only) | | | | |
| 23. Total underwriting deductions (Line 18 through Line 22) | | 1,608,201 | (2,744,546) | (3,297,410) |
| 24. Net underwriting gain or (loss) (Line 8 minus Line 23) | XXX | (1,608,201) | 2,748,548 | 13,835,277 |
| 25. Net investment income earned | | 257,547 | 880,839 | 1,250,062 |
| 26. Net realized capital gains (losses) less capital gains tax of \$ | | | | |
| 27. Net investment gains (losses) (Line 25 plus Line 26) | | 257,547 | 880,839 | 1,250,062 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)] | | | | |
| 29. Aggregate write-ins for other income or expenses | | | | |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29) | XXX | (1,350,654) | 3,629,387 | 15,085,339 |
| 31. Federal and foreign income taxes incurred | XXX | | | |
| 32. Net income (loss) (Line 30 minus Line 31) | XXX | (1,350,654) | 3,629,387 | 15,085,339 |
| DETAILS OF WRITE-INS | | | | |
| 0601. | XXX | | | |
| 0602. | XXX | | | |
| 0603. | XXX | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | | | |
| 0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) | XXX | | | |
| 0701. Gain on Sale of Assets | XXX | | | 10,537,867 |
| 0702. Revenue from sale of Assets | XXX | | 4,002 | |
| 0703. | XXX | | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | | | |
| 0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above) | XXX | | 4,002 | 10,537,867 |
| 1401. | | | | |
| 1402. | | | | |
| 1403. | | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | | |
| 1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) | | | | |
| 2901. | | | | |
| 2902. | | | | |
| 2903. | | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | | |
| 2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) | | | | |

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp
STATEMENT OF REVENUE AND EXPENSES (continued)

| CAPITAL AND SURPLUS ACCOUNT | 1 | 2 | 3 |
|--|-------------------------|-----------------------|---------------------------------|
| | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| 33. Capital and surplus prior reporting year | 9,305,697 | 26,539,158 | 30,209,838 |
| 34. Net income (loss) from Line 32 | (1,350,653) | 5,563,137 | 15,085,339 |
| 35. Change in valuation basis of aggregate policy and claims reserves | | | |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$ | | | |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | | |
| 38. Change in net deferred income tax | | | |
| 39. Change in nonadmitted assets | 157,561 | (628,750) | 1,190,520 |
| 40. Change in unauthorized reinsurance | | | |
| 41. Change in treasury stock | | | |
| 42. Change in surplus notes | | | |
| 43. Cumulative effect of changes in accounting principles | | | |
| 44. Capital Changes: | | | |
| 44.1 Paid in | | | |
| 44.2 Transferred from surplus (Stock Dividend) | | | |
| 44.3 Transferred to surplus | | | |
| 45. Surplus adjustments: | | | |
| 45.1 Paid in | | | |
| 45.2 Transferred to capital (Stock Dividend) | | | |
| 45.3 Transferred from capital | | | |
| 46. Dividends to stockholders | | | (37,180,000) |
| 47. Aggregate write-ins for gains or (losses) in surplus | | 1,266,197 | |
| 48. Net change in capital and surplus (Line 34 to Line 47) | (1,193,092) | 6,200,584 | (20,904,141) |
| 49. Capital and surplus end of reporting period (Line 33 plus Line 48) | 8,112,605 | 32,739,742 | 9,305,697 |
| DETAILS OF WRITE-INS | | | |
| 4701. Audit Adjustment | | 1,266,197 | |
| 4702. | | | |
| 4703. | | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | | | |
| 4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) | | 1,266,197 | |

CASH FLOW

| | 1 | 2 |
|--|-------------------------|---------------------------------|
| | Current Year To Date | Prior Year Ended December 31 |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | | |
| 2. Net investment income | 249,367 | 1,358,306 |
| 3. Miscellaneous income | | 10,537,867 |
| 4. Total (Line 1 through Line 3) | 249,367 | 11,896,173 |
| 5. Benefit and loss related payments | 500 | |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | (490,153) | (7,325,016) |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | | |
| 10. Total (Line 5 through Line 9) | (489,653) | (7,325,016) |
| 11. Net cash from operations (Line 4 minus Line 10) | 739,040 | 19,221,169 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | | 31,020,139 |
| 12.2 Stocks | | |
| 12.3 Mortgage loans | | |
| 12.4 Real estate | | |
| 12.5 Other invested assets | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | 214,577 |
| 12.7 Miscellaneous proceeds | | |
| 12.8 Total investment proceeds (Line 12.1 through Line 12.7) | | 31,234,716 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | | 11,148,377 |
| 13.2 Stocks | | |
| 13.3 Mortgage loans | | |
| 13.4 Real estate | | |
| 13.5 Other invested assets | | |
| 13.6 Miscellaneous applications | | 293,154 |
| 13.7 Total investments acquired (Line 13.1 through Line 13.6) | | 11,441,531 |
| 14. Net increase or (decrease) in contract loans and premium notes | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | | 19,793,185 |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | | |
| 16.2 Capital and paid in surplus, less treasury stock | | |
| 16.3 Borrowed funds | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | (37,180,000) |
| 16.5 Dividends to stockholders | | 1,045,719 |
| 16.6 Other cash provided (applied) | | |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | | (38,225,719) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) | 739,040 | 788,655 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 6,437,119 | 5,648,464 |
| 19.2 End of period (Line 18 plus Line 19.1) | 7,176,159 | 6,437,119 |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

| | | |
|---------|--|--|
| 20.0001 | | |
| 20.0002 | | |
| 20.0003 | | |
| 20.0004 | | |
| 20.0005 | | |
| 20.0006 | | |
| 20.0007 | | |
| 20.0008 | | |
| 20.0009 | | |
| 20.0010 | | |

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 Total | Comprehensive (Hospital and Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|------------|--------------------------------------|------------|--------------------------|------------------|------------------|--|---------------------------|-------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | | | | | | | | | | |
| 2. First Quarter | | | | | | | | | | |
| 3. Second Quarter | | | | | | | | | | |
| 4. Third Quarter | | | | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | | | | | | | | | | |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | | | | | | | | | | |
| 8. Non-Physician | | | | | | | | | | |
| 9. Total | | | | | | | | | | |
| 10. Hospital Patient Days Incurred | | | | | | | | | | |
| 11. Number of Inpatient Admissions | | | | | | | | | | |
| 12. Health Premiums Written (a) | | | | | | | | | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | | | | | | | | | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | | | | | | | | | | |
| 18. Amount Incurred for Provision of Health Care Services | | | | | | | | | | |

NONE

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

| 1 Account | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 91 - 120 Days | 6 Over 120 Days | 7 Total |
|--------------|------------------|-------------------|-------------------|--------------------|--------------------|------------|
|--------------|------------------|-------------------|-------------------|--------------------|--------------------|------------|

NONE

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 Claims Incurred in Prior Years (Columns 1 plus 3) | 6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
|---|--|---|---|---|--|---|
| | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital and medical) | | | | | | |
| 2. Medicare Supplement | | | | | | |
| 3. Dental only | | | | | | |
| 4. Vision only | | | | | | |
| 5. Federal Employees Health Benefits Plan | | | | | | |
| 6. Title XVIII - Medicare | | | | | | |
| 7. Title XIX - Medicaid | | | | | | |
| 8. Other health | | | | | | |
| 9. Health subtotal (Line 1 to Line 8) | | | | | | |
| 10. Healthcare receivables (a) | | | | | | |
| 11. Other non-health | | | | | | |
| 12. Medical incentive pools and bonus amounts | | | | | | |
| 13. Totals | | | | | | |

NONE

(a) Excludes \$ bans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies
No Change
2. Accounting Changes and Corrections of Errors
No Change
3. Business Combinations and Goodwill
No Change
4. Discontinued Operations
No Change
5. Investments
No Change
6. Joint Ventures, Partnerships and Limited Liability Companies
No Change
7. Investment Income
No Change
8. Derivative Instruments
No Change
9. Income Tax
No Change
10. Information Concerning Parent, Subsidiaries and Affiliates
No Change
11. Debt
No Change
12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and other Postretirement Benefit Plans
No Change
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Re-organizations.
No Change
14. Contingencies
No Change
15. Leases
No Change
16. Information about Financial Instruments with off Balance Sheet risk and Financial; Instruments with concentrations of Credit Risk
No Change
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
 - A. No Change
 - B. No Change
 - C. Memphis Managed Care Corporation did not engage in any wash sales for the quarter Ending Sept 30, 2008
18. Gain or Loss to the company from Uninsured A&H Plans and Uninsured
No Change
19. Direct Premium Written/Produced by managing general agents/third party administrators.
No Change
20. September 11 Events
No Change
21. Other Items
No Change
22. Events Subsequent
No Change
23. Reinsurance

NOTES TO FINANCIAL STATEMENTS

No Change

24. Retrospectively Rated Contracts

No Change

25. Change in Incurred Claims and Claim Adjustment Expenses

No Change

26. Intercompany Pooling Agreements

No Change

27. Structured Settlements

No Change

28. Health Care Receivables

No Change

29. Participating Policies

No Change

30. Premium Deficiency Reserves

No Change

31. Anticipated Salvage & Subrogation

No Change

**NOTES TO FINANCIAL STATEMENTS
(Electronic Filing Only)**

4. Discontinued Operations

5. The amounts related to Discontinued Operations and the effect on the Company's Balance Sheet and Statement of Revenue and Expenses

Balance sheet

Assets

| | | |
|------------|--------|----------|
| a. Line 5 | Cash | \$ |
| b. Line 26 | Totals | \$ |

Liabilities, Surplus and Other Funds

| | | |
|------------|---------------------------|----------|
| c. Line 22 | Total Liabilities | \$ |
| d. Line 31 | Total Capital and Surplus | \$ |
| e. Line 32 | Total | \$ |

Statement of Revenue and Expenses

| | | |
|------------|---|----------|
| f. Line 2 | Premiums | \$ |
| g. Line 22 | Increase in aggregate reserves for accident and health (current year less prior year) | \$ |
| h. Line 31 | Federal and foreign income taxes incurred | \$ |
| i. Line 26 | Net realized capital gains (losses) | \$ |
| j. Line 32 | Net Income | \$ |

5. Investments

A. Mortgage Loans including Mezzanine Real Estate Loans

For mortgage loans, disclose the following information

| | Current Year | Prior Year |
|--|--------------|------------|
| 4. As of year end, the Company held mortgages with investment, excluding accrued interest | NONE | \$ |
| a. Total interest due on mortgages with interest in | | \$ |
| 5. Taxes, assessments and any amounts advanced | | \$ |
| 6. Current year impaired loans with a related allowance | | \$ |
| a. Related allowance for credit losses | | \$ |
| 7. Impaired mortgage loans without an allowance for credit losses | \$ | \$ |
| 8. Average recorded investment in impaired loans | \$ | \$ |
| 9. Interest income recognized during the period the loans were impaired | \$ | \$ |
| 10. Amount of interest income recognized on a cash basis during the period the loans were impaired | \$ | \$ |
| 11. Allowance for credit losses: | | |
| a. Balance at beginning of period | \$ | \$ |
| b. Additions charged to operations | \$ | \$ |
| c. Direct write-downs charged against the allowances | \$ | \$ |
| d. Recoveries of amounts previously charged off | \$ | \$ |
| e. Balance at end of period | \$ | \$ |

B. Debt Restructuring

For restructured debt in which the company is a creditor, disclose the following:

| | | |
|--|----------|----------|
| 1. The total recorded investment in restructured loans, as of year end | \$ | \$ |
| 2. The realized capital losses related to these loans | \$ | \$ |
| 3. Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings | \$ | \$ |

9. Income Taxes

A. The components of the net deferred tax asset recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

| | Current Year | Prior Year |
|---|--------------|------------|
| 1. Total of gross deferred tax assets | \$ | \$ |
| 2. Total of deferred tax liabilities | \$ | \$ |
| 3. Net deferred tax asset | \$ | \$ |
| 4. Deferred tax asset nonadmitted | \$ | \$ |
| 5. Net admitted deferred tax asset | \$ | \$ |
| 6. (Increase) decrease in nonadmitted asset | \$ | \$ |

NOTES TO FINANCIAL STATEMENTS (Continued)
(Electronic Filing Only)

10. Information Concerning Parent, Subsidiaries and Affiliates

E. Indicate the amount of any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities: \$

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, of said year.

| 1. Change in benefit obligation | Pension Benefits | | Other Benefits | |
|--|------------------|------------|----------------|------------|
| | Current Year | Prior Year | Current Year | Prior Year |
| a. Benefit obligation at beginning of year | \$ | \$ | \$ | \$ |
| b. Service cost | \$ | \$ | \$ | \$ |
| c. Interest cost | \$ | \$ | \$ | \$ |
| d. Contribution by plan participants | \$ | \$ | \$ | \$ |
| e. Actuarial gain (loss) | \$ | \$ | \$ | \$ |
| f. Foreign currency exchange rate changes | \$ | \$ | \$ | \$ |
| g. Benefits paid | \$ | \$ | \$ | \$ |
| h. Plan amendments | \$ | \$ | \$ | \$ |
| i. Business combinations, divestitures, curtailments, settlements and special termination benefits | \$ | \$ | \$ | \$ |
| j. Benefit obligation at end of year | \$ | \$ | \$ | \$ |
| 2. Change in plan assets | | | | |
| a. Value of plan assets at beginning of year | \$ | \$ | \$ | \$ |
| b. Actual return on plan assets | \$ | \$ | \$ | \$ |
| c. Foreign currency exchange rate changes | \$ | \$ | \$ | \$ |
| d. Employer contribution | \$ | \$ | \$ | \$ |
| e. Plan participants' contributions | \$ | \$ | \$ | \$ |
| f. Benefits paid | \$ | \$ | \$ | \$ |
| g. Business combinations, divestitures and settlements | \$ | \$ | \$ | \$ |
| h. Fair value of plan assets at end of year | \$ | \$ | \$ | \$ |
| 3. Funded status | | | | |
| a. Unamortized prior service cost | \$ | \$ | \$ | \$ |
| b. Unrecognized net gain or (loss) | \$ | \$ | \$ | \$ |
| c. Remaining net obligation or net asset at initial date of application | \$ | \$ | \$ | \$ |
| d. Prepaid assets or accrued liabilities | \$ | \$ | \$ | \$ |
| e. Intangible asset | \$ | \$ | \$ | \$ |
| 4. Accumulated benefit obligation for non-vested employees | \$ | \$ | \$ | \$ |
| 5. Benefit obligation for non-vested employees | | | | |
| a. Projected pension obligation | \$ | \$ | \$ | \$ |
| b. Accumulated benefit obligation | \$ | \$ | \$ | \$ |
| 6. Components of net periodic benefit cost | | | | |
| a. Service cost | \$ | \$ | \$ | \$ |
| b. Interest cost | \$ | \$ | \$ | \$ |
| c. Expected return on plan assets | \$ | \$ | \$ | \$ |
| d. Amortization of unrecognized transition obligation or transition asset | \$ | \$ | \$ | \$ |
| e. Amount of recognized gains and losses | \$ | \$ | \$ | \$ |
| f. Amount of prior service cost recognized | \$ | \$ | \$ | \$ |
| g. Amount of gain or loss recognized due to a settlement or curtailment | \$ | \$ | \$ | \$ |
| h. Total net periodic benefit cost | \$ | \$ | \$ | \$ |

NONE

| | Current Year | Prior Year |
|---|--------------|------------|
| 8. Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31: | | |
| a. Weighted average discount rate | | |
| b. Expected long-term rate of return on plan assets | | |
| c. Rate of compensation increase | | |
| Weighted average assumptions used to determine projected benefit obligations as of Dec. 31: | | |
| d. Weighted average discount rate | | |
| e. Rate of compensation increase | | |

11. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

| | 1 Percentage Point Increase | 1 Percentage Point Decrease |
|--|-----------------------------|-----------------------------|
| a. Effect on total of service and interest cost components | \$ | \$ |
| b. Effect on postretirement benefit obligation | \$ | \$ |

12. The defined benefit pension plan asset allocation as of the measurement date and the target asset allocation, presented as a percentage of total plan assets were as follows:

| | Current Year | Prior Year | Target Allocation |
|----------------------|--------------|------------|-------------------|
| a. Debt Securities | % | % | % to |
| b. Equity Securities | % | % | % to |
| c. Real Estate | % | % | % to |
| d. Other | % | % | % to |
| e. Total | % | % | % to |

13. The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

| Years | Amount |
|---------------------|----------|
| 1. | \$ |
| 2. | \$ |
| 3. | \$ |
| 4. | \$ |
| 5. | \$ |
| 6. Thereafter Total | \$ |

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
 9. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$

14. Contingencies
 A. Contingent Commitments
 1. Total contingent liabilities: \$

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits
 The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

- Claims related ECO and bad faith losses paid during the reporting period \$
- Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.
 - A) 0-25 Claims
 - B) 26-50 Claims
 - C) 51-100 Claims
 - D) 101-500 Claims
 - E) More than 500 Claims
- Indicate whether claim count information is disclosed per claim or per claimant.
 - F) Per Claim
 - G) Per Claimant

NOTES TO FINANCIAL STATEMENTS (Continued)
(Electronic Filing Only)

15. Leases

A. Disclose the following items related to lessee leasing arrangements (refer to SSAP No. 22, Leases):

2. For leases having initial or remaining noncancelable lease terms in excess of one year:

a. At January 1, of said year, the minimum aggregate rental commitments are as follows:
 (whole dollars)

| Year Ending December 31 | Operating Leases |
|-------------------------|------------------|
| 1..... | \$..... |
| 2..... | \$..... |
| 3..... | \$..... |
| 4..... | \$..... |
| 5..... | \$..... |
| 6. Aggregate Total | \$..... |

B. When leasing is a significant part of the lessor's business activities in terms of revenue, net income, or assets, disclose the following information with respect to leases:

1. Lessor Leases:

c. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, of said year are as follows:

| Year Ending December 31 | Operating Leases |
|-------------------------|------------------|
| 1..... | \$..... |
| 2..... | \$..... |
| 3..... | \$..... |
| 4..... | \$..... |
| 5..... | \$..... |
| 6. Aggregate Total | \$..... |

2. Leveraged Leases:

b. The Company's investment in leveraged leases re leveraged leases at December 31, of said year v

NONE

from

Prior Year

(whole dollars)
 1. Income from leveraged leases before income
 2. Less current income tax
 3. Net income from leveraged leases

c. The components of the investment in leveraged li (whole dollars)

| | Current Year | Prior Year |
|---|--------------|------------|
| 1. Lease contracts receivable (net of principal and interest on non-recourse financing) | \$..... | \$..... |
| 2. Estimated residual value of leased assets | \$..... | \$..... |
| 3. Unearned and deferred income | \$..... | \$..... |
| 4. Investment in leveraged leases | \$..... | \$..... |
| 5. Deferred income taxes related to leveraged leases | \$..... | \$..... |
| 6. Net investment in leveraged leases | \$..... | \$..... |

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk.

For financial instruments with off-balance risk, an insurer shall disclose in the financial statements the following information by class of financial instrument:

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

| | Assets | | Liabilities | |
|------------|--------------|------------|--------------|------------|
| | Current Year | Prior Year | Current Year | Prior Year |
| a. Swaps | \$..... | \$..... | \$..... | \$..... |
| b. Futures | \$..... | \$..... | \$..... | \$..... |
| c. Options | \$..... | \$..... | \$..... | \$..... |
| d. Total | \$..... | \$..... | \$..... | \$..... |

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. Wash Sales

2. The details by NAIC designation 3 or below of securities sold during the current reporting period and reacquired within 30 days of the sale date are:

| | Number of Transactions | Book Value of Securities Sold | Cost of Securities Repurchased | Gain (Loss) |
|-------------------------|------------------------|-------------------------------|--------------------------------|-------------|
| Bonds: | | | | |
| a. NAIC 3 | \$..... | \$..... | \$..... | \$..... |
| b. NAIC 4 | \$..... | \$..... | \$..... | \$..... |
| c. NAIC 5 | \$..... | \$..... | \$..... | \$..... |
| d. NAIC 6 | \$..... | \$..... | \$..... | \$..... |
| Preferred Stock: | | | | |
| e. NAIC P/RP3 | \$..... | \$..... | \$..... | \$..... |
| f. NAIC P/RP4 | \$..... | \$..... | \$..... | \$..... |
| g. NAIC P/RP5 | \$..... | \$..... | \$..... | \$..... |
| h. NAIC P/RP6 | \$..... | \$..... | \$..... | \$..... |

NOTES TO FINANCIAL STATEMENTS (Continued)
(Electronic Filing Only)

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans:

| | 1 | 2 | 3 |
|---|-------------|--|-----------|
| | --- | Uninsured Portion of Partially Insured Plans | Total ASO |
| The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during t | | | |
| a. Net reimbursement for administrative expenses (incl administrative fees) in excess of actual expenses | NONE | \$ | \$ |
| b. Total net other income or expenses (including interest to or received from plans) | \$ | \$ | \$ |
| c. Net gain or (loss) from operations | \$ | \$ | \$ |
| d. Total claim payment volume | \$ | \$ | \$ |

B. ASC Plans

| | 1 | 2 | 3 |
|---|------------------------|--|-----------|
| | ASC Uninsured Plans | Uninsured Portion of Partially Insured Plans | Total ASC |
| a. Gross reimbursement for medical cost incurred | \$ | \$ | \$ |
| b. Gross administrative fees accrued | \$ | \$ | \$ |
| c. Other income or expenses (including interest paid to or received from plans) | \$ | \$ | \$ |
| d. Gross expenses incurred (claims and administrative) | \$ | \$ | \$ |
| e. Total net gain or loss from operations | \$ | \$ | \$ |

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp
NOTES TO FINANCIAL STATEMENTS - ITEM 1A

| | | | |
|---------------------------------|--------------|------------|------------------------|
| 1 State Prescribed Practices | 2 Current | 3 Prior | 4 State of Domicile |
|---------------------------------|--------------|------------|------------------------|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 5A02

| | | |
|----------------------|---|-----------------------------|
| 1 Percent Reduced | 2 Investment Excluding Accrued Interest | 3 Number of Mortgages |
|----------------------|---|-----------------------------|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.10

| | | | | | | | |
|---|--------------------|---|-----------------------------------|---|--|--|--------------------------|
| 1 Date Issued | 2 Interest Rate | 3 Par Value (Face Amount of Notes) | 4 Carrying Value of Note | 5 Principal and/or Interest Paid Current Year | 6 Total Principal and/or Interest Paid | 7 Unapproved Principal and/or Interest | 8 Date of Maturity |
| Description of Assets, Holder of Note and Other | | | | | | | |

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.11

| | | |
|---|-----------------------------|---|
| 1 Year (Starting with Current Year) | 2 Change in Year Surplus | 3 Change in Gross Paid-In and Contributed Surplus |
|---|-----------------------------|---|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 19

| Name and Address of Managing General Agent or Third Party Administrator | FEIN | Exclusive Contract | Types of Business Written | Type of Authority Granted | Total Direct Premiums Written/Produced By |
|---|------|--------------------|---------------------------|---------------------------|---|
|---|------|--------------------|---------------------------|---------------------------|---|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 20F

| Description of State Transferable Tax Credits | State | Carrying Value | Unused Amount |
|---|-------|----------------|---------------|
|---|-------|----------------|---------------|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 20H

| CUSIP # | Name of Issuer | General Description | Book/Adjusted Carrying Value |
|---------|----------------|---------------------|------------------------------|
|---------|----------------|---------------------|------------------------------|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEMS 22B and 22C

| Name of Reinsurer | Amount |
|-------------------|--------|
|-------------------|--------|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 27A

| 1 Quarter | 2 Estimated Pharmacy Rebates as Reported on Financial Statements | 3 Pharmacy Rebates as Billed or Otherwise Confirmed | 4 Actual Rebates Received Within 90 Days of Billing | 5 Actual Rebates Received Within 91 to 180 Days of Billing | 6 Actual Rebates Received More Than 180 Days After Billing |
|--------------|---|--|--|---|---|
|--------------|---|--|--|---|---|

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 27B

| 1 Calendar Year | 2 Evaluation Period Year Ending | 3 Risk Sharing Receivable as Estimated in the Prior Year | 4 Risk Sharing Receivable as Estimated in the Current Year | 5 Risk Sharing Receivable Billed | 6 Risk Sharing Receivable Not Yet Billed | 7 Actual Risk Sharing Amounts Received in Year Billed | 8 Actual Risk Sharing Amounts Received First Year Subsequent | 9 Actual Risk Sharing Amounts Received Second Year Subsequent | 10 Actual Risk Sharing Amounts Received - All Other |
|--------------------|------------------------------------|---|---|-------------------------------------|---|--|---|--|--|
|--------------------|------------------------------------|---|---|-------------------------------------|---|--|---|--|--|

NONE

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes () No (X)
- 1.2 If yes, has the report been filed with the domiciliary state? Yes () No ()
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes () No (X)
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
| | | |
| | | |

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes () No () N/A (X)
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 02/20/2007
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 11/11/2007
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/11/2007
- 6.4 By what department or departments?
.....
- 6.5 Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes () No () N/A (X)
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes () No (X)
- 7.2 If yes, give full information
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 OTS | 6 FDIC | 7 SEC |
|---------------------|--------------------------------|----------|----------|----------|-----------|----------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes () No ()
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:

- 9.2 Has the code of ethics for senior managers been amended? Yes () No ()
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No ()
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes () No ()
- 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes () No ()
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other \$
13. Amount of real estate and mortgages held in short \$
- 14.1 Does the reporting entity have any investments in Yes () No ()
- 14.2 If yes, please complete the following:

NONE

| | Book/ Adjusted Carrying Value | 2 Current Quarter Book/ Adjusted Carrying Value |
|---|----------------------------------|---|
| 14.21 Bonds | \$ | \$ |
| 14.22 Preferred Stock | \$ | \$ |
| 14.23 Common Stock | \$ | \$ |
| 14.24 Short-Term Investments | \$ | \$ |
| 14.25 Mortgage Loans on Real Estate | \$ | \$ |
| 14.26 All Other | \$ | \$ |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) | \$ | \$ |
| 14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above | \$ | \$ |

- 15.1 Has the reporting entity entered into any hedging transactions reported on schedule DB? Yes () No ()
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No ()
 If no, attach a description with this statement.

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 Federal ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Location | 6 Type of Reinsurance Ceded | 7 Is Insurer Authorized? (Yes or No) |
|------------------------------|------------------------------|------------------------|------------------------|---------------|--------------------------------------|---|
|------------------------------|------------------------------|------------------------|------------------------|---------------|--------------------------------------|---|

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

| States, Etc. | 1 | | Direct Business Only Year to Date | | | | | | | |
|---|--|-----|-----------------------------------|---------------------------|-------------------------|---|---|---------------------------------|--------------------------------------|-----------------------------|
| | Active Status | | 2 Accident and Health Premiums | 3 Medicare Title XVIII | 4 Medicaid Title XIX | 5 Federal Employees Health Benefits Program Premiums | 6 Life and Annuity Premiums and Other Considerations | 7 Property/Casualty Premiums | 8 Total Column 2 Through Column 7 | 9 Deposit-Type Contracts |
| 1. Alabama | AL | N | | | | | | | | |
| 2. Alaska | AK | N | | | | | | | | |
| 3. Arizona | AZ | N | | | | | | | | |
| 4. Arkansas | AR | N | | | | | | | | |
| 5. California | CA | N | | | | | | | | |
| 6. Colorado | CO | N | | | | | | | | |
| 7. Connecticut | CT | N | | | | | | | | |
| 8. Delaware | DE | N | | | | | | | | |
| 9. District of Columbia | DC | N | | | | | | | | |
| 10. Florida | FL | N | | | | | | | | |
| 11. Georgia | GA | N | | | | | | | | |
| 12. Hawaii | HI | N | | | | | | | | |
| 13. Idaho | ID | N | | | | | | | | |
| 14. Illinois | IL | N | | | | | | | | |
| 15. Indiana | IN | N | | | | | | | | |
| 16. Iowa | IA | N | | | | | | | | |
| 17. Kansas | KS | N | | | | | | | | |
| 18. Kentucky | KY | N | | | | | | | | |
| 19. Louisiana | LA | N | | | | | | | | |
| 20. Maine | ME | N | | | | | | | | |
| 21. Maryland | MD | N | | | | | | | | |
| 22. Massachusetts | MA | N | | | | | | | | |
| 23. Michigan | MI | N | | | | | | | | |
| 24. Minnesota | MN | N | | | | | | | | |
| 25. Mississippi | MS | N | | | | | | | | |
| 26. Missouri | MO | N | | | | | | | | |
| 27. Montana | MT | N | | | | | | | | |
| 28. Nebraska | NE | N | | | | | | | | |
| 29. Nevada | NV | N | | | | | | | | |
| 30. New Hampshire | NH | N | | | | | | | | |
| 31. New Jersey | NJ | N | | | | | | | | |
| 32. New Mexico | NM | N | | | | | | | | |
| 33. New York | NY | N | | | | | | | | |
| 34. North Carolina | NC | N | | | | | | | | |
| 35. North Dakota | ND | N | | | | | | | | |
| 36. Ohio | OH | N | | | | | | | | |
| 37. Oklahoma | OK | N | | | | | | | | |
| 38. Oregon | OR | N | | | | | | | | |
| 39. Pennsylvania | PA | N | | | | | | | | |
| 40. Rhode Island | RI | N | | | | | | | | |
| 41. South Carolina | SC | N | | | | | | | | |
| 42. South Dakota | SD | N | | | | | | | | |
| 43. Tennessee | TN | N | | | | | | | | |
| 44. Texas | TX | N | | | | | | | | |
| 45. Utah | UT | N | | | | | | | | |
| 46. Vermont | VT | N | | | | | | | | |
| 47. Virginia | VA | N | | | | | | | | |
| 48. Washington | WA | N | | | | | | | | |
| 49. West Virginia | WV | N | | | | | | | | |
| 50. Wisconsin | WI | N | | | | | | | | |
| 51. Wyoming | WY | N | | | | | | | | |
| 52. American Samoa | AS | N | | | | | | | | |
| 53. Guam | GU | N | | | | | | | | |
| 54. Puerto Rico | PR | N | | | | | | | | |
| 55. U.S. Virgin Islands | VI | N | | | | | | | | |
| 56. Northern Mariana Islands | MP | N | | | | | | | | |
| 57. Canada | ON | N | | | | | | | | |
| 58. Aggregate Other Alien | | XXX | | | | | | | | |
| 59. Subtotal | | XXX | | | | | | | | |
| 60. Reporting entity contributions for Employee Benefit Plans | | XXX | | | | | | | | |
| 61. Total (Direct Business) | (a) | | | | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 5801. | | | | | | | | | | |
| 5802. | | | | | | | | | | |
| 5803. | | | | | | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | | | | | | | | | |
| 5899. | Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above) | | | | | | | | | |

NONE

(a) Insert the number of "L" responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

All entity members of a Holding Company Group that have acquired and/or disposed of any domestic entity (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

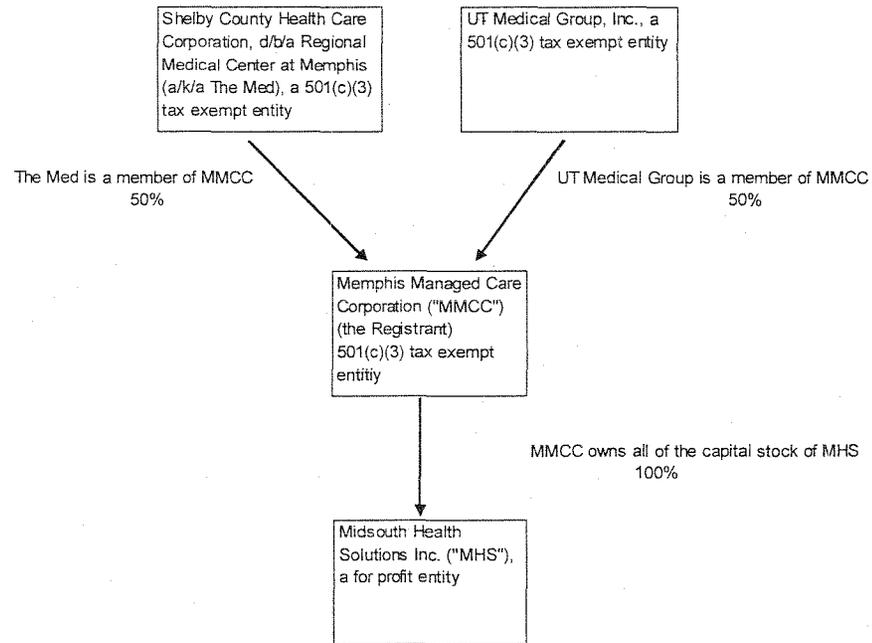
PART 1 - ORGANIZATIONAL LISTING

| 1 NAIC Group Code | 2 Group Name | 3 NAIC Company Code | 4 State of Domicile | 5 FEI Number | 6 Name of Company |
|----------------------|-----------------|------------------------|------------------------|-----------------|----------------------|
|----------------------|-----------------|------------------------|------------------------|-----------------|----------------------|

NONE

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART



SCHEDULE A - VERIFICATION

Real Estate

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December | | |
| 2. Cost of acquired: | | |
| 2.1. Actual cost at time of acquisitions | | |
| 2.2. Additional investment made after ac | | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | |
| 5. Deduct amounts received on disposals | | |
| 6. Total foreign exchange change in book/ad | | |
| 7. Deduct current year's other than temporar | | |
| 8. Deduct current year's depreciation | | |
| 9. Book/adjusted carrying value at end of cur | | |
| Line 5 plus Line 6 minus Line 7 plus Line 8 | | |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Line 9 minus Line 10) | | |

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book value/recorded investment excluding | | |
| 2. Cost of acquired: | | |
| 2.1. Actual cost at time of acquisitions | | |
| 2.2. Additional investment made after a | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees | | |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December | | |
| 2. Cost of acquired: | | |
| 2.1. Actual cost at time of acquisitions | | |
| 2.2. Additional investment made after a | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 814,032 | 20,291,225 |
| 2. Cost of bonds and stocks acquired | | 11,148,377 |
| 3. Accrual of discount | 81,512 | |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | 146,577 |
| 6. Deduct consideration for bonds and stocks disposed of | | 31,020,139 |
| 7. Deduct amortization of premium | | (247,992) |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other than temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9) | 895,544 | 814,032 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 895,544 | 814,032 |

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
 During the Current Quarter for all Bonds and Preferred Stock by Rating Class

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------------------------|--|---|---|---|--|---|--|--|
| | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| BONDS | | | | | | | | |
| 1. Class 1 (a) | | | | | | | | 814,032 |
| 2. Class 2 (a) | | | | | | | | |
| 3. Class 3 (a) | | | | | | | | |
| 4. Class 4 (a) | | | | | | | | |
| 5. Class 5 (a) | | | | | | | | |
| 6. Class 6 (a) | | | | | | | | |
| 7. Total Bonds | | | | | | | | 814,032 |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | | | | | | | | |
| 9. Class 2 | | | | | | | | |
| 10. Class 3 | | | | | | | | |
| 11. Class 4 | | | | | | | | |
| 12. Class 5 | | | | | | | | |
| 13. Class 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds and Preferred Stock | | | | | | | | 814,032 |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
 NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

S102

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

| | 1 | 2 | 3 | 4 | 5 |
|----------------------|---------------------------------|-----------|----------------|---------------------------------------|--|
| | Book/Adjusted Carrying Value | Par Value | Actual Cost | Interest Collected Year To Date | Paid for Accrued Interest Year To Date |
| 8299999 Totals | NONE | | | | |

SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1 | 2 |
|---|--------------|---------------------------------|
| | Year To Date | Prior Year Ended December 31 |
| 1. Book / adjusted carrying value, December 31 of prior year | | |
| 2. Cost of short-term investments acquired | | |
| 3. Accrual of discount | | |
| 4. Unrealized valuation increase (decrease) .. | | |
| 5. Total gain (loss) on disposals | NONE | |
| 6. Deduct consideration received on disposals | NONE | |
| 7. Deduct amortization of premium | NONE | |
| 8. Total foreign exchange change in book/adju | NONE | |
| 9. Deduct current year's other than temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9) | | |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | | |

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

| Replicated (Synthetic) Asset | | | | | Components of the Replicated (Synthetic) Asset | | | | | | |
|-------------------------------|-------------|---|-----------------|------------|--|-----------------|-------------------------|------------------|-----------------------|------------------|---|
| 1 | 2 | 3 | 4 | 5 | Derivative Instruments Open | | Cash Instrument(s) Held | | | | |
| Replication RSAT Number | Description | NAIC Designation or Other Description | Statement Value | Fair Value | 6 Description | 7 Fair Value | 8 CUSIP | 9 Description | 10 Statement Value | 11 Fair Value | 12 NAIC Designation or Other Description |

NONE

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

| | First Quarter | | Second Quarter | | Third Quarter | | Fourth Quarter | | Year To Date | |
|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|---|
| | 1 Number of Positions | 2 Total Replicated (Synthetic) Assets Statement Value | 3 Number of Positions | 4 Total Replicated (Synthetic) Assets Statement Value | 5 Number of Positions | 6 Total Replicated (Synthetic) Assets Statement Value | 7 Number of Positions | 8 Total Replicated (Synthetic) Assets Statement Value | 9 Number of Positions | 10 Total Replicated (Synthetic) Assets Statement Value |
| 1. Beginning Inventory | | | | | | | | | | |
| 2. Add: Opened or Acquired Transactions | | | | | | | | | | |
| 3. Add: Increases in Replicated Asset Statement Value | XXX | | | | | | XXX | | XXX | |
| 4. Less: Closed or Disposed of Transactions | | | | | | | | | | |
| 5. Less: Positions Disposed of for Failing Effectiveness Criteria | | | | | | | | | | |
| 6. Less: Decreases in Replicated (Synthetic) Asset Statement Value | XXX | | | | | | XXX | | XXX | |
| 7. Ending Inventory | | | | | | | | | | |

NONE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

| | 1 | 2 |
|---|--------------|---------------------------------|
| | Year To Date | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of short-term investments acquired | | |
| 3. Accrual of discount | | |
| 4. Unrealized valuation incr | | |
| 5. Total gain (loss) on disp | | |
| 6. Deduct consideration rec | | |
| 7. Deduct amortization of pi | | |
| 8. Total foreign exchange ci | | |
| 9. Deduct current year's other than temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9) | | |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | | |

NONE

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED and Additions Made During the Current Quarter

| 1 Description of Property | Location | | 4 Date Acquired | 5 Name of Vendor | 6 Actual Cost at Time of Acquisition | 7 Amount of Encumbrances | 8 Book / Adjusted Carrying Value Less Encumbrances | 9 Additional Investment Made After Acquisition |
|------------------------------|-----------|------------|--------------------|---------------------|---|-----------------------------|---|---|
| | 2 City | 3 State | | | | | | |

NONE

E01

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales under Contract"

| 1 Description of Property | Location | | 4 Disposal Date | 5 Name of Purchaser | 6 Actual Cost | 7 Expended for Additions, Permanent Improvements and Changes in Encumbrance | 8 Book/Adjusted Carrying Value Less Encumbrances Prior Year | Change in Book/Adjusted Carrying Value Less Encumbrances | | | | | 14 Book/Adjusted Carrying Value Less Encumbrances | 15 Amounts Received During Year | 16 Foreign Exchange Gain (Loss) on Disposal | 17 Realized Gain (Loss) on Disposal | 18 Total Gain (Loss) on Disposal | 19 Gross Income Earned Less Interest Incurred on Encumbrances | 20 Taxes, Repairs and Expenses Incurred |
|------------------------------|-----------|------------|--------------------|------------------------|------------------|--|--|--|---|---|--|---|--|------------------------------------|--|--|-------------------------------------|--|--|
| | 2 City | 3 State | | | | | | 9 Current Year's Depreciation | 10 Current Year's Other Than Temporary Impairment Recognized | 11 Current Year's Change in Encumbrances | 12 Total Change in B./A./C.V. (+/-) | 13 Total Foreign Exchange Change in R./A./C.V. | | | | | | | |

NONE

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED during the Current Quarter

| 1 Loan Number | Location | | 4 Loan Type | 5 Date Acquired | 6 Rate of Interest | 7 Actual Cost at Time of Acquisition | 8 Additional Investment Made After Acquisition | 9 Value of Land and Buildings |
|------------------|-----------|------------|----------------|--------------------|-----------------------|---|---|----------------------------------|
| | 2 City | 3 State | | | | | | |

NONE

E02

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1 Loan Number | Location | | 4 Loan Type | 5 Date Acquired | 6 Disposal Date | 7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year | Change in Book Value/Recorded Investment | | | | | | 14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal | 15 Consideration | 16 Foreign Exchange Gain (Loss) on Disposal | 17 Realized Gain (Loss) on Disposal | 18 Total Gain (Loss) on Disposal |
|------------------|-----------|------------|----------------|--------------------|--------------------|---|---|--|---|---|--|---|---|---------------------|--|--|-------------------------------------|
| | 2 City | 3 State | | | | | 8 Unrealized Valuation Increase (Decrease) | 9 Current Year's (Amortization) / Accretion | 10 Current Year's Other Than Temporary Impairment Recognized | 11 Capitalized Deferred Interest and Other | 12 Total Change in Book Value (8+9-10+11) | 13 Total Foreign Exchange Change in Book Value | | | | | |

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

| 1 CUSIP Identification | 2 Name or Description | Location | | 5 Name of Vendor or General Partner | 6 NAIC Designation | 7 Date Originally Acquired | 8 Type and Strategy | 9 Actual Cost at Time of Acquisition | 10 Additional Investment Made After Acquisition | 11 Amount of Encumbrances | 12 Commitment for Additional Investment | 13 Percentage of Ownership |
|------------------------------|--------------------------|-----------|------------|---|--------------------------|-------------------------------------|------------------------------|---|---|------------------------------------|---|-------------------------------------|
| | | 3 City | 4 State | | | | | | | | | |

NONE

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1 CUSIP Identification | 2 Name or Description | Location | | 5 Name of Purchaser or Nature of Deposit | 6 Date Originally Acquired | 7 Disposal Date | 8 Book/Adjusted Carrying Value Less Encumbrances Prior Year | Change in Book/Adjusted Carrying Value | | | | | | 15 Book/Adjusted Carrying Value Less Encumbrances on Disposal | 16 Consideration | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Investment Income |
|------------------------------|--------------------------|-----------|------------|---|-------------------------------------|-----------------------|--|--|--|---|--|---|--|--|---------------------|---|--|---|----------------------------|
| | | 3 City | 4 State | | | | | 9 Unrealized Valuation Increase (Decrease) | 10 Current Year's (Depreciation) or (Amortization)/ Accretion | 11 Current Year's Other Than Temporary Impairment Recognized | 12 Capitalized Deferred Interest and Other | 13 Total Change in B./A.C.V. (9+10-11+12) | 14 Total Foreign Exchange Change in B./A.C.V. | | | | | | |

NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Number of Shares of Stock | 7 Actual Cost | 8 Par Value | 9 Paid for Accrued Interest and Dividends | 10 NAIC Designation or Market Indicator (a) |
|------------------------------|------------------|--------------|-----------------------|---------------------|-----------------------------------|------------------|----------------|--|--|
|------------------------------|------------------|--------------|-----------------------|---------------------|-----------------------------------|------------------|----------------|--|--|

NONE

ED4

(a) For all common stock bearing the NAIC market indicator "U" provide the number of such issues

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

| 1 CUSIP Identifi- cation | 2 Description | 3 Foreign | 4 Disposal Date | 5 Name of Purchaser | 6 Number of Shares of Stock | 7 Consideration | 8 Par Value | 9 Actual Cost | 10 Prior Year Book/ Adjusted Carrying Value | Change In Book/Adjusted Carrying Value | | | | | 16 Book/Adjusted Carrying Value at Disposal Date | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Bond Interest/ Stock Dividends Received During Year | 21 Maturity Date | 22 NAIC Designa- tion or Market Indi- cator (a) |
|-----------------------------------|------------------|--------------|-----------------------|------------------------|--------------------------------------|--------------------|----------------|---------------------|--|--|--|---|---|---|--|--|---|--|--|------------------------|--|
| | | | | | | | | | | 11 Unrealized Valuation Increase/ (Decrease) | 12 Current Year's (Amort- ization)/ Accretion | 13 Current Year's Other Than Temporary Impairment Recognized | 14 Total Change in B./A.C.V. (11+12-13) | 15 Total Foreign Exchange Change in B./A.C.V. | | | | | | | |

NONE

EO5

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|-------------|--|---|-----------------------------|---------------------|--------------------------|---------------------|------------|---|-----------------|------------|--|-------------------------------------|---------------------------------------|
| Description | Number of Contracts or Notional Amount | Date of Maturity, Expiry, or Settlement | Strike Price, Rate or Index | Date of Acquisition | Exchange or Counterparty | Cost/Option Premium | Book Value | * | Statement Value | Fair Value | Year to Date Increase/(Decrease) by Adjustment | Used to Adjust Basis of Hedged Item | Other Investment/Miscellaneous Income |

NONE

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|-------------|--|---|-----------------------------|---------------------------|--------------------------|------------------------|------------|---|-----------------|------------|--|----------------------|---------------------------------------|
| Description | Number of Contracts or Notional Amount | Date of Maturity, Expiry, or Settlement | Strike Price, Rate or Index | Date of Issuance/Purchase | Exchange or Counterparty | Consideration Received | Book Value | * | Statement Value | Fair Value | Year to Date Increase/(Decrease) by Adjustment | Used to Adjust Basis | Other Investment/Miscellaneous Income |

NONE

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|-------------|-----------------|---|---------------------------------------|---------------------------------------|--------------------------|----------------------------------|------------|---|-----------------|------------|--|-------------------------------------|--|--------------------|
| Description | Notional Amount | Date of Maturity, Expiry, or Settlement | Strike Price, Rate or Index Rec (Pay) | Date of Opening Position or Agreement | Exchange or Counterparty | Cost or (Consideration Received) | Book Value | | Statement Value | Fair Value | Year to Date Increase (Decrease) by Adjustment | Used to Adjust Basis of Hedged Item | Other Investment/ Miscellaneous Income | Potential Exposure |

NONE

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts at Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Variation Margin Information | | | 13 |
|-------------|---------------------|---------------|----------------|---------------|------------------|--------------------------|--------------------------|--------------|------------------------------|-------------------------------------|----------|--------------------|
| | | | | | | | | | 10 | 11 | 12 | |
| Description | Number of Contracts | Maturity Date | Original Value | Current Value | Variation Margin | Date of Opening Position | Exchange or Counterparty | Cash Deposit | Recognized | Used to Adjust Basis of Hedged Item | Deferred | Potential Exposure |

NONE

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 Depository | | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|-------------------------------------|---------------------------------------|------|------------------|--|--|--|--------------|-------------|---|
| | | | | | | 6 | 7 | 8 | |
| Name | Location and Supplemental Information | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | |
| Open Depositories | | | | | | | | | |
| REGIONS GO | TN | | | | | 3,249,014 | 3,249,014 | 3,347,320 | |
| CLAIMS | TN | | | | | 73,984 | 73,984 | 73,984 | |
| ESCROW | TN | | | | | 2,000,000 | 2,000,000 | 2,046,535 | |
| TRUST | TN | | | | | 1,665,997 | 1,665,997 | 1,708,321 | |
| 0199999 - TOTAL - Open Depositories | | | | | | 6,988,995 | 6,988,995 | 7,176,160 | |
| 0399999 - TOTAL Cash on Deposit | | | | | | 6,988,995 | 6,988,995 | 7,176,160 | |
| 0599999 - TOTALS | | | | | | 6,988,995 | 6,988,995 | 7,176,160 | |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 Description | 2 Code | 3 Date Acquired | 4 Rate of Interest | 5 Maturity Date | 6 Book/Adjusted Carrying Value | 7 Amount of Interest Due and Accrued | 8 Amount Received During Year |
|------------------|-----------|--------------------|-----------------------|--------------------|--------------------------------------|--|-------------------------------------|
|------------------|-----------|--------------------|-----------------------|--------------------|--------------------------------------|--|-------------------------------------|

NONE



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2008 OF THE Memphis Managed Care Corp

MEDICARE PART D COVERAGE SUPPLEMENT
(Net of Reinsurance)

NAIC Group Code: 0000

NAIC Company Code: 00000

| | 1 | | 2 | | 3 | | 4 | | 5 | |
|--|---------------------|-----|-----------|-----|----------------|-----|-----------|-----|------------|-----|
| | Individual Coverage | | | | Group Coverage | | | | Total Cash | |
| | Insured | | Uninsured | | Insured | | Uninsured | | | |
| 1. Premiums Collected | | | | | | | | XXX | | XXX |
| 2. Earned Premiums | | | | | | | | XXX | | XXX |
| 3. Claims Paid | | | | | | | | XXX | | XXX |
| 4. Claims Incurred | | | | | | | | XXX | | XXX |
| 5. Reinsurance Coverage and Low Income (Claims Paid Net of Reimbursements App) | | | | | | | | | | |
| 6. Aggregate Policy Reserves - Change | | | | | | | | XXX | | XXX |
| 7. Expenses Paid | | | | | | | | XXX | | XXX |
| 8. Expenses Incurred | | | | | | | | XXX | | XXX |
| 9. Underwriting Gain or Loss | | | | | | | | XXX | | XXX |
| 10. Cash Flow Result | | XXX | | XXX | | XXX | | XXX | | |

NONE

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ due from CMS or \$ due to CMS

STATEMENT AS OF September 30, 2008 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1 Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Non Admitted' | 7 Admitted |
|---------------------|------------------|-------------------|-------------------|-------------------|--------------------|---------------|
|---------------------|------------------|-------------------|-------------------|-------------------|--------------------|---------------|

NONE

STATEMENT AS OF September 30, 2008 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1 Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Non Admitted | 7 Admitted |
|--|------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| 0199999 Pharmaceutical Rebate Receivables | | | | | | |
| 0299999 Claim Overpayment Receivables | - | - | - | 450,524 | 450,524 | - |
| 0399999 Loans and Advances to Providers | | | | 119,642 | 119,642 | - |
| 0499999 Capitation Arrangement Receivables | | | | | | |
| 0599999 Risk Sharing Receivables | | | | | | |
| 0699999 Other Receivables | | | | - | - | - |
| 0799999 Gross Health Care Receivables | - | - | - | 570,166 | 570,166 | - |

STATEMENT AS OF September 30, 2008 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

| 1 Name of Affiliate | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Non Admitted' | Admitted | |
|--|------------------|-------------------|-------------------|-------------------|--------------------|--------------|------------------|
| | | | | | | 7 Current | 8 Non-Current |
| Med-MRI | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medplex | 0 | 0 | 0 | 3,000 | 3,000 | 0 | 0 |
| The Health Loop | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Midsouth Health Solutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 01999999 Individual Listed Receivables | 0 | 0 | 0 | 3,000 | 3,000 | 0 | 0 |
| 02999999 Receivables Not individually Listed | | | | | | | |
| 03999999 Total Gross amounts Receivable | 0 | 0 | 0 | 3,000 | 3,000 | 0 | 0 |

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

| | Current Year | | Previous Year |
|--|----------------|--------------------|--------------------|
| | Current Period | Year to Date Total | Total |
| Member Months | 0 | 1,679,159 | 2,246,795 |
| REVENUES: | | | |
| 1 TennCare Capitation | 0 | 0 | 373,474,597 |
| 2 Investment | 0 | 0 | 1,313,408 |
| 3 Other Revenue | 0 | 0 | 53,226 |
| 4 Total Revenue | 0 | 0 | 374,841,231 |
| EXPENSES: | | | |
| Medical and Hospital Services | | | |
| 5 Capitated Physician Services | 0 | 0 | 12,172,604 |
| 6 Fee for Service Physician Services | 0 | 0 | 39,294,873 |
| 7 Inpatient Hospital Services | 0 | 0 | 56,586,552 |
| 8 Outpatient Services | 0 | 0 | 85,315 |
| 9 Emergency Room Services | 0 | 0 | 24,010,446 |
| 10 Mental Health Services | 0 | 0 | 24,488 |
| 11 Dental Services | 0 | 0 | 0 |
| 12 Vision Services | 0 | 0 | 2,118,889 |
| 13 Pharmacy Services | 0 | 0 | (255) |
| 14 Home Health Services | 0 | 0 | 6,529,248 |
| 15 Chiropractic Services | 0 | 0 | 0 |
| 16 Radiology Services | 0 | 0 | 1,521,329 |
| 17 Laboratory Services | 0 | 0 | 8,432,875 |
| 18 Durable Medical Equipment Services | 0 | 0 | 298,038 |
| 19 Transportation Services | 0 | 0 | 3,802,540 |
| 20 Outside Referrals | 0 | 0 | 0 |
| 21 Medical incentive Pool and Withhold Adjustments | 0 | 0 | 0 |
| 22 Occupancy Depreciation and Amortization | 0 | 0 | 0 |
| 23 Other Medical and Hospital Services | 0 | 0 | 151,258,715 |
| 24 IBNR | 0 | 0 | 35,904,045 |
| 25 Subtotal | 0 | 0 | 342,039,702 |
| 26 Reinsurance Expense Net of Recoveries | 0 | 0 | 0 |
| LESS: | | | |
| 27 Copayments | 0 | 0 | 0 |
| 28 Subrogation | | | 0 |
| 29 Coordination of Benefits | | | 0 |
| 30 Subtotal | 0 | 0 | 0 |
| 30 TOTAL MEDICAL, HOSPITAL & IBNR | 0 | 0 | 342,039,702 |
| Administration | | | |
| 31 Compensation | 0 | 0 | 8,510,052 |
| 32 Marketing | 0 | 0 | 0 |
| 33 Interest Expense | 0 | 0 | 92 |
| 34 Premium Tax Expense | 0 | 0 | 6,514,857 |
| 35 Occupancy Depreciation and Amortization | 0 | 0 | 598,436 |
| 36 Other Administration | 0 | 0 | 8,948,701 |
| 37 TOTAL ADMINISTRATION | 0 | 0 | 24,572,138 |
| 38 TOTAL EXPENSES | 0 | 0 | 366,611,840 |
| 39 NET INCOME (LOSS) | 0 | 0 | 8,229,391 |