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C&I TENNCARE

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2007

OF THE CONDITION AND AFFAIRS OF THE

MEMPHIS MANAGED CARE CORPORATION

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

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

Country of Domicile US

Licensed as business type:

Life Accident and Health [ ]
Dental Service Corporation [ ]
Health Maintenance Organization [X]

Property/Casualty [ ]
Vision Service Corporation [ ]
Is HMO Federally Qualified? Yes (X) No ( )

Hospital, Medical and Dental Service or Indemnity [ ]
Other [ ]

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 901-515-3022
(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)
901-515-3022
(Area Code) (Telephone Number)

Internet Website Address cmiller@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)

Policyowners Relations Contact and Phone Number N/A
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

1. AL KING (President)
2. JEFF BRANDON (Secretary)

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

JEFF BRANDON
PEGGY ALLEN#
STEVEN BURKETT
BRENDA JETTER
AL KING
VERONICA MALLETT, DR.
SYLVESTER REEDER#
STUART POLLY, DR.

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.

AL KING
President

JEFF BRANDON
Secretary

Subscribed and sworn to before me this
30th day of November, 2007

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

TRACY L. STRICKLAND
STATE OF TENNESSEE NOTARY PUBLIC
SHELBY COUNTY

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	4 Prior Year Net Admitted Assets
1. Bonds	19,006,160		19,006,160	20,291,225
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less $ .....encumbrances)				
4.2 Properties held for the production of income (less $ .....encumbrances)				
4.3 Properties held for sale (less $ .....encumbrances)				
5. Cash ($ 4,198,720), cash equivalents ($ .....) and short-term investments ($ .....)	4,198,720		4,198,720	5,648,464
6. Contract loans (including $ .....premium notes)				
7. Other invested assets	1,325,324		1,325,324	1,415,186
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 to Line 9)	24,530,204		24,530,204	27,354,875
11. Title plants less $ .....charged off (for Title insurers only)				217,686
12. Investment income due and accrued	175,665		175,665	
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	10,046,744		10,046,744	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	982,666	982,666		
19. Furniture and equipment, including health care delivery assets ($ .....)	211,494	211,494		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	260,441	3,000	257,441	262,861
22. Health care ($ .....) and other amounts receivable	729,802	729,648	154	25,006
23. Aggregate write-ins for other than invested assets	498,740	498,740		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	37,435,756	2,425,548	35,010,208	32,597,102
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Totals (Line 24 and Line 25)	37,435,756	2,425,548	35,010,208	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 EXPENSES	498,740	498,740		
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)	498,740	498,740		

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	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	22,427		22,427	183,420
10.1	Current federal and foreign income tax payable and interest thereon (including $ .....on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others	659,022		659,022	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	193,278		193,278	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	800,558		800,558	1,349,431
21.	Aggregate write-ins for other liabilities (including $ .....current)				
22.	Total liabilities (Line 1 to Line 21)	1,675,285		1,675,285	2,387,264
23.	Aggregate write-ins for special surplus funds	XXX	XXX		
24.	Common capital stock	XXX	XXX		
25.	Preferred capital stock	XXX	XXX		
26.	Gross paid in and contributed surplus	XXX	XXX	3,699,498	3,699,498
27.	Surplus notes	XXX	XXX		
28.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
29.	Unassigned funds (surplus)	XXX	XXX	29,635,426	26,510,340
30.	Less treasury stock, at cost:				
	30.1 .....shares common (value included in Line 24 $ .....)	XXX	XXX		
	30.2 .....shares preferred (value included in Line 25 $ .....)	XXX	XXX		
31.	Total capital and surplus (Line 23 to Line 29 minus Line 30)	XXX	XXX	33,334,924	30,209,838
32.	Total Liabilities, capital and surplus (Line 22 and Line 31)	XXX	XXX	35,010,209	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.		XXX	XXX		
2302.		XXX	XXX		
2303.		XXX	XXX		
2398.	Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399.	Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	XXX	XXX		
2801.		XXX	XXX		
2802.		XXX	XXX		
2803.		XXX	XXX		
2898.	Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX		
2899.	Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	1,510,169	1,544,787
2. Net premium income (including $ ..... non-health premium income)	XXX		
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $ ..... medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Line 2 to Line 7)	XXX		
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			3,366,347
21. General administrative expenses		(2,748,548)	(7,848,182)
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)		(2,748,548)	(4,481,835)
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	XXX	2,748,548	4,481,835
25. Net investment income earned		880,839	967,146
26. Net realized capital gains (losses) less capital gains tax of $			
27. Net investment gains (losses) (Line 25 plus Line 26)		880,839	967,146
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)	XXX	3,629,387	5,563,137
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Line 30 minus Line 31)	XXX	3,629,387	5,563,137
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	XXX		
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	XXX		
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. MEDCALL REVENUE			64,316
2902. MRI REVENUE			49,840
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)			114,156

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year	30,209,840	26,539,158	27,804,505
34. Net income (loss) from Line 32	3,629,383	5,563,137	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	(504,299)	(628,750)	(800,172)
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 Tranferred from capital			
46. Dividends to stockholders			(5,000,000)
47. Aggregate write-ins for gains or (losses) in surplus		1,266,197	
48. Net change in capital and surplus (Line 34 to Line 47)	3,125,084	6,200,584	2,405,335
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	33,334,924	32,739,742	30,209,840
DETAILS OF WRITE-INS			
4701. AUDIT ADJUSTMENT		1,266,197	
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)		1,266,197	

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Net investment income	922,860	1,260,863
3. Miscellaneous income	4,003	114,156
4. Total (Line 1 through Line 3)	926,863	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	9,854,777	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 Line9)	9,854,777	11,484,345
11. Net cash from operations (Line 4 minus Line 10)	(8,927,914)	(10,109,326)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,178,380	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, cash equivalants and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	6,178,380	20,929,084
13. Cost of investments acquired (long-term only):		
13.1 Bonds	4,713,593	15,767,942
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	89,862	1,500,000
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	4,803,455	17,267,942
14. Net increase or (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,374,925	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		(5,000,000)
16.6 Other cash provided (applied)	6,103,245	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)	6,103,245	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)	(1,449,744)	(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 period (Line 18 plus Line 19.1)	4,198,720	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		

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital and Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	2,054,603							2,054,603		
2. First Quarter	167,937							167,937		
3. Second Quarter	166,993							166,993		
4. Third Quarter	169,542							169,542		
5. Current Year										
6. Current Year Member Months	1,510,169							1,510,169		
Total Member Ambulatory Encounters for Period:										
7. Physician	174,975							174,975		
8. Non-Physician	7,703							7,703		
9. Total	182,678							182,678		
10. Hospital Patient Days Incurred	24,781							24,781		
11. Number of Inpatient Admissions	6,759							6,759		
12. Health Premiums Written (a)										
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services										
18. Amount Incurred for Provision of Health Care Services										

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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

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

Aging Analysis of Unpaid Claims

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

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	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 (Columns 1 plus 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 to Line 8)						
10. Healthcare recievables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals						

NONE

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies
   No Change

2. Accounting Changes and Corrections of Errors
   No Change

3. Business Combinations and Goodwill
   No Change

4. Discontinued Operations
   No Change

5. Investments
   No Change

6. Joint Ventures, Partnerships and Limited Liability Companies
   No Change

7. Investment Income
   No Change

8. Derivative Instruments
   No Change

9. Income Tax
   No Change

10. Information Concerning Parent, Subsidiaries and Affiliates
    No Change

11. Debt
    No Change

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and other Postretirement Benefit Plans
    No Change

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Re-organizations.
    No Change

14. Contingencies
    No Change

15. Leases
    No Change

16. Information about Financial Instruments with off Balance Sheet risk and Financial; Instruments with concentrations of Credit Risk
    No Change

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

    A. No Change
    B. No Change
    C. Memphis Managed Care Corporation did not engage in any wash sales for the quarter Ending September 30, 2007

18. Gain or Loss to the company from Uninsured A&H Plans and Uninsured
    No Change

19. Direct Premium Written/Produced by managing general agents/third party administrators.
    No Change

20. September 11 Events
    No Change

21. Other Items
    No Change

22. Events Subsequent
    No Change

23. Reinsurance
    No Change

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts
    No Change

25. Change in Incurred Claims and Claim Adjustment Expenses
    No Change

26. Intercompany Pooling Agreements
    No Change

27. Structured Settlements
    No Change

28. Health Care Receivables
    No Change

29. Participating Policies
    No Change

30. Premium Deficiency Reserves
    No Change

31. Anticipated Salvage & Subrogation
    No Change

NOTES TO FINANCIAL STATEMENTS - ITEM 1A

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

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 5A02

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

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.10

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

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 13.11

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

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 19

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

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 23

Name of Reinsurer	Amount

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 28A

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

NONE

NOTES TO FINANCIAL STATEMENTS - ITEM 28B

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

NONE

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes ( ) No (X)

1.2 If yes, has the report been filed with the domiciliary state? Yes ( ) No ( )

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)

2.2 If yes, date of change: .....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes ( ) No (X)

If yes, complete the Schedule Y - Part 1 - organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)

4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes ( ) No ( ) N/A (X)

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2005

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/24/2006

6.4 By what department or departments?

DEPARTMENT OF COMMERCE AND INSURANCE TENNCARE DIVISION

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes ( ) No (X)

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ( ) No (X)

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

GENERAL INTERROGATORIES (continued)

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

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

9.11 If the response to 9.1 is No, please explain:

.....
.....

9.2 Has the code of ethics for senior managers been amended? Yes { } No {X}

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....
.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes { } No {X}

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....
.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes {X} No { }

10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: $ .....

INVESTMENT

11.1 Has there been any change in the reporting entity's own preferred or common stock? Yes { } No {X}

11.2 If yes, explain

.....
.....

12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? {Exclude securities under securities lending agreements.} Yes { } No {X}

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

.....
.....

13. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ .....

14. Amount of real estate and mortgages held in short-term investments: $ .....

15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes {X} No { }

15.2 If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Book/ Adjusted Carrying Value
15.21 Bonds	$	$ .....
15.22 Preferred Stock	$	$ .....
15.23 Common Stock	$	$ .....
15.24 Short-Term Investments	$	$ .....
15.25 Mortgage Loans on Real Estate	$	$ .....
15.26 All Other	$ 1,325,324	$ 1,325,324
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 15.21 to Line 15.26)	$ 1,325,324	$ 1,325,324
15.28 Total Investment in Parent included in Line 15.21 to Line 15.26 above	$	$ .....

16.1 Has the reporting entity entered into any hedging transactions reported on schedule DB? Yes { } No {X}

16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes { } No { }

If no, attach a description with this statement.

GENERAL INTERROGATORIES (continued)

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

17. 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 Part 1-General, Section IV.J-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

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

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes ( ) No (X)

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

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

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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	2 Name(s)	3 Address

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

18.2 If no, list exceptions:

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improv		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange		
7. Amount received on sales		
8. Book/adjusted carrying value at end of cu		
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)		

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after a		
3. Accrual of discount and mortgage interest		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during t		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange		
9. Book value/recorded investment excluding		
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)		

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	1,415,186	1,415,186
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment	(89,862)	
9. Book/adjusted carrying value of long-term invested assets at end of current period	1,325,324	1,415,186
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)	1,325,324	1,415,186
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)	1,325,324	1,415,186

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	20,291,225	17,364,710
2. Cost of bonds and stocks acquired	4,713,593	15,921,823
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of	5,240,000	11,805,000
8. Amortization of premium	758,658	1,190,308
9. Book/adjusted carrying value, current period	19,006,160	20,291,225
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)	19,006,160	20,291,225
12. Total nonadmitted amounts		
13. Statement value	19,006,160	20,291,225

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	19,524,529	4,713,593	5,240,000	8,038	18,941,824	19,524,529	19,006,160	20,291,225
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	19,524,529	4,713,593	5,240,000	8,038	18,941,824	19,524,529	19,006,160	20,291,225
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	19,524,529	4,713,593	5,240,000	8,038	18,941,824	19,524,529	19,006,160	20,291,225

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

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

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1 Year To Date	2 Prior Year Ended December 31
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 ad		
5. Total profit (loss) on disposal of short-term i		
6. Consideration received on disposal of short-t		
7. Book / adjusted carrying value, current peric		
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 period		
13. Income earned during period		

NONE

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				
					6	7	8	9	10	11	12
Replication RSAT Number	Description	NAIC Designation or Other Description	Statement Value	Fair Value	Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	NAIC Designation or Other Description

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

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

NONE

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

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

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.		1 Is Insurer Licensed ? (Yes or No)	Direct Business Only Year to Date 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	XXX								
59. Subtotal		XXX								
60. Reporting entity contributions for Employee Benefit Plans		XXX								
61. Total (Direct Business)		(a)								
DETAILS OF WRITE-INS										
5801.										
5802.										
5803.										
5898. Summary of remaining write-ins for Line 58 from overflow page										
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)										

NONE

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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

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

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

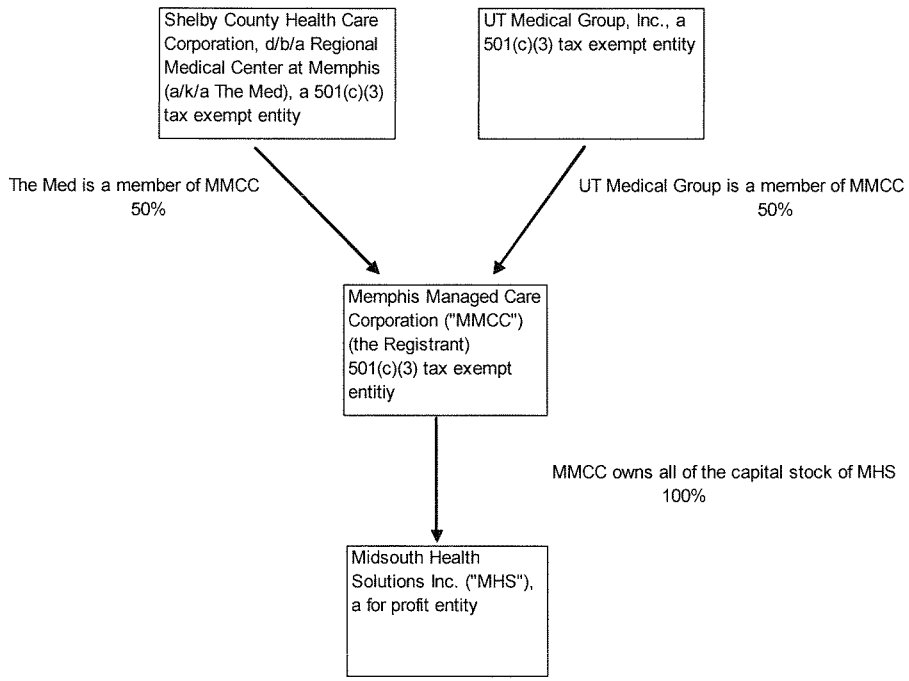
PART 1 - ORGANIZATIONAL LISTING

1 NAIC Group Code	2 Group Name	3 NAIC Company Code	4 State of Domicile	5 FEI Number	6 Name of Company
	UT MEDICAL GROUP INC.& REGIONAL MEDICAL		TN	20-4063319	MID-SOUTH HEALTH SOLUTIONS
	UT MEDICAL GROUP INC.& REGIONAL MEDICAL		TN	62-1539163	MEMPHIS MANAGED CARE INC

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

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

PART 1 - ORGANIZATIONAL CHART



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 EXPLANATIONS and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

EXPLANATIONS:

BAR CODE:

Document Identifier 365:

0 0 0 0 0 2 0 0 7 3 6 5 0 0 0 0 3

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	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 Quarter, 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
	2	3														
Description of Property	City	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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE B - PART 1

Showing All Mortgage Loans ACQUIRED during the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12
	2	3									
Loan Number	City	State	Loan Type	Actual Cost	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

SCHEDULE B - PART 2

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Loan Number	City	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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE BA - PART 1

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

1	2	Location		5	6	7	8	9	10	11	12	13	14	15	16
		3	4												
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value	Increase (Decrease) by Adjustment	Increase (Decrease) By Foreign Exchange Adjustment	Commitment for Additional Investment	Percentage of Ownership

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

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

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828-EG-1	U.S. TREASURY		08/16/2007	DBTC AMERICAS		2,464,063	2,500,000.00	40,540	
0399999 - Subtotal - Bonds - U.S. Governments						2,464,063	2,500,000.00	40,540	
Bonds - All Other Governments									
3128X6-GW-0	FEDERAL HOME LOAN MTG CORP		07/18/2007	RBC DAIN RAUSCHER		350,000	350,000.00	105	
3133XL-RT-2	FEDERAL HOME LOAN		08/06/2007	G.X. CLARKE & COMPANY		400,000	400,000.00		
31331X-BQ-4	FEDERAL FARM CREDIT BANK		09/20/2007	G.X. CLARKE & COMPANY		202,556	200,000.00	4,083	
3133XL-ZS-5	FEDERAL HOME LOAN		08/22/2007	CREWS & ASSOCIATES		600,000	600,000.00		
1099999 - Subtotal - Bonds - All Other Governments						1,552,556	1,550,000.00	4,188	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
008739-AA-2	AIG SUNAMERICA SERIES		09/12/2007	BEAR, STEARNS & CO.		100,510	100,000.00	666	
010392-DK-1	ALABAMA POWER CO.		08/31/2007	BEAR, STEARNS & CO.		100,366	100,000.00	2,240	
073928-W9-0	BEAR STERNS CO INC.		08/31/2007	BEAR, STEARNS & CO.		99,275	100,000.00	683	
25243Y-AG-4	DIAGEO CAPITAL PLC		09/24/2007	SCOTT & STRINGFELLOW INVESTMENT CORP.		98,549	100,000.00	1,714	
524909-AZ-1	LEHMAN BROS. INC.		07/19/2007	SCOTT & STRINGFELLOW INVESTMENT CORP.		100,713	100,000.00	1,697	
571834-AE-0	MARSHALL & ILSLEY CORP.		09/12/2007	FTN FINANCIAL SECURITIES		98,649	100,000.00	498	
913017-BG-3	UNITED TECHNOLOGIES CORP.		09/24/2007	SCOTT & STRINGFELLOW INVESTMENT CORP.		98,912	100,000.00	1,738	
4599999 - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						696,974	700,000.00	9,236	
6099997 - Subtotal - Bonds - Part 3						4,713,593	4,750,000.00	53,964	
6099999 - Subtotal - Bonds						4,713,593	4,750,000.00	53,964	
7499999 - TOTALS						4,713,593		53,964	

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
912828-AH-3	U.S. TREASURY		08/15/2007	SUNTRUST BANK		2,500,000	2,500,000.00	2,499,160	2,495,396		(3,764)				2,500,000				81,250	05/15/2007	
912795-ZY-0	U.S. TREASURY		09/06/2007	AMSOUTH BANK		200,000	200,000.00	195,948							200,000				4,052	09/06/2007	
0399999 - Subtotal - Bonds - U.S. Governments						2,700,000	2,700,000.00	2,695,108	2,495,396		(3,764)				2,700,000				85,302		
Bonds - All Other Governments																					
31331S-SA-2	FEDERAL FARM CREDIT BANK		09/17/2007	AMSOUTH BANK		100,000	100,000.00	99,698							100,000				2,063	09/17/2007	
3133XJ-M9-6	FEDERAL HOME LOAN BANK		07/17/2007	SUNTRUST BANK		750,000	750,000.00	750,000							750,000				19,875	07/17/2007	
3133XJ-VM-7	FEDERAL HOME LOAN BANK		08/15/2007	SUNTRUST BANK		500,000	500,000.00	500,000							500,000				13,250	02/15/2008	
3133XH-ZX-3	FEDERAL HOME LOAN BANK		09/05/2007	SUNTRUST BANK		640,000	640,000.00	640,000	637,229		(2,771)				640,000				24,960	09/05/2007	
3134A4-RH-9	FEDERAL HOME LOAN MORTGAGE CORP.		09/17/2007	AMSOUTH BANK		250,000	250,000.00	244,763	247,330		(2,567)				250,000				4,375	09/15/2007	
1099999 - Subtotal - Bonds - All Other Governments						2,240,000	2,240,000.00	2,234,461	884,559		(5,338)				2,240,000				64,523		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
244217-BH-7	JOHN DEERE CAPITAL CORP		08/22/2007	AMSOUTH BANK		100,000	100,000.00	99,262	99,705		(443)				100,000				2,250	08/22/2007	
634906-CD-1	NATIONAL CITY BANK INDIANA		09/28/2007	AMSOUTH BANK		100,000	100,000.00	100,288	100,084		204				100,000				2,000	09/28/2007	
91324P-AJ-1	UNITED HEALTH GROUP INC.		08/15/2007	AMSOUTH BANK		100,000	100,000.00	99,611							100,000				1,688	08/15/2007	
4599999 - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						300,000	300,000.00	299,161	199,789		(239)				300,000				5,938		
6099997 - Subtotal - Bonds - Part 4						5,240,000	5,240,000.00	5,228,730	3,579,744		(9,341)				5,240,000				155,763		
6099999 - Subtotal - Bonds						5,240,000	5,240,000.00	5,228,730	3,579,744		(9,341)				5,240,000				155,763		
7499999 - TOTALS						5,240,000		5,228,730	3,579,744		(9,341)				5,240,000				155,763		

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

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE DB - PART A - SECTION 1

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

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 Acqui-sition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/(Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART B - SECTION 1

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

1 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 Year to Date Increase/(Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE DB - PART C - SECTION 1

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

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 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income	15 Potential Exposure

NONE

SCHEDULE DB - PART D - SECTION 1

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

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

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
SUNTRUST INVESTMENT	SUNTRUST BANK-TN					1,926,199	1,601,559	2,299,344	
REGIONS GENERAL OPERATING	REGIONS BANK-TN					4,280,290	4,035,057	4,847,402	
REGIONS CLAIMS	REGIONS BANK-TN					(4,530,359)	(3,616,004)	(5,217,287)	
REGIONS PAYROLL	REGIONS BANK-TN					(1,822)	3,003	1,072	
REGIONS ESCROW CASH	REGIONS BANK-TN					84,605	2,529	74,636	
REGIONS TRUST ACCOUNT	REGIONS BANK-TN					2,080,914	2,120,183	2,193,054	
0199999 - TOTAL - Open Depositories						3,839,827	4,146,327	4,198,221	
0399999 - TOTAL Cash on Deposit						3,839,827	4,146,327	4,198,221	
0499999 - Cash in Company's Office						500	500	500	
0599999 - TOTALS						3,840,327	4,146,827	4,198,721	

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE MEMPHIS MANAGED CARE CORPORATION

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Gross Investment Income

NONE

STATEMENT AS OF September 30, 2007 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

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

NONE

STATEMENT AS OF September 30, 2007 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Non Admitted	7 Admitted
0199999 Pharmaceutical Rebate Receivables						
0299999 Claim Overpayment Receivables	154	-	-	598,071	598,071	154
0399999 Loans and Advances to Providers				127,248	127,248	-
0499999 Capitation Arranngement Receivables						
0599999 Risk Sharing Receivables						
0699999 Other Receivables				4,329	4,329	-
0799999 Gross Health Care Receivables	**154**	**-**	**-**	**729,648**	**729,648**	**154**

STATEMENT AS OF September 30, 2007 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Non Admitted'	Current	Non-Current
Med-MRI	0	0	0	0	0	0	0
Medplex	0	0	0	3,000	3,000	0	0
The Health Loop	0	0	0	0	0	0	0
Midsouth Health Solutions	257,441	0	0	0	0	257,441	0
01999999 Individual Listed Receivables	**257,441**	**0**	**0**	**3,000**	**3,000**	**257,441**	**0**
02999999 Receivables Not individually Listed							
03999999 Total Gross amounts Receivable	**257,441**	**0**	**0**	**3,000**	**3,000**	**257,441**	**0**

11/28/2007
11:39 AM

Memphis Managed Care Inc.
Reconcilation of Medical Services Monitoring Report (MSMR)
to Report 2A
As of September 30, 2007

	MSMR REPORT
UB 92 Payments	116,572,431
HCFA 1500 Payments	77,884,034
Total Claim Payments	**194,456,465**
No Check Adjustments	
Capitation	9,163,386
Reinsurance	
Off Lag Adjustments	2,079,798
IBNR	41,514,617
COB Subro Adjustments	
Total Medical Payments	**247,214,266**

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

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	504,630	1,510,169	2,246,795
REVENUES:			
1 TennCare Capitation	116,072,417	300,093,380	373,474,597
2 Investment	310,779	880,839	1,313,408
3 Other Revenue	(90,638)	(89,360)	53,226
4 Total Revenue	116,292,558	300,884,860	374,841,231
EXPENSES:			
Medical and Hospital Services			
5 Capitated Physician Services	2,809,032	8,373,238	12,172,604
6 Fee for Service Physician Services	12,196,652	32,908,613	39,294,873
7 Inpatient Hospital Services	20,268,009	49,456,473	56,586,552
8 Outpatient Services	1,225,897	2,276,783	85,315
9 Emergency Room Services	7,006,107	20,172,938	24,010,446
10 Mental Health Services	9,883	17,433	24,488
11 Dental Services	58,710	111,944	0
12 Vision Services	721,375	1,785,851	2,118,889
13 Pharmacy Services	0	0	(255)
14 Home Health Services	3,279,969	7,510,284	6,529,248
15 Chiropractic Services	0	0	0
16 Radiology Services	4,603,062	9,618,585	1,521,329
17 Laboratory Services	2,457,992	7,201,585	8,432,875
18 Durable Medical Equipment Services	581,982	879,338	298,038
19 Transportation Services	418,452	1,350,317	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	33,072,027	99,595,305	151,258,715
24 **IBNR**	21,585,262	41,514,617	35,904,045
25 **Subtotal**	**110,294,411**	**282,773,304**	**342,039,702**
26 Reinsurance Expense Net of Recoveries	0	0	0
LESS:			
27 Copayments	0	0	0
28 Subrogation			0
29 Coordination of Benefits			0
30 **Subtotal**	0	0	**0**
30 **TOTAL MEDICAL, HOSPITAL & IBNR**	**110,294,411**	**282,773,304**	**342,039,702**
Administration			
31 Compensation	2,081,774	6,239,005	8,510,052
32 Marketing	0	0	0
33 Interest Expense	0	0	92
34 Premium Tax Expense	1,612,766	5,119,998	6,514,857
35 Occupancy Depreciation and Amortization	183,943	546,221	598,436
36 Other Administration	746,332	2,576,945	8,948,701
37 **TOTAL ADMINISTRATION**	**4,624,815**	**14,482,169**	**24,572,138**
38 **TOTAL EXPENSES**	**114,919,226**	**297,255,473**	**366,611,840**
39 **NET INCOME (LOSS)**	1,373,331	3,629,386	8,229,391