

ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2007
OF THE CONDITION AND AFFAIRS OF THE

MEMPHIS MANAGED CARE CORPORATION

NAIC Group Code 0000 , 2006 NAIC Company Code 00000 Employer's ID Number 621539163
(Current Period) (Prior Period)

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

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

Statutory Home Office 1407 UNION AVE, SUITE 200, MEMPHIS, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1407 UNION AVE, SUITE 200, MEMPHIS, Tennessee 38104 901-515-3003
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1407 UNION AVE, SUITE 200, MEMPHIS, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1407 UNION AVE, SUITE 200, MEMPHIS, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)
901-515-3003
(Area Code) (Telephone Number)

Internet Website Address www.mmcc-tlc.com

Statutory Statement Contact CHERYLL ANNETTE MILLER 901-515-3022
(Name) (Area Code) (Telephone Number) (Extension)
CMILLER@MMCC-TLC.COM 901-515-3722
(E-Mail Address) (Fax Number)

OFFICERS

STEVEN BURKETT (PRESIDENT & CEO)
JEFF BRANDON (SECRETARY)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

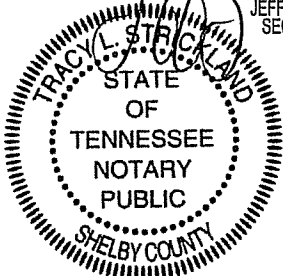
PEGGY ALLEN
JEFF BRANDON
BURKETT STEVEN
BRENDA JETER
VERONICA T. MALLETT, MD
STUART POLLY, MD
SYLVESTER REEDER, MD#

State 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.

Steven H. Burkett
STEVEN BURKETT
PRESIDENT & CEO

Jeff A. Brandon
JEFF BRANDON
SECRETARY



Subscribed and sworn to before me this
28 day of February, 2008
Tracy L. Strickland
Expires 10-12-2010

- 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 _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	814,032		814,032	20,291,225
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$ 6,437,119 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$, Schedule DA)	6,437,119		6,437,119	5,648,463
6. Contract loans (including \$ premium notes)				
7. Other invested assets (Schedule BA)	1,259,658		1,259,658	1,415,186
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 through Line 9)	8,510,809		8,510,809	27,354,874
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	8,027		8,027	217,686
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments 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	1,391,737		1,391,737	4,716,674
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	(16,741)	3,000	(19,741)	282,861
22. Health care (\$) and other amounts receivable	2,070,482	1,234,158	836,324	25,007
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)	11,964,314	1,237,158	10,727,156	32,597,102
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. TOTALS (Line 24 and Line 25)	11,964,314	1,237,158	10,727,156	32,597,102
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Prepaid Exp				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			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	881,000		881,000	183,420
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	(66,503)		(66,503)	661,718
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates	142,710		142,710	192,695
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	837,498		837,498	1,349,431
21. Aggregate write-ins for other liabilities (including \$ current)				
22. Total liabilities (Line 1 to Line 21)	1,794,705		1,794,705	2,387,264
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X	3,699,498	3,699,498
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	5,232,952	26,510,340
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	X X X	X X X		
30.2 shares preferred (value included in Line 25 \$)	X X X	X X X		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30)	X X X	X X X	8,932,450	30,209,838
32. Total liabilities, capital and surplus (Line 22 and Line 31)	X X X	X X X	10,727,155	32,597,102
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
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.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X		2,054,603
2. Net premium income (including \$ non-health premium income)	X X X		
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X	10,537,867	
8. Total revenues (Line 2 to Line 7)	X X X	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		(3,430,594)	(6,777,943)
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)		(3,430,594)	(6,777,943)
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	13,968,461	6,777,943
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,250,062	1,313,408
26. Net realized capital gains (losses) less capital gains tax of \$			
27. Net investment gains (losses) (Line 25 plus Line 26)		1,250,062	1,313,408
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			114,156
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)	X X X	15,218,523	8,205,507
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Line 30 minus Line 31)	X X X	15,218,523	8,205,507
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X		
0701. RECORD REVENUE FROM SALE OF ASSETS	X X X	10,537,867	
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X	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. Third Party Liab. Recovery			64,316
2902. Medcall Revenue			49,840
2903. MRI Revenue			
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)			114,156

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year	30,209,838	27,804,505
34. Net income or (loss) from Line 32	15,218,523	8,205,507
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	684,089	(800,171)
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)	(5,000,000)
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Line 34 to Line 47)	(21,277,388)	2,405,336
49. Capital and surplus end of reporting year (Line 33 plus Line 48)	8,932,450	30,209,841
DETAILS OF WRITE-INS		
4701.		
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)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Net investment income	1,459,721	1,260,863
3. Miscellaneous income	10,537,867	114,156
4. Total (Line 1 through Line 3)	11,997,588	1,375,019
5. Benefit and loss related payments		
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	(7,539,189)	11,484,345
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)	(7,539,189)	11,484,345
11. Net cash from operations (Line 4 minus Line 10)	19,536,777	(10,109,326)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	31,020,139	20,929,084
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash and short-term investments		
12.7 Miscellaneous proceeds	155,528	
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	31,175,667	20,929,084
13. Cost of investments acquired (long-term only):		
13.1 Bonds	11,396,369	15,767,942
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		1,500,000
13.6 Miscellaneous applications	146,577	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	11,542,946	17,267,942
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	19,632,721	3,661,142
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		
16.5 Dividends to stockholders	37,180,000	(5,000,000)
16.6 Other cash provided (applied)	(1,200,842)	1,105,393
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(38,380,842)	6,105,393
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)	788,656	(342,791)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,648,464	5,991,255
19.2 End of year (Line 18 plus Line 19.1)	6,437,120	5,648,464
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		

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income										
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$ medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues	10,537,867	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,537,867
7. Total revenues (Line 1 through Line 6)	10,537,867									10,537,867
8. Hospital/medical benefits										XXX
9. Other professional services										XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area										XXX
12. Prescription drugs										XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments, and bonus amounts										XXX
15. Subtotal (Line 8 through Line 14)										XXX
16. Net reinsurance recoveries										XXX
17. Total hospital and medical (Line 15 minus Line 16)										XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ cost containment expenses	(3,430,594)							(3,430,594)		
20. General administrative expenses	(3,430,594)									
21. Increase in reserves for accident and health contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22. Increase in reserves for life contracts										
23. Total underwriting deductions (Line 17 through Line 22)	(3,430,594)							(3,430,594)		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	13,968,461							3,430,594		10,537,867
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)										XXX
0601. RECORD REVENUE FROM SALE OF ASSETS	10,537,867	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,537,867
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	10,537,867	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,537,867
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT

Part 1 - Premiums

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan	NONE			
6. Title XVIII - Medicare				
7. Title XIX - Medicaid				
8. Other health				
9. Health subtotal (Line 1 through Line 8)				
10. Life				
11. Property/casualty				
12. Totals (Line 9 to Line 11)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct										
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net										
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct										
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net										
13. Incurred medical incentive pools and bonuses										

NONE

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. Incurred but Unreported:										
2.1 Direct										
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net										
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										

NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	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	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior 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 through Line 8)						
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12)						

NONE

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

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)									
CLAIM RESERVE									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)									
NONE									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ for occupancy of own building)	115,782	77,507	242,165		435,454
2. Salaries, wages and other benefits	1,217,558	1,658,804	5,241,917		8,118,279
3. Commissions (less \$ ceded plus \$ assumed)					
4. Legal fees and expenses			891,720		891,720
5. Certifications and accreditation fees	128,626	137,538	926,302		1,192,466
6. Auditing, actuarial and other consulting services			35,005		35,005
7. Traveling expenses		27,420	71,948		99,368
8. Marketing and advertising					
9. Postage, express, and telephone	14,530	32,213	491,843		538,586
10. Printing and office supplies	11,820	19,983	372,988		404,791
11. Occupancy, depreciation and amortization			609,266		609,266
12. Equipment	43,112	5,310	525,933		574,355
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services	201,150		2,350,887		2,552,037
15. Boards, bureaus and association fees		170	60,239		60,409
16. Insurance, except on real estate			369,309		369,309
17. Collection and bank service charges			151,309		151,309
18. Group service and administration fees		111	211,185		211,296
19. Reimbursements by uninsured accident and health plans	(1,826,135)	(2,069,174)	(16,635,429)		(20,530,738)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes		63	25,692		25,755
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes	93,557	110,055	314,620		518,232
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses			312,510		312,510
26. Total expenses incurred (Line 1 to Line 25)			(3,430,591)		(a) (3,430,591)
27. Less expenses unpaid December 31, current year			881,000		881,000
28. Add expenses unpaid December 31, prior year			183,420		183,420
29. Amounts receivable relating to uninsured accident and health plans, prior year			4,716,674		4,716,674
30. Amounts receivable relating to uninsured accident and health plans, current year			1,391,737		1,391,737
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30)			(7,453,108)		(7,453,108)
DETAILS OF WRITE-INS					
2501. MEDCALL & DISEASE MANGMT EXPENSE			966,487		966,487
2502. LIQUIDATED DAMAGES			15,300		15,300
2503. MHS OVERHEAD ALLOCATION + NET LOSS			(669,277)		(669,277)
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)			312,510		312,510

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 1,250,062	1,250,062
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e)	
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,250,062	1,250,062
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		
17. Net investment income (Line 10 minus Line 16)		1,250,062
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds					
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Line 1 to Line 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection			
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
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		252,946	252,946
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		1,191,556	1,191,556
19. Furniture and equipment, including health care delivery assets		182,812	182,812
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates	3,000	3,000	
22. Health care and other amounts receivable	1,234,158	127,269	(1,106,889)
23. Aggregate write-ins for other than invested assets		163,664	163,664
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	1,237,158	1,921,247	684,089
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Line 24 and Line 25)	1,237,158	1,921,247	684,089
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)			
2301. PRE-PAID EXPENSE		163,664	163,664
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)		163,664	163,664

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total						
NONE						
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)						

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 Nonadmitted	7 Admitted
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NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

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 Nonadmitted	7 Admitted
Claim Overpayment Receivables						
0299999 - Claim Overpayment Receivables				716,681	716,681	
				716,681	716,681	
Loans and Advances to Providers						
0399999 - Loans and Advances to Providers				119,642	119,642	
				119,642	119,642	
Other Receivables						
0699999 - Other Receivables	1,234,158					1,234,158
	1,234,158					1,234,158
0799999 - Gross Health Care Receivables	1,234,158			836,323	836,323	1,234,158
	1,234,158			836,323	836,323	1,234,158

EXHIBIT 4 - 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
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NONE

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 Nonadmitted	Admitted	
						7 Current	8 Non-Current
Individually listed receivables							
MEDPLEX				3,000	3,000		
MIDSOUTH HEALTH SOLUTIONS	(19,741)					(19,741)	
0199999 - Subtotal - Individually listed receivables	(19,741)			3,000	3,000	(19,741)	
0399999 - TOTAL gross amounts receivable	(19,741)			3,000	3,000	(19,741)	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Individually listed payables				
	MIDSOUTH HEALTH SOLUTIONS	142,710	142,710	
	0199999 - Subtotal - Individually listed payables	142,710	142,710	
	0399999 - TOTAL gross payables	142,710	142,710	

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION
EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a Percentage of of Total Payments	3 Total Members Covered	4 Column 3 as a Percentage of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups						
2. Intermediaries						
3. All other providers						
4. Total capitation payments						
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments			X X X	X X X		
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. Total other payments			X X X	X X X		
13. Total (Line 4 plus Line 12)		100%	X X X	X X X		

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
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NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	NONE					
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total						

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Memphis Managed Care Corporation Have been prepared in accordance with the NAIC Accounting Practice and Procedure Manual except to the extent that state law Differs.

The company, at the direction of the Commissioner of Insurance of The State of Tennessee for the period January – December 2007, on report #2A records claims reimbursements and Administrative reimbursements as premiums, instead of netting Them against claims and general administrative expenses Respectively as required by SAP

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Quarterly Statement Instructions and Accounting Practice and Procedures manual requires the use of management's estimates.

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds are stated at amortized cost using the effective interest method.
- 3) The company does not hold common stock.
- 4) The company does not hold preferred stock.
- 5) The company does not hold mortgage loans.
- 6) The company does not hold loan-backed securities.
- 7) The company does not hold investments in subsidiaries, Controlled and affiliated companies.
- 8) The company does not have minor ownership interests in joint Ventures.
- 9) The company does not carry derivatives.

2. Accounting Changes and Corrections of Errors

A. Disclosure of material changes in accounting principles and or errors

N/A

3. Business Combinations and Goodwill

A. Statutory Purchase Method

N/A

B. Merger

N/A

C. Impairment Loss

N/A

4. Discontinued Operations

Amerigroup Tennessee Inc. Purchased the Fixed Assets assets of Memphis Managed Care Corporation As of 11-1-07, and Assumed the ASO contract with the State of Tennessee. As a result Memphis Managed Care Corporation has -0- Fixed Assets as of 11-01-07 and all revenues and claim payment operations have been assumed by Amerigroup Tennessee.

5. Investments

A. Mortgage Loans

NOTES TO FINANCIAL STATEMENTS

- N/A
- B. Debt Restructuring
- N/A
- C. Reverse Mortgages
- N/A
- D. Loan Backed Securities
- N/A
- E. Repurchase Agreements
- N/A
6. Joint Ventures, Partnerships and Limited Liability Companies
- N/A
7. Investment Income
- A. N/A
- B. Total Amount excluded was \$0
8. Derivative Instruments
9. Income Tax
- A. Components of net deferred income tax asset or liability
- N/A
- B. DTLs not recognized
- N/A
- C. Significant components of income taxes incurred
- N/A
- D. Significant reconciling items of income taxes incurred
- N/A
- E(1). Operating loss and tax credit carry forwards
- N/A
- E(2). Recoupment of Income taxes available in the event of future losses
- N/A
- F Consolidated federal Income tax return
- N/A
10. Information Concerning Parent, Subsidiaries and Affiliates
- A. The company is jointly owned by The Regional Medical Center (The Med) & University of Tennessee Medical Group (UTMG).
- B. Description of transactions
- N/A
- C. Dollar amount of Transactions
- N/A
- D. At December 31, 2007 the company had \$142,710 due to Midsouth Health Solutions.

NOTES TO FINANCIAL STATEMENTS

- E. Guarantees or undertakings for the benefit of an affiliate
N/A
- F. Description of any material management contracts with related parties
N/A
- G. Ownership in the company is 50% The Med, 50% UTMG
- H. Amount deducted from the value of an upstream intermediate entity
N/A
- I. The Company owns 100% interest in Midsouth Health Solutions, whose carry value does not equal or exceed 10% of the admitted assets of Memphis Managed Care Corporation. Memphis Managed Care Corporation carries Midsouth Health Solutions a Non-Insurance Company at GAAP Equity.
- Based on Memphis Managed Care Corporation ownership percentage of Midsouth Health Solutions Non-Insurance Company, the statement value of Mid South Health Solutions, Non-Insurance Company assets and Liabilities as of December 31, 2007 were \$1,259,658 and \$142,710 respectively.
- Memphis Managed Care Corporation's share of Net Income (Loss) of Midsouth Health Solutions was (\$155,528) as of December 31, 2007
- J. Investment in SCA entity
N/A
11. Debt
- A. Capital Notes
N/A
- B. Other Debt
N/A
12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and other Postretirement Benefit Plans
- B. Defined Contribution Plan
N/A
- C. Multiemployer Plans
N/A
- D. Consolidated/Holdings Company Plans
N/A
- E. Post employment Benefits and Compensated Absences
N/A
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Reorganizations.
- 1) The company has
 - 2) The company has no preferred stock outstanding
 - 3) Dividend Restrictions – N/A
 - 4) Restrictions on unassigned Funds – None
 - 5) The State of Tennessee requires the company to hold Statutory deposits in the amount of 3,200,000
 - 6) For mutual, and similarly organized companies the total Amount of advances to surplus not repaid. – N/A
 - 7) Total Amount of Stock Held by the company – N/A

NOTES TO FINANCIAL STATEMENTS

- 8) Changes in special surplus funds – N/A
- 9) Portion of unassigned funds (surplus) represented or
Reduced by each of the following items:
 - a. Unrealized gains and losses - N/A
 - b. Nonadmitted assets 1,237,158
 - c. Stock purchase warrants N/A
- 10) Surplus Notes

- 11) Impact of the restatement in quasi reorganization – N/A
- 12) Effective Date of a quasi reorganization – N/A

14. Contingencies

A. Contingent Commitments

N/A

B. Assessments

N/A

C. Gain Contingencies

N/A

D. All Other Contingencies

.

15. Leases

A. Disclosures related to lessee leasing arrangements

N/A

B. Disclosures related to lessor leasing arrangements

N/A

16. Information about Financial Instruments With Off Balance Sheet risk and Financial Instruments With concentrations of Credit Risk

- 1) The company has no financial instruments with off balance Sheet risk.
- 2) The company does not use swaps, futures or options.
- 3) The company has no financial instruments with off balance Sheet risk and no counter party exposure.
- 4) The company has on financial instruments subject to credit Risk.

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

A. Transfer of Receivables reported as Sales

N/A

B. Transfer and Servicing of financial Assets

N/A

C. Wash Sales

N/A

18. Gain or Loss to the company from Uninsured A&H Plans and Uninsured Portion of Partially Insured Plans

A. ASO Plan

The Gain from Operations from ASO uninsured plans and uninsured Portion of partially insured plans was as follows during 2005:

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	ASO Uninsured Plan	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for Administrative Expenses (including Administrative Fees) In excess of Actual Expenses	\$3,434,693		\$3,434,693
b. Total Net Other Income or Expenses (Including Interest paid to or received from Plans)	\$11,783,831		\$11,783,831
c. Net Gain or Loss from Operations	\$15,218,524		\$15,218,524
d. Total Claim Payment Volume	\$276,426,394		\$276,426,394

B. ASC Plan

N/A

C. Medicare or Other Similarly structured cost based reimbursement Contact:

N/A

19. Direct Premium Written/Produced by managing general agents/third Party Administrators

N/A

20. Other Items

A. Extraordinary Items

On November 1, 2007, Amerigroup Tennessee purchased the fixed assets of Memphis Managed Care Corporation, and Midsouth Health Solutions. Memphis Managed Care Corporation received \$10,000,000.00 for its assets and \$100,000.00 for Midsouth Health Solutions assets.

Included in this agreement was the assumption by Amerigroup Tennessee of the ASO contract with the State of Tennessee.

All revenue and Claim payments were assumed by Amerigroup Tennessee as of 11-1-07.

B. Troubled Debt Restructuring

N/A

C. Other Disclosures

NONE

D. NONE

E. Business Interruption Insurance Recoveries

NONE

21. Events Subsequent

N/A

22. Reinsurance

N/A

23. Retrospectively Rated Contracts

N/A

24. Change in Incurred Claims and Claim Adjustment Expenses

N/A

NOTES TO FINANCIAL STATEMENTS

25. Intercompany Pooling Arrangements

NONE

26. Structured Settlements

NONE

27. Health Care Receivables

A. N/A

B. N/A

28. Participating Policies

N/A

29. Premium Deficiency Reserves

N/A

30. Anticipated Salvage & Subrogation

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION
NOTES TO FINANCIAL STATEMENTS - ITEM 1A

1 State Prescribed Practices	2 Current	3 Prior	4 State of Domicile
01A01 - Net Income, state basis	15,218,523	8,205,507	

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

Description of Assets, Holder of Note and Other	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
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NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.11

Year (Starting with Current Year)	Change in Year Surplus	Change in Gross Paid-in and Contributed Surplus
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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
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NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 20F

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
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NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 20H

CUSIP #	Name of Issuer	General Description	Book/Adjusted Carrying Value
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NONE

NOTES TO FINANCIAL STATEMENTS - ITEMS 22B and 22C

Name of Reinsurer	Amount
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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
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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
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NONE

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	814,032	9.565	814,032	9.565
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	6,437,119	75.635	6,437,119	75.635
9. Other invested assets	1,259,658	14.801	1,259,658	14.801
10. Total invested assets	8,510,809	100.000	8,510,809	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
 GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes () No (X)
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes () No () N/A (X)
- 1.3 State Regulating?
- 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:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006
- 3.2 State the as of date of 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. 12/31/2006
- 3.3 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). 11/08/2007
- 3.4 By what department or departments?
 TENNESSEE DEPARTMENT OF COMMERCE & INSURANCE TENNCARE DIVISION
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes () No (X)
 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
 4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of the 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
.....
.....
.....

- 6.1 Has the 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? Yes () No (X)
- 6.2 If yes, give full information:

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

- 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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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
.....
.....
.....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
- 11.11 Name of real estate holding company

- 11.12 Number of parcels involved
 11.13 Total book/adjusted carrying value \$
- 11.2 If yes, provide explanation

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

- 12.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes (X) No ()
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes () No (X)
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)
- 13.1 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?
 (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. Yes (X) No ()
- 13.11 If the response to 13.1 is No, please explain:

- 13.2 Has the code of ethics for senior managers been amended? Yes () No (X)
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ()
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ()
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ()

GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes () No (X)
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|----------|
| | 18.11 To directors or other officers | \$ |
| | 18.12 To stockholders not officers | \$ |
| | 18.13 Trustees, supreme or grand (Fraternal only) | \$ |
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|----------|
| | 18.21 To directors or other officers | \$ |
| | 18.22 To stockholders not officers | \$ |
| | 18.23 Trustees, supreme or grand (Fraternal only) | \$ |
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes () No (X)
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------|----------|
| | 19.21 Rented from others | \$ |
| | 19.22 Borrowed from others | \$ |
| | 19.23 Leased from others | \$ |
| | 19.24 Other | \$ |
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes () No (X)
- 20.2 If answer is yes:
- | | | |
|--|--|----------|
| | 20.21 Amount paid as losses or risk adjustment | \$ |
| | 20.22 Amount paid as expenses | \$ |
| | 20.23 Other amounts paid | \$ |
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes (X) No ()
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? Yes (X) No ()
- 22.2 If no, give full and complete information relating thereto:

- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1) Yes () No (X)
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|--|----------|
| | 23.21 Loaned to others | \$ |
| | 23.22 Subject to repurchase agreements | \$ |
| | 23.23 Subject to reverse repurchase agreements | \$ |
| | 23.24 Subject to dollar repurchase agreements | \$ |
| | 23.25 Subject to reverse dollar repurchase agreements | \$ |
| | 23.26 Pledged as collateral | \$ |
| | 23.27 Placed under option agreements | \$ |
| | 23.28 Letter stock or securities restricted as to sale | \$ |
| | 23.29 On deposit with state or other regulatory body | \$ |
| | 23.291 Other | \$ |

23.3 For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes () No (X)
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes () No () N/A (X)
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes () No (X)
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$

GENERAL INTERROGATORIES

INVESTMENT

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
SUNTRUST BANK	P.O. BOX 622227 ORLANDO, FL 32862-2227
REGIONS BANK	6000 POPLAR SUITE 300 MEMPHIS TN 38119
.....

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes () No (X)

26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....
.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes () No (X)

27.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
Line 27.2998 from Overflow page
Line 27.2999 TOTAL (9999999)

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....
.....

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value of statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	\$ 814,032	\$ 922,347	\$ 108,315
28.2 Preferred stocks	\$	\$	\$
28.3 Totals	\$ 814,032	\$ 922,347	\$ 108,315

28.4 Describe the sources or methods utilized in determining the fair values:
The percentage used by the bank (Suntrust) is the % used to state FMV
.....

29.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

29.2 If no, list exceptions:
.....

OTHER

30.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

31.1 Amount of payments for legal expenses, if any? \$

31.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
- 1.2 If yes, indicate premium earned on U.S. business only. \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$
- 1.6 Individual policies:
- | | | |
|------|--|----------|
| | Most current three years: | |
| 1.61 | Total premium earned | \$ |
| 1.62 | Total incurred claims | \$ |
| 1.63 | Number of covered lives | ..... |
| | All years prior to most current three years: | |
| 1.64 | Total premium earned | \$ |
| 1.65 | Total incurred claims | \$ |
| 1.66 | Number of covered lives | ..... |
- 1.7 Group policies:
- | | | |
|------|--|----------|
| | Most current three years: | |
| 1.71 | Total premium earned | \$ |
| 1.72 | Total incurred claims | \$ |
| 1.73 | Number of covered lives | ..... |
| | All years prior to most current three years: | |
| 1.74 | Total premium earned | \$ |
| 1.75 | Total incurred claims | \$ |
| 1.76 | Number of covered lives | ..... |
2. Health Test:
- | | | | |
|-----|---------------------------|--------------|------------|
| | | 1 | 2 |
| | | Current Year | Prior Year |
| 2.1 | Premium Numerator | \$ | \$ |
| 2.2 | Premium Denominator | \$ | \$ |
| 2.3 | Premium Ratio (2.1 / 2.2) | ..... | ..... |
| 2.4 | Reserve Numerator | \$ | \$ |
| 2.5 | Reserve Denominator | \$ | \$ |
| 2.6 | Reserve Ratio (2.4 / 2.5) | ..... | ..... |
- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes () No (X)
- 3.2 If yes, give particulars:

- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes () No (X)
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes () No (X)
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes () No (X)
- 5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions)
- | | | |
|--|---------------------------------|----------|
| | 5.31 Comprehensive Medical | \$ |
| | 5.32 Medical Only | \$ |
| | 5.33 Medicare Supplement | \$ |
| | 5.34 Dental | \$ |
| | 5.35 Other Limited Benefit Plan | \$ |
| | 5.36 Other | \$ |
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes () No (X)
- 7.2 If no, give details:

8. Provide the following information regarding participating providers:
- | | | |
|--|--|-------|
| | 8.1 Number of providers at start of reporting year | ..... |
| | 8.2 Number of providers at end of reporting year | ..... |
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes () No (X)
- 9.2 If yes, direct premium earned:
- | | | |
|--|---|-------|
| | 9.21 Business with rate guarantees between 15-36 months | ..... |
| | 9.22 Business with rate guarantees over 36 months | ..... |

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold, or Bonus Arrangements in its provider contracts? Yes () No (X)

10.2 If yes:

	10.21 Maximum amount payable bonuses	\$
	10.22 Amount actually paid for year bonuses	\$
	10.23 Maximum amount payable withholds	\$
	10.24 Amount actually paid for year withholds	\$

11.1 Is the reporting entity organized as:

	11.12 A Medical Group / Staff Model,	Yes () No (X)
	11.13 An Individual Practice Association (IPA), or	Yes () No (X)
	11.14 A Mixed Model (combination of above)?	Yes () No (X)

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes () No (X)

11.3 If yes, show the name of the state requiring such net worth.

11.4 If yes, show the amount required. \$

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes () No (X)

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
.....
.....
.....

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2007	2006	2005	2004	2003
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 26)	10,727,156	32,597,102	28,851,568	26,142,734	14,504,707
2. Total liabilities (Page 3, Line 22)	1,794,705	2,387,264	2,313,261	5,023,796	1,487,029
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 31)	8,932,450	30,209,838	26,538,308	21,118,938	13,017,478
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	10,537,867				1,100,424
6. Total medical and hospital expenses (Line 18)					(3,127,356)
7. Claims adjustment expenses (Line 20)			4,968,166	3,083,974	
8. Total administrative expenses (Line 21)	(3,430,594)	(6,777,943)	(10,991,407)	(10,408,590)	(12,135,658)
9. Net underwriting gain (loss) (Line 24)	13,968,461	6,777,943	6,023,241	7,324,616	13,476,694
10. Net investment gain (loss) (Line 27)	1,250,062	1,313,408	864,208	247,606	105,122
11. Total other income (Line 28 plus Line 29)		114,156	1,085,237	783,223	
12. Net income or (loss) (Line 32)	15,218,523	8,205,507	7,972,686	8,355,445	13,581,816
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	19,536,777	30,480,574	26,538,308	21,118,938	13,017,478
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	8,932,450	26,451	25,572	16,261,582	10,023,458
15. Authorized control level risk-based capital	32,368				
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)		169,031	2,246,795	193,868	194,981
17. Total members months (Column 6, Line 7)		2,054,603	2,246,795	2,314,367	2,314,367
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)					
20. Cost containment expenses					X X X
21. Other claims adjustment expenses					
22. Total underwriting deductions (Line 23)					
23. Total underwriting gain (loss) (Line 24)					
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)					(103,720)
25. Estimated liability of unpaid claims of prior year (Line 13, Column 6)					3,113,636
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 25, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 53, Column 2)					
29. Affiliated short-term investments (subtotal included in Schedule DA, Part 2, Column 5, Line 11)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31					



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

2.

(LOCATION)

NAIC Group Code: 0000

BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR 2007

NAIC Company Code: 00000

	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 Year:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)										
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 business: number of persons insured under PPO managed care products and number of persons insured under indemnity only products

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



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION

2.

(LOCATION)

NAIC Group Code: 0000

NAIC Company Code: 00000

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2007

	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 Year:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)										
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 business: number of persons insured under PPO managed care products and number of persons insured under indemnity only products

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

30GT

SCHEDULE A - VERIFICATION BETWEEN YEARS
Real Estate

1. Book/adjusted carrying value, December 31, prior year	_____
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11	_____
2.2 Totals, Part 3, Column 8	_____
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	_____
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14	_____
4.2 Totals, Part 3, Column 10	_____
5. Total profit (loss) on sales, Part 3, Column 15 ..	_____
6. Increase (decrease) by foreign exchange adjustm	
6.1 Totals, Part 1, Column 12	_____
6.2 Totals, Part 3, Column 9	_____
7. Amounts received on sales, Part 3, Column 12 and Part 1, Column 13	_____
8. Book/adjusted carrying value at end of current period	_____
9. Total valuation allowance	_____
10. Subtotal (Line 8 plus Line 9)	_____
11. Total nonadmitted amounts	_____
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	_____

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS
Mortgage Loans

1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	_____
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions	_____
2.2 Additional investment made after acquisitions	_____
3. Accrual of discount and mortgage interest points a	
4. Increase (decrease) by adjustment	_____
5. Total profit (loss) on sale	_____
6. Amounts paid on account or in full during the year	
7. Amortization of premium	_____
8. Increase (decrease) by foreign exchange adjustment	_____
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	_____
10. Total valuation allowance	_____
11. Subtotal (Line 9 plus Line 10)	_____
12. Total nonadmitted amounts	_____
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	_____

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS
Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	1,415,186
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions	_____
2.2 Additional investment made after acquisitions	_____
3. Accrual of discount	_____
4. Increase (decrease) by adjustment	(155,528)
5. Total profit (loss) on sale	_____
6. Amounts paid on account or in full during the year	_____
7. Amortization of premium	_____
8. Increase (decrease) by foreign exchange adjustment	_____
9. Book/adjusted carrying value of long-term invested assets at end of current period	1,259,658
10. Total valuation allowance	_____
11. Subtotal (Line 9 plus Line 10)	1,259,658
12. Total nonadmitted amounts	_____
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	1,259,658

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	814,032	922,347	892,969	900,000
	2. Canada				
	3. Other Countries				
	4. Totals	814,032	922,347	892,969	900,000
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	814,032	922,347	892,969	900,000
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	814,032	922,347	892,969	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	20,291,225	7. Amortization of premium	(247,992)
2. Cost of bonds and stocks acquired, Column 7, Part 3	11,148,377	8. Foreign Exchange Adjustment:	
3. Accrual of discount		8.1 Column 15, Part 1	
4. Increase (decreased) by adjustment:		8.2 Column 19, Part 2, Section 1	
4.1 Column 12 minus Column 14, Part 1		8.3 Column 16, Part 2, Section 2	
4.2 Column 15 minus Column 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2		9. Book/adjusted carrying value at end of current period	814,032
4.4 Column 11 minus Column 13, Part 4		10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4	146,577	11. Subtotal (Line 9 plus Line 10)	814,032
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	31,020,139	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	814,032

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D and DA (Group 1)											
1.1 Class 1	814,032					814,032	100.0			814,032	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	814,032					814,032	100.0			814,032	
2. All Other Governments, Schedules D and DA (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. States, Territories and Possessions etc., Guaranteed, Schedules D and DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D and DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
7. Industrial and Miscellaneous (Unaffiliated), Schedules D and DA (Group 7)											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals											
8. Credit Tenant Loans, Schedules D and DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	814,032					814,032	100.0	XXX	XXX	814,032	
10.2 Class 2								XXX	XXX		
10.3 Class 3								XXX	XXX		
10.4 Class 4								XXX	XXX		
10.5 Class 5						(c)		XXX	XXX		
10.6 Class 6						(c)		XXX	XXX		
10.7 Totals	814,032					(b) 814,032	100.0	XXX	XXX	814,032	
10.8 Line 10.7 as a % of Column 6	100.0					100.0	XXX	XXX	XXX	100.0	
11. Total Bonds Prior Year											
11.1 Class 1						XXX	XXX				
11.2 Class 2						XXX	XXX				
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX	(c)			
11.6 Class 6						XXX	XXX	(c)			
11.7 Totals						XXX	XXX	(b)			
11.8 Line 11.7 as a % of Column 8						XXX	XXX		XXX		
12. Total Publicly Traded Bonds											
12.1 Class 1	814,032					814,032	100.0			814,032	XXX
12.2 Class 2											XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 Totals	814,032					814,032	100.0			814,032	XXX
12.8 Line 12.7 as a % of Column 6	100.0					100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	100.0					100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1										XXX	
13.2 Class 2										XXX	
13.3 Class 3										XXX	
13.4 Class 4										XXX	
13.5 Class 5										XXX	
13.6 Class 6										XXX	
13.7 Totals										XXX	
13.8 Line 13.7 as a % of Column 6							XXX	XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							XXX	XXX	XXX	XXX	

(a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ current year, \$ prior year of bonds with Z designations and \$ current year, \$ prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$ current year, \$ prior year of bonds with 5* designations and \$ current year, \$ prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D and DA (Group 1)											
1.1 Issuer Obligations	814,032					814,032	100.0			814,032	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals	814,032					814,032	100.0			814,032	
2. All Other Governments, Schedules D and DA (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 Totals											
3. States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 Totals											
5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)											
5.1 Issuer Obligations											
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined											
5.6 Other											
5.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated) , Schedules D and DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 Totals											
7. Industrial and Miscellaneous (Unaffiliated) , Schedules D and DA (Group 7)											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined											
7.6 Other											
7.7 Totals											
8. Credit Tenant Loans, Schedules D and DA (Group 8)											
8.1 Issuer Obligations											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	814,032					814,032	100.0	XXX	XXX	814,032	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities								XXX	XXX		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined								XXX	XXX		
10.4 Other								XXX	XXX		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined								XXX	XXX		
10.6 Other								XXX	XXX		
10.7 Totals	814,032					814,032	100.0	XXX	XXX	814,032	
10.8 Line 10.7 as a % of Column 6	100.0					100.0	XXX	XXX	XXX	100.0	
11. Total Bonds Prior Year											
11.1 Issuer Obligations						XXX	XXX				
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						XXX	XXX				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX				
11.4 Other						XXX	XXX				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX				
11.6 Other						XXX	XXX				
11.7 Totals						XXX	XXX				
11.8 Line 11.7 as a % of Column 8						XXX	XXX		XXX		
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	814,032					814,032	100.0			814,032	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined											XXX
12.4 Other											XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined											XXX
12.6 Other											XXX
12.7 Totals	814,032					814,032	100.0			814,032	XXX
12.8 Line 12.7 as a % of Column 6	100.0					100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	100.0					100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										XXX	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										XXX	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										XXX	
13.4 Other										XXX	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined										XXX	
13.6 Other										XXX	
13.7 Totals										XXX	
13.8 Line 13.7 as a % of Column 6							XXX	XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							XXX	XXX	XXX	XXX	

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year					
2. Cost of short-term investments acquired					
3. Increase (decrease) by adjustment					
4. Increase (decrease) by foreign exchange adjustment					
5. Total profit (loss) on disposal of short-term investments					
6. Consideration received on disposal of short-term investments					
7. Book/adjusted carrying value, current year	NONE				
8. Total valuation allowance					
9. Subtotal (Line 7 plus Line 8)					
10. Total nonadmitted amounts					
11. Statement value (Line 9 minus Line 10)					
12. Income collected during year					
13. Income earned during year					

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Owned

1. Book value, December 31, prior year (Line 8, prior year)	_____
2. Cost/Option Premium (Section 2, Column 7)	_____
3. Increase/ (Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	_____
4. Gain/ (Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	_____
4.2 Used to Adjust Basis of Hedged Item (Section 3, Column 15)	_____
5. Consideration Received on Terminations (Section 3, Column 16)	_____
6. Used to Adjust Basis on Open Contracts (Section 3, Column 17)	_____
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:	
7.1 Recognized	_____
7.2 Used to Adjust Basis of Hedged Item	_____
8. Book value, December 31, Current Year (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 minus Line 6 minus Line 7)	=====

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Options, Caps, Floors and Insurance Futures Options Written

1. Book value, December 31, prior year (Line 8, prior year)	_____
2. Consideration received (Section 2, Column 7)	_____
3. Increase/ (Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13)	_____
4. Gain/ (Loss) on Termination:	
4.1 Recognized (Section 3, Column 14)	_____
4.2 Used to Adjust Basis (Section 3, Column 15)	_____
5. Consideration Paid on Terminations (Section 3, Column 16)	_____
6. Used to Adjust Basis on Open Contracts (Section 3, Column 17)	_____
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:	
7.1 Recognized	_____
7.2 Used to Adjust Basis	_____
8. Book value, December 31, Current Year	=====

NONE

SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS

Swaps and Forwards

1. Book value, December 31, prior year (Line 8, prior year)		
2. Cost or (Consideration Received) (Section 2, Column 7)		
3. Increase/ (Decrease) by Adjustment (Section 1,		
4. Gain/ (Loss) on Termination:	NONE	
4.1 Recognized (Section 3, Column 14)		
4.2 Used to Adjust Basis of Hedged Item (Se		
5. Consideration Received (or Paid) on Termination		
6. Used to Adjust Basis on Hedged Item on Open Contracts (Section 1, Column 13)		
7. Disposition of Deferred Amount on Contracts Terminated in Prior Year:		
7.1 Recognized		
7.2 Used to Adjust Basis of Hedged Item		
8. Book value, December 31, Current Year (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 minus Line 6 minus Line 7)		

SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS

Futures Contracts and Insurance Futures Contracts

1. Book value, December 31, prior year (Line 8, prior year)		
2. Change in total Variation Margin on Open Contracts (Difference between years-Section 1, Column 6)		
3.1 Change in Variation Margin on Open Contracts Used to Adjust Basis of Hedged Item (Section 1, Column 11)		
3.2 Change in Variation Margin on Open Contracts Recognized (Difference between years-Section 1, Column 10)		
4.1 Variation Margin on Contracts Terminated During	NONE	
4.2 Less:		
4.21 Gain/ (Loss) Recognized in Current Year		
4.22 Gain/ (Loss) Used to Adjust Basis of Her		
4.3 Subtotal (Line 4.1 minus Line 4.2)		
5.1 Net Additions to Cash Deposits (Section 2, Colu.....,		
5.2 Less: Net Reductions to Cash Deposits (Section 3, Column 9)		
6. Subtotal (Line 1 minus Line 2 plus Line 3.1 plus Line 3.2 minus Line 4.3 plus Line 5.2)		
7. Disposition of Gain/ (Loss) on Contracts Terminated in Prior Year:		
7.1 Recognized		
7.2 Used to Adjust Basis of Hedged Item		
8. Book value, December 31, Current Year (Line 6 plus Line 7.1 plus Line 7.2)		

SCHEDULE DB - PART E - VERIFICATION

Statement Value and Fair Value of Open Contracts

		Statement Value
1. Part A, Section 1, Column 10		
2. Part B, Section 1, Column 10		
3. Part C, Section 1, Column 10		
4. Part D, Section 1, Column 9 minus Column 12		
5. Line 1 minus Line 2 plus Line 3 plus Line 4		
6. Part E, Section 1, Column 4	NONE	
7. Part E, Section 1, Column 5		
8. Line 5 minus Line 6 minus Line 7		
		Fair Value
9. Part A, Section 1, Column 11		
10. Part B, Section 1, Column 11		
11. Part C, Section 1, Column 11		
12. Part D, Section 1, Column 9		
13. Line 9 minus Line 10 plus Line 11 plus Line 12		
14. Part E, Section 1, Column 7		
15. Part E, Section 1, Column 8		
16. Line 13 minus Line 14 minus Line 15		

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	7	8	9	10	11	12
					Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
------------------------------	------------------------------	------------------------	----------------------	---------------	------------------	--------------------

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Columns 5 plus 6 plus 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Columns 9 plus 10 plus 11 plus 12 plus 13 But Not in Excess of Column 8

NONE

SCHEDULES S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business

(000 Omitted)

	1 2007	2 2006	3 2005	4 2004	5 2003
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII - Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable	NONE				
7. Claims payable					
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Column 3)			
1. Cash and invested assets (Line 10)	8,510,809		8,510,809
2. Accident and health premiums due and unpaid (Line 13)			
3. Amounts recoverable from reinsurers (Line 14.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	2,216,347		2,216,347
6. Total assets (Line 26)	10,727,156		10,727,156
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)			
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized insurers (Line 17)			
11. Reinsurance in unauthorized companies (Line 18)			
12. All other liabilities (Balance)	1,794,705		1,794,705
13. Total liabilities (Line 22)	1,794,705		1,794,705
14. Total capital and surplus (Line 31)	8,932,450	X X X	8,932,450
15. Total liabilities, capital and surplus (Line 32)	10,727,155		10,727,155
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid			
17. Accrued medical incentive pool			
18. Premiums received in advance			
19. Reinsurance recoverable on paid losses			
20. Other ceded reinsurance recoverables			
21. Total ceded reinsurance recoverables			
22. Premiums receivable			
23. Funds held under reinsurance treaties with authorized and unauthorized insurers			
24. Unauthorized reinsurance			
25. Other ceded reinsurance payables/offsets			
26. Total ceded reinsurance payables/offsets			
27. Total net credit for ceded reinsurance			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1		Direct Business Only Year to Date							
	Is Insurer Licensed? (Yes or No)		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	No								
2. Alaska	AK	No								
3. Arizona	AZ	No								
4. Arkansas	AR	No								
5. California	CA	No								
6. Colorado	CO	No								
7. Connecticut	CT	No								
8. Delaware	DE	No								
9. District of Columbia	DC	No								
10. Florida	FL	No								
11. Georgia	GA	No								
12. Hawaii	HI	No								
13. Idaho	ID	No								
14. Illinois	IL	No								
15. Indiana	IN	No								
16. Iowa	IA	No								
17. Kansas	KS	No								
18. Kentucky	KY	No								
19. Louisiana	LA	No								
20. Maine	ME	No								
21. Maryland	MD	No								
22. Massachusetts	MA	No								
23. Michigan	MI	No								
24. Minnesota	MN	No								
25. Mississippi	MS	No								
26. Missouri	MO	No								
27. Montana	MT	No								
28. Nebraska	NE	No								
29. Nevada	NV	No								
30. New Hampshire	NH	No								
31. New Jersey	NJ	No								
32. New Mexico	NM	No								
33. New York	NY	No								
34. North Carolina	NC	No								
35. North Dakota	ND	No								
36. Ohio	OH	No								
37. Oklahoma	OK	No								
38. Oregon	OR	No								
39. Pennsylvania	PA	No								
40. Rhode Island	RI	No								
41. South Carolina	SC	No								
42. South Dakota	SD	No								
43. Tennessee	TN	No								
44. Texas	TX	No								
45. Utah	UT	No								
46. Vermont	VT	No								
47. Virginia	VA	No								
48. Washington	WA	No								
49. West Virginia	WV	No								
50. Wisconsin	WI	No								
51. Wyoming	WY	No								
52. American Samoa	AS	No								
53. Guam	GU	No								
54. Puerto Rico	PR	No								
55. U.S. Virgin Islands	VI	No								
56. Northern Mariana Islands	MP	No								
57. Canada	CN	No								
58. Aggregate Other Alien	OT	X X X								
59. Subtotal		X X X								
60. Reporting entity contributions for Employee Benefit Plans		X X X								
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)									
Explanation of basis of allocation by states, premiums by state, etc.										

NONE

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

SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri						
27. Montana						
28. Nebraska						
29. Nevada						
30. New Hampshire						
31. New Jersey						
32. New Mexico						
33. New York						
34. North Carolina						
35. North Dakota						
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U. S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Other Alien	OT					
59. Totals						

NONE

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

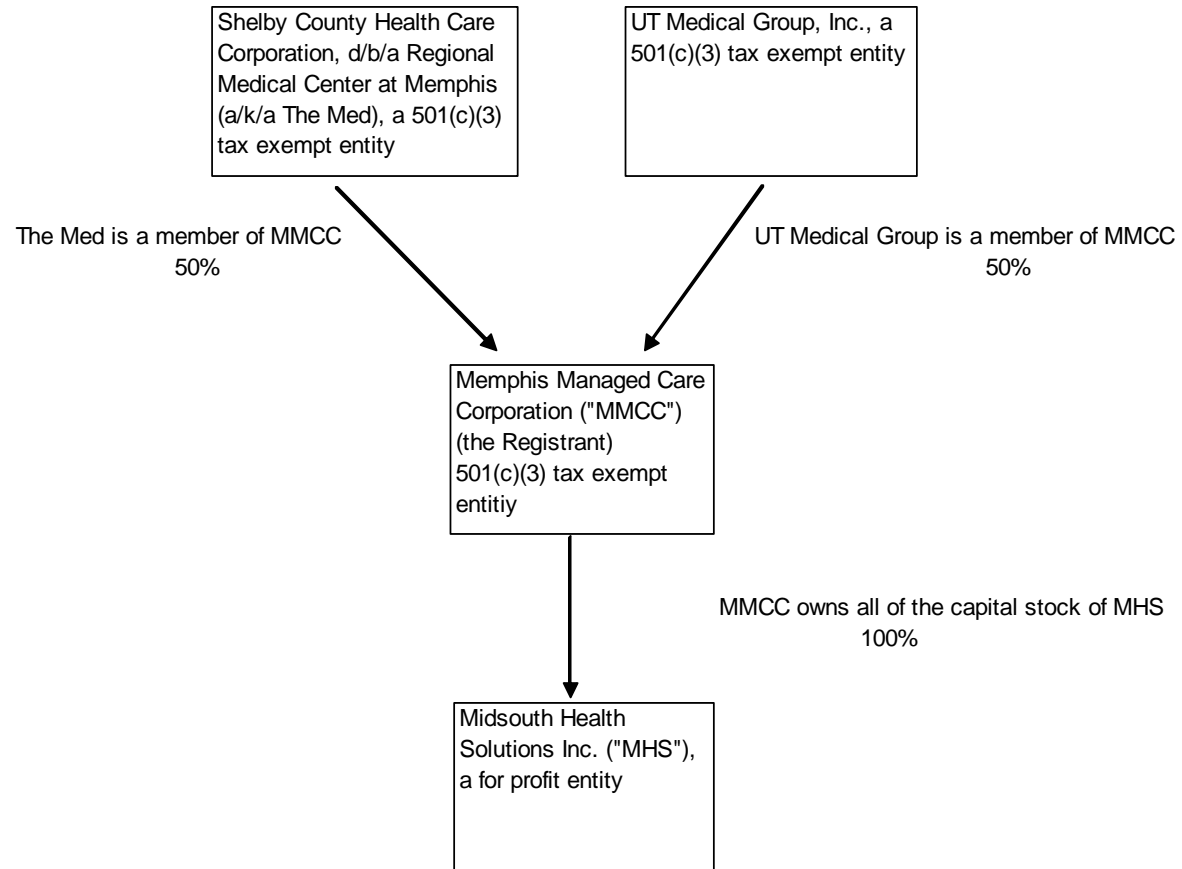
All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL LISTING

Electronic Filing Only

1 NAIC Group Code	2 Group Name	3 NAIC Company Code	4 State of Domicile	5 FEI Number	6 Name of Company
	UT MEDICAL GROUP/REGIONAL MEDICAL CENTER		TN	62-1539163	MEMPHIS MANAGED CARE INC.

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)

..... 62-1715646 UT MEDICAL GROUP

..... 62-1113169 THE REGIONAL MEDICAL CENTER

9999999 - CONTROL TOTALS

If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:

.....

.....

.....

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a NONE report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	RESPONSE
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 460:	
2. Will an actuarial opinion be filed by March 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 440:	
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 390:	
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 390:	
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 350:	
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 285:	
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	WAIVED
EXPLANATION:	
BARCODE: Document Identifier 210:	
JUNE FILING	
8. Will an audited financial report be filed by June 1?	YES
EXPLANATION:	
BARCODE: Document Identifier 220:	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a NONE report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	RESPONSE
<p>9. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?</p> <p>EXPLANATION: NOT APPLICABLE</p> <p>BARCODE: Document Identifier 360:</p>	NO
<p>10. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?</p> <p>EXPLANATION: NOT A LIFE INSURANCE COMPANY</p> <p>BARCODE: Document Identifier 205:</p>	NO
<p>11. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?</p> <p>EXPLANATION: NOT A PROPERTY & CASUALTY COMPANY</p> <p>BARCODE: Document Identifier 207:</p>	NO
<p>12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?</p> <p>EXPLANATION: NO STOCKHOLDERS</p> <p>BARCODE: Document Identifier 420:</p>	NO
<p>13. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?</p> <p>EXPLANATION: NO MEDICARE COVERAGES CARRIED BY COMPANY</p> <p>BARCODE: Document Identifier 365:</p>	NO
APRIL FILING	
<p>14. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?</p> <p>EXPLANATION: NO LONG TERM CARE COVERAGES CARRIED BY COMPANY</p> <p>BARCODE: Document Identifier 330:</p>	NO
<p>15. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?</p> <p>EXPLANATION: NO LIFE COVERAGES CARRIED BY COMPANY</p> <p>BARCODE: Document Identifier 211:</p>	NO
<p>16. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?</p> <p>EXPLANATION: NO PROPERTY/CASUALTY COVERAGES CARRIED BY COMPANY</p> <p>BARCODE: Document Identifier 213:</p>	NO

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11	12	13	14	15	16
Description of Property	Code	3 City	4 State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amounts Received During Year	Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred

NONE

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Year

1	Location		4	5	6	7	8	9
Description of Property	2 City	3 State	Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements

NONE

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Year, including Payments during the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16	17
Description of Property	2 City	3 State	Disposal Date	Name of Purchaser	Actual Cost	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred

NONE

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11	12
Loan Number	Code	3 City	4 State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation

NONE

E04

General Interrogatory:

1. Mortgages in good standing \$ unpaid taxes \$ interest due and unpaid.
2. Restructured mortgages \$ unpaid taxes \$ interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure \$ unpaid taxes \$ interest due and unpaid.
4. Mortgages in process of foreclosure \$ unpaid taxes \$ interest due and unpaid.

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Year

1	Location		4	5	6	7	8	9	10	11	12	13
Loan Number	2 City	3 State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Code	Location		6 Name of Vendor or General Partner	7 NAIC Designation	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Additional Investment During Year Actual Cost	12 Fair Value	13 Amount of Encumbrances	14 Book/Adjusted Carrying Value Less Encumbrances	15 Increase (Decrease) by Adjustment	16 Increase (Decrease) By Foreign Exchange Adjustment	17 Investment Income	18 Commitment for Additional Investment	19 Percentage of Ownership	
			4 City	5 State															
Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics of Common Stocks - Affiliated																			
1699999	MID SOUTH HEALTH SOLUTIONS		MEMPHIS	TN			02/01/2006		15,000,000				1,259,658						100.000
1699999 - Subtotal - Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics of Common Stocks - Affiliated									15,000,000				1,259,658						
4099999 - Subtotal - Affiliated									15,000,000				1,259,658						
4199999 - TOTALS									15,000,000				1,259,658						

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											

NONE

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book / Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 *	4 Foreign	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase / (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B. / A. C. V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due and Accrued	20 Gross Amount Received During Year	21 Acquired	22 Maturity
U. S. Governments - Issuer Obligations																					
912828-FX-3	U. S. TREASURY			1		419,869	4,490	432,109	420,000	404,048		(4)		4.625	4.640		5,519	19,425	11/01/2006	11/01/2009	
912828-EG-1	U. S. TREASURY			1		473,100	3,790	490,238	480,000	409,984		(176)		3.875	4.370		2,508	17,083	08/01/2007	09/01/2010	
0199999 - U. S. Governments - Issuer Obligations						892,969		922,347	900,000	814,032		(180)					8,027	36,508			
0399999 - Subtotal - U. S. Governments						892,969		922,347	900,000	814,032		(180)					8,027	36,508			
5499999 - Total Bonds - Subtotal - Issuer Obligations						892,969		922,347	900,000	814,032		(180)					8,027	36,508			
6099999 - TOTALS						892,969		922,347	900,000	814,032		(180)					8,027	36,508			

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number Of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusting Carrying Value	Fair Value		11 Actual Cost	Dividends			Changes in Book/Adjusted Carrying Value				20 NAIC Designation	21 Date Acquired
		3 Code	4 Foreign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other Than Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)			19 Total Foreign Exchange Change in B./A.C.V.

NONE

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	Dividends			Changes in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 Foreign						10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13 - 14)	16 Total Foreign Exchange Change in B./A.C.V.		

NONE

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues, the total \$ value (included in Column 8) of all such issues \$

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

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
6099998 - Summary Item from Part 5 for Bonds						11,148,377	11,205,000.00	
6099999 - Subtotal - Bonds						11,148,377	11,205,000.00	
7499999 - TOTALS						11,148,377		

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Identifi- cation	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	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
									10 Prior Year Book/ Adjusted Carrying Value	11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amorti- zation) / 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.						
Bonds - U.S. Governments																				
912827-2J-0	U.S. TREASURY		02/15/2007	REGIONS BANK		106,719	100,000.00	101,406	100,115						100,000		6,719	6,719	3,125	02/01/2007
912828-AH-3	U.S. TREASURY		08/15/2007	SUNTRUST BANK		2,500,000	2,500,000.00	2,499,160	2,495,396	4,604		4,604			2,500,000				81,250	09/06/2007
912828-DK-3	U.S. TREASURY		12/18/2007	SUNTRUST BANK		2,001,328	2,000,000.00	1,995,646	1,991,279	7,314		7,314			1,998,593		2,735	2,735	90,428	02/15/2008
912828-CC-2	U.S. TREASURY		12/18/2007	SUNTRUST BANK		1,765,677	1,780,000.00	1,744,300	1,744,300		14,355				1,758,655		7,022	7,022	58,791	03/15/2009
912828-DT-4	U.S. TREASURY		12/18/2007	SUNTRUST BANK		2,504,395	2,500,000.00	2,496,973	2,498,531	996		996			2,499,527		4,868	4,868	102,249	05/15/2008
912828-FP-0	U.S. TREASURY		11/06/2007	REGIONS BANK		102,894	100,000.00	100,133	100,133	(57)		(57)			100,076		2,818	2,818	1,047	08/15/2009
0399999	Subtotal - Bonds - U.S. Governments					8,981,013	8,980,000.00	8,933,961	8,929,754	27,212		27,212			8,956,851		24,162	24,162	336,890	
Bonds - All Other Governments																				
31331S-NF-6	FEDERAL FARM CREDIT BANK		11/02/2007	REGIONS BANK		100,500	100,000.00	97,000	97,490	1,114		1,114			98,604		1,896	1,896	2,875	02/17/2007
3133MW-2K-6	FEDERAL HOME LOAN BANK		02/15/2007	SUNTRUST BANK		200,000	200,000.00	196,644	197,823	1,464		1,464			198,108		1,892	1,892	2,875	02/17/2007
3133X3-CQ-4	FEDERAL HOME LOAN BANK		01/29/2007	SUNTRUST BANK		180,000	180,000.00	178,819	178,883	1,117		1,117			180,000				2,925	01/28/2011
3133XA-GY-7	FEDERAL HOME LOAN BANK		02/23/2007	SUNTRUST BANK		100,000	100,000.00	99,820	100,000	180		180			100,000				1,687	02/23/2007
3133XG-3V-4	FEDERAL HOME LOAN BANK		01/17/2007	SUNTRUST BANK		500,000	500,000.00	500,280	500,000						500,000				14,375	01/17/2008
3133XG-DS-0	FEDERAL HOME LOAN BANK		02/01/2007	SUNTRUST BANK		695,000	695,000.00	695,000	695,000						695,000				19,634	08/20/2007
3133XH-U8-3	FEDERAL HOME LOAN BANK		02/21/2007	SUNTRUST BANK		1,060,000	1,060,000.00	1,060,000	1,060,000						1,060,000				14,018	11/21/2007
3133XH-ZX-3	FEDERAL HOME LOAN BANK		09/05/2007	SUNTRUST BANK		640,000	640,000.00	640,000	637,229	2,771		2,771			640,000				24,960	09/05/2007
3133XH-JS-2	FEDERAL HOME LOAN BANK		10/23/2007	SUNTRUST BANK		500,000	500,000.00	500,000	500,187	(187)		(187)			500,000				26,250	10/23/2008
3133XH-V4-1	FEDERAL HOME LOAN BANK		10/30/2007	SUNTRUST BANK		385,000	385,000.00	385,000	381,663	3,337		3,337			385,000				18,852	11/21/2007
3133X1-XC-6	FEDERAL HOME LOAN BANK		11/02/2007	SUNTRUST BANK		250,000	250,000.00	244,333	244,567	5,433		5,433			250,000				4,229	11/14/2008
3133XJ-EK-0	FEDERAL HOME LOAN BANK		10/30/2007	SUNTRUST BANK		800,000	800,000.00	800,000	800,000						800,000				35,707	12/21/2007
31359M-S5-3	FEDERAL HOME LOAN MORTGAGE ASSOC.		11/02/2007	REGIONS BANK		255,927	250,000.00	248,531	248,941	673		673			249,614		6,313	6,313	4,995	06/15/2008
31359M-U6-8	FEDERAL HOME LOAN MORTGAGE ASSOC.		11/02/2007	REGIONS BANK		257,839	250,000.00	252,965	252,721	(923)		(923)			251,798		6,041	6,041	2,874	08/15/2008
3128X4-H7-9	FEDERAL HOME LOAN MORTGAGE CORP.		10/30/2007	SUNTRUST BANK		150,000	150,000.00	149,663	149,686	314		314			150,000				9,006	02/22/2008
3134A4-RH-9	FEDERAL HOME LOAN MORTGAGE CORP.		09/17/2007	REGIONS BANK		252,063	250,000.00	244,763	247,330	2,656		2,656			249,986		2,077	2,077	4,375	09/15/2007
3137EA-AH-2	FEDERAL HOME LOAN MORTGAGE CORP.		10/30/2007	SUNTRUST BANK		500,000	500,000.00	499,480	499,563	437		437			500,000				28,125	09/16/2008
3134A4-US-1	FEDERAL HOME LOAN MORTGAGE CORP.		11/02/2007	REGIONS BANK		253,365	250,000.00	245,835	246,190	1,337		1,337			247,527		5,838	5,838	3,158	07/15/2009
3133XB-EE-1	FEDERAL HOME LOAN BANK CALLABLE		11/02/2007	REGIONS BANK		150,242	150,000.00	150,551	150,226	(190)		(190)			150,036		206	206	461	04/07/2008
3133XA-KC-0	FEDERAL HOME LOAN BANK CALLABLE		11/02/2007	REGIONS BANK		504,553	500,000.00	504,250	502,243	(1,020)		(1,020)			501,223		3,330	3,330	4,813	02/15/2008
3136F6-D7-1	FANNIE MAE		02/22/2007	REGIONS BANK		510,000	500,000.00	502,125	500,156	(156)		(156)			500,000		10,000	10,000	10,000	02/22/2007
36225D-MF-8	GOVERNMENT NATIONAL MEETING ASSN. POOL		11/21/2007	REGIONS BANK		111,724	110,362.00	111,845	152,203	(41,841)		(41,841)			110,362		1,362	1,362	2,741	02/20/2035
1099999	Subtotal - Bonds - All Other Governments					8,356,213	8,320,362.00	8,307,084	8,342,021	(23,484)		(23,484)			8,317,258		38,955	38,955	238,935	
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
038222-AC-9	APPLIED MATERIALS INC.		10/15/2007	REGIONS BANK		103,250	100,000.00	106,878	102,098	(1,975)		(1,975)			100,123		3,127	3,127	3,375	10/15/2007
066050-CV-5	BANKAMERICA CORP.		11/06/2007	REGIONS BANK		102,805	100,000.00	102,230	102,149	(917)		(917)			101,232		1,573	1,573	1,322	02/15/2009
073902-EZ-0	BEAR STERNS CO		01/16/2007	REGIONS BANK		105,313	100,000.00	100,318	100,001	(1)		(1)			100,000		5,313	5,313	315	01/15/2007
17252M-AE-0	CINTAS CORP.		06/01/2007	REGIONS BANK		102,563	100,000.00	102,935	100,549	(549)		(549)			100,000		2,563	2,563	2,563	06/01/2007
22541L-AD-5	CREDIT SUISSE FB USA		04/16/2007	REGIONS BANK		102,875	100,000.00	100,937	100,207	(207)		(207)			100,000		2,875	2,875	2,875	04/15/2007
14912L-ZL-4	CATERPILLAR FINANCIAL SERVICES CORP		11/06/2007	REGIONS BANK		100,488	100,000.00	99,643	99,864	112		112			99,976		504	504	929	02/08/2008
263534-BJ-7	DU PONT E I DE NEMOURS & CO		11/06/2007	REGIONS BANK		104,350	100,000.00	104,955	104,692	(4,692)		(4,692)			100,000		4,350	4,350	401	10/15/2009
36962G-F4-1	GENERAL ELECTRIC CAPITAL CORP.		01/16/2007	REGIONS BANK		101,400	100,000.00	98,397	100,000						100,000		1,400	1,400	1,400	01/15/2007
38143U-AA-9	GOLDMAN SACHS		11/06/2007	REGIONS BANK		99,925	100,000.00	97,022	97,424	1,142		1,142			98,566		1,359	1,359	1,195	01/15/2009
437076-AL-6	HOME DEPOT		11/06/2007	REGIONS BANK		97,931	100,000.00	96,697	96,790	1,051		1,051			97,841		90	90	531	09/15/2009
441812-JX-3	HOUSEHOLD FINANCE CORP.		01/30/2007	REGIONS BANK		102,875	100,000.00	100,514	100,000						100,000		2,875	2,875	2,875	01/30/2007
46625H-AP-5	JP MORGAN CHASE & CO		05/30/2007	REGIONS BANK		102,628	100,000.00	100,648	100,158	(156)		(156)			100,002		2,623	2,623	2,625	05/30/2007
244217-BH-7	JOHN DEERE CAPITAL CORP		08/22/2007	REGIONS BANK		102,250	100,000.00	99,262	99,705	(295)		(295)			100,000		2,250	2,250	2,250	08/22/2007
524908-CK-4	LEHMAN BROTHERS HOLDING INC.		06/15/2007	REGIONS BANK		104,125	100,000.00	101,822	101,148	(1,148)		(1,148)			100,000		4,125	4,125	4,125	06/15/2007

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Identifi- cation	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	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
									10 Prior Year Book/ Adjusted Carrying Value	11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amorti- zation) / 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.
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)																			
617446-HB-8	MORGAN STANLEY GROUP INC.		04/02/2007	REGIONS BANK		102,750	100,000.00	100,527	100,135	(135)		(135)		100,000		2,750	2,750	2,900	04/01/2007
59018Y-NZ-0	MERRILL LYNCH & CO. INC.		11/06/2007	REGIONS BANK		101,847	100,000.00	98,388	98,912	1,088		1,088		100,000		1,847	1,847	1,900	11/15/2007
634906-CD-1	NATIONAL CITY BANK INDIANA		09/28/2007	REGIONS BANK		102,000	100,000.00	100,288	100,084	(75)		(75)		100,009		1,991	1,991	2,000	09/28/2007
717081-AK-9	PFIZER INC.		03/15/2007	REGIONS BANK		102,063	100,000.00	97,505	99,603	397		397		100,000		2,063	2,063	1,250	03/15/2007
742718-BM-0	PROCTOR & GAMBLE CO.		11/06/2007	REGIONS BANK		105,174	100,000.00	105,261	104,841	(1,586)		(1,586)		103,255		1,919	1,919	974	09/15/2009
854616-AH-2	STANLEY WORKS CALLABLE		11/01/2007	REGIONS BANK		102,188	100,000.00	99,136	99,727	273		273		100,000		2,188	2,188	1,750	11/01/2007
78387G-AN-3	SBC COMMUNICATIONS		11/06/2007	REGIONS BANK		99,164	100,000.00	97,655	97,721	746		746		98,467		697	697	584	09/15/2009
87612E-AD-8	TARGET CORP.		04/02/2007	REGIONS BANK		102,750	100,000.00	103,549	100,419	(419)		(419)		100,000		2,750	2,750	2,750	04/01/2007
87612E-AJ-5	TARGET CORP.		11/06/2007	REGIONS BANK		103,175	100,000.00	100,486	100,431	(164)		(164)		100,267		2,908	2,908	2,105	06/15/2009
928903-AD-4	WACHOVIA CORP.		11/06/2007	REGIONS BANK		100,095	100,000.00	96,486	96,943	1,299		1,299		98,242		1,853	1,853	795	02/17/2009
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					2,453,984	2,400,000.00	2,411,539	2,403,601	(6,211)		(6,211)		2,397,980		55,993	55,993	43,789	
6099997	Subtotal - Bonds - Part 4					19,791,210	19,700,362.00	19,652,584	19,675,376	(2,483)		(2,483)		19,672,089		119,110	119,110	619,614	
6099998	Summary Item from Part 5 for Bonds					11,228,929	11,205,000.00	11,148,377		(53,085)		(53,085)		11,201,461		27,467	27,467	206,191	
6099999	Subtotal - Bonds					31,020,139	30,905,362.00	30,800,961	19,675,376	(55,568)		(55,568)		30,873,550		146,577	146,577	825,805	
7499999	TOTALS					31,020,139		30,800,961	19,675,376	(55,568)		(55,568)		30,873,550		146,577	146,577	825,805	

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	16					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	For Identification	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments																				
912795-ZA-2	U.S. TREASURY		03/09/2007	FIRST TENNESSEE SECURITIES CORP	04/05/2007	REGIONS BANK	100,000.000	99,615	100,000	100,000			(385)	(385)						385
912795-ZK-0	U.S. TREASURY		03/15/2007	FIRST TENNESSEE SECURITIES CORP	06/07/2007	REGIONS BANK	200,000.000	197,706	200,000	200,000			(2,294)	(2,294)						
912795-ZY-0	U.S. TREASURY		04/10/2007	LEHMAN BROTHERS	09/06/2007	REGIONS BANK	200,000.000	195,948	200,000	200,000			(4,034)	(4,034)		18		18		4,052
912795-A6-8	U.S. TREASURY		06/07/2007	G.X. CLARKE & COMPANY	10/18/2007	REGIONS BANK	200,000.000	196,557	200,000	199,985			(3,428)	(3,428)		15		15		3,443
912828-EG-1	U.S. TREASURY		08/16/2007	DBTC AMERICAS	12/18/2007	SUNTRUST BANK	2,500,000.000	2,464,063	2,500,000	2,500,000			(35,938)	(35,938)						92,108
0399999	Subtotal - Bonds - U.S. Governments						3,200,000.000	3,153,889	3,200,000	3,199,967			(46,079)	(46,079)		33		33		99,988
Bonds - All Other Governments																				
31331S-JK-0	FEDERAL FARM CREDIT BANK		04/10/2007	G.X. CLARKE & COMPANY	11/02/2007	REGIONS BANK	200,000.000	193,873	200,204	197,776			(3,903)	(3,903)		2,428		2,428		2,006
31331S-SA-2	FEDERAL FARM CREDIT BANK		06/18/2007	G.X. CLARKE & COMPANY	09/17/2007	REGIONS BANK	100,000.000	99,698	102,063	100,000			(302)	(302)		2,063		2,063		2,063
31331X-BQ-4	FEDERAL FARM CREDIT BANK		09/20/2007	G.X. CLARKE & COMPANY	11/02/2007	REGIONS BANK	200,000.000	202,556	202,758	202,262			294	294		493		493		250
31339X-DR-2	FEDERAL HOME LOAN BANK		03/06/2007	G.X. CLARKE & COMPANY	10/30/2007	SUNTRUST BANK	75,000.000	74,004	74,156	74,086			(82)	(82)		70		70		963
3133XF-YK-6	FEDERAL HOME LOAN BANK		03/19/2007	G.X. CLARKE & COMPANY	11/02/2007	REGIONS BANK	250,000.000	253,043	258,879	252,105			938	938		6,775		6,775		3,919
3133XJ-M9-6	FEDERAL HOME LOAN BANK		01/18/2007	CREWS & ASSOCIATES	07/17/2007	SUNTRUST BANK	750,000.000	750,000	750,000	750,000										19,875
3133XJ-VM-7	FEDERAL HOME LOAN BANK		02/15/2007	BAIRD & CO.	08/15/2007	SUNTRUST BANK	500,000.000	500,000	500,000	500,000										13,250
3133XK-HD-0	FEDERAL HOME LOAN BANK		04/24/2007	CREWS & ASSOCIATES	10/24/2007	SUNTRUST BANK	600,000.000	600,000	600,000	600,000										16,200
3133XL-RT-2	FEDERAL HOME LOAN BANK		08/06/2007	G.X. CLARKE & COMPANY	10/30/2007	SUNTRUST BANK	400,000.000	400,000	400,172	400,000						172		172		5,068
3133XL-ZS-5	FEDERAL HOME LOAN BANK		08/22/2007	G.X. CLARKE & COMPANY	10/30/2007	SUNTRUST BANK	600,000.000	600,000	601,500	600,000						1,500		1,500		5,808
3133XM-S5-1	FEDERAL HOME LOAN BANK		10/30/2007	RBC DAIN RAUSCHER	10/30/2007	SUNTRUST BANK	250,000.000	250,000	249,531	250,000						(469)		(469)		
3133XM-S6-9	FEDERAL HOME LOAN BANK		10/30/2007	STERNE, AGEE & LEACH	10/30/2007	SUNTRUST BANK	250,000.000	250,000	249,375	250,000						(625)		(625)		
3133XM-SL-6	FEDERAL HOME LOAN BANK		11/01/2007	FIRST TENNESSEE BANK	11/01/2007	SUNTRUST BANK	600,000.000	600,000	599,220	600,000						(780)		(780)		
3128X6-GW-0	FEDERAL HOME LOAN MTG CORP.		07/18/2007	RBC DAIN RAUSCHER	10/30/2007	SUNTRUST BANK	350,000.000	350,000	351,575	350,000						1,575		1,575		5,460
3128X6-MS-2	FEDERAL HOME LOAN MTG CORP.		10/01/2007	STEPHENS	10/30/2007	SUNTRUST BANK	700,000.000	700,000	701,094	700,000						1,094		1,094		2,819
31359M-ST-6	FEDERAL NATIONAL MORTGAGE ASSOC.		02/27/2007	CHASE BANK	10/30/2007	SUNTRUST BANK	530,000.000	530,000	532,567	530,000						2,567		2,567		18,335
3128X6-ML-7	FREDDIE MAC CALLABLE		10/01/2007	G.X. CLARKE & COMPANY	10/01/2007	REGIONS BANK	250,000.000	250,425	250,920	250,356			69	69		564		564		1,076
1099999	Subtotal - Bonds - All Other Governments						6,605,000.000	6,603,599	6,624,014	6,606,585			(2,986)	(2,986)		17,427		17,427		97,092
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
008739-AA-2	AIG SUNAMERICA SERIES		09/12/2007	BEAR, STEARNS & CO.	10/04/2007	REGIONS BANK	100,000.000	100,510	101,538	100,465			45	45		1,073		1,073		1,024
010392-DK-1	ALABAMA POWER CO.		08/31/2007	BEAR, STEARNS & CO.	11/06/2007	REGIONS BANK	100,000.000	100,366	100,789	100,264			102	102		525		525		523
073928-W9-0	BEAR STEARNS CO INC.		08/31/2007	BEAR, STEARNS & CO.	11/06/2007	REGIONS BANK	100,000.000	99,275	102,209	99,351			(76)	(76)		2,858		2,858		1,739
191219-BF-0	COCA COLA ENTERPRISES INC.		10/25/2007	FTN FINANCIAL SECURITIES	11/06/2007	REGIONS BANK	100,000.000	101,058	100,530	100,899			159	159		(369)		(369)		80
22541L-AL-7	CREDIT SUSSIE FN USA		04/27/2007	FTN FINANCIAL SECURITIES	11/06/2007	REGIONS BANK	100,000.000	98,226	100,075	98,882			(656)	(656)		1,193		1,193		
25243Y-AG-4	DIAGEO CAPITAL PLC		09/24/2007	SCOTT & STRINGFELLOW INVESTMENT	11/13/2007	REGIONS BANK	100,000.000	98,549	98,686	98,677			(128)	(128)		10		10		36
36962G-B7-8	GENERAL ELECTRIC CAPITAL CORP.		05/23/2007	PERDING LLC	11/06/2007	REGIONS BANK	200,000.000	196,451	198,763	199,442			(2,991)	(2,991)		(679)		(679)		214
45920Q-ES-9	IBM CORP CALLABLE SERIES		10/25/2007	SCOTT & STRINGFELLOW INVESTMENT	11/06/2007	REGIONS BANK	100,000.000	99,683	101,460	99,714			(31)	(31)		1,746		1,746		1,884
527909-AZ-1	LEHMAN BROS. INC.		07/19/2007	SCOTT & STRINGFELLOW INVESTMENT	11/06/2007	REGIONS BANK	100,000.000	100,713	100,686	100,322			391	391		365		365		379
571834-AE-0	MARSHALL & ISLEY CORP.		09/12/2007	FTN FINANCIAL SECURITIES	11/06/2007	REGIONS BANK	100,000.000	98,649	99,737	98,817			(168)	(168)		919		919		1,155
91324P-AJ-1	UNITED HEALTH GROUP INC		06/08/2007	FTN FINANCIAL SECURITIES	08/15/2007	REGIONS BANK	100,000.000	99,611	101,688	100,000			(389)	(389)		1,688		1,688		1,688
913017-BG-3	UNITED TECHNOLOGIES CORP		09/24/2007	SCOTT & STRINGFELLOW INVESTMENT	11/06/2007	REGIONS BANK	100,000.000	98,912	99,806	99,008			(96)	(96)		798		798		61
931142-BU-6	WALMART STORES INC		10/25/2007	FTN FINANCIAL SECURITIES	11/06/2007	REGIONS BANK	100,000.000	98,886	98,948	99,068			(182)	(182)		(120)		(120)		328
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,400,000.000	1,390,889	1,404,915	1,394,909			(4,020)	(4,020)		10,007		10,007		9,111
6099998	Subtotal - Bonds						11,205,000.000	11,148,377	11,228,929	11,201,461			(53,085)	(53,085)		27,467		27,467		206,191
7499999	TOTALS							11,148,377	11,228,929	11,201,461			(53,085)	(53,085)		27,467		27,467		206,191

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding

NONE

-
1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$
 2. Total amount of intangible assets nonadmitted \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 Description	Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/Adjusted Carrying Value	Change In Book/Adjusted Carrying Value				12 Par Value	13 Actual Cost	Interest					20 Paid for Accrued Interest
	2 Code	3 Foreign					8 Unrealized Valuation Increase/ (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Total Foreign Exchange Change in B. / A. C. V.			14 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	15 Non-Admitted Due and Accrued	16 Rate of	17 Effective Rate of	18 How Paid		19 Gross Amount Received

NONE

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned December 31 of Current Year

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	Increase/(Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/Miscellaneous Income

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors and Insurance Futures Options Acquired During Current Year

1	2	3	4	5	6	7
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

NONE

SCHEDULE DB - PART A - SECTION 3

Showing all Owned Options, Caps, Floors and Insurance Futures Options Terminated During Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Indicate Exercise, Expiration, Maturity or Sale	9 Termination Date	10 Book Value	11 *	12 Consideration Received on Terminations	13 Increase/ (Decrease) by Adjustment	Gain/ (Loss) on Termination			17 Other Investment/ Miscellaneous Income
													14 Recognized	15 Used to Adjust Basis of Hedged Item	16 Deferred	

NONE

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force December 31 of Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
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NONE

SCHEDULE DB - PART B - SECTION 2

Showing all Options, Caps, Floors and Insurance Futures Options Written During Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance / Purchase	6 Exchange or Counterparty	7 Consideration Received
------------------	---	--	----------------------------------	----------------------------------	-------------------------------	-----------------------------

NONE

SCHEDULE DB - PART B - SECTION 3

Showing all Written Options, Caps, Floors and Insurance Futures Options Terminated During Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance / Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Indicate Exercise, Expiration, Maturity or Closing Purchase Transaction	9 Termination Date	10 Book Value	11 *	12 Consideration Paid on Terminations	13 Increase / (Decrease) by Adjustment	Gain / (Loss) on Termination			17 Other Investment / Miscellaneous Income
													14 Recognized	15 Used to Adjust Basis	16 Deferred	

NONE

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open December 31 of Current Year

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	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure

NONE

SCHEDULE DB - PART C - SECTION 2

Showing all Collar, Swap and Forwards Opened During Current Year

1	2	3	4	5	6	7
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)

NONE

SCHEDULE DB - PART C - SECTION 3

Showing all Collar, Swap and Forwards Terminated During Current Year

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Indicate Exercise, Expiration, Maturity or Sale	9 Termination Date	10 Book Value	11 *	12 Consideration Received or (Paid) on Terminations	13 Increase/ (Decrease) by Adjustment	Gain/ (Loss) on Termination			17 Other Investment/ Miscellaneous Income
													14 Recognized	15 Used to Adjust Basis of Hedged Item	16 Deferred	

NONE

E20

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts Open December 31 of Current Year

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

NONE

SCHEDULE DB - PART D - SECTION 2

Showing all Futures Contracts and Insurance Futures Contracts Opened During Current Year

1 Description	2 Number of Contracts	3 Maturity Date	4 Original Value	5 Date of Opening Position	6 Exchange or Counterparty	7 Net Additions to Cash Deposits
------------------	--------------------------	--------------------	---------------------	-------------------------------	-------------------------------	-------------------------------------

NONE

SCHEDULE DB - PART D - SECTION 3

Showing all Futures Contracts and Insurance Futures Contracts Terminated During Current Year

1 Description	2 Number of Contracts	3 Maturity Date	4 Original Value	5 Termination Value	6 Variation Margin	7 Date of Opening Position	8 Exchange or Counterparty	9 Net Reduction to Cash Deposits	10 Termination Date	Variation Margin Information		
										11 Gain / (Loss) Recognized	12 Gain / (Loss) Used to Adjust Basis of Hedged Item	13 Gain / (Loss) Deferred

NONE

SCHEDULE DB - PART E - SECTION 1

Showing Counterparty Exposure for Derivative Instruments Open December 31 of Current Year

1 Description Counterparty or Exchange Traded	2 Master Agreement (Y or N)	3 Fair Value of Acceptable Collateral	Statement Value			Fair Value			10 Potential Exposure	11 Off-Balance Sheet Exposure
			4 Contracts Statement Value > 0	5 Contracts Statement Value < 0	6 Exposure Net of Collateral	7 Contracts Fair Value > 0	8 Contracts Fair Value < 0	9 Exposure Net of Collateral		

NONE

SCHEDULE E - PART 1 - CASH

1		2	3	4	5	6	7
Depository		Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Name	Location and Supplemental Information						
Open Depositories							
REGIONS	REGIONS-TN-GENERAL OPERATING					2,569,192	
REGIONS	REGIONS-TN-CLAIMS					233,142	
REGIONS	REGIONS-TN-ESCROW CASH					2,000,000	
REGIONS	REGIONS-TN-TRUST					1,634,285	
0199999 - TOTAL - Open Depositories						6,436,619	
0399999 - TOTAL Cash on Deposit						6,436,619	
0499999 - Cash in Company's Office						500	
0599999 - TOTAL Cash						6,437,119	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	4,417,998	4. April	2,386,375	7. July	3,840,327	10. October	23,797,280
2. February	8,057,577	5. May	5,558,174	8. August	4,146,827	11. November	7,894,850
3. March	5,695,389	6. June	5,341,877	9. September	4,198,720	12. December	6,437,119

SCHEDULE E - PART 2 - CASH EQUIVALENTS

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 Gross Investment Income
------------------	-----------	--------------------	-----------------------	--------------------	--------------------------------------	--	---------------------------------

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada						
30. New Hampshire						
31. New Jersey						
32. New Mexico						
33. New York						
34. North Carolina						
35. North Dakota						
36. Ohio						
37. Oklahoma						
38. Oregon						
39. Pennsylvania						
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U. S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Alien and Other	OT	XXX	XXX			
59. Total		XXX	XXX			
NONE						
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	XXX			
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		XXX	XXX			

SUPPLEMENTAL COMPENSATION EXHIBIT

(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes () No (X)
 If yes, do the below amounts represent
 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group: Yes [] ; or
 2) allocation to each insurer: Yes [] .

2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes () No (X)

3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes () No (X)

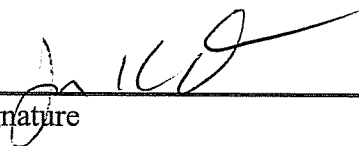
PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1		2	Annual Compensation			
Principal Position	Name	Year	3 Salary	4 Bonus	5 All Other Compensation	6 Totals
Chief Executive Officer		2007	.....	.....	.....	.....
		2006	.....	.....	.....	.....
		2005	.....	.....	.....	.....
1. CFO	JIM PROCTOR	2007	.... 89,483	..... 9,000	.....	..... 98,483
CFO	JIM PROCTOR	2006	.... 97,753	..... 9,200	.....	..... 106,953
CFO	ART ANSERT	2005	.... 114,449	..... 10,983	.....	..... 125,432
2.		2007	.....	.....	.....	.....
MEDICAL DIRECTOR	DIANNA GRANT	2006	.... 137,395	..... 25,226	.....	..... 162,621
MEDICAL DIRECTOR	DIANNA GRANT	2005	.... 250,027	..... 22,073	.....	..... 272,100
3. PRESIDENT	AL KING	2007	.... 226,071	..... 30,720	.....	..... 256,791
		2006	.... 206,071	..... 32,356	.....	..... 238,427
		2005	.... 186,098	..... 30,720	.....	..... 216,818
4. VP MEDICAL	JAMIE PATTERSON	2007	.... 108,755	..... 13,000	.....	..... 121,755
		2006	.... 126,854	..... 12,202	.....	..... 139,056
		2005	.... 121,646	..... 10,575	.....	..... 132,221
5. VP HUMAN RES.	KATHY LONDOW	2007	.... 104,908	..... 12,000	.....	..... 116,908
		2006	.... 119,570	..... 11,550	.....	..... 131,120
		2005	.... 113,596	..... 10,010	.....	..... 123,606
6. VP CLAIMS	MICHAEL JONES	2007	.... 94,438	..... 10,000	.....	..... 104,438
		2006	.... 104,085	..... 10,184	.....	..... 114,269
		2005	.... 99,121	..... 8,784	.....	..... 107,905
7. VP ADMINISTRATION	MICHAEL SCARBROUGH	2007	.... 115,496	..... 12,000	.....	..... 127,496
		2006	.... 127,591	..... 12,474	.....	..... 140,065
		2005	.... 119,524	..... 10,511	.....	..... 130,035
8. ASSOCIATE MED. DIR.	CLARENCE DAVIS	2007	.... 167,448	..... 20,000	.....	..... 187,448
		2006	.... 212,372	..... 19,375	.....	..... 231,747
		2005	.....	.....	.....	.....
9.		2007	.....	.....	.....	.....
		2006	.....	.....	.....	.....
		2005	.....	.....	.....	.....



**Management Reliance Statement to the Actuarial Opinion
For Annual Statement
December 2007**

I **Jim Proctor, CFO**, of **Memphis Managed Care Corporation**, hereby affirm that the listings and summaries, and analyses relating to data prepared for and submitted to **A. Kirk Twiss**, in support of his actuarial opinion for **Reden & Anders LTD.** As of **December 31, 2007**, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the annual statement for the year ended **December 31, 2007**.



Signature

1407 Union Ave, Memphis TN 38104
Address

901-515-3003
Telephone

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

STATEMENT OF ACTUARIAL OPINION

I, A. Kirk Twiss, am associated with the firm of Reden & Anders, Ltd., and am a Member of the American Academy of Actuaries. Reden & Anders, Ltd. has been retained by Memphis Managed Care Corp. (MMCC) with regard to claim liabilities and related items. I meet the Academy qualification standards for rendering the opinion and I am familiar with the valuation requirements applicable to MMCC.

I have examined the actuarial assumptions and actuarial methods used in determining claim liabilities listed below, as shown in the quarterly statement of MMCC, as prepared for filing with state regulatory officials as of December 31, 2007:

Claims Unpaid (restated April 2002) (Page 3, Line 1)	\$0
Remaining IBNR as of 12/31/2007	\$45,584,673

I have relied on listings and summaries of claims and other relevant data, as prepared by MMCC. I relied on James Proctor, CFO for the accuracy of the data as expressed in the attached statement. In other respects, my examination included such review of the actuarial assumptions and actuarial methods used and such tests of the actuarial calculations as I considered necessary.

I have not reviewed the financial position of any party related by contract to MMCC. I have assumed that such parties are in a financial position to meet all liabilities resulting from such contracts.

In my opinion, the amounts carried in the balance sheet on account of items identified above:

1. Are in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
2. Are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provisions and appropriate to the purpose for which the Statement was prepared;
3. Meet the requirements of the insurance laws and regulations of the state of Tennessee and are at least as great as the minimum aggregate amounts required by Tennessee;
4. Make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements;
5. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
6. Include provision for all actuarial items which ought to be established.

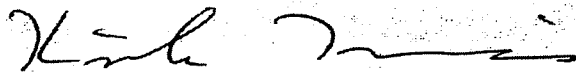
ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

STATEMENT OF ACTUARIAL OPINION

I have reviewed the Underwriting and Investment Exhibit, Part 2B. The schedule was prepared consistent with *Section 3.6, Follow-Up Studies* contained in Actuarial Standard of Practice No. 5, *Incurred Health Claim Liabilities*.

The reserves and related actuarial items identified above make adequate provision for the anticipated cash flows related to the contractual obligations and expenses of MMCC, when considered in conjunction with the assets held by MMCC with respect to such reserves and related actuarial items, including, but not limited to, the cash flows on such assets and the considerations anticipated to be received under such policies and contracts.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.



A. Kirk Twiss
 Fellow, Society of Actuaries
 Member, American Academy of Actuaries

Reden & Anders, Ltd.
 200 W. Madison Street, Suite 2000
 Chicago, Tennessee 60606
 (312) 429-3905

AKT:bc

February 25, 2008

2/27/2008
9:30 AM

Memphis Managed Care Inc.
Reconciliation of Medical Services Monitoring Report (MSMR)
to Report 2A
As of December 31, 2007

	<u>MSMR REPORT</u>
UB 92 Payments	160,183,441
HCFA 1500 Payments	<u>105,396,135</u>
Total Claim Payments	265,579,576
No Check Adjustments	
Capitation	12,037,419
Reinsurance	
Off Lag Adjustments	3,112,457
IBNR	45,584,673
COB Subro Adjustments	
Total Medical Payments	326,314,125

Medical Services Monitoring Report
GRAND REGION WEST

MCO

Memphis Managed Care Corporation	2007												TOTAL
Reporting Month	Incurred Month												
Dec-07	January	February	March	April	May	June	July	August	September	October	November	December	
Enrollment	172,364	169,263	168,748	168,573	167,811	167,226	170,835	170,101	170,310	170,078	168,688	162,868	2,026,865
Payments for Medical Services for the Month													
UB 92 Payments by the Claims Processing System	17,523,028	14,122,698	15,159,144	14,952,331	14,717,810	15,141,044	15,690,237	15,919,444	13,278,125	12,404,788	8,050,822	3,223,971	160,183,441
HCFA1500 Payments by the Claims Processing System	10,806,442	9,533,833	10,172,471	9,613,863	10,057,016	9,249,525	9,668,334	10,492,440	8,624,937	8,579,942	6,039,666	2,557,665	105,396,135
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	1,726,343	521,153	514,832	514,754	2,486,082	591,191	596,193	590,614	1,622,224	631,610	571,883	1,670,540	12,037,419
Pharmacy Payments													0
Subcontractor Payments for Medical Services													0
Reinsurance Payment	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payments/Adjustments to Medical Costs	184,536	120,060	293,179	380,139	274,636	358,242	89,375	230,940	148,692	454,255	438,139	140,264	3,112,457
Less:													0
BHO Capitation Revenue													0
Pharmacy Rebates													0
Recoveries not Claims Payments													0
Total Payments for the month	30,240,349	24,297,744	26,139,626	25,461,086	27,535,545	25,340,002	26,044,139	27,233,438	23,673,978	22,070,595	15,100,510	7,592,440	280,729,453
Remaining IBNR for the month	20,000	46,452	140,517	212,842	339,457	551,329	921,867	1,531,602	2,382,156	4,953,057	12,225,333	22,260,062	45,584,673
Payments and Remaining IBNR for the month	30,260,350	24,344,196	26,280,143	25,673,929	27,875,002	25,891,331	26,966,006	28,765,040	26,056,134	27,023,652	27,325,843	29,852,502	326,314,126
Per Member Expense	175.56	143.82	155.74	152.30	166.11	154.83	157.85	169.11	152.99	158.89	161.99	183.29	160.99
Per Member Month Exp. For Quarter			158.48			157.74			159.98			167.86	
Per Member Month Exp. For Quarter in 2006			147.50			144.54			154.84			150.73	
Per Member Month Exp. For Quarter in 2005			148.40			146.60			146.95			137.51	
Percent Change from 2003 to 2004			-0.006075			-0.014074			0.0536814			0.0961733	
Medical Services Budget for 2006 Quarter			146.61			142.50			163.15			165.23	
(Over)/Under Budget			(12)			(15)			3			(3)	

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

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	1,679,159	1,679,159	2,246,795
REVENUES:			
1 TennCare Capitation	311,904,909	335,229,520	373,474,597
2 Investment	1,250,062	1,250,062	1,313,408
3 Other Revenue	10,382,339	10,382,339	53,226
4 Total Revenue	323,537,309	346,861,920	374,841,231
EXPENSES:			
Medical and Hospital Services			
5 Capitated Physician Services	9,004,848	9,004,848	12,172,604
6 Fee for Service Physician Services	36,811,426	36,811,426	39,294,873
7 Inpatient Hospital Services	55,725,026	55,725,026	56,586,552
8 Outpatient Services	2,648,059	2,648,059	85,315
9 Emergency Room Services	22,221,413	22,221,413	24,010,446
10 Mental Health Services	23,783	23,783	24,488
11 Dental Services	126,867	126,867	0
12 Vision Services	2,014,602	2,014,602	2,118,889
13 Pharmacy Services	(294)	(294)	(255)
14 Home Health Services	8,772,271	8,772,271	6,529,248
15 Chiropractic Services	0	0	0
16 Radiology Services	11,244,606	11,244,606	1,521,329
17 Laboratory Services	7,908,286	7,908,286	8,432,875
18 Durable Medical Equipment Services	1,099,913	1,099,913	298,038
19 Transportation Services	1,474,165	1,474,165	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	110,038,862	110,038,861	151,258,715
24 IBNR	22,260,062	45,584,673	35,904,045
25 Subtotal	291,373,893	314,698,503	342,039,702
26 Reinsurance Expense Net of Recoveries	277	277	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	291,374,170	314,698,780	342,039,702
Administration			
31 Compensation	6,919,119	6,919,119	8,510,052
32 Marketing	0	0	0
33 Interest Expense	0	0	92
34 Premium Tax Expense	7,784,457	7,784,457	6,514,857
35 Occupancy Depreciation and Amortization	605,167	605,167	598,436
36 Other Administration	1,635,875	1,635,875	8,948,701
37 TOTAL ADMINISTRATION	16,944,616	16,944,616	24,572,138
38 TOTAL EXPENSES	308,318,787	331,643,397	366,611,840
39 NET INCOME (LOSS)	15,218,523	15,218,524	8,229,391

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION



COMPANY INFORMATION PAGE (JURAT)

**Health Risk-Based Capital
For the Year Ending December 31, 2007**

(A) Company Name MEMPHIS MANAGED CARE CORPORATION

(B) NAIC Group Code 0000 (C) NAIC Company Code 00000 (D) Employer's ID Number 62-1539163

(E) Organized under the Laws of the State of TN

Contact Person for Health Risk-Based Capital:

(F) First Name CHERYLL (G) Middle A (H) Last Name MILLER

(I) Mail Address of Contact Person 1407 UNION AVENUE SUITE 200
(Street and Number or P.O. Box)

(J) City MEMPHIS (K) State TN (L) Zip 38104

(M) Phone Number of RBC Contact Person 901 - 515 - 3022 Extension _____

(N) Email Address of RBC Contact Person CMILLER@MMCC-TLC.COM

(O) Date Prepared 02/26/2007

(P) Preparer (if different than Contact)
First Name CHERYLL Middle Name A Last Name MILLER

(Q) Is this filing an Original, Amended or Refiling ? (O,A,R) O
(Q1) If Amended, Amendment Number _____

(R) Were any items that come directly from the annual statement entered manually to prepare this filing? (Yes/No) Y

(S) Was the entity in business for the entire reporting year? Y

Officers Name: STEVEN BURKETT JEFF BRANDON

Officers Title: PRESIDENT & CEO SECRETARY

Each says that they are the above described officers of the said insurer, and that this risk-based capital report is a true and fair representation of the company's affairs and has been completed in accordance with the NAIC instructions, according to the best of their information, knowledge and belief, respectively.

(Signature) (Signature) (Signature)

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

AFFILIATED COMPANIES RISK - DETAILS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Name of Affiliate	Affil Type Code	NAIC Company Code or Alien ID Number	Affiliate's RBC After Covariance	Book/ Adjusted Carrying Value of Affiliate's Common Stock	Valuation Basis of Col (5) F - Fair A - All Other	Total Value of Affiliate's Outstanding Common Stock	Total Statutory Surplus of Affiliate Subject to RBC	Book/ Adjusted Carrying Value of Affiliate's Preferred Stock	Total Value of Affiliate's Outstanding Preferred Stock	Percent Owned (Cols 5 + 9) / (Cols 7 + 10)	H0 Component RBC Required	H1 Component RBC Required
(01)										100.000%		
(02)										100.000%		
(03)										100.000%		
(04)										100.000%		
(05)										100.000%		
(06)										100.000%		
(07)										100.000%		
(08)										100.000%		
(09)										100.000%		
(10)										100.000%		
(11)										100.000%		
(12)										100.000%		
(13)										100.000%		
(14)										100.000%		
(15)										100.000%		
(16)										100.000%		
(17)										100.000%		
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(56)										100.000%		
(57)										100.000%		
(58)										100.000%		
(59)										100.000%		
(60)										100.000%		

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

AFFILIATED COMPANIES RISK - DETAILS

	(1) Name of Affiliate	(2) Affil Type Code	(3) NAIC Company Code or Alien ID Number	(4) Affiliate's RBC After Covariance	(5) Book/ Adjusted Carrying Value of Affiliate's Common Stock	(6) Valuation Basis of Col (5) F - Fair A - All Other	(7) Total Value of Affiliate's Outstanding Common Stock	(8) Total Statutory Surplus of Affiliate Subject to RBC	(9) Book/ Adjusted Carrying Value of Affiliate's Preferred Stock	(10) Total Value of Affiliate's Outstanding Preferred Stock	(11) Percent Owned (Cols 5 + 9) / (Cols 7 + 10)	(12) H0 Component RBC Required	(13) H1 Component RBC Required
(61)											100.000%		
(62)											100.000%		
(63)											100.000%		
(64)											100.000%		
(65)											100.000%		
(66)											100.000%		
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(94)											100.000%		
(95)											100.000%		
(96)											100.000%		
(97)											100.000%		
(98)											100.000%		
(99)											100.000%		
(100)											100.000%		
(9999999)	Total	XXX	XXX			XXX					XXX		

Logic

If Col (6) = F and Col (4) > 0 Do Calculation

Calculation

Col (12) = Min [Col (8) x Col (11), Col (4) x Col (11)]

If [Col (4) x Col (11)] > [Col (5) + Col (9)] then

Col (13) = [Col (5) + Col (9) - Col (12)]

If [Col (4) x Col (11)] <= [Col (5) + Col (9)] then

Col (13) = Max [[Col (5) + Col (9) - Col (8) x Col (11)] x .225, [(Col (4) x Col (11)) - Col (12)]]

Col (13) cannot be less than 0

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

AFFILIATED COMPANIES RISK

				(1)	(2)
	Type of Affiliate	Type Code	Basis	RBC	Count
(1)	Directly Owned Insurer Subject to RBC	1	Affiliate's RBC*		
(2)	Indirectly Owned Insurer Subject to RBC	2	Affiliate's RBC*		
(3)	Directly Owned MCO Subject to RBC	3	Affiliate's RBC*		
(4)	Indirectly Owned MCO Subject to RBC	4	Affiliate's RBC*		
(5)	Investment Subsidiary	5	Affiliate's RBC*		
(6)	Holding Company Excess of Subsidiaries	6	0.300		
(7)	Directly Owned Alien Insurer	7	1.000		
(8)	Indirectly Owned Alien Insurers	8	1.000		
(9)	Investment in Parent	9	0.300		
(10)	Other Affiliates	10	0.300		
(11)	Fair Value Excess Affiliate Common Stock	11	Total of Type Codes 1 through 5 of XR002, Col 13		

*Capped at carrying value on parent's statement

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

CROSSCHECKING FOR AFFILIATED INVESTMENTS

Schedule D, Part 6, Section 1

		Preferred Stock			
		Annual Statement Line Number	(1) Annual Statement Total Preferred Stock	(2) Total From RBC Report	(3) Difference
(1)	Parent	0199999			
(2)	U.S. P&C Insurers	0299999		XXX	XXX
(3)	U.S. Life Insurers	0399999		XXX	XXX
(4)	U.S. Health Entity	0499999		XXX	XXX
(5)	Total P&C, Life and Health Insurers				
(6)	Alien Insurer	0599999			
(7)	Non-Insurer which controls Insurers	0699999			
(8)	Investment Subsidiary	0799999			
(9)	Other Affiliates	0899999			
(10)	Subtotal	0999999			

		Common Stock			
		Annual Statement Line Number	(1) Annual Statement Total Common Stock	(2) Total From RBC Report	(3) Difference
(11)	Parent	1099999			
(12)	U.S. P&C Insurers	1199999		XXX	XXX
(13)	U.S. Life Insurers	1299999		XXX	XXX
(14)	U.S. Health Entity	1399999		XXX	XXX
(15)	Total P&C, Life and Health Insurers				
(16)	Alien Insurer	1499999			
(17)	Non-Insurer which controls Insurers	1599999			
(18)	Investment Subsidiary	1699999			
(19)	Other Affiliates	1799999			
(20)	Subtotal	1899999			

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

AFFILIATES RISK

	Annual Statement Source	(1) Bk/Adj Carrying Value	Factor	(2) RBC Requirement
OFF-BALANCE SHEET RISK (See instructions for explanation)				
(1) Loaned to Others	General Interrogatories Part 1 Line 23.21	_____	0.010	_____
(2) Subject to Repurchase Agreements	General Interrogatories Part 1 Line 23.22	_____	0.010	_____
(3) Subject to Reverse Repurchase Agreements	General Interrogatories Part 1 Line 23.23	_____	0.010	_____
(4) Subject to Dollar Repurchase Agreements	General Interrogatories Part 1 Line 23.24	_____	0.010	_____
(5) Subject to Reverse Dollar Repurchase Agreements	General Interrogatories Part 1 Line 23.25	_____	0.010	_____
(6) Pledged as Collateral	General Interrogatories Part 1 Line 23.26	_____	0.010	_____
(7) Assets Placed Under Option Agreements	General Interrogatories Part 1 Line 23.27	_____	0.010	_____
(8) Letter Stock or Other Securities Restricted	General Interrogatories Part 1 Line 23.28	_____	0.010	_____
(9) On Deposit with State or Other Regulatory Body	General Interrogatories Part 1 Line 23.29	_____	0.010	_____
(10) Other	General Interrogatories Part 1 Line 23.291	_____	0.010	_____
(11) Total Non-controlled Assets	Sum of Lines (1) through (10)	_____	0.010	_____
(12) Guarantees for Affiliates	Notes to Financial Statements 10E	_____	0.010	_____
(13) Contingent Liabilities	Notes to Financial Statements 14A01	_____	0.010	_____
(14) Total Miscellaneous Off-Balance Sheet Items	=L(11)+L(12)+L(13)	=====		=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

FIXED INCOME ASSETS

	Annual Statement Source	(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
BONDS				
(1) Class 01 - U.S. Government - Direct and Guaranteed	Sch D, Pt 1A, Sn 1, Col 6, Line 1.1	<u>814,032</u>		
(2) Total Class 01 Bonds	Sch D, Pt 1A, Sn 1, Col 6, Line 10.1	<u>814,032</u>		
(3) Other Class 01 Bonds	L(2)-L(1)		0.003	
(4) Total Class 02 Bonds	Sch D, Pt 1A, Sn 1, Col 6, Line 10.2		0.010	
(5) Total Class 03 Bonds	Sch D, Pt 1A, Sn 1, Col 6, Line 10.3		0.020	
(6) Total Class 04 Bonds	Sch D, Pt 1A, Sn 1, Col 6, Line 10.4		0.045	
(7) Total Class 05 Bonds	Sch D, Pt 1A, Sn 1, Col 6, Line 10.5		0.100	
(8) Total Class 06 Bonds	Sch D, Pt 1A, Sn 1, Col 6, Line 10.6		0.300	
(9) Total Bonds		<u>814,032</u>		
MISCELLANEOUS FIXED INCOME ASSETS				
(10) Cash	Page 2, Line 5, inside amount 1	<u>6,437,119</u>	0.003	<u>19,311</u>
(11) Cash Equivalents	Page 2, Line 5, inside amount 2			
(12) Less: Cash Equivalent, Bonds included in Schedule D, Part 1A	Sch E Pt 2, C7 L0199999 in part			
(13) Net Cash Equivalents	L(11)-L(12)		0.003	
(14) Short-Term Investments	Page 2, Line 5, inside amount 3			
(15) Short-Term Bonds *	Sch DA, Pt 1, Col 7, Line 6099999			
(16) Exempt Money Market Mutual Funds *	Sch DA, Pt 1, Col 7, Line 7999999			
(17) Class One Money Market Mutual Funds *	Sch DA, Pt 1, Col 7, Line 8099999			
(18) Total Short-Term Investments	L(14)-L(15)-L(16)-L(17)		0.003	
(19) Mortgage Loans - First Liens	Page 2, Col 3, Line 3.1		0.050	
(20) Mortgage Loans - Other Than First Liens	Page 2, Col 3, Line 3.2		0.050	
(21) Receivable for Securities	Page 2, Col 3, Line 8		0.050	
(22) Aggregate write-ins for invested assets	Page 2, Col 3, Line 9		0.050	
(23) Collateral Loans	Included in Page 2, Col 3, Line 7		0.050	
(24) Other Long-Term Invested Assets	Included in Page 2, Col 3, Line 7		0.200	
(25) Total Other Long-term Invested Assets (Page 2, Col 3, Line 7)	L(23)+L(24)			
(26) Total Fixed Income Assets RBC	L(9)+L(10)+L(13)+L(18)+L(19)+L(20) +L(21)+L(22)+L(23)+L(24)			<u>19,311</u>

* These bonds appear in Schedule D Part 1A Section 1 and are already recognized in the Bond portion of the formula.

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

REPLICATION (SYNTHETIC ASSET) TRANSACTIONS AND MANDATORILY CONVERTIBLE SECURITIES

	(1) RSAT Number	(2) Type	(3) CUSIP	(4) Description of Asset(s)	(5) NAIC Designation or Other Description of Asset	(6) Value of Asset	(7) RBC Requirement
(1)			- -				
(2)			- -				
(3)			- -				
(4)			- -				
(5)			- -				
(6)			- -				
(7)			- -				
(8)			- -				
(9)			- -				
(10)			- -				
(11)			- -				
(12)			- -				
(13)			- -				
(14)			- -				
(15)			- -				
(16)			- -				
(17)			- -				
(18)			- -				
(19)			- -				
(20)			- -				
(21)			- -				
(22)			- -				
(23)			- -				
(24)			- -				
(25)			- -				
(26)			- -				
(27)			- -				
(28)			- -				
(29)			- -				
(30)			- -				
(31)			- -				
(32)			- -				
(33)			- -				
(34)			- -				
(35)			- -				
(999999)	XXX	XXX	XXX	Total	XXX		

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

EQUITY ASSETS

		(1)		(2)
		Book/Adjusted	Factor	RBC Requirement
		Carrying Value		
		Annual Statement Source		
PREFERRED STOCK - UNAFFILIATED				
(1)	Class 01 Preferred Stock (excluding Hybrids)	Included in Sch D, Part 2, Sn 1	0.003	
(2)	Class 02 Preferred Stock (excluding Hybrids)	Included in Sch D, Part 2, Sn 1	0.010	
(3)	Class 03 Preferred Stock (excluding Hybrids)	Included in Sch D, Part 2, Sn 1	0.020	
(4)	Class 04 Preferred Stock (excluding Hybrids)	Included in Sch D, Part 2, Sn 1	0.045	
(5)	Class 05 Preferred Stock (excluding Hybrids)	Included in Sch D, Part 2, Sn 1	0.100	
(6)	Class 06 Preferred Stock (excluding Hybrids)	Included in Sch D, Part 2, Sn 1	0.300	
(7)	Class 01 Hybrids Reported as Preferred Stock	Included in Sch D, Part 2, Sn 1	0.003	
(8)	Class 02 Hybrids Reported as Preferred Stock	Included in Sch D, Part 2, Sn 1	0.010	
(9)	Class 03 Hybrids Reported as Preferred Stock	Included in Sch D, Part 2, Sn 1	0.020	
(10)	Class 04 Hybrids Reported as Preferred Stock	Included in Sch D, Part 2, Sn 1	0.045	
(11)	Class 05 Hybrids Reported as Preferred Stock	Included in Sch D, Part 2, Sn 1	0.100	
(12)	Class 06 Hybrids Reported as Preferred Stock	Included in Sch D, Part 2, Sn 1	0.300	
(13)	Total Unaffiliated Preferred Stock, Including Hybrids Page 2, Col 3, Line 2.1 - Sch D Sum, Col 1, Line 39	Sum of Lines (1) through (12)		
COMMON STOCK - UNAFFILIATED				
(14)	Federal Home Loan Bank stock	Company Records	0.023	
(15)	Non-government money market funds	Sch D Pt 2 Sn 2 Col 6 Line 7199999	0.003	
(16)	Total Common Stock	Sch D, Summary, Col 1, Line 54		
(17)	Affiliated Common Stock	Sch D, Summary, Col 1, Line 53		
(18)	Other Unaffiliated Common Stock	L(16)-L(14)-L(15)-L(17)	0.150	
(19)	Total Unaffiliated Common Stock	L(14)+L(15)+L(18)		

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

PROPERTY AND EQUIPMENT ASSETS

	Annual Statement Source	(1) Bk/Adj Carrying Value	Factor	(2) RBC Requirement
(1) Properties occupied by the company	Page 2, Col 3, Line 4.1	_____	0.100	_____
(2) Encumbrances (Property occupied by the company)	Page 2, Line 4.1, inside amount	_____	0.100	_____
(3) Properties held for the production of income	Page 2, Col 3, Line 4.2	_____	0.100	_____
(4) Encumbrances (Property held for production of income)	Page 2, Line 4.2, inside amount	_____	0.100	_____
(5) Properties held for sale	Page 2, Col 3, Line 4.3	_____	0.100	_____
(6) Encumbrances (Property held for sale)	Page 2, Line 4.3, inside amount	_____	0.100	_____
(7) Furniture and Equipment	L(7.1) + L(7.2) (should equal Page 2, Col 3, Line 19)	_____		
(7.1) HC delivery subject to statutory account depreciation limits	Company Records	_____	0.100	_____
(7.2) All other furniture and equipment	Company Records	_____	0.100	_____
(8) EDP equipment and software	Page 2, Col 3, Line 18	_____	0.100	_____
(9) Total Property and Equipment	L(1)+L(2)+L(3)+L(4)+L(5)+L(6)+ L(7.1)+L(7.2)+L(8)	_____		_____

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

ASSET CONCENTRATION

(1)		(2)		(3)
Issuer Name _____		Bk/Adj Carrying	Factor	Additional
Issuer		Value		RBC
01	(1)Class 2 Unaffiliated Bonds	_____	0.010	_____
01	(2)Class 3 Unaffiliated Bonds	_____	0.020	_____
01	(3)Class 4 Unaffiliated Bonds	_____	0.045	_____
01	(4)Class 5 Unaffiliated Bonds	_____	0.100	_____
01	(5)Collateral Loans	_____	0.050	_____
01	(6)Mortgages	_____	0.050	_____
01	(7) Class 2 Preferred Stock (excluding Hybrids)	_____	0.010	_____
01	(8) Class 3 Preferred Stock (excluding Hybrids)	_____	0.020	_____
01	(9) Class 4 Preferred Stock (excluding Hybrids)	_____	0.045	_____
01	(10) Class 5 Preferred Stock (excluding Hybrids)	_____	0.100	_____
01	(11)Class 2 Hybrids Reported as Preferred Stock	_____	0.010	_____
01	(12)Class 3 Hybrids Reported as Preferred Stock	_____	0.020	_____
01	(13)Class 4 Hybrids Reported as Preferred Stock	_____	0.045	_____
01	(14)Class 5 Hybrids Reported as Preferred Stock	_____	0.100	_____
01	(15)Other Long-Term Assets	_____	0.100	_____
01	(16)Unaffiliated Common Stock	_____	0.150	_____
01	(17)Total of Issuer = Lines (1) through (16)	=====		=====

(1)		(2)		(3)
Issuer Name _____		Bk/Adj Carrying	Factor	Additional
Issuer		Value		RBC
02	(1)Class 2 Unaffiliated Bonds	_____	0.010	_____
02	(2)Class 3 Unaffiliated Bonds	_____	0.020	_____
02	(3)Class 4 Unaffiliated Bonds	_____	0.045	_____
02	(4)Class 5 Unaffiliated Bonds	_____	0.100	_____
02	(5)Collateral Loans	_____	0.050	_____
02	(6)Mortgages	_____	0.050	_____
02	(7) Class 2 Preferred Stock (excluding Hybrids)	_____	0.010	_____
02	(8) Class 3 Preferred Stock (excluding Hybrids)	_____	0.020	_____
02	(9) Class 4 Preferred Stock (excluding Hybrids)	_____	0.045	_____
02	(10) Class 5 Preferred Stock (excluding Hybrids)	_____	0.100	_____
02	(11)Class 2 Hybrids Reported as Preferred Stock	_____	0.010	_____
02	(12)Class 3 Hybrids Reported as Preferred Stock	_____	0.020	_____
02	(13)Class 4 Hybrids Reported as Preferred Stock	_____	0.045	_____
02	(14)Class 5 Hybrids Reported as Preferred Stock	_____	0.100	_____
02	(15)Other Long-Term Assets	_____	0.100	_____
02	(16)Unaffiliated Common Stock	_____	0.150	_____
02	(17)Total of Issuer = Lines (1) through (16)	=====		=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

ASSET CONCENTRATION

(1)				(2)			(3)
Issuer Name _____				Bk/Adj Carrying			Additional
Issuer				Value	Factor		
03	(1)Class 2 Unaffiliated Bonds			_____	0.010	_____	
03	(2)Class 3 Unaffiliated Bonds			_____	0.020	_____	
03	(3)Class 4 Unaffiliated Bonds			_____	0.045	_____	
03	(4)Class 5 Unaffiliated Bonds			_____	0.100	_____	
03	(5)Collateral Loans			_____	0.050	_____	
03	(6)Mortgages			_____	0.050	_____	
03	(7) Class 2 Preferred Stock (excluding Hybrids)			_____	0.010	_____	
03	(8) Class 3 Preferred Stock (excluding Hybrids)			_____	0.020	_____	
03	(9) Class 4 Preferred Stock (excluding Hybrids)			_____	0.045	_____	
03	(10) Class 5 Preferred Stock (excluding Hybrids)			_____	0.100	_____	
03	(11)Class 2 Hybrids Reported as Preferred Stock			_____	0.010	_____	
03	(12)Class 3 Hybrids Reported as Preferred Stock			_____	0.020	_____	
03	(13)Class 4 Hybrids Reported as Preferred Stock			_____	0.045	_____	
03	(14)Class 5 Hybrids Reported as Preferred Stock			_____	0.100	_____	
03	(15)Other Long-Term Assets			_____	0.100	_____	
03	(16)Unaffiliated Common Stock			_____	0.150	_____	
03	(17)Total of Issuer = Lines (1) through (16)			=====		=====	

(1)				(2)			(3)
Issuer Name _____				Bk/Adj Carrying			Additional
Issuer				Value	Factor		
04	(1)Class 2 Unaffiliated Bonds			_____	0.010	_____	
04	(2)Class 3 Unaffiliated Bonds			_____	0.020	_____	
04	(3)Class 4 Unaffiliated Bonds			_____	0.045	_____	
04	(4)Class 5 Unaffiliated Bonds			_____	0.100	_____	
04	(5)Collateral Loans			_____	0.050	_____	
04	(6)Mortgages			_____	0.050	_____	
04	(7) Class 2 Preferred Stock (excluding Hybrids)			_____	0.010	_____	
04	(8) Class 3 Preferred Stock (excluding Hybrids)			_____	0.020	_____	
04	(9) Class 4 Preferred Stock (excluding Hybrids)			_____	0.045	_____	
04	(10) Class 5 Preferred Stock (excluding Hybrids)			_____	0.100	_____	
04	(11)Class 2 Hybrids Reported as Preferred Stock			_____	0.010	_____	
04	(12)Class 3 Hybrids Reported as Preferred Stock			_____	0.020	_____	
04	(13)Class 4 Hybrids Reported as Preferred Stock			_____	0.045	_____	
04	(14)Class 5 Hybrids Reported as Preferred Stock			_____	0.100	_____	
04	(15)Other Long-Term Assets			_____	0.100	_____	
04	(16)Unaffiliated Common Stock			_____	0.150	_____	
04	(17)Total of Issuer = Lines (1) through (16)			=====		=====	

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

ASSET CONCENTRATION

(1)		(2)		(3)
Issuer Name _____		Bk/Adj Carrying	Factor	Additional
Issuer		Value		RBC
05	(1)Class 2 Unaffiliated Bonds	_____	0.010	_____
05	(2)Class 3 Unaffiliated Bonds	_____	0.020	_____
05	(3)Class 4 Unaffiliated Bonds	_____	0.045	_____
05	(4)Class 5 Unaffiliated Bonds	_____	0.100	_____
05	(5)Collateral Loans	_____	0.050	_____
05	(6)Mortgages	_____	0.050	_____
05	(7) Class 2 Preferred Stock (excluding Hybrids)	_____	0.010	_____
05	(8) Class 3 Preferred Stock (excluding Hybrids)	_____	0.020	_____
05	(9) Class 4 Preferred Stock (excluding Hybrids)	_____	0.045	_____
05	(10) Class 5 Preferred Stock (excluding Hybrids)	_____	0.100	_____
05	(11)Class 2 Hybrids Reported as Preferred Stock	_____	0.010	_____
05	(12)Class 3 Hybrids Reported as Preferred Stock	_____	0.020	_____
05	(13)Class 4 Hybrids Reported as Preferred Stock	_____	0.045	_____
05	(14)Class 5 Hybrids Reported as Preferred Stock	_____	0.100	_____
05	(15)Other Long-Term Assets	_____	0.100	_____
05	(16)Unaffiliated Common Stock	_____	0.150	_____
05	(17)Total of Issuer = Lines (1) through (16)	=====		=====

(1)		(2)		(3)
Issuer Name _____		Bk/Adj Carrying	Factor	Additional
Issuer		Value		RBC
06	(1)Class 2 Unaffiliated Bonds	_____	0.010	_____
06	(2)Class 3 Unaffiliated Bonds	_____	0.020	_____
06	(3)Class 4 Unaffiliated Bonds	_____	0.045	_____
06	(4)Class 5 Unaffiliated Bonds	_____	0.100	_____
06	(5)Collateral Loans	_____	0.050	_____
06	(6)Mortgages	_____	0.050	_____
06	(7) Class 2 Preferred Stock (excluding Hybrids)	_____	0.010	_____
06	(8) Class 3 Preferred Stock (excluding Hybrids)	_____	0.020	_____
06	(9) Class 4 Preferred Stock (excluding Hybrids)	_____	0.045	_____
06	(10) Class 5 Preferred Stock (excluding Hybrids)	_____	0.100	_____
06	(11)Class 2 Hybrids Reported as Preferred Stock	_____	0.010	_____
06	(12)Class 3 Hybrids Reported as Preferred Stock	_____	0.020	_____
06	(13)Class 4 Hybrids Reported as Preferred Stock	_____	0.045	_____
06	(14)Class 5 Hybrids Reported as Preferred Stock	_____	0.100	_____
06	(15)Other Long-Term Assets	_____	0.100	_____
06	(16)Unaffiliated Common Stock	_____	0.150	_____
06	(17)Total of Issuer = Lines (1) through (16)	=====		=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

ASSET CONCENTRATION

(1)				(2)			(3)	
Issuer Name _____				Bk/Adj Carrying			Additional	
Issuer				Value	Factor			RBC
07	(1)Class 2 Unaffiliated Bonds			_____	0.010			_____
07	(2)Class 3 Unaffiliated Bonds			_____	0.020			_____
07	(3)Class 4 Unaffiliated Bonds			_____	0.045			_____
07	(4)Class 5 Unaffiliated Bonds			_____	0.100			_____
07	(5)Collateral Loans			_____	0.050			_____
07	(6)Mortgages			_____	0.050			_____
07	(7) Class 2 Preferred Stock (excluding Hybrids)			_____	0.010			_____
07	(8) Class 3 Preferred Stock (excluding Hybrids)			_____	0.020			_____
07	(9) Class 4 Preferred Stock (excluding Hybrids)			_____	0.045			_____
07	(10) Class 5 Preferred Stock (excluding Hybrids)			_____	0.100			_____
07	(11)Class 2 Hybrids Reported as Preferred Stock			_____	0.010			_____
07	(12)Class 3 Hybrids Reported as Preferred Stock			_____	0.020			_____
07	(13)Class 4 Hybrids Reported as Preferred Stock			_____	0.045			_____
07	(14)Class 5 Hybrids Reported as Preferred Stock			_____	0.100			_____
07	(15)Other Long-Term Assets			_____	0.100			_____
07	(16)Unaffiliated Common Stock			_____	0.150			_____
07	(17)Total of Issuer = Lines (1) through (16)			=====				=====

(1)				(2)			(3)	
Issuer Name _____				Bk/Adj Carrying			Additional	
Issuer				Value	Factor			RBC
08	(1)Class 2 Unaffiliated Bonds			_____	0.010			_____
08	(2)Class 3 Unaffiliated Bonds			_____	0.020			_____
08	(3)Class 4 Unaffiliated Bonds			_____	0.045			_____
08	(4)Class 5 Unaffiliated Bonds			_____	0.100			_____
08	(5)Collateral Loans			_____	0.050			_____
08	(6)Mortgages			_____	0.050			_____
08	(7) Class 2 Preferred Stock (excluding Hybrids)			_____	0.010			_____
08	(8) Class 3 Preferred Stock (excluding Hybrids)			_____	0.020			_____
08	(9) Class 4 Preferred Stock (excluding Hybrids)			_____	0.045			_____
08	(10) Class 5 Preferred Stock (excluding Hybrids)			_____	0.100			_____
08	(11)Class 2 Hybrids Reported as Preferred Stock			_____	0.010			_____
08	(12)Class 3 Hybrids Reported as Preferred Stock			_____	0.020			_____
08	(13)Class 4 Hybrids Reported as Preferred Stock			_____	0.045			_____
08	(14)Class 5 Hybrids Reported as Preferred Stock			_____	0.100			_____
08	(15)Other Long-Term Assets			_____	0.100			_____
08	(16)Unaffiliated Common Stock			_____	0.150			_____
08	(17)Total of Issuer = Lines (1) through (16)			=====				=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

ASSET CONCENTRATION

(1)		(2)	(3)
Issuer Name _____		Bk/Adj Carrying Value	Additional RBC
Issuer		Factor	
09	(1)Class 2 Unaffiliated Bonds	0.010	
09	(2)Class 3 Unaffiliated Bonds	0.020	
09	(3)Class 4 Unaffiliated Bonds	0.045	
09	(4)Class 5 Unaffiliated Bonds	0.100	
09	(5)Collateral Loans	0.050	
09	(6)Mortgages	0.050	
09	(7) Class 2 Preferred Stock (excluding Hybrids)	0.010	
09	(8) Class 3 Preferred Stock (excluding Hybrids)	0.020	
09	(9) Class 4 Preferred Stock (excluding Hybrids)	0.045	
09	(10) Class 5 Preferred Stock (excluding Hybrids)	0.100	
09	(11)Class 2 Hybrids Reported as Preferred Stock	0.010	
09	(12)Class 3 Hybrids Reported as Preferred Stock	0.020	
09	(13)Class 4 Hybrids Reported as Preferred Stock	0.045	
09	(14)Class 5 Hybrids Reported as Preferred Stock	0.100	
09	(15)Other Long-Term Assets	0.100	
09	(16)Unaffiliated Common Stock	0.150	
09	(17)Total of Issuer = Lines (1) through (16)		

(1)		(2)	(3)
Issuer Name _____		Bk/Adj Carrying Value	Additional RBC
Issuer		Factor	
10	(1)Class 2 Unaffiliated Bonds	0.010	
10	(2)Class 3 Unaffiliated Bonds	0.020	
10	(3)Class 4 Unaffiliated Bonds	0.045	
10	(4)Class 5 Unaffiliated Bonds	0.100	
10	(5)Collateral Loans	0.050	
10	(6)Mortgages	0.050	
10	(7) Class 2 Preferred Stock (excluding Hybrids)	0.010	
10	(8) Class 3 Preferred Stock (excluding Hybrids)	0.020	
10	(9) Class 4 Preferred Stock (excluding Hybrids)	0.045	
10	(10) Class 5 Preferred Stock (excluding Hybrids)	0.100	
10	(11)Class 2 Hybrids Reported as Preferred Stock	0.010	
10	(12)Class 3 Hybrids Reported as Preferred Stock	0.020	
10	(13)Class 4 Hybrids Reported as Preferred Stock	0.045	
10	(14)Class 5 Hybrids Reported as Preferred Stock	0.100	
10	(15)Other Long-Term Assets	0.100	
10	(16)Unaffiliated Common Stock	0.150	
10	(17)Total of Issuer = Lines (1) through (16)		

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

ASSET CONCENTRATION

(1)		(2)		(3)
Issuer Name	Grand Total	Bk/Adj Carrying Value	Factor	Additional RBC
GT	(1)Class 2 Unaffiliated Bonds	_____	0.010	_____
GT	(2)Class 3 Unaffiliated Bonds	_____	0.020	_____
GT	(3)Class 4 Unaffiliated Bonds	_____	0.045	_____
GT	(4)Class 5 Unaffiliated Bonds	_____	0.100	_____
GT	(5)Collateral Loans	_____	0.050	_____
GT	(6)Mortgages	_____	0.050	_____
GT	(7) Class 2 Preferred Stock (excluding Hybrids)	_____	0.010	_____
GT	(8) Class 3 Preferred Stock (excluding Hybrids)	_____	0.020	_____
GT	(9) Class 4 Preferred Stock (excluding Hybrids)	_____	0.045	_____
GT	(10) Class 5 Preferred Stock (excluding Hybrids)	_____	0.100	_____
GT	(11)Class 2 Hybrids Reported as Preferred Stock	_____	0.010	_____
GT	(12)Class 3 Hybrids Reported as Preferred Stock	_____	0.020	_____
GT	(13)Class 4 Hybrids Reported as Preferred Stock	_____	0.045	_____
GT	(14)Class 5 Hybrids Reported as Preferred Stock	_____	0.100	_____
GT	(11)Other Long-Term Assets	_____	0.100	_____
GT	(12)Unaffiliated Common Stock	_____	0.150	_____
GT	(13)Total of Issuer = Lines (1) through (12)	=====		=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

UNDERWRITING RISK

Experience Fluctuation Risk

	(1)	(2)	(3)	(4)	(5)	(6)
Line of Business	Comprehensive Medical	Medicare Supplement	Dental	Medicare Part D Coverage	Other	Total
(1) Premium						
(2) Title XVIII - Medicare		X X X	X X X		X X X	
(3) Title XIX - Medicaid		X X X	X X X		X X X	
(4) Other Health Risk Revenue		X X X				
(5) Underwriting Risk Revenue = L(1)+L(2)+L(3)+L(4)						
(6) Net Incurred Claims						
(7) Fee-for-service Offset		X X X				
(8) Underwriting Risk Incurred Claims = L(6)-L(7)						
(9) Underwriting Risk Claims Ratio = L(8)/L(5)						
(10) Underwriting Risk Factor*	0.150	0.105	0.120	0.141	0.130	X X X
(11) Base Underwriting Risk RBC = L(5) x L(9) x L(10)						
(12) Managed Care Discount Factor	1.000	1.000	1.000	1.000	1.000	X X X
(13) RBC after Managed Care Discount = L(11) x L(12)						
(14) Maximum per-individual Risk after Reinsurance						X X X
(15) Alternate Risk Charge **						X X X
(16) Alternate Risk Adjustment						X X X
(17) Net Alternate Risk Charge***						
(18) Net Underwriting Risk RBC (MAX{L(13),L(17)})						

TIERED RBC FACTORS *					
	Comprehensive Medical	Medicare Supplement	Dental	Medicare Part D Coverage	Other
\$0 - \$3 Million	0.150	0.105	0.120	0.141	0.130
\$3 - \$25 Million	0.150	0.067	0.076	0.141	0.130
Over \$25 Million	0.090	0.067	0.076	0.109	0.130
ALTERNATE RISK CHARGE**					
LESSER OF:	\$1,500,000	\$50,000	\$50,000	\$150,000	\$50,000
	or	or	or	or	or
	2 x Maximum Individual Risk	2 x Maximum Individual Risk	2 x Maximum Individual Risk	6 x Maximum Individual Risk	2 x Maximum Individual Risk

*** Limited to the largest of the applicable alternate risk adjustments, prorated if necessary.

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

Annual Statement Source

		(1)	(2)	(3)	(4)	(5)	(6)
	Line of Business	Comprehensive Medical	Medicare Supplement	Dental	Medicare Part D Coverage	Other	Total
(1)	Premium	P7, C2, L1 + L2	P7, C3, L1 + L2	P7, C4, L1 + L2			
(2)	Title XVIII - Medicare	P7, C7, L1 + L2	X X X	X X X		X X X	P7, C7, L1 + L2
(3)	Title XIX - Medicaid	P7, C8, L1 + L2	X X X	X X X		X X X	P7, C8, L1 + L2
(4)	Other Health Risk Revenue	P7, C2, L4	X X X	P7, C4, L4			
(6)	Net Incurred Claims	P7, L17, C2 + C7 + C8	P7, C3, L17	P7, C4, L17			
(7)	Fee-for-service Offset	P7, C2, L3	X X X	P7, C4, L3			
(14)	Maximum per-individual Risk after Reinsurance	Gen Int Pt 2 5.31 + 5.32	Gen Int Pt 2 5.33	Gen Int Pt 2 5.34			X X X

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
Other Underwriting Risk				
(19) Business with Rate Guarantees Between 15-36 Months - Direct Premium Earned	Gen Int Pt 2, Line 9.21	_____	0.024	_____
(20) Business with Rate Guarantees Over 36 Months - Direct Premium Earned	Gen Int Pt 2, Line 9.22	_____	0.064	_____
(21) FEHBP and TRICARE Claims Incurred	UI, Pt 2, Col 6, Line 12.4	_____	0.020	_____
(22) Stop Loss and Minimum Premium	Company Records	_____	0.250	_____
(22.1) Supplemental Benefits within Medicare Part D Coverage	Company Records	_____	0.120	_____
(22.2) Total Other Underwriting Risk	Sum of lines (19) through (22.1)	_____		_____
Disability Income Premium				
(23) Noncancellable Disability Income - Individual Morbidity	Company Records	_____		_____
(23.1) First \$50 Million Earned Premium of L(23)		_____	0.350	_____
(23.2) Over \$50 Million Earned Premium of L(23)		_____	0.150	_____
(23.3) Total Noncancellable Disability Income - Individual Morbidity	L(23.1) + L(23.2)	_____		=====
(24) Other Disability Income - Individual Morbidity	Company Records	_____		_____
(24.1) Earned Premium of L(24) [up to \$50 million less Premium in L(23.1)]		_____	0.250	_____
(24.2) Earned Premium in L(24) not included in L(24.1)		_____	0.070	_____
(24.3) Total Other Disability Income - Individual Morbidity	L(24.1) + L(24.2)	_____		=====
(25) Disability Income - Credit Monthly Balance Plans	Company Records	_____		_____
(25.1) First \$50 Million Earned Premium of L(25)		_____	0.200	_____
(25.2) Over \$50 Million Earned Premium of L(25)		_____	0.030	_____
(25.3) Total Disability Income - Credit Morbidity	L(25.1) + L(25.2)	_____		=====
(26) Disability Income - Group Long-term	Company Records	_____		_____
(26.1) Earned Premium in L(26) [up to \$50 million less Premium in L(25.1)]		_____	0.150	_____
(26.2) Earned Premium in L(26) not included in L(26.1)		_____	0.030	_____
(26.3) Total Disability Income - Group Long-term	L(26.1) + L(26.2)	_____		=====
(27) Disability Income - Credit Single Premium with Additional Reserves	Company Records	_____		_____
(27.1) Additional Reserves for Credit Disability Plans	Company records	_____		_____
(27.2) Additional Reserves for Credit Disability Plans, prior year	Company records	_____		_____
(27.3) Sub-total Disability Income - Credit Single Prem with Additional Reserves	L(27) - L(27.1) + L(27.2)	_____		_____
(27.4) Earned Premium in L(27.3) [up to \$50 million less Premium in lines (25.1) + (26.1)]		_____	0.100	_____
(27.5) Earned Premium in L(27.3) not included in L(27.4)		_____	0.030	_____
(27.6) Total Disability Income - Credit Single Premium with Additional Reserves	L(27.4) + L(27.5)	_____		=====
(28) Disability Income - Credit Single Premium without Additional Reserves	Company Records	_____		_____
(28.1) Earned Prem in L(28) [up to \$50 million less Prem in Lines (25.1) + (26.1) + (27.4)]		_____	0.150	_____
(28.2) Earned Premium in L(28) not included in L(28.1)		_____	0.030	_____
(28.3) Total Disability Income - Credit Single Premium without Additional Reserves	L(28.1) + L(28.2)	_____		=====
(29) Disability Income - Group Short-term	Company Records	_____		_____
(29.1) Earned Prem in L(29) [up to \$50 million less Prem in Lines (25.1) + (26.1) + (27.4) + (28.1)]		_____	0.050	_____
(29.2) Earned Premium in L(29) not included in L(29.1)		_____	0.030	_____
(29.3) Total Disability Income - Group Short-term	L(29.1) + L(29.2)	_____		=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

Limited Benefit Plans (Individual and Group Combined)	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
(39) Hospital Indemnity and Specified Disease	Included in Page 7, Col 9, Line 1 and 2	_____	0.035	_____
(39.1) 50,000 if L(39) is greater than zero				_____
(39.2) Total Hospital Indemnity and Specified Disease	L(39) + L(39.1)			=====
(40) Accidental Death & Dismemberment	Included in Page 7, Col 9, Line 1 and 2	_____		
(40.1) First 10 Million Earned Premium of L(40)		_____	0.055	_____
(40.2) Over 10 Million Earned Premium of L(40)		_____	0.015	_____
(40.3) Maximum Retained Risk for any single claim	Company Records	_____		
(40.4) Three times L(40.3)		_____		
(40.5) Lesser of L(40.4) or \$300,000				_____
(40.6) Total AD&D	L(40.1) + L(40.2) + L(40.5)			=====
(41) Other Accident	Included in Page 7, Col 9, Line 1 and 2	_____	0.050	_____
(42) Premium Stabilization Reserves	Included in U & I, Part 2D, Col 1, Line 4	_____	-0.500	** _____
(43) Total, Other Underwriting Risk	L(19)+L(20)+L(21)+L(22)+L(23.3)+L(24.3) +L(25.3)+L(26.3)+L(27.6)+L(28.3)+L(29.3) +L(38)+L(39.2)+L(40.6)+L(41)+L(42)			=====

** This is limited to the total Net Underwriting RBC on XR011, Col (6), Line (18) Less Col (4) and XR013, Col (2), Lines (22), (23.3), (24.3), (25.3), (26.3), (27.6), (28.3), (29.3), and XR014 Col (2), Line (33), and XR015 Col (2), Line (39.2), (40.6), and (41)

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

UNDERWRITING RISK - Managed Care Credit Calculation

	Annual Statement Source	(1) Factor*	(2) Paid Claims	(3) Weighted Claims †	(4) Part D Weighted Claims ‡
Managed Care Claims Payments					
(1) Category 0 - Arrangements not Included in Other Categories	Exhibit 7, Pt 1, Col 1, Line 5, in part §	0.000	_____	_____	
(2) Category 1 - Payments Made According to Contractual Arrangements	Exhibit 7, Pt 1, Col 1, Line 6, in part §	0.150	_____	_____	
(3) Category 2a - Subject to Withholds or Bonuses - Otherwise Category 0	Exhibit 7, Pt 1, Col 1, Line 7, in part §	0.000	_____	_____	
(4) Category 2b - Subject to Withholds or Bonuses - Otherwise Category 1	Exhibit 7, Pt 1, Col 1, Line 8, in part §	0.150	_____	_____	
(5) Category 3a - Capitated Payments Directly to Providers		0.600	_____	_____	
(5.1) Capitation Payments - Medical Group - Category 3a	Exhibit 7, Pt 1, Col 1, Line 1, in part §		_____		
(5.2) Capitation Payments - All Other Providers - Category 3a	Exhibit 7, Pt 1, Col 1, Line 3, in part §		_____		
(6) Category 3b - Capitated Payments to Regulated Intermediaries	Included in Exhibit 7, Pt 1, Col 1, Line 2 §	0.600	_____	_____	
(7) Category 3c - Capitated Payments to Non-Regulated Intermediaries	Included in Exhibit 7, Pt 1, Col 1, Line 2 §	0.600	_____	_____	
(8) Category 4 - Medical and Hospital Expense Paid as Salary to Providers		0.750	_____	_____	
(8.1) Non-contingent Salaries - Category 4	Exhibit 7, Pt 1, Col 1, Line 9, in part §		_____		
(8.2) Aggregate Cost Arrangements - Category 4	Exhibit 7, Pt 1, Col 1, Line 10, in part §		_____		
(8.3) Less Fee For Service revenue from ASC or ASO	Company Records		_____		
(9) Sub-total Paid Claims	Exhibit 7, Pt 1, Col 1, Line 13 - Line 11 - Line (8.3) - Line (12) - Line (13)		_____	_____	
Medicare Part D Coverage Claims Payments					
(10) Category 0 - No Federal Reinsurance or Risk Corridor Protection	Company Records	XXX	XXX		XXX
(11) Category 1 - Federal Reinsurance but no Risk Corridor Protection	Company Records	XXX	XXX		XXX
(12) Category 2a- No Federal Reinsurance but Risk Corridor Protection	Company Records	0.500	_____		
(13) Category 3a- Federal Reinsurance And Risk Corridor Protection apply	Company Records	0.650	_____		
(14) Sub-Total Paid Claims	Sum of Lines (10) through (13)		_____		
(15) Total Paid Claims	Sum of Lines (9) and (14)		_____		
(16) Weighted Average Managed Care Discount				_____	_____
(17) Weighted Average Managed Care Risk Adjustment Factor				1.000	1.000

† This column is for a single result for the Comprehensive Medical & Hospital, Medicare Supplement and Dental managed care discount factor.

‡ This Column is for the Medicare Part D managed care discount factor

§ Medicare Part D stand-alone business reported in Lines (12) and (13) would be excluded from these amounts.

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

	Annual Statement Source	(1) Amount
*Calculation of Category 2 Managed Care Factor		
(18) Withhold and bonus payments, prior year	Company Records	_____
(19) Withhold and bonuses available, prior year	Company Records	_____
(20) MCC Multiplier - average withhold returned [L(18)/L(19)]		_____
(21) Withholds and bonuses available, prior year	Company Records	_____
(22) Claims payments subject to withhold, prior year	Company Records	_____
(23) Average withhold rate, prior year [L(21)/L(22)]		_____
(24) MCC Discount Factor, Category 2 $\text{Min}\{.25, [L(20) \times L(23)]\}$		_____

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

CREDIT RISK

	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
Reinsurance Ceded				
(1) Recoverables on Paid Losses - 100% owned affils	Included in Sch S, Pt 2, Col 6, Line 0499999	_____		_____
(2) Recoverables on Paid Losses - other affils	Included in Sch S, Pt 2, Col 6, Line 0499999	_____	0.005	_____
(3) Recoverables on Paid Losses - Non-affiliates	Sch S, Pt 2, Col 6, Line 0599999	_____	0.005	_____
(4) Total Recoverables on Paid Losses	Lines (1) + (2) + (3)	_____		_____
(5) Recoverables on Unpaid Losses - 100% owned affils	Included in Sch S, Pt 2, Col 7, Line 0499999	_____		_____
(6) Recoverables on Unpaid Losses - other affils	Included in Sch S, Pt 2, Col 7, Line 0499999	_____	0.005	_____
(7) Recoverables on Unpaid Losses - Non-affiliates	Sch S, Pt 2, Col 7, Line 0599999	_____	0.005	_____
(8) Total Recoverables on Unpaid Losses	Lines (5) + (6) + (7)	_____		_____
(9) Unearned premiums - 100% owned affils	Included in Sch S, Pt 3, Sn 2, Col 8, Line 0199999 plus Line 0499999	_____		_____
(10) Unearned premiums - other affils	Included in Sch S, Pt 3, Sn 2, Col 8, Line 0199999 plus Line 0599999	_____	0.005	_____
(11) Unearned premiums - Non-affiliates	Sch S, Pt 3, Sn 2, Col 8, Line 0299999 plus Line 0599999	_____	0.005	_____
(12) Total unearned premiums	Lines (9) + (10) + (11)	_____		_____
(13) Other Reserve Credits - 100% owned affils	Included in Sch S, Pt 3, Sn 2, Col 9, Line 0199999 plus Line 0499999	_____		_____
(14) Other Reserve Credits - other affils	Included in Sch S, Pt 3, Sn 2, Col 9, Line 0199999 plus Line 0499999	_____	0.005	_____
(15) Other Reserve Credits - Non-affiliates	Sch S, Pt 3, Sn 2, Col 9, Line 0299999 plus Line 0599999	_____	0.005	_____
(16) Total Other Reserve Credits	Lines (13) + (14) + (15)	_____		_____
(17) Total Reinsurance RBC	L(4)+L(8)+L(12)+L(16)	_____		_____
Capitations to Intermediaries				
(18) Total Capitations Paid Directly to Providers	XR016, Col (2), Line (5)	_____		_____
(19) Less Secured Capitations to Providers	Company Records	_____		_____
(20) Capitation to Providers Subject to Credit Risk Charge	L(18)-L(19)	_____	0.020	_____
(21) Total Capitations to Intermediaries	XR016, Col (2), Line (6)+(7)	_____		_____
(22) Less Secured Capitations to Intermediaries	Company Records	_____		_____
(23) Capitations to Intermediaries Subject to Credit Risk Charge	L(21)-L(22)	_____	0.040	_____
(24) Capitation Credit Risk RBC	L(20)+L(23)	_____		_____

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
Other Receivables				
(25) Investment Income Receivable	Page 2, Col 3, Line 12	8,027	0.010	80
(26) Health Care Receivables	Exhibit 3, Col 7, Line 0799999	1,234,158		
(26.1) Pharmaceutical Rebate Receivables	Exhibit 3, Col 7, Line 0199999		0.050	
(26.2) Claim Overpayment Receivables	Exhibit 3, Col 7, Line 0299999		0.050	
(26.3) Loan and Advances to Providers	Exhibit 3, Col 7, Line 0399999		0.050	
(26.4) Capitation Arrangement Receivables	Exhibit 3, Col 7, Line 0499999		0.050	
(26.5) Risk Sharing Receivables	Exhibit 3, Col 7, Line 0599999		0.050	
(26.6) Other Health Care Receivables	Exhibit 3, Col 7, Line 0699999	1,234,158	0.050	61,708
(27) Amounts Receivable relating to uninsured accident and health plans	Included in Page 2, Col 3, Line 15		0.050	
(28) Amounts Due from Parents, Subs, and Affiliates	Page 2, Col 3, Line 21	(19,741)	0.050	
(29) Aggregate Write-ins for other than invested assets	Page 2, Col 3, Line 23		0.050	
(30) Total Other Receivables RBC	Sum L(25)+Sum L(26.1) through L(29)			61,788
(31) Total Credit RBC	L(17)+L(24)+L(30)			61,788

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

BUSINESS RISK

	Annual Statement Source	(1) Amount	Factor *	(2) RBC Requirement
Administrative Expense Risk				
(1) Claims adjustment expenses	Page 4, Col 2, Line 20			
(2) General administrative expenses	Page 4, Col 2, Line 21	(3,430,594)		
(3) less the Net amount of ASC Revenue and Expenses included in Line 1 and Line 2	Company Records			
(4) less the Net amount of ASO Revenue and Expenses included in Line 1 and Line 2	Company Records			
(5) less Admin Expenses for Commission & Premium Taxes	Company Records			
(6) Administrative Expenses Base RBC	L(1)+L(2)-L(3)-L(4)-L(5)	(3,430,594)	0.070	
(7) Proration of Admin Expense to Experience Fluctuation Risk	L(6) x L(20)/(L(21)+L(22))			
Non-Underwritten and Limited-Risk				
(8) Administrative expenses for ASC arrangements	Company Records		0.020	
(9) Administrative expenses for ASO arrangements	Company Records		0.020	
(10) Medical costs paid through ASC arrangements (Including Fee-for service received from other health entities)	Company Records		0.010	
(11) Non-Underwritten and Limited Risk Business RBC				
Guaranty Fund Assessment Risk				
(12) Premiums Subject to Guaranty Fund Assessment	Included in Sch T - Company Records		0.005	
Excessive Growth Risk				
(13) UW Risk Revenue, Prior Year	2006 XR011, Col (6), Line (5) (manual entry)			
(14) UW Risk Revenue, Current Year	2007 XR011, Col (6), Line (5)			
(15) Net UW Risk RBC, Prior Year	2006 XR011, Col (6), Line (18) (manual entry)			
(16) Net UW Risk RBC, Current Year	2007 XR011, Col (6), Line (18)			
(17) RBC Growth Safe Harbor	[L(14)/L(13)+.10] x L(15)			
(18) Excess of RBC Growth Over Safe Harbor	Max{0,L(16) - L(17)}			
(19) Excessive Growth Risk RBC	.5 x L(18)			

* The factor for the Administrative Expenses Base RBC is calculated as a weighted average, based on premium volume from XR011

		Premium	Weight	Weighted Premium
(20) Experience Fluctuation Risk Revenue	XR011, Col (5), Line (5)			
(21) Premiums Earned	Page 4, Col 2, Line 2 + 3			
(22) Risk Revenue	Page 4, Col 2, Line 5			
(23) Tier 1 - \$0 to \$25 million of Line (20)			0.070	
(24) Tier 2 - Amount over \$25 million of Line (20)			0.040	
(25) Total Experience Fluctuation Risk Revenue	L(23)+L(24)			
(26) Administrative Expenses Base RBC Factor	Col (2), Line (25) / Col (1), Line (25)			0.070

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

Calculation of Total Risk-Based Capital After Covariance

H0 - ASSET RISK - AFFILIATES W/RBC

		(1) RBC Amount
(1)	Off-Balance Sheet Items XR005, Off-Balance Sheet Page - L(14)	_____
(2)	Directly Owned Insurer Subject to RBC XR003, Affiliates Page - L(1)	_____
(3)	Indirectly Owned Insurer Subject to RBC XR003, Affiliates Page - L(2)	_____
(4)	Directly Owned MCO Subject to RBC XR003, Affiliates Page - L(3)	_____
(5)	Indirectly Owned MCO Subject to RBC XR003, Affiliates Page - L(4)	_____
(6)	Directly Owned Alien Insurer XR003, Affiliates Page - L(7)	_____
(7)	Indirectly Owned Alien Insurers XR003, Affiliates Page - L(8)	_____
(8)	Total H0 Sum L(1) through L(7)	=====

H1 - ASSET RISK - OTHER

(9)	Investment Subsidiary XR003, Affiliates Page - L(5)	_____
(10)	Holding Company Excess of Subsidiaries XR003, Affiliates Page - L(6)	_____
(11)	Investment in Parent XR003, Affiliates Page - L(9)	_____
(12)	Other Affiliates XR003, Affiliates Page - L(10)	_____
(13)	Fair Value Excess Affiliate Common Stock XR003, Affiliates Page - L(11)	_____
(14)	Fixed Income Assets XR006, Fixed Income Assets Page - L(26)	19,311
(15)	Replication and Mandatorily Convertible Securities XR007, Replication/MCS Page - L(9999999)	_____
(16)	Unaffiliated Preferred Stock including Hybrids XR008, Equity Assets Page - L(13)	_____
(17)	Unaffiliated Common Stock XR008, Equity Assets Page - L(19)	_____
(18)	Property and Equipment XR009, Prop/Equip Assets Page - L(9)	_____
(19)	Asset Concentration XR010, Grand Total Asset Concentration Page - L(17)	_____
(20)	Total H1 Sum L(9) through L(19)	===== 19,311

H2 - UNDERWRITING RISK

(21)	Net Underwriting Risk XR011, Underwriting Risk Page - L(18)	_____
(22)	Other Underwriting Risk XR013, Underwriting Risk Page - L(22.2)	_____
(23)	Disability Income XR013, Underwriting Risk Page - L(23.3)+L(24.3) +L(25.3)+L(26.3)+L(27.6)+L(28.3)+L(29.3)	_____
(24)	Long-Term Care XR014, Underwriting Risk Page - L(38)	_____
(25)	Limited Benefit Plans XR015, Underwriting Risk Page - L(39.2)+L(40.6)+L(41)	_____
(26)	Premium Stabilization Reserve XR015, Underwriting Risk Page - L(42)	_____
(27)	Total H2 Sum L(21) through L(26)	=====

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

(1)
RBC Amount

H3 - CREDIT RISK

(28)	Total Reinsurance RBC	XR018, Credit Risk Page - L(17)	_____
(29)	Intermediaries Credit Risk RBC	XR018, Credit Risk Page - L(24)	_____
(30)	Total Other Receivables RBC	XR019, Credit Risk Page - L(30)	<u>61,788</u>
(31)	Total H3	Sum L(28) through L(30)	<u><u>61,788</u></u>

H4 - BUSINESS RISK

(32)	Administrative Expense RBC	XR020, Business Risk Page - L(7)	_____
(33)	Non-Underwritten and Limited Risk Business RBC	XR020, Business Risk Page - L(11)	_____
(34)	Premiums Subject to Guaranty Fund Assessments	XR020, Business Risk Page - L(12)	_____
(35)	Excessive Growth RBC	XR020, Business Risk Page - L(19)	_____
(36)	Total H4	Sum L(32) through L(35)	_____
(37)	RBC after Covariance	$H0 + \text{Square Root of } (H1^2 + H2^2 + H3^2 + H4^2)$	<u>64,735</u>
(38)	Authorized Control Level RBC *	.50 x RBC after Covariance	<u>32,368</u>

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

CALCULATION OF TOTAL ADJUSTED CAPITAL

	Annual Statement Source	(1) Amount	Factor	(2) Adjusted Capital
Company Amounts				
(1) Capital and Surplus	Page 3, Col 3, Line 31	<u>8,932,450</u>	1.000	<u>8,932,450</u>
Subsidiary Adjustments				
(2) AVR - Life Subsidiaries	Affiliate's statement	_____	1.000	_____
(3) Dividend Liability - Life Subsidiaries	Affiliate's statement	_____	0.500	_____
(4) Tabular Discounts - P&C Subsidiaries	Affiliate's statement	_____	-1.000	_____
(5) Non-Tabular Discounts - P&C Subsidiaries	Affiliate's statement	_____	-1.000	_____
(6) Total Adjusted Capital, Post-deferred Tax				<u><u>8,932,450</u></u>

SENSITIVITY TEST:

(7) DTA Value for Company	Page 2, Col 3, Line 16.2	_____	1.000	_____
(8) DTL Value for Company	Page 3, Col 3, Line 10.2	_____	1.000	_____
(9) DTA Value for Insurance Subsidiaries	Company Records	_____	1.000	_____
(10) DTL Value for Insurance Subsidiaries	Company Records	_____	1.000	_____
(11) Total Adjusted Capital, Pre-deferred Tax (sensitivity)	L(6)-L(7)+L(8)-L(9)+L(10)			<u><u>8,932,450</u></u>

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL

	Abbreviation	(1) Amount
(1) Total Adjusted Capital, Post Tax		<u>8,932,450</u>
(2) Company Action Level=200% of Authorized Control Level	CAL	<u>64,736</u>
(3) Regulatory Action Level=150% of Authorized Control Level	RAL	<u>48,552</u>
(4) Authorized Control Level=100% of Authorized Control Level	ACL	<u>32,368</u>
(5) Mandatory Control Level=70% of Authorized Control Level	MCL	<u>22,658</u>
(6) Level of Action, if Any		<u>NONE</u>

THE FOLLOWING NUMBERS MUST BE REPORTED IN THE FIVE YEAR HISTORY EXHIBIT ON THE INDICATED

Total Adjusted Capital on Line 14 of the Five-Year Historical Data Page	8,932,450
Authorized Control Level Risk-Based Capital on Line 15 of the Five-Year Historical Data Page	32,368

RBC STATEMENT FOR THE YEAR 2007 FOR MEMPHIS MANAGED CARE CORPORATION

Other Data Entry

Asset Page

Line	Annual Statement Line Description	Column	Value
7	Other Long-term Invested Assets (Schedule BA-Part 1)	3	1,259,658
2.1	Preferred Stocks (Schedule D-Part 2-Section 1)	3	
4.1	Properties occupied by the company	3	
4.2	Properties held for the production of income	3	
4.3	Properties held for sale	3	
18	EDP Equipment	3	
19	Furniture and Equipment	3	

Analysis of Operations

Line	Annual Statement Line Description	Column	Value
1	Net Premium income - Vision Only	5	
1	Net Premium income - Other	9	
4	Risk Revenue - Vision Only	5	
4	Risk Revenue - Other	9	
17	Incurred Losses - Comprehensive Medical	2	
17	Incurred Losses - Medicare	7	
17	Incurred Losses - Medicaid	8	

Schedule D, Summary by Country

Line	Annual Statement Line Description	Column	Value
39	Affiliate Preferred Stocks	1	

Exhibit 7 - Part 1

Line	Annual Statement Line Description	Column	Value
1	Medical Groups	1	
2	Intermediaries	1	
3	All Other Providers	1	
5	Fee-for-Service	1	
6	Contractual Fee Payments	1	
7	Bonus/Withhold Arrangements - Fee-for-Service	1	
8	Bonus/Withhold Arrangements - Contractual Fee Paym	1	
9	Non-Contingent Salaries	1	
10	Aggregate Cost Arrangements	1	
11	All Other Payments	1	
13	Total Claims Payments	1	

Schedule S, Part 2

Line	Annual Statement Line Description	Column	Value
0699999	Paid Losses Recoverable	6	
0699999	Unpaid Losses Recoverable	7	

Schedule S, Part 3, Section 2

Line	Annual Statement Line Description	Column	Value
0399999	Unearned Premiums Ceded	8	
0399999	Other Reserve Credit Ceded	9	



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2007

To Be Filed by April 1

Of The MEMPHIS MANAGED CARE CORPORATION
 Address (City, State, Zip Code): 1407 UNION AVE., SUITE 200 MEMPHIS TN. 38104
 NAIC Group Code: 0000 NAIC Company Code: 00000

Employer's ID Number: 62-1539163

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ 10,727,156

2. Ten largest exposures to a single issuer/borrower/investment.

	1	2	3	4
	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2.01	U.S. TREASURY	BONDS	\$ 814,032	..... 0.070 %
2.02	\$ %
2.03	\$ %
2.04	\$ %
2.05	\$ %
2.06	\$ %
2.07	\$ %
2.08	\$ %
2.09	\$ %
2.10	\$ %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	Bonds	1	2	Preferred Stocks	3	4
3.01	NAIC-1	\$ 814,032	..... 0.070 %	3.07 P/RP-1	\$ %
3.02	NAIC-2	\$ .....	..... %	3.08 P/RP-2	\$ %
3.03	NAIC-3	\$ .....	..... %	3.09 P/RP-3	\$ %
3.04	NAIC-4	\$ .....	..... %	3.10 P/RP-4	\$ %
3.05	NAIC-5	\$ .....	..... %	3.11 P/RP-5	\$ %
3.06	NAIC-6	\$ .....	..... %	3.12 P/RP-6	\$ %

4. Assets held in foreign investments:

(4.01) Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?		Yes () No (X)
(4.02) Total admitted assets held in foreign investmest.	\$ %
(4.03) Foreign-currency- denominated investments.	\$ %
(4.04) Insurance liabilities denominated in that same foreign currency.	\$ %

If response, to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

	<u>1</u>	<u>2</u>
5.01 Countries rated NAIC-1	\$%
5.02 Countries rated NAIC-2	\$%
5.03 Countries rated NAIC-3 or below	\$%

6. Two largest foreign investment exposures in a single country, categorized by the country's NAIC sovereign rating:

	<u>1</u>	<u>2</u>
Countries rated NAIC - 1:		
6.01 Country:	\$%
6.02 Country:	\$%
Countries rated NAIC - 2:		
6.03 Country:	\$%
6.04 Country:	\$%
Countries rated NAIC - 3 or below:		
6.05 Country:	\$%
6.06 Country:	\$%

7. Aggregate unhedged foreign currency exposure:

	<u>1</u>	<u>2</u>
	\$%

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:

	<u>1</u>	<u>2</u>
8.01 Countries rated NAIC-1	\$%
8.02 Countries rated NAIC-2	\$%
8.03 Countries rated NAIC -3 or below	\$%

9. Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

	<u>1</u>	<u>2</u>
Countries rated NAIC - 1:		
9.01 Country:	\$%
9.02 Country:	\$%
Countries rated NAIC - 2:		
9.03 Country:	\$%
9.04 Country:	\$%
Countries rated NAIC - 3 or below:		
9.05 Country:	\$%
9.06 Country:	\$%

10. 10 largest non-sovereign (i. e. non-governmental) foreign issues:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>Issuer</u>	<u>NAIC Rating</u>	-	-
10.01	10.01	\$%
10.02	10.02	\$%
10.03	10.03	\$%
10.04	10.04	\$%
10.05	10.05	\$%
10.06	10.06	\$%
10.07	10.07	\$%
10.08	10.08	\$%
10.09	10.09	\$%
10.10	10.10	\$%

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

11.02 Total admitted assets held in Canadian Investments	\$%
11.03 Canadian-currency-denominated investments	\$%
11.04 Canadian-denominated insurance liabilities	\$%
11.05 Unhedged Canadian currency exposure	\$%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

1

2

3

12.02 Aggregate statement value of investments with contractual sales restrictions \$ %

Largest 3 investments with contractual sales restrictions:

12.03	\$%
12.04	\$%
12.05	\$%

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

1

2

3

<u>Name of Issuer</u>		
13.02	\$%
13.03	\$%
13.04	\$%
13.05	\$%
13.06	\$%
13.07	\$%
13.08	\$%
13.09	\$%
13.10	\$%
13.11	\$%

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 14.01 is yes, responses are not required for the remainder of Interrogatory 14.

<u>1</u>	<u>2</u>	<u>3</u>
14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities	\$ %
Largest 3 investments held in nonaffiliated, privately placed equities:		
14.03	\$ %
14.04	\$ %
14.05	\$ %

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

<u>1</u>	<u>2</u>	<u>3</u>
15.02 Aggregate statement value of investments held in general partnership interests.	\$ %
Largest 3 investments held in general partnership interests:		
15.03	\$ %
15.04	\$ %
15.05	\$ %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5 % of the reporting entity's total admitted assets? Yes () No (X)

If response to 16.01 is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

<u>1</u> Type (Residential, Commercial, Agricultural)	<u>2</u>	<u>3</u>
16.02	\$ %
16.03	\$ %
16.04	\$ %
16.05	\$ %
16.06	\$ %
16.07	\$ %
16.08	\$ %
16.09	\$ %
16.10	\$ %
16.11	\$ %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

	<u>Loans</u>	
	<u>1</u>	<u>2</u>
16.12 Construction loans	\$ %
16.13 Mortgage loans over 90 days past due	\$ %
16.14 Mortgage loans in the process of foreclosure	\$ %
16.15 Mortgage loans foreclosed	\$ %
16.16 Restructured mortgage loans	\$ %

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

Loan-to-Value	Residential		Commercial		Agricultural	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
17.01 above 95%	\$ %	\$ %	\$ %
17.02 91% to 95%	\$ %	\$ %	\$ %
17.03 81% to 90%	\$ %	\$ %	\$ %
17.04 71% to 80%	\$ %	\$ %	\$ %
17.05 below 70%	\$ %	\$ %	\$ %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments real estate:

18.01 Are assets held in real estate reported in less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 18.01 is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

Description	<u>1</u>	<u>2</u>	<u>3</u>
18.02		\$ %
18.03		\$ %
18.04		\$ %
18.05		\$ %
18.06		\$ %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes () No (X)

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

	<u>1</u>	<u>2</u>	<u>3</u>
19.02 Aggregate statement value of investments held in mezzanine real estate loans:		\$ %

Largest three investments held in mezzanine real estate loans:

19.03		\$ %
19.04		\$ %
19.05		\$ %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	At Year-end		At End of Each Quarter		
	<u>1</u>	<u>2</u>	1st Qtr <u>3</u>	2nd Qtr <u>4</u>	3rd Qtr <u>5</u>
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	\$ %	\$	\$	\$
20.02 Repurchase agreements	\$ %	\$	\$	\$
20.03 Reverse repurchase agreements	\$ %	\$	\$	\$
20.04 Dollar repurchase agreements	\$ %	\$	\$	\$
20.05 Dollar reverse repurchase agreements	\$ %	\$	\$	\$

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

	<u>Owned</u>		<u>Written</u>	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
21.01 Hedging	\$ %	\$ %
21.02 Income generation	\$ %	\$ %
21.03 Other	\$ %	\$ %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	<u>At Year-end</u>		<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>	1st Qtr	2nd Qtr	3rd Qtr
			<u>3</u>	<u>4</u>	<u>5</u>
22.01 Hedging	\$ %	\$	\$	\$
22.02 Income generation	\$ %	\$	\$	\$
22.03 Replications	\$ %	\$	\$	\$
22.04 Other	\$ %	\$	\$	\$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	<u>At Year-end</u>		<u>At End of Each Quarter</u>		
	<u>1</u>	<u>2</u>	1st Qtr	2nd Qtr	3rd Qtr
			<u>3</u>	<u>4</u>	<u>5</u>
23.01 Hedging	\$ %	\$	\$	\$
23.02 Income generation	\$ %	\$	\$	\$
23.03 Replications	\$ %	\$	\$	\$
23.04 Other	\$ %	\$	\$	\$



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

History

Memphis Managed Care Corporation (MMCC) d/b/a TLC Family Care Healthplan was incorporated on July 7, 1993. MMCC is owned equally by The Regional Medical Center at Memphis (The MED) and UT Medical Group, Inc. On November 24, 1993 MMCC was licensed as an HMO in Tennessee. MMCC formally commenced operations on January 1, 1994 managing the health care needs of 22,000 Shelby county residents. MMCC currently provides care for approximately 200,000 members. MMCC provides coverage for TennCare members only. MMCC provides services to Community Service Areas (CSAs) in Western Tennessee. For the period July 1, 2002 through December 31, 2003 the State of Tennessee converted all managed care organizations (MCO's), to administrative services only (ASO) arrangements. This conversion is called the Stabilization Plan.

Vision: "Leadership in shaping the standard in healthcare and service by continually raising the bar."

Mission Statement: "Our mission is to promote wellness and ensure access to quality health care through a comprehensive, university-affiliated provider network devoted to enabling our West Tennessee members to lead healthier, longer, and more enriched lives."

Motto: The Health Plan You Can Trust"

Results of Operations.

A. Revenue

Premium Revenue remained at \$ 0 since the company continues to operate under an ASO Agreement. The ASO payments were \$20,530,739 during 2007. The change in the contractual relationship with TennCare with the implementation of the Stabilization Period continued thru 2007.

Member months decreased in 2007 due to only ten months of operations. Member months for 2007 were 1,679,159 compared to 2,054,603 in 2006. Starting in July of 2005 our administration fee was reduced to 11.45 pmpm.

Also in July the State included incentive provisions to our contract that put 10% of our administration fees at risk with the potential to earn a 15% bonus predicated on hitting quarterly targets set by the State. The evaluation process is to take place 90 days after the end of each year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

B. Medical Expenses

Medical expenses for which MMCC was liable were insignificant in 2007. Comparison between periods is not meaningful. During 2007 MMCC paid \$276,426,394 in medical claims for TennCare members.

C. Administrative Expenses

Effective and efficient administration of the program continues to be a strong point for Memphis Managed Care Corporation. Administration expenses were \$16,799,804 (\$ 10.00 PMPM) vs. \$17,562,563 (\$ 8.55PMPM) in the prior year excluding premium tax. Mostly due to an increase in Legal Expenses and Professional Services for the 2007 year.

PROSPECTIVE INFORMATION

November 1st 2007 AMERIGROUP Community Care of Tennessee purchased the assets of Memphis Managed Care Corp. As part of the purchase agreement MMCC's ASO contract was assigned to Amerigroup.

MATERIAL CHANGES

Assets

In 2007 MMCC sold substantial all of its operating assets to Amerigroup of Tennessee.

LIQUIDITY

Short-term liquidity

Short-term liquidity as measure by our current ration is very strong. Our current ratio as of December 31, 2007 was **10.17**. Because of our ASO arrangement with the State we have a \$1,391,737 receivable at year end that represents medical payments made but not funded. The trimming between when medical payments are made and then funded is 3 days. As of this writing all payments have been funded and have never been an issue in terms of cash flow. Budget cash from operations will more than cover any short-term liquidity need MMCC has for 2008.

Long-tem liquidity

MANAGEMENT'S DISCUSSION AND ANALYSIS

MMCC has in the past used equity to finance all of its long-term capital assets minimizing long term debt. For 2008 there are no long-term capital projects planned.