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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003

of the Condition and Affairs of the

BLUE CROSS BLUE SHIELD OF MICHIGAN

NAIC Group Code..... 0000 , 0000 (Current Period) (Prior Period) NAIC Company Code..... 54291 Employer's ID Number..... 38-2069753

Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan Country of Domicile US

Licensed as Business Type Hospital, Medical & Dental Service or Indemnity

Is HMO Federally Qualified? N/A

Date Incorporated or Organized..... February 1, 1975 Date Commenced Business..... January 1, 1975

Statutory Home Office	600 Lafayette East ..... Detroit ..... MI ..... 48226 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	600 Lafayette East ..... Detroit ..... MI ..... 48226 *(Street and Number) (City or Town, State and Zip Code)*	313-225-9000 *(Area Code) (Telephone Number)*
Mail Address	600 Lafayette East ..... Detroit ..... MI ..... 48226 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	600 Lafayette East ..... Detroit ..... MI ..... 48226 *(Street and Number) (City or Town, State and Zip Code)*	313-225-9000 *(Area Code) (Telephone Number)*
Internet Website Address	http://bcbsm.com/	
Statutory Statement Contact	Kenneth A. Bluhm *(Name)*	313-225-9095 *(Area Code) (Telephone Number) (Extension)*
	kbluhm@bcbsm.com *(E-Mail Address)*	*313-983-2358* *(Fax Number)*
Policyowner Relations Contact	600 Lafayette East ..... Detroit ..... MI ..... 48226 *(Street and Number) (City or Town, State and Zip Code)*	313-225-9000 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... RICHARD E. WHITMER Treasurer ..... CAROLYNN WALTON Secretary ..... LISA S. DEMOSS

VICE PRESIDENTS

J. PAUL AUSTIN	MARK R. BARTLETT	RICHARD T. COLE	LISA S. DEMOSS
JAMES C. EPOLITO	GEORGE F. FRANCIS III	DANIEL J. LOEPP	KEVIN L. SEITZ
WILLIAM P. SMITH	MARIANNE UDOW	LESLIE A. VIEGAS	

DIRECTORS OR TRUSTEES

JAMES G. AGEE	JON E. BARFIELD	WILLIAM H. BLACK	ARLENE R. BRENNAN RN
RUBEN BURKS	GERSON I. COOPER	JOHN W. COPELAND	PATRICK J. DEVLIN
MARK T. GAFFNEY	CHARLES M. GAYNEY	THOMAS J. HADRYCH	LILA R. JOHNSON
SPENCER C. JOHNSON	JOANNE LAFLECHE-GALLAGHER	JOHN M. MACKEIGAN MD	A. BARRY MCGUIRE
GARY J. MCINERNEY	ROBERT A. PATZER	GEORGE J. PERLES	CALVIN T. RAPSON
JAMES W. RICHARDS, RPH	IRIS K. SALTERS	KRISHNA K. SAWHNEY, MD	KATHLEEN B. SHAPIRO
RICHARD SHOEMAKER	DONALD E. STROUD, DDS	GREGORY A. SUDDERTH	S. MARTIN TAYLOR
STEPHEN H. TERRY	JOHN VANDER MOLEN	RICHARD E. WHITMER	L.L. "WOODY" WILLIAMS
SHARON A. WISE	LEWIN WYATT JR., DO		

State of..... Michigan
County of..... Wayne

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

Signature	Signature	Signature
RICHARD E. WHITMER	LISA S. DEMOSS	CAROLYNN WALTON
(Printed Name)	(Printed Name)	(Printed Name)

Subscribed and sworn to before me this

.....day of ....., 2004

.....

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.....

EXHIBIT 3 - 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
A&H Premiums Due and Unpaid						
Area Rated	4,143,988	246,944				4,390,932
Industry Rated	2,832,294	121,180				2,953,474
Formula & PPO	7,405,246	389,312				7,794,558
0299997. Group subscribers subtotal	14,381,528	757,436	0	0	0	15,138,964
0299999. Total group	14,381,528	757,436	0	0	0	15,138,964
0599999. Accident and health premiums due and unpaid (Page 2, Line 12)	14,381,528	757,436	0	0	0	15,138,964

EXHIBIT 4 - 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
Health Care Receivables						
ITS Host NASCO	42,532,732					42,532,732
Drug Rebates	14,557,552	6,345,481	7,474,794			28,377,827
Clearing Account	782,332					782,332
Central Financing Reserve Deposit	2,079,474					2,079,474
Accounts Receivable From Other Plans	2,519,972					2,519,972
Accounts Receivable From Drug and Vision Vendors	1,715,736					1,715,736
0599999. Gross health care receivables	64,187,798	6,345,481	7,474,794	0	0	78,008,073

EXHIBIT 5 - 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
Claims Unpaid (Reported)						
0399999. Aggregate accounts not individually listed - covered	24,995,372	3,066,727	474,377	63,769	8,968	28,609,213
0499999. Subtotals	24,995,372	3,066,727	474,377	63,769	8,968	28,609,213
0599999. Unreported claim and other claim reserves						547,872,032
0799999. Total claims unpaid						576,481,245

EXHIBIT 6 - 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	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Accident Fund Insurance Company of America	1,962,197	2,124,950	605,965	(4,333,776)		359,335	
Blue Care Network Of Michigan	20,827,775					20,827,775	
BCBSM Foundation	29,668					29,668	
DenteMax	54,966	33,839	24,210			113,015	
PPOM, LLC	1,022,313	577,500	655,550	2,025,561		4,280,924	
0199999. Individually listed receivables	23,896,918	2,736,289	1,285,725	(2,308,215)	0	25,610,717	0
0399999. Total gross amounts receivable	23,896,918	2,736,289	1,285,725	(2,308,215)	0	25,610,717	0

EXHIBIT 7 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
Blue Care Network of Michigan	Point of Service & Intra Company	5,677,167	3,407,040	2,270,127
Accident Fund Insurance Company of America	Deferred Tax Asset	2,941,797	2,941,797	
0199999. Individually listed payables		8,618,964	6,348,837	2,270,127
0399999. Total gross payables		8,618,964	6,348,837	2,270,127

EXHIBIT 8 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups		0.0		0.0		
2. Intermediaries	20,083,079	0.4	88,150	100.0	13,954,702	6,128,377
3. All other providers		0.0		0.0		
4. Total capitation payments	20,083,079	0.4	88,150	100.0	13,954,702	6,128,377
Other Payments:						
5. Fee-for-service		0.0	XXX	XXX		
6. Contractual fee payments	4,754,853,408	99.6	XXX	XXX		4,754,853,408
7. Bonus/withhold arrangements - fee-for-service		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments		0.0	XXX	XXX		
9. Non-contingent salaries		0.0	XXX	XXX		
10. Aggregate cost arrangements		0.0	XXX	XXX		
11. All other payments		0.0	XXX	XXX		
12. Total other payments	4,754,853,408	99.6	XXX	XXX	0	4,754,853,408
13. Total (Line 4 plus Line 12)	4,774,936,487	100.0	XXX	XXX	13,954,702	4,760,981,785

EXHIBIT 8 - 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
Transactions with Intermediaries					
95610	BCN of Michigan	13,954,702	1,162,892	141,507,171	36,585,360
	Quest Diagnostics	2,164,884	180,407		
	Wright & Filippis, Inc.	3,963,492	330,291		
9999999. Totals		20,083,078	XXX	XXX	XXX

EXHIBIT 9 - 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	42,563,127		33,088,201	9,474,926		9,474,926
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment						0
6. Total	42,563,127	0	33,088,201	9,474,926	0	9,474,926

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION.....BLUE CROSS BLUE SHIELD OF MICHIGAN 2. Detroit, MI

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54291

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior year	2,659,983	74,341	889,423	190,834	379,687	439,583	65,887			620,228			
2. First quarter	2,771,716	81,298	834,104	193,225	360,408	443,861	68,081			790,739			
3. Second quarter	2,768,840	87,714	1,560,201	195,661	5,731	33,110	68,285			818,138			
4. Third quarter	2,789,379	93,149	1,532,088	201,208	5,322	30,975	68,381			858,256			
5. Current year	2,698,830	94,099	1,469,657	202,867	5,749	31,517	68,250			826,691			
6. Current year member months	35,468,309	1,051,676	18,606,451	2,366,268	1,152,293	1,619,644	818,632			9,853,345			
Total Member Ambulatory Encounters for Year:													
7. Physician	0												
8. Non-physician	0												
9. Totals	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred	0												
11. Number of inpatient admissions	0												
12. Health premiums collected	5,704,356,545	145,406,043	4,951,749,663	203,556,831	19,395,738	104,754,456	195,462,960			84,030,854			
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	5,554,674,205	144,411,366	4,811,204,266	202,164,362	18,700,815	100,611,512	194,125,859			83,456,025			
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	4,774,936,484	168,993,652	4,005,802,699	288,113,349	14,285,243	82,997,532	164,157,804			50,586,205			
18. Amount incurred for provision of health care services	4,784,056,750	167,165,657	3,997,897,447	289,001,790	14,249,530	85,164,572	177,752,096			52,825,658			

(a) For health business on indiciated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION.....BLUE CROSS BLUE SHIELD OF MICHIGAN 2. Detroit, MI

BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54291

	1	Comprehensive (Hospital & Medical) 2	3	4	5	6	7	8	9	10	11	12	13
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior year	2,659,983	74,341	889,423	190,834	379,687	439,583	65,887			620,228			
2. First quarter	2,771,716	81,298	834,104	193,225	360,408	443,861	68,081			790,739			
3. Second quarter	2,768,840	87,714	1,560,201	195,661	5,731	33,110	68,285			818,138			
4. Third quarter	2,789,379	93,149	1,532,088	201,208	5,322	30,975	68,381			858,256			
5. Current year	2,698,830	94,099	1,469,657	202,867	5,749	31,517	68,250			826,691			
6. Current year member months	35,468,309	1,051,676	18,606,451	2,366,268	1,152,293	1,619,644	818,632			9,853,345			
Total Member Ambulatory Encounters for Year:													
7. Physician	0												
8. Non-physician	0												
9. Totals	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Hospital patient days incurred	0												
11. Number of inpatient admissions	0												
12. Health premiums collected	5,704,356,545	145,406,043	4,951,749,663	203,556,831	19,395,738	104,754,456	195,462,960			84,030,854			
13. Life premiums direct	0												
14. Property/casualty premiums written	0												
15. Health premiums earned	5,554,674,205	144,411,366	4,811,204,266	202,164,362	18,700,815	100,611,512	194,125,859			83,456,025			
16. Property/casualty premiums earned	0												
17. Amount paid for provision of health care services	4,774,936,484	168,993,652	4,005,802,699	288,113,349	14,285,243	82,997,532	164,157,804			50,586,205			
18. Amount incurred for provision of health care services	4,784,056,750	167,165,657	3,997,897,447	289,001,790	14,249,530	85,164,572	177,752,096			52,825,658			

(a) For health business on indiciated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

SCHEDULE A - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	206,823,417
2.	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 10	(12,489,415)
	2.2 Totals, Part 3, Column 7	(156,836)
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 13	5,027,257
	4.2 Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	(113,385)
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 11	
	6.2 Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	4,176,594
8.	Book/adjusted carrying value at end of current period	194,914,444
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	194,914,444
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, current period)	194,914,444

SCHEDULE B - VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of 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		0
3.	Accrual of discount and mortgage interest points and commitment fees		
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		0
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		0
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		193,309,511
2.	Cost of acquisitions during year:		
	2.1 Actual cost at time of acquisitions	5,400,000	
	2.2 Additional investment made after acquisitions	513,536	5,913,536
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		(3,327,066)
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the year		4,324,895
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		191,571,086
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		191,571,086
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period		191,571,086

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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Class 1		131,879,980	34,915,157	89,950,781		256,745,918	11.5	213,255,786	12.2	256,745,918	
1.2 Class 2						0	0.0				
1.3 Class 3						0	0.0				
1.4 Class 4						0	0.0				
1.5 Class 5						0	0.0				
1.6 Class 6						0	0.0				
1.7 Totals	0	131,879,980	34,915,157	89,950,781	0	256,745,918	11.5	213,255,786	12.2	256,745,918	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Class 1	250,000	300,000	100,000			650,000	0.0	850,000	0.0	650,000	
2.2 Class 2						0	0.0				
2.3 Class 3						0	0.0				
2.4 Class 4						0	0.0				
2.5 Class 5						0	0.0				
2.6 Class 6						0	0.0				
2.7 Totals	250,000	300,000	100,000	0	0	650,000	0.0	850,000	0.0	650,000	0
3. **States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)**											
3.1 Class 1						0	0.0				
3.2 Class 2						0	0.0				
3.3 Class 3						0	0.0				
3.4 Class 4						0	0.0				
3.5 Class 5						0	0.0				
3.6 Class 6						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0	0		0	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Class 1						0	0.0				
4.2 Class 2						0	0.0				
4.3 Class 3						0	0.0				
4.4 Class 4						0	0.0				
4.5 Class 5						0	0.0				
4.6 Class 6						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	0		0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Class 1		132,477,856	103,049,803	825,781,327		1,061,308,986	47.7	830,522,127	47.4	1,061,308,986	
5.2 Class 2						0	0.0				
5.3 Class 3						0	0.0				
5.4 Class 4						0	0.0				
5.5 Class 5						0	0.0				
5.6 Class 6						0	0.0				
5.7 Totals	0	132,477,856	103,049,803	825,781,327	0	1,061,308,986	47.7	830,522,127	47.4	1,061,308,986	0

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

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting 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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Class 1						0	0.0				
6.2 Class 2						0	0.0				
6.3 Class 3						0	0.0				
6.4 Class 4						0	0.0				
6.5 Class 5						0	0.0				
6.6 Class 6						0	0.0				
6.7 Totals	0	0	0	0	0	0	0.0	0		0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Class 1	342,090,285	244,109,277	235,183,259	28,897,223		850,280,044	38.2	659,400,101	37.6	846,818,584	3,461,460
7.2 Class 2		32,792,711	16,149,116	5,764,000		54,705,827	2.5	47,642,133	2.7	54,705,827	
7.3 Class 3						0	0.0				
7.4 Class 4						0	0.0				
7.5 Class 5						0	0.0				
7.6 Class 6						0	0.0				
7.7 Totals	342,090,285	276,901,988	251,332,375	34,661,223	0	904,985,871	40.7	707,042,234	40.4	901,524,411	3,461,460
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Class 1						0	0.0				
8.2 Class 2						0	0.0				
8.3 Class 3						0	0.0				
8.4 Class 4						0	0.0				
8.5 Class 5						0	0.0				
8.6 Class 6						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0	0		0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Class 1						0	0.0				
9.2 Class 2						0	0.0				
9.3 Class 3						0	0.0				
9.4 Class 4						0	0.0				
9.5 Class 5						0	0.0				
9.6 Class 6						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0	0		0	0

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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. **Total Bonds Current Year**											
10.1 Class 1	342,340,285	508,767,113	373,248,219	944,629,331	0	2,168,984,948	97.5	XXX	XXX	2,165,523,488	3,461,460
10.2 Class 2	0	32,792,711	16,149,116	5,764,000	0	54,705,827	2.5	XXX	XXX	54,705,827	0
10.3 Class 3	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	342,340,285	541,559,824	389,397,335	950,393,331	0	(b) 2,223,690,775	100.0	XXX	XXX	2,220,229,315	3,461,460
10.8 Line 10.7 as a % of Col. 6	15.4	24.4	17.5	42.7	0.0	100.0	XXX	XXX	XXX	99.8	0.2
11. **Total Bonds Prior Year**											
11.1 Class 1	330,591,329	388,628,320	537,700,298	441,231,227	5,876,840	XXX	XXX	1,704,028,014	97.3	1,416,910,388	287,117,626
11.2 Class 2		42,103,414		5,538,719		XXX	XXX	47,642,133	2.7	47,642,133	
11.3 Class 3						XXX	XXX	0	0.0		
11.4 Class 4						XXX	XXX	0	0.0		
11.5 Class 5						XXX	XXX	(c) 0	0.0		
11.6 Class 6						XXX	XXX	(c) 0	0.0		
11.7 Totals	330,591,329	430,731,734	537,700,298	446,769,946	5,876,840	XXX	XXX	(b) 1,751,670,147	100.0	1,464,552,521	287,117,626
11.8 Line 11.7 as a % of Col. 8	18.9	24.6	30.7	25.5	0.3	XXX	XXX	100.0	XXX	83.6	16.4
12. **Total Publicly Traded Bonds**											
12.1 Class 1	342,340,285	508,767,113	369,786,759	944,629,331		2,165,523,488	97.4	1,416,910,388	80.9	2,165,523,488	XXX
12.2 Class 2		32,792,711	16,149,116	5,764,000		54,705,827	2.5	47,642,133	2.7	54,705,827	XXX
12.3 Class 3						0	0.0	0	0.0	0	XXX
12.4 Class 4						0	0.0	0	0.0	0	XXX
12.5 Class 5						0	0.0	0	0.0	0	XXX
12.6 Class 6						0	0.0	0	0.0	0	XXX
12.7 Totals	342,340,285	541,559,824	385,935,875	950,393,331	0	2,220,229,315	99.8	1,464,552,521	83.6	2,220,229,315	XXX
12.8 Line 12.7 as a % of Col. 6	15.4	24.4	17.4	42.8	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	15.4	24.4	17.4	42.7	0.0	99.8	XXX	XXX	XXX	99.8	XXX
13. **Total Privately Placed Bonds**											
13.1 Class 1			3,461,460			3,461,460	0.2	287,117,626	16.4	XXX	3,461,460
13.2 Class 2						0	0.0	0	0.0	XXX	0
13.3 Class 3						0	0.0	0	0.0	XXX	0
13.4 Class 4						0	0.0	0	0.0	XXX	0
13.5 Class 5						0	0.0	0	0.0	XXX	0
13.6 Class 6						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	3,461,460	0	0	3,461,460	0.2	287,117,626	16.4	XXX	3,461,460
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	100.0	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.2	0.0	0.0	0.2	XXX	XXX	XXX	XXX	0.2

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designation. 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 are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designation. "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.

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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments, Schedules D & DA (Group 1)**											
1.1 Issuer Obligations		131,879,980	34,915,157	89,950,781		256,745,918	11.5	213,255,786	12.2	256,745,918	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
1.7 Totals	0	131,879,980	34,915,157	89,950,781	0	256,745,918	11.5	213,255,786	12.2	256,745,918	0
2. **All Other Governments, Schedules D & DA (Group 2)**											
2.1 Issuer Obligations	250,000	300,000	100,000			650,000	0.0	850,000	0.0	650,000	
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined						0	0.0				
2.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined						0	0.0				
2.6 Other						0	0.0				
2.7 Totals	250,000	300,000	100,000	0	0	650,000	0.0	850,000	0.0	650,000	0
3. **States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)**											
3.1 Issuer Obligations						0	0.0				
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined						0	0.0				
3.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined						0	0.0				
3.6 Other						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0	0		0	0
4. **Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)**											
4.1 Issuer Obligations						0	0.0				
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined						0	0.0				
4.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined						0	0.0				
4.6 Other						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	0		0	0
5. **Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)**											
5.1 Issuer Obligations		132,477,856	103,049,803			235,527,659	10.6	173,708,130	9.9	235,527,659	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities				825,781,327		825,781,327	37.1	372,917,441	21.3	825,781,327	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined						0	0.0	283,896,556	16.2		
5.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined						0	0.0				
5.6 Other						0	0.0				
5.7 Totals	0	132,477,856	103,049,803	825,781,327	0	1,061,308,986	47.7	830,522,127	47.4	1,061,308,986	0

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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. **Public Utilities (Unaffiliated), Schedules D & DA (Group 6)**											
6.1 Issuer Obligations						0	0.0				
6.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined						0	0.0				
6.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined						0	0.0				
6.6 Other						0	0.0				
6.7 Totals	0	0	0	0	0	0	0.0	0		0	0
7. **Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)**											
7.1 Issuer Obligations	342,090,285	276,901,988	251,332,375	34,661,223		904,985,871	40.7	707,042,234	40.4	901,524,411	3,461,460
7.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined						0	0.0				
7.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
7.5 Defined						0	0.0				
7.6 Other						0	0.0				
7.7 Totals	342,090,285	276,901,988	251,332,375	34,661,223	0	904,985,871	40.7	707,042,234	40.4	901,524,411	3,461,460
8. **Credit Tenant Loans, Schedules D & DA (Group 8)**											
8.1 Issuer Obligations						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0	0		0	0
9. **Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)**											
9.1 Issuer Obligations						0	0.0				
9.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined						0	0.0				
9.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined						0	0.0				
9.6 Other						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0	0		0	0

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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. **Total Bonds Current Year**											
10.1 Issuer Obligations	342,340,285	541,559,824	389,397,335	124,612,004	0	1,397,909,448	62.9	XXX	XXX	1,394,447,988	3,461,460
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	825,781,327	0	825,781,327	37.1	XXX	XXX	825,781,327	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	342,340,285	541,559,824	389,397,335	950,393,331	0	2,223,690,775	100.0	XXX	XXX	2,220,229,315	3,461,460
10.8 Line 10.7 as a % of Col. 6	15.4	24.4	17.5	42.7	0.0	100.0	XXX	XXX	XXX	99.8	0.2
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	328,516,422	375,958,879	308,576,597	75,927,412	5,876,840	XXX	XXX	1,094,856,150	62.5	1,091,635,080	3,221,070
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	2,074,907			370,842,534		XXX	XXX	372,917,441	21.3	372,917,441	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined		54,772,855	229,123,701			XXX	XXX	283,896,556	16.2		283,896,556
11.4 Other						XXX	XXX	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX	0	0.0		
11.6 Other						XXX	XXX	0	0.0		
11.7 Totals	330,591,329	430,731,734	537,700,298	446,769,946	5,876,840	XXX	XXX	1,751,670,147	100.0	1,464,552,521	287,117,626
11.8 Line 11.7 as a % of Col. 8	18.9	24.6	30.7	25.5	0.3	XXX	XXX	100.0	XXX	83.6	16.4
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	342,340,285	541,559,824	385,935,875	124,612,004		1,394,447,988	62.7	1,091,635,080	62.3	1,394,447,988	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities				825,781,327		825,781,327	37.1	372,917,441	21.3	825,781,327	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined						0	0.0	0	0.0	0	XXX
12.4 Other						0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined						0	0.0	0	0.0	0	XXX
12.6 Other						0	0.0	0	0.0	0	XXX
12.7 Totals	342,340,285	541,559,824	385,935,875	950,393,331	0	2,220,229,315	99.8	1,464,552,521	83.6	2,220,229,315	XXX
12.8 Line 12.7 as a % of Col. 6	15.4	24.4	17.4	42.8	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	15.4	24.4	17.4	42.7	0.0	99.8	XXX	XXX	XXX	99.8	XXX
13. **Total Privately Placed Bonds**											
13.1 Issuer Obligations			3,461,460			3,461,460	0.2	3,221,070	0.2	XXX	3,461,460
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined						0	0.0	283,896,556	16.2	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined						0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	3,461,460	0	0	3,461,460	0.2	287,117,626	16.4	XXX	3,461,460
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	100.0	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.2	0.0	0.0	0.2	XXX	XXX	XXX	XXX	0.2

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	328,105,150	328,105,150			
2. Cost of short-term investments acquired	6,714,071,337	6,714,071,337			
3. Increase (decrease) by adjustment	1,688,209	1,688,209			
4. Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	0				
6. Consideration received on disposal of short-term investments	6,701,774,411	6,701,774,411			
7. Book/adjusted carrying value, current year	342,090,285	342,090,285	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	342,090,285	342,090,285	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	342,090,285	342,090,285	0	0	0
12. Income collected during year	1,642,775	1,642,775			
13. Income earned during year	1,787,031	1,787,031			

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

Sch. DB-Pt.A-Verification Between Years
NONE

Sch. DB-Pt.B-Verification Between Years
NONE

Sch. DB-Pt.C-Verification Between Years
NONE

Sch. DB-Pt.D-Verification Between Years
NONE

Sch. DB-Pt.E-Verification
NONE

Sch. DB-Pt. F-Sn. 1
NONE

Sch. DB-Pt. F-Sn. 2
NONE

Sch. S-Pt. 1-Sn. 2
NONE

Sch. S-Pt. 2
NONE

Sch. S-Pt. 3-Sn. 2
NONE

Sch. S-Pt. 4
NONE

Sch. S-Pt.5
NONE

Sch. S-Pt.6
NONE

SCHEDULE Y (Continued)

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

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
54291	38-2069753	Blue Cross Blue Shield of Michigan	19,000,000				406,336,884				425,336,884	
95455	38-2359234	Blue Care Network of Michigan					(374,334,450)	2,328,387			(372,006,063)	14,758,738
52037	38-2536979	Blue Care of Michigan, Inc.					(3,401,335)	(997)			(3,402,332)	
10166	38-3207001	Accident Fund Insurance Company of America					(24,139,586)				(24,139,586)	
	38-3357687	PPOM, LLC	(19,000,000)				(4,044,833)				(23,044,833)	
	38-6561861	Blue Care Network Medical Malpractice Self-Insurance Trust									0	
	38-6561862	Blue Care Network Stop-Loss and Casualty Self-Insurance T						(2,327,390)			(2,327,390)	(14,758,738)
	38-2612298	DenteMax					(416,680)				(416,680)	
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

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	RESPONSES
1.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	Yes
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes
3.	Will an actuarial certification be filed with this statement by March 1?	Yes
4.	Will the Risk-Based Capital Report be filed with the NAIC by March 1?	Yes
5.	Will the Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	Yes
6.	Will the SVO Compliance Certification be filed by March 1?	No
7.	Will the Life Supplement be filed with the state of domicile and the NAIC by March 1?	No
8.	Will the Property/Casualty Supplement be filed with the state of domicile and the NAIC by March 1?	No
	APRIL FILING	
9.	Will Management's Discussion and Analysis be filed by April 1?	Yes
10.	Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?	No
11.	Will the Investment Risk Interrogatories be filed by April 1?	Yes
	JUNE FILING	
12.	Will an audited financial report be filed by June 1 with the state of domicile?	Yes

EXPLANATIONS:

BAR CODE:

5429120034700000

5429120032050000

5429120032070000

5429120033300000

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
2304. Area Regulatory Asset	324,904,468		324,904,468	436,327,293
2305. Area Regulatory Asset Impairment	(212,548,000)		(212,548,000)	(212,548,000)
2306. Advances to Providers	118,077,296		118,077,296	142,019,655
2307. Company Owned Automobile	845,179		845,179	839,538
2308. Prepaid Pension Fund	111,099,168		111,099,168	99,934,591
2397. Summary of remaining write-ins for Line 23	342,378,111	0	342,378,111	466,573,077

Additional Write-ins for Liabilities:

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
2104. Advances to Providers	236,156,914		236,156,914	314,376,211
2105. Accounts Payable for Drugs and Vision Vendors			0	39,774,918
2197. Summary of remaining write-ins for Line 21	236,156,914	0	236,156,914	354,151,129

Additional Write-ins for Liabilities:

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
2704. Preferred Providers of Michigan Accumulated Funds	XXX	XXX	10,000	
2797. Summary of remaining write-ins for Line 27	XXX	XXX	10,000	0

Additional Write-ins for Statement of Revenue:

	Current Year 1 Uncovered	2 Total	Prior Year 3 Total
2904. Gain from DenteMax		447,000	279,000
2997. Summary of remaining write-ins for Line 29	0	447,000	279,000

Overflow Page for Write-Ins

Supplement for the year 2003 of the **BLUE CROSS BLUE SHIELD OF MICHIGAN**

* 5 4 2 9 1 2 0 0 3 3 6 0 2 3 1 0 0 *

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

FOR THE STATE OF.....Michigan

NAIC Group Code.....0
Address (City, State and Zip Code).....600 E. Lafayette, Detroit, MI 48226
Person Completing This Exhibit.....Kenneth A. Bluhm
Title.....Director, Financial Accounting

NAIC Company Code.....54291

Telephone Number.....313-225-9095

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2000				Policies Issued in 2001, 2002 & 2003			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
N/A	4744/4745/4851	P	No	256	12/29/1980	N/A	01/21/2001	N/A	Medigap Low Option			0.0		3,658,250	9,131,611	249.6	10,564
N/A	4744/4745	P	No	256	12/29/1980	N/A	01/21/2001	N/A	Medigap High Option			0.0		126,200,626	166,834,969	132.2	119,915
Yes	4290	A	No	256	08/21/1992	N/A	01/21/2001	N/A	Medigap Plan A			0.0		2,927,649	6,124,216	209.2	6,002
Yes	4291	C	No	256	08/21/1992	N/A	01/21/2001	N/A	Medigap Plan C			0.0		68,320,027	105,237,366	154.0	64,918
Yes	9802	A	No	1256	04/29/1999	N/A	01/21/2001	N/A	Medigap Blue Plan			0.0		1,057,810	1,673,628	158.2	1,468
0199999.	Total Policy Experience on Individual Policies									0	0	0.0	0	202,164,362	289,001,790	143.0	202,867

MED360.MI

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... 27000 W. Eleven Mile Road Southfield MI 48034
   2.2 Contact person and phone number..... John Fitzgerald 248-486-2027
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... 27000 W. Eleven Mile Road Southfield MI 48034
   3.2 Contact person and phone number..... Brenda Selle 248-448-5444
4. Explain any policies identified as policy type "O".

54291200320500000

LIFE SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2003

Of the.....BLUE CROSS BLUE SHIELD OF MICHIGAN

ADDRESS .....Detroit MI 48226

NAIC Group Code.....0 NAIC Company Code.....54291 Employer's ID Number.....38-2069753

Ex. 5-Aggregate Reserve for Life Contracts
NONE

Ex. 5-Interrogatories
NONE

Ex. 7-Deposit-Type Contracts
NONE

Sch. S-Pt. 1-Sn. 1
NONE

Sch. S-Pt. 3-Sn. 1
NONE

Supplement for the year 2003 of the **BLUE CROSS BLUE SHIELD OF MICHIGAN**

* 5 4 2 9 1 2 0 0 3 2 0 6 5 8 1 0 0 *

DIRECT BUSINESS IN GRAND TOTAL DURING THE YEAR

NAIC Group Code.....0 NAIC Company Code.....54291

LIFE INSURANCE

	1 Ordinary	2 Credit Life (Group and Individual)	3 Group	4 Industrial	5 Total
DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS					
1. Life insurance					0
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	0	0	0	0	0
DIRECT DIVIDENDS TO POLICYHOLDERS					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (Sum of Lines 6.1 to 6.4)		0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (Sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 + 7.4)	0	0	0	0	0
DIRECT CLAIMS AND BENEFITS PAID					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
DETAILS OF WRITE-INS					
1301.					0
1302.					0
1303.					0
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0
1399. Total (Lines 1301 thru 1303 plus 1398)(Line 13 above)	0	0	0	0	0

NONE

	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1 No.	2 Amount	3 No. of Ind. Pols. & Gr. Certifs.	4 Amount	5 No. of Certifs.	6 Amount	7 No.	8 Amount	9 No.	10 Amount
DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED										
16. Unpaid December 31, prior year									0	0
17. Incurred during current year									0	0
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)	0	0	0	0	0	0	0	0	0	0
POLICY EXHIBIT					No. of Pol.					
20. In force December 31, prior year				(a)					0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	0	(a) 0	0	0	0	0	0	0

NONE

(a) Includes Individual Credit Life Insurance, prior year $.....0 current year $.....0.
Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year $.....0 current year $.....0.
Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year $.....0 current year $.....0.

ACCIDENT AND HEALTH INSURANCE

	1 Direct Premiums	2 Direct Premiums Earned	3 Dividends Paid Or Credited on Direct Business	4 Direct Losses Paid	5 Direct Losses Incurred
24. Group policies (b)					
24.1 Federal Employee Health Benefits Program premium (b)					
24.2 Credit (group and individual)					
24.3 Collectively renewable policies (b)					
Other Individual Policies:					
25.1 Non-cancelable (b)					
25.2 Guaranteed renewable (b)					
25.3 Non-renewable for stated reasons only (b)					
25.4 Other accident only					
25.5 All other (b)					
25.6 Totals (Sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 25.6)	0	0	0	0	0

NONE

(b) For health business on indicated lines report: Number of persons insured under PPO managed products.....0 and number of persons insured under indemnity only products.....0.

Overflow Page for Write-Ins

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PROPERTY/CASUALTY SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2003

Of the.....BLUE CROSS BLUE SHIELD OF MICHIGAN

ADDRESS .....Detroit MI 48226

NAIC Group Code.....0 NAIC Company Code.....54291 Employer's ID Number.....38-2069753

Sch. F-Pt. 1
NONE

Sch. F-Pt. 3
NONE

Sch. P-Pt. 1-Summary
NONE

Sch. P-Pt. 1A
NONE

Sch. P-Pt. 1B
NONE

Sch. P-Pt. 1C
NONE

Sch. P-Pt. 1D
NONE

Sch. P-Pt. 1E
NONE

Sch. P-Pt. 1F-Sn. 1
NONE

Sch. P-Pt. 1F-Sn. 2
NONE

Sch. P-Pt. 1G
NONE

Sch. P-Pt. 1H-Sn. 1
NONE

Sch. P-Pt. 1H-Sn. 2
NONE

Sch. P-Pt. 1I
NONE

Sch. P-Pt. 1J
NONE

Sch. P-Pt. 1K
NONE

Sch. P-Pt. 1L
NONE

Sch. P-Pt. 1M
NONE

Sch. P-Pt. 1N
NONE

Sch. P-Pt. 1O
NONE

Sch. P-Pt. 1P
NONE

Sch. P-Pt. 1R-Sn. 1
NONE

Sch. P-Pt. 1R-Sn. 2
NONE

Sch. P-Pt. 1S
NONE

Sch. P-Pt. 2-Summary
NONE

Sch. P-Pt. 2A
NONE

Sch. P-Pt. 2B
NONE

Sch. P-Pt. 2C
NONE

Sch. P-Pt. 2D
NONE

Sch. P-Pt. 2E
NONE

Sch. P-Pt. 2F-Sn. 1
NONE

Sch. P-Pt. 2F-Sn. 2
NONE

Sch. P-Pt. 2G
NONE

Sch. P-Pt. 2H-Sn. 1
NONE

Sch. P-Pt. 2H-Sn. 2
NONE

Sch. P-Pt. 2I
NONE

Sch. P-Pt. 2J
NONE

Sch. P-Pt. 2K
NONE

Sch. P-Pt. 2L
NONE

Sch. P-Pt. 2M
NONE

Sch. P-Pt. 2N
NONE

Sch. P-Pt. 2O
NONE

Sch. P-Pt. 2P
NONE

Sch. P-Pt. 2R-Sn. 1
NONE

Sch. P-Pt. 2R-Sn. 2
NONE

Sch. P-Pt. 2S
NONE

Supplement for the year 2003 of the **BLUE CROSS BLUE SHIELD OF MICHIGAN**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

* 5 4 2 9 1 2 0 0 3 2 0 8 5 8 1 0 0 *

NAIC Group Code.....0 NAIC Company Code....54291

BUSINESS IN GRAND TOTAL DURING THE YEAR

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A&H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A & H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0
34. TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0

NONE

PS32.GT

DETAILS OF WRITE-INS

3301.												
3302.												
3303.												
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 34 $.....0.

(b) For health business on indiciated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

Overflow Page for Write-Ins