



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023  
OF THE CONDITION AND AFFAIRS OF THE

## Blue Care Network of Michigan

NAIC Group Code 0572 0572 NAIC Company Code 95610 Employer's ID Number 38-2359234  
(Current) (Prior)

Organized under the Laws of Michigan, State of Domicile or Port of Entry MI

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 05/06/1981 Commenced Business 05/13/1981

Statutory Home Office 20500 Civic Center Drive, Southfield, MI, US 48076  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 20500 Civic Center Drive  
(Street and Number)  
Southfield, MI, US 48076, 248-799-6400  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 20500 Civic Center Drive MC C455, Southfield, MI, US 48076  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 20500 Civic Center Drive  
(Street and Number)  
Southfield, MI, US 48076, 313-225-9095  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.BCBSM.com

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### OFFICERS

President & Chief Executive Officer Kathryn Galardi Levine Treasurer Waymond Eli Harris  
Secretary Sheela Rao Manyam

### OTHER

#### DIRECTORS OR TRUSTEES

<u>Julie Anne Angott</u>	<u>William Harrison Black</u>	<u>Kenneth Ray Dallafor</u>
<u>Sarah Winston Doyle</u>	<u>Valeriah Ann Holmon DNP, FNP-BC</u>	<u>Robert Paul Kelch MD</u>
<u>Melvin Lyle Larsen</u>	<u>Kathryn Galardi Levine</u>	<u>Paula Jean Manderfield RN, JD</u>
<u>Paul Lawrence Mozak</u>	<u>Richard Earl Posthumus</u>	<u>Gregory Alan Sudderth</u>
<u>Mary Ann Weaver</u>	<u>Masao Roy Wilson MD #</u>	<u>Bruce Alan Wolf D.O.</u>

State of Michigan SS  
County of Oakland

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kathryn Galardi Levine  
President & Chief Executive Officer

Waymond Eli Harris  
Treasurer

Sheela Rao Manyam  
Secretary

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

- 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.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	1,347,896,004		1,347,896,004	1,399,817,104
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	140,265,680		140,265,680	161,725,085
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens.....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ encumbrances) .....			0	0
5. Cash (\$ ..... 34,626,105 , Schedule E - Part 1), cash equivalents (\$ ..... 31,581,864 , Schedule E - Part 2) and short-term investments (\$ ..... 408,743,725 , Schedule DA) .....	474,951,694		474,951,694	540,214,344
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	294,725,448	0	294,725,448	275,999,158
9. Receivables for securities .....	489,454		489,454	8,160,044
10. Securities lending reinvested collateral assets (Schedule DL) .....	12,892,548		12,892,548	11,249,884
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	2,271,220,828	0	2,271,220,828	2,397,165,619
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	15,387,998	0	15,387,998	15,000,486
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	31,961,435	1,941,342	30,020,093	21,145,711
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... 54,532,136 ) and contracts subject to redetermination (\$ ..... ) .....	54,532,136		54,532,136	49,069,890
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	62,111,658		62,111,658	36,329,213
18.1 Current federal and foreign income tax recoverable and interest thereon ....	504,983		504,983	683
18.2 Net deferred tax asset .....	0		0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	1,018,762	1,018,762	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	10,995,652		10,995,652	59,048,963
24. Health care (\$ ..... 157,364,267 ) and other amounts receivable .....	185,877,876	28,513,609	157,364,267	95,406,139
25. Aggregate write-ins for other than invested assets .....	6,063,275	0	6,063,275	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,639,674,603	31,473,713	2,608,200,890	2,673,166,704
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	2,639,674,603	31,473,713	2,608,200,890	2,673,166,704
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Modified reinsurance experience adjustment .....	6,063,275		6,063,275	0
2502. ....			0	0
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	6,063,275	0	6,063,275	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....0 reinsurance ceded) .....	427,360,024	15,314,723	442,674,747	437,810,300
2. Accrued medical incentive pool and bonus amounts .....	60,267,452		60,267,452	73,493,094
3. Unpaid claims adjustment expenses.....	18,926,524		18,926,524	17,889,648
4. Aggregate health policy reserves, including the liability of \$ ..... 10,542,468 for medical loss ratio rebate per the Public Health Service Act .....	79,447,840		79,447,840	48,541,373
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....	91,964,175		91,964,175	107,081,156
9. General expenses due or accrued.....	10,829,164		10,829,164	12,117,736
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	0		0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....			0	12,344,609
12. Amounts withheld or retained for the account of others.....	1,151,057		1,151,057	995,546
13. Remittances and items not allocated.....	130,581		130,581	116,695
14. Borrowed money (including \$ ..... 50,000,000 current) and interest thereon \$ ..... 44,625 (including \$ ..... 44,625 current).....	50,044,625		50,044,625	50,044,625
15. Amounts due to parent, subsidiaries and affiliates.....	36,744,251		36,744,251	82,190,794
16. Derivatives.....			0	0
17. Payable for securities.....	239,442		239,442	18,381,865
18. Payable for securities lending .....	12,892,548		12,892,548	11,249,884
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans.....	50,380,312		50,380,312	44,440,275
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	3,925,774	0	3,925,774	5,017,322
24. Total liabilities (Lines 1 to 23).....	844,303,769	15,314,723	859,618,492	921,714,922
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	10,000	10,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	15,703,045	15,703,045
29. Surplus notes.....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	1,732,869,353	1,735,738,737
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	1,748,582,398	1,751,451,782
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	2,608,200,890	2,673,166,704
<b>DETAILS OF WRITE-INS</b>				
2301. Escheats .....	3,925,774		3,925,774	5,017,322
2302. ....			0	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	3,925,774	0	3,925,774	5,017,322
2501. ....	XXX	XXX		0
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	7,774,894	7,961,550
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	4,361,002,777	4,151,192,419
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	1,915,409	(3,757,689)
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	0
5. Risk revenue .....	XXX	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	19,851	14,000
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	4,362,938,037	4,147,448,730
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	55,748,619	2,690,511,141	2,557,171,648
10. Other professional services .....	5,040,434	197,703,292	200,267,034
11. Outside referrals .....	100,900,641	100,900,641	110,002,091
12. Emergency room and out-of-area .....	7,688,194	244,866,293	234,967,837
13. Prescription drugs .....		543,053,601	478,260,336
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		40,745,895	56,217,516
16. Subtotal (Lines 9 to 15) .....	169,377,888	3,817,780,863	3,636,886,462
<b>Less:</b>			
17. Net reinsurance recoveries .....		0	0
18. Total hospital and medical (Lines 16 minus 17) .....	169,377,888	3,817,780,863	3,636,886,462
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... 87,086,427 cost containment expenses ....		184,382,945	163,860,419
21. General administrative expenses .....		430,797,728	418,312,376
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		31,070,000	(32,163,947)
23. Total underwriting deductions (Lines 18 through 22).....	169,377,888	4,464,031,536	4,186,895,310
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(101,093,499)	(39,446,580)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		96,687,683	57,064,535
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(9,991,422)	(53,885,564)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	86,696,261	3,178,971
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 .....	0	0	649,571
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(14,397,238)	(35,618,038)
31. Federal and foreign income taxes incurred .....	XXX	20,700	561,214
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(14,417,938)	(36,179,252)
<b>DETAILS OF WRITE-INS</b>			
0601. Other Revenue .....	XXX	19,851	14,000
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	19,851	14,000
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Other income .....			649,571
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	649,571

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	1,751,451,782	1,791,379,725
34. Net income or (loss) from Line 32 .....	(14,417,938)	(36,179,252)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	34,778,339	(30,318,259)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	0	
39. Change in nonadmitted assets .....	(23,229,785)	26,569,568
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	(2,869,384)	(39,927,943)
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,748,582,398	1,751,451,782
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	4,319,759,379	4,080,088,023
2. Net investment income .....	91,743,348	65,295,671
3. Miscellaneous income .....	19,851	14,000
4. Total (Lines 1 through 3) .....	4,411,522,578	4,145,397,694
5. Benefit and loss related payments .....	3,912,895,554	3,589,516,671
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	635,274,777	591,147,370
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	525,000	422,750
10. Total (Lines 5 through 9) .....	4,548,695,331	4,181,086,791
11. Net cash from operations (Line 4 minus Line 10) .....	(137,172,753)	(35,689,097)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,176,531,424	1,145,889,586
12.2 Stocks .....	212,913,883	186,841,349
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	20,036,676	9,067,150
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	70,447	(598,346)
12.7 Miscellaneous proceeds .....	7,670,590	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,417,223,020	1,341,199,739
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	1,141,903,011	1,113,554,552
13.2 Stocks .....	163,650,982	208,469,797
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	20,000,482	52,675,140
13.6 Miscellaneous applications .....	19,785,087	14,381,257
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,345,339,562	1,389,080,746
14. Net increase/(decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	71,883,458	(47,881,007)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	26,645	21,374,328
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	26,645	21,374,328
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(65,262,650)	(62,195,776)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	540,214,344	602,410,120
19.2 End of year (Line 18 plus Line 19.1) .....	474,951,694	540,214,344

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

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income	4,361,002,777	569,682,702	2,325,665,537	26,764,400			119,371,039	1,319,519,099						
2. Change in unearned premium reserves and reserve for rate credit	1,915,409	1,988,034	(72,609)	(16)										
3. Fee-for-service (net of \$ medical expenses)	0													XXX
4. Risk revenue	0													XXX
5. Aggregate write-ins for other health care related revenues	19,851	0	19,851	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	4,362,938,037	571,670,736	2,325,612,779	26,764,384	0	0	119,371,039	1,319,519,099	0	0	0	0	0	0
8. Hospital/medical benefits	2,690,511,141	279,218,338	1,330,492,656	18,028,906			79,338,460	983,432,781						XXX
9. Other professional services	197,703,292	28,569,710	130,895,755	771,376			4,248,526	33,217,925						XXX
10. Outside referrals	100,900,641	10,850,847	53,797,661	939,778			3,263,389	32,048,966						XXX
11. Emergency room and out-of-area	244,866,293	31,300,057	143,775,938	1,225,232			8,575,103	59,989,963						XXX
12. Prescription drugs	543,053,601	81,537,668	361,672,431				27,354,803	72,488,699						XXX
13. Aggregate write-ins for other hospital and medical incentive pool, withhold adjustments and bonus amounts	40,745,895	4,601,557	20,893,643				541,516	14,709,179						XXX
15. Subtotal (Lines 8 to 14)	3,817,780,863	436,078,177	2,041,528,084	20,965,292	0	0	123,321,797	1,195,887,513	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0													XXX
17. Total medical and hospital (Lines 15 minus 16)	3,817,780,863	436,078,177	2,041,528,084	20,965,292	0	0	123,321,797	1,195,887,513	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 87,086,427 cost containment expenses	184,382,945	24,852,818	83,144,705	1,726,237			2,829,841	59,717,467					12,111,877	
20. General administrative expenses	430,797,728	79,935,623	220,816,386	3,280,880			4,294,125	100,514,220					21,956,494	
21. Increase in reserves for accident and health contracts	31,070,000												31,070,000	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	4,464,031,536	540,866,618	2,345,489,175	25,972,409	0	0	130,445,763	1,356,119,200	0	0	0	0	65,138,371	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(101,093,499)	30,804,118	(19,876,396)	791,975	0	0	(11,074,724)	(36,600,101)	0	0	0	0	(65,138,371)	0
<b>DETAILS OF WRITE-INS</b>														
0501. Other revenue	19,851		19,851											XXX
0502.														XXX
0503.														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	19,851	0	19,851	0	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.														XXX
1302.														XXX
1303.														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual .....	569,429,875		(252,827)	569,682,702
2. Comprehensive (hospital and medical) group .....	2,342,044,342		16,378,805	2,325,665,537
3. Medicare Supplement .....	26,764,400			26,764,400
4. Vision only .....				0
5. Dental only .....				0
6. Federal Employees Health Benefits Plan .....	119,371,039			119,371,039
7. Title XVIII - Medicare .....	1,318,102,074		(1,417,025)	1,319,519,099
8. Title XIX - Medicaid .....	0			0
9. Credit A&H .....				0
10. Disability Income .....				0
11. Long-Term Care .....				0
12. Other health .....				0
13. Health subtotal (Lines 1 through 12) .....	4,375,711,730	0	14,708,953	4,361,002,777
14. Life .....	0			0
15. Property/casualty .....	0			0
16. Totals (Lines 13 to 15)	4,375,711,730	0	14,708,953	4,361,002,777



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct .....	3,859,084,182	448,175,019	2,052,059,658	20,939,584			125,775,769	1,212,134,152						
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	0													
1.4 Net .....	3,859,084,182	448,175,019	2,052,059,658	20,939,584	0	0	125,775,769	1,212,134,152	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	53,971,537	10,691,547	35,987,428				1,297,459	5,995,103						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct .....	442,674,747	58,788,127	257,017,756	2,284,232	0	0	12,123,621	112,461,011	0	0	0	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net .....	442,674,747	58,788,127	257,017,756	2,284,232	0	0	12,123,621	112,461,011	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct .....	0													
4.2 Reinsurance assumed .....	0													
4.3 Reinsurance ceded .....	0													
4.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	60,267,452	3,560,602	22,492,181				533,464	33,681,205						
6. Net health care receivables (a) .....	86,913,661	6,496,894	41,105,367				1,787,625	37,523,775						
7. Amounts recoverable from reinsurers December 31, current year .....	0													
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	437,810,300	68,989,632	247,337,607	2,258,524	0	0	13,331,483	105,893,054	0	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net .....	437,810,300	68,989,632	247,337,607	2,258,524	0	0	13,331,483	105,893,054	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct .....	0													
9.2 Reinsurance assumed .....	0													
9.3 Reinsurance ceded .....	0													
9.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	73,493,094	9,650,592	37,585,965				1,289,408	24,967,129						
11. Amounts recoverable from reinsurers December 31, prior year .....	0													
12. Incurred Benefits:														
12.1 Direct .....	3,777,034,968	431,476,620	2,020,634,440	20,965,292	0	0	122,780,282	1,181,178,334	0	0	0	0	0	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.4 Net .....	3,777,034,968	431,476,620	2,020,634,440	20,965,292	0	0	122,780,282	1,181,178,334	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	40,745,895	4,601,557	20,893,644	0	0	0	541,515	14,709,179	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1 Direct .....	96,955,365	12,063,983	52,742,923	468,750			2,487,903	29,191,806						
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	0													
1.4 Net .....	96,955,365	12,063,983	52,742,923	468,750	0	0	2,487,903	29,191,806	0	0	0	0	0	0
2. Incurred but Unreported:														
2.1 Direct .....	337,400,092	43,566,531	199,782,242	1,815,482			8,966,490	83,269,347						
2.2 Reinsurance assumed .....	0													
2.3 Reinsurance ceded .....	0													
2.4 Net .....	337,400,092	43,566,531	199,782,242	1,815,482	0	0	8,966,490	83,269,347	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct .....	8,319,290	3,157,613	4,492,591				669,228	(142)						
3.2 Reinsurance assumed .....	0													
3.3 Reinsurance ceded .....	0													
3.4 Net .....	8,319,290	3,157,613	4,492,591	0	0	0	669,228	(142)	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct .....	442,674,747	58,788,127	257,017,756	2,284,232	0	0	12,123,621	112,461,011	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	442,674,747	58,788,127	257,017,756	2,284,232	0	0	12,123,621	112,461,011	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....	56,771,694	391,403,325	692,444	58,095,683	57,464,138	68,989,632
2. Comprehensive (hospital and medical) group .....	227,672,913	1,824,386,747	2,446,496	254,571,260	230,119,409	247,337,607
3. Medicare Supplement .....	2,323,864	18,615,719	5,059	2,279,173	2,328,923	2,258,524
4. Vision Only .....					0	0
5. Dental Only .....					0	0
6. Federal Employees Health Benefits Plan .....	11,600,995	114,174,774	99,384	12,024,236	11,700,379	13,331,483
7. Title XVIII - Medicare .....	104,992,212	1,107,141,940	182,221	112,278,791	105,174,433	105,893,054
8. Title XIX - Medicaid .....					0	0
9. Credit A&H .....					0	0
10. Disability Income .....					0	0
11. Long-Term Care .....					0	0
12. Other health .....					0	0
13. Health subtotal (Lines 1 to 12) .....	403,361,678	3,455,722,505	3,425,604	439,249,143	406,787,282	437,810,300
14. Health care receivables (a) .....	9,999,682	175,878,194			9,999,682	98,964,214
15. Other non-health .....					0	0
16. Medical incentive pools and bonus amounts .....	53,971,537		7,819,719	52,447,733	61,791,256	73,493,094
17. Totals (Lines 13 - 14 + 15 + 16)	447,333,533	3,279,844,311	11,245,323	491,696,876	458,578,856	412,339,180

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	327,146	330,563	330,572	330,578	330,588
2. 2019 .....	2,223,147	2,545,858	2,548,491	2,548,203	2,548,225
3. 2020 .....	XXX	2,071,254	2,435,327	2,437,167	2,437,187
4. 2021 .....	XXX	XXX	2,122,778	2,449,403	2,450,922
5. 2022 .....	XXX	XXX	XXX	2,009,556	2,339,108
6. 2023 .....	XXX	XXX	XXX	XXX	2,215,790

**Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	331,224	330,563	330,573	330,578	330,588
2. 2019 .....	2,575,064	2,549,959	2,548,491	2,548,203	2,548,225
3. 2020 .....	XXX	2,432,139	2,438,750	2,437,167	2,437,187
4. 2021 .....	XXX	XXX	2,458,876	2,453,493	2,450,922
5. 2022 .....	XXX	XXX	XXX	2,369,030	2,342,248
6. 2023 .....	XXX	XXX	XXX	XXX	2,554,509

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	3,030,150	2,548,225	117,705	4.6	2,665,930	88.0			2,665,930	88.0
2. 2020 .....	2,941,195	2,437,187	117,281	4.8	2,554,468	86.9			2,554,468	86.9
3. 2021 .....	2,706,037	2,450,922	98,229	4.0	2,549,151	94.2			2,549,151	94.2
4. 2022 .....	2,817,026	2,339,108	101,858	4.4	2,440,966	86.7	3,140	1,404	2,445,510	86.8
5. 2023 .....	2,897,264	2,215,790	107,392	4.8	2,323,182	80.2	338,719	12,098	2,673,999	92.3

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (\$000 Omitted)

**Section A - Paid Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	2,256	2,261	2,256	2,256	2,245
2.	2019 .....	21,014	23,226	23,221	23,216	23,219
3.	2020 .....	XXX	18,832	20,732	20,725	20,725
4.	2021 .....	XXX	XXX	17,121	19,494	19,539
5.	2022 .....	XXX	XXX	XXX	17,850	20,137
6.	2023 .....	XXX	XXX	XXX	XXX	18,616

**Section B - Incurred Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	2,258	2,261	2,256	2,256	2,245
2.	2019 .....	23,291	23,228	23,221	23,216	23,219
3.	2020 .....	XXX	20,904	20,737	20,725	20,725
4.	2021 .....	XXX	XXX	19,529	19,496	19,539
5.	2022 .....	XXX	XXX	XXX	20,106	20,142
6.	2023 .....	XXX	XXX	XXX	XXX	20,895

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement**

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2019 .....	33,698	23,219	1,711	7.4	24,930	74.0			24,930	74.0
2. 2020 .....	31,124	20,725	1,467	7.1	22,192	71.3			22,192	71.3
3. 2021 .....	29,954	19,539	820	4.2	20,359	68.0			20,359	68.0
4. 2022 .....	28,481	20,137	1,114	5.5	21,251	74.6	5	10	21,266	74.7
5. 2023 .....	26,764	18,616	1,536	8.3	20,152	75.3	2,279	88	22,519	84.1

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	9,637	9,786	9,785	9,784	9,784
2. 2019 .....	95,168	105,543	105,588	105,648	105,653
3. 2020 .....	XXX	93,648	105,040	105,053	105,064
4. 2021 .....	XXX	XXX	87,805	100,211	100,279
5. 2022 .....	XXX	XXX	XXX	118,533	131,347
6. 2023 .....	XXX	XXX	XXX	XXX	114,175

**Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	9,788	9,786	9,785	9,784	9,784
2. 2019 .....	105,499	105,700	105,588	105,648	105,653
3. 2020 .....	XXX	104,912	105,198	105,053	105,064
4. 2021 .....	XXX	XXX	101,806	100,327	100,279
5. 2022 .....	XXX	XXX	XXX	133,037	131,446
6. 2023 .....	XXX	XXX	XXX	XXX	126,732

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	110,183	105,653	4,557	4.3	110,210	100.0			110,210	100.0
2. 2020 .....	112,648	105,064	4,653	4.4	109,717	97.4			109,717	97.4
3. 2021 .....	113,818	100,279	3,416	3.4	103,695	91.1			103,695	91.1
4. 2022 .....	116,653	131,347	2,314	1.8	133,661	114.6	99	54	133,814	114.7
5. 2023 .....	119,371	114,175	2,568	2.2	116,743	97.8	12,558	465	129,766	108.7

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Title XVIII**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	118,733	117,651	117,736	117,820	117,806
2. 2019 .....	818,564	933,749	932,298	932,953	932,902
3. 2020 .....	XXX	777,131	884,033	884,891	884,759
4. 2021 .....	XXX	XXX	915,440	1,040,937	1,041,282
5. 2022 .....	XXX	XXX	XXX	973,304	1,084,143
6. 2023 .....	XXX	XXX	XXX	XXX	1,107,142

**Section B - Incurred Health Claims - Title XVIII**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	118,973	117,651	117,736	117,820	117,806
2. 2019 .....	943,435	934,052	932,298	932,953	932,902
3. 2020 .....	XXX	901,890	901,433	884,891	884,759
4. 2021 .....	XXX	XXX	1,042,621	1,048,532	1,041,282
5. 2022 .....	XXX	XXX	XXX	1,096,568	1,092,144
6. 2023 .....	XXX	XXX	XXX	XXX	1,245,283

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	1,078,315	932,902	33,589	3.6	966,491	89.6			966,491	89.6
2. 2020 .....	1,009,483	884,759	35,777	4.0	920,536	91.2			920,536	91.2
3. 2021 .....	1,073,995	1,041,282	42,063	4.0	1,083,345	100.9			1,083,345	100.9
4. 2022 .....	1,185,274	1,084,143	55,741	5.1	1,139,884	96.2	8,001	484	1,148,369	96.9
5. 2023 .....	1,319,519	1,107,142	53,760	4.9	1,160,902	88.0	138,141	4,324	1,303,367	98.8

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	457,772	460,261	460,349	460,438	460,423
2. 2019 .....	3,157,893	3,608,376	3,609,598	3,610,020	3,609,999
3. 2020 .....	XXX	2,960,865	3,445,132	3,447,836	3,447,735
4. 2021 .....	XXX	XXX	3,143,144	3,610,045	3,612,022
5. 2022 .....	XXX	XXX	XXX	3,119,243	3,574,735
6. 2023 .....	XXX	XXX	XXX	XXX	3,455,723

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	462,243	460,261	460,350	460,438	460,423
2. 2019 .....	3,647,289	3,612,939	3,609,598	3,610,020	3,609,999
3. 2020 .....	XXX	3,459,845	3,466,118	3,447,836	3,447,735
4. 2021 .....	XXX	XXX	3,622,832	3,621,848	3,612,022
5. 2022 .....	XXX	XXX	XXX	3,618,741	3,585,980
6. 2023 .....	XXX	XXX	XXX	XXX	3,947,419

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	4,252,346	3,609,999	157,562	4.4	3,767,561	88.6	0	0	3,767,561	88.6
2. 2020 .....	4,094,450	3,447,735	159,178	4.6	3,606,913	88.1	0	0	3,606,913	88.1
3. 2021 .....	3,923,804	3,612,022	144,528	4.0	3,756,550	95.7	0	0	3,756,550	95.7
4. 2022 .....	4,147,434	3,574,735	161,027	4.5	3,735,762	90.1	11,245	1,952	3,748,959	90.4
5. 2023 .....	4,362,918	3,455,723	165,256	4.8	3,620,979	83.0	491,697	16,975	4,129,651	94.7

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves .....	1,165,836	385,808	779,442	396				190					
2. Additional policy reserves (a) .....	31,070,000												31,070,000
3. Reserve for future contingent benefits .....	0												
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income) ..	10,768,487	10,542,468	226,019										
5. Aggregate write-ins for other policy reserves .....	36,443,517	17,868,600	18,574,917	0	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	79,447,840	28,796,876	19,580,378	396	0	0	0	190	0	0	0	0	31,070,000
7. Reinsurance ceded .....	0												
8. Totals (Net)(Page 3, Line 4) .....	79,447,840	28,796,876	19,580,378	396	0	0	0	190	0	0	0	0	31,070,000
9. Present value of amounts not yet due on claims .....	0												
10. Reserve for future contingent benefits .....	0												
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0												
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. ACA Risk adjustment .....	36,443,517	17,868,600	18,574,917										
0502. ....													
0503. ....													
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	36,443,517	17,868,600	18,574,917	0	0	0	0	0	0	0	0	0	0
1101. ....													
1102. ....													
1103. ....													
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....31,070,000 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ ..... for occupancy of own building) .....	420,728	463,186	1,445,156	2,337	2,331,407
2. Salary, wages and other benefits .....	48,835,973	53,758,733	167,887,193	4,627,021	275,108,920
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			95,702,788		95,702,788
4. Legal fees and expenses .....	628,671	692,113	1,703,135	3,491	3,027,410
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services ... ..	5,472,340	6,030,126	18,814,218	30,419	30,347,103
7. Traveling expenses .....	496,447	546,546	1,705,244	2,757	2,750,994
8. Marketing and advertising .....	1,475,006	1,623,857	5,066,495	8,192	8,173,550
9. Postage, express and telephone .....	1,389,432	1,529,647	4,772,556	7,716	7,699,351
10. Printing and office supplies .....	457,254	503,398	1,570,620	2,539	2,533,811
11. Occupancy, depreciation and amortization .....	1,181,423	1,300,647	4,058,067	6,561	6,546,698
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....	10,473,062	11,529,955	35,973,890	58,163	58,035,070
14. Outsourced services including EDP, claims, and other services .....	22,165,079	25,823,606	76,118,235	124,258	124,231,178
15. Boards, bureaus and association fees .....	851,552	937,486	2,305,383	4,729	4,099,150
16. Insurance, except on real estate .....	261,742	288,156	1,124,056	1,454	1,675,408
17. Collection and bank service charges .....				2,564,010	2,564,010
18. Group service and administration fees .....	(740)	(815)	5,175,741		5,174,186
19. Reimbursements by uninsured plans .....	(10,008,945)	(11,019,001)	(34,379,694)		(55,407,640)
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....	209,806	230,979	720,662		1,161,447
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			15,660,184		15,660,184
23.2 State premium taxes .....					0
23.3 Regulatory authority licenses and fees .....			15,833,040		15,833,040
23.4 Payroll taxes .....	2,594,485	2,856,308	8,911,787		14,362,580
23.5 Other (excluding federal income and real estate taxes) .....					0
24. Investment expenses not included elsewhere .....				0	0
25. Aggregate write-ins for expenses .....	183,112	201,591	628,972	1,017	1,014,692
26. Total expenses incurred (Lines 1 to 25) .....	87,086,427	97,296,518	430,797,728	7,444,664	622,625,337
27. Less expenses unpaid December 31, current year .....	8,939,240	9,987,284	10,829,164		29,755,688
28. Add expenses unpaid December 31, prior year .....	8,632,958	9,256,690	12,117,736		30,007,384
29. Amounts receivable relating to uninsured plans, prior year .....	4,934,418	5,290,931	26,103,864		36,329,213
30. Amounts receivable relating to uninsured plans, current year .....	8,792,673	9,823,534	43,495,451		62,111,658
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	90,638,400	101,098,527	449,477,887	7,444,664	648,659,478
<b>DETAILS OF WRITE-INS</b>					
2501. Miscellaneous expense .....	183,112	201,591	628,972	1,017	1,014,692
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	183,112	201,591	628,972	1,017	1,014,692

(a) Includes management fees of \$ .....514,704,667 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 10,972,126	11,509,205
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 70,487,630	70,501,610
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	3,157,761	3,190,113
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 15,147,771	15,147,771
7. Derivative instruments	(f) 0	0
8. Other invested assets	4,792,743	4,792,743
9. Aggregate write-ins for investment income	92,610	92,610
10. Total gross investment income	104,650,641	105,234,052
11. Investment expenses		(g) 7,444,664
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 1,101,705
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		8,546,369
17. Net investment income (Line 10 minus Line 16)		96,687,683
<b>DETAILS OF WRITE-INS</b>		
0901. Security lending income	92,610	92,610
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	92,610	92,610
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 7,399,363 accrual of discount less \$ 2,800,847 amortization of premium and less \$ 7,770,495 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 15,568,652 accrual of discount less \$ 412,655 amortization of premium and less \$ 4,517,011 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 7,444,664 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(7,057,402)	(31,820)	(7,089,222)	0	0
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	(7,690,435)	(7,068,221)	(14,758,656)	(43,310)	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	9,435,460	(1,999,242)	7,436,218	20,367,263	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	76,973	(10,530)	66,443	4,003	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	4,353,794	0	4,353,794	14,450,383	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	(881,610)	(9,109,813)	(9,991,423)	34,778,339	0
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....	0		0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,941,342	744,286	(1,197,056)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....	1,018,762	3,781,401	2,762,639
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	28,513,609	3,718,241	(24,795,368)
25. Aggregate write-ins for other than invested assets .....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	31,473,713	8,243,928	(23,229,785)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27)	31,473,713	8,243,928	(23,229,785)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. ....		0	0
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	663,057	651,853	645,476	650,643	648,197	7,774,894
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	663,057	651,853	645,476	650,643	648,197	7,774,894
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The financial statements of Blue Care Network of Michigan (BCN) are presented on the basis of accounting practices required by the Michigan Department of Insurance and Financial Services (DIFS).

DIFS has adopted the National Association of Insurance Commissioner's (NAIC) Accounting Practices and Procedures Manual and the related NAIC Annual Statement Instructions (NAIC SAP) for determining and reporting the financial condition and results of operations of an insurance company. The Director of DIFS has the right to prescribe other specific practices that may deviate from NAIC practices and procedures. The accompanying statutory basis financial statements of BCN have been prepared in conformity with accounting practices prescribed by DIFS, including those related to SSAP No. 84 - Health Care and Government Insured Plan Receivables. DIFS implemented a prescribed practice for HMOs whereby loans or advances to hospitals or other providers under SSAP No. 84 are not permitted.

The prescribed practice had no impact on the net income for the periods ended December 31, 2023 and December 31, 2022. Without the prescribed practice, statutory surplus would have increased by \$0 and \$160,166 as of December 31, 2023 and December 31, 2022, respectively.

A reconciliation of the BCN's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

	SSAP #	F/S Page	F/S Line #	2023	2022
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ (14,417,938)	\$ (36,179,252)
(2) State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ (14,417,938)	\$ (36,179,252)
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,748,582,398	\$ 1,751,451,782
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: Provider Advances	84	2	24	\$ -	\$ (160,166)
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 1,748,582,398	\$ 1,751,611,948

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

The preparation of statutory-basis financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statutory-basis financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates include assumptions used in amounts recorded relating to the Affordable Care Act (ACA); liabilities for unpaid claims, specifically incurred but not reported (IBNR); premium deficiency reserves and litigation-related contingencies.

#### C. Accounting Policy

Revenues – Premiums, which generally are billed in advance, are recognized as revenue during the respective periods of coverage. Premiums applicable to the unexpired portion of coverage are reflected in the accompanying statutory-basis statements of Admitted Assets, Liabilities, Capital and Surplus as Aggregate health policy reserves. Premiums received in advance of the billing due date are recorded as premiums received in advance.

Revenue from self-funded administrative services only (ASO) primarily consists of administrative fees for services provided, such as management of medical services, claims processing, and access to provider networks. Under ASO arrangements, self-funded groups retain the primary underwriting risk of paying claims. Amounts due from ASO groups are equal to the amounts required to pay claims and administrative fees. Administrative fees are earned as services are performed and are calculated based on the number of members in a group or the group's claim experience. Since benefit expenses for ASO arrangements are not the responsibility of BCN, claims paid by BCN and the corresponding receipt of claim payments are not reported in the accompanying Statement of Revenue and Expenses.

For the years ended December 31, 2023 and 2022, administrative fee revenues of \$55,407,639 and \$50,804,947, respectively, related to ASO arrangements are included as a reduction in general administrative expenses, cost containment expenses, and other claim adjustment expenses.

BCN follows the accounting policies below:

(1) Cash Equivalents and Short-term investments include commercial paper, certificates of deposits, money market mutual funds and other readily marketable investments with initial maturities less than one year for short-term investments and three months or less at the time of acquisition for cash equivalents. In general, cash equivalents and short-term investments are recorded at amortized cost, which approximates market value. Money market mutual funds are recorded at fair value or net asset value (NAV) per share.

(2) Bonds not backed by other loans – that have a NAIC designation of one or two are stated at amortized cost using the scientific effective interest method. Bonds with a NAIC designation of three to six are carried at the lower of amortized cost or fair market value. BCN has not elected to use the Systematic approach for their SVQ identified investments.

(3) Common stocks – stated at fair value. Changes in unrealized appreciation and depreciation in the value of common stocks are reflected as direct increases or decreases in surplus.

(4) Preferred stocks

NOT APPLICABLE

(5) Mortgage loans on real estate

NOT APPLICABLE

(6) Loan-backed securities – loan-backed securities with a NAIC designation of 1 or 2 are stated at amortized cost using the scientific effective interest method while those loan-backed securities with a NAIC designation of three or higher are carried at lower of amortized cost or fair market value. Premiums and discounts on loan-backed bonds and structured securities are amortized using the retrospective method based on anticipated prepayments at the date of purchase. Prepayment assumptions are obtained from broker-dealer survey values or internal estimates. Changes in estimated cash flows from the original purchase assumptions are accounted for using a prospective method. Should the present value of anticipated cash flows collected be less than the amortized cost basis, a determination will be made on whether the decline in value is other-than-temporary. If BCN has the ability and intent to hold the security to maturity, but does not expect recovery of the carrying value, the decline in value is recognized as an impairment loss.

(7) Investments in subsidiaries, controlled and affiliated entities

NOT APPLICABLE

**NOTES TO FINANCIAL STATEMENTS**

(8) Investments in joint ventures, partnerships and limited liability companies – BCN has ownership interests in partnerships and limited liability companies. BCN carries these investments based on the underlying U.S. GAAP equity of the investee. Such investments are included in the other invested assets line of the Assets page.

(9) Derivatives

NOT APPLICABLE

(10) Investment income in premium deficiency calculation – BCN used anticipated investment income as part of the premium deficiency actuarial estimate calculation.

(11) Claims unpaid – The claims unpaid liability for incurred but unpaid and unreported claims is accrued in the period during which the services are provided and includes actuarial estimates of services performed that have not been reported to BCN by providers. Such estimates are based on historical claims experience modified for current trends and changes in benefits provided. Revisions in actuarial estimates are reported in the period in which they arise. BCN has reinsured certain components of its claims liabilities. Processing expense related to unpaid claims is accrued based on an estimate of cost to process such claims.

(12) Fixed asset capitalization – BCN had no change in its fixed asset capitalization policy from the prior period.

(13) Pharmaceutical rebate receivables – BCN receives pharmaceutical rebates from third-party pharmacy benefit managers. Rebate accruals are calculated using recent history of rebates received to develop an estimate.

D. Going Concern

Management has evaluated BCN's ability to continue as a going concern and does not have any substantial doubt about BCN's ability to continue as a going concern.

**NOTE 2 Accounting Changes and Corrections of Errors**

NOT APPLICABLE

**NOTE 3 Business Combinations and Goodwill**

NOT APPLICABLE

**NOTE 4 Discontinued Operations**

NOT APPLICABLE

**NOTE 5 Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans

NOT APPLICABLE

B. Debt Restructuring

NOT APPLICABLE

C. Reverse Mortgages

NOT APPLICABLE

D. Loan-Backed Securities

(1) Loan-backed securities designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost; securities that are designated medium quality, low quality, lowest quality and in or near default (NAIC designations 3 to 6, respectively) shall be reported at the lower of amortized cost or fair value. Premiums and discounts on loan-backed bonds and structured securities are amortized using the retrospective method based on anticipated prepayments at the date of purchase. Prepayment assumptions are obtained from broker-dealer survey values or internal estimates. Changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method.

(2) Other-Than-Temporary Impairment of Loan-Backed and Structured Securities

OTTI recognized 1st Quarter

a. Intent to sell

b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis

c. Total 1st Quarter (a+b)

OTTI recognized 2nd Quarter

d. Intent to sell

e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis

f. Total 2nd Quarter (d+e)

OTTI recognized 3rd Quarter

g. Intent to sell

h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis

i. Total 3rd Quarter (g+h)

OTTI recognized 4th Quarter

j. Intent to sell

k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis

l. Total 4th Quarter (j+k)

m. Annual Aggregate Total (c+f+i+l)

	1 Amortized Cost Basis Before Other-than- Temporary Impairment	2 Other-than- Temporary Impairment Recognized in Loss	3 Fair Value 1 - 2
			\$ -
			\$ -
	\$ -	\$ -	\$ -
			\$ -
			\$ -
	\$ -	\$ -	\$ -
			\$ -
			\$ -
	\$ 20,243,121	\$ 1,759,182	\$ 18,483,939
	\$ 20,243,121	\$ 1,759,182	\$ 18,483,939
		\$ 1,759,182	

(3) Other-Than-Temporary Impairment of Loan-Backed and Structured Securities by CUSIP

The table below reflects the loan-backed and structured securities impairment losses as of December 31, 2023. These securities were impaired on the basis that either the present value of the cash flows expected to be collected is less than the amortized cost basis or it is probable that the security will be sold before the recovery occurs.

**NOTES TO FINANCIAL STATEMENTS**

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
08163C-BC-2	\$ 1,268,094	\$ 1,222,001	\$ 46,093	\$ 1,222,001	\$ 1,222,001	12/31/2023
3128M9-ZS-4	\$ 2,815,032	\$ 2,649,602	\$ 165,430	\$ 2,649,602	\$ 2,649,602	12/31/2023
3132DW-BK-8	\$ 4,498,262	\$ 3,922,824	\$ 575,437	\$ 3,922,824	\$ 3,922,824	12/31/2023
3133BP-WB-0	\$ 684,165	\$ 674,591	\$ 9,575	\$ 674,591	\$ 674,591	12/31/2023
3140KD-CD-0	\$ 1,031,434	\$ 967,593	\$ 93,842	\$ 967,593	\$ 967,593	12/31/2023
3140QM-WH-3	\$ 2,578,088	\$ 2,244,696	\$ 333,392	\$ 2,244,696	\$ 2,244,696	12/31/2023
31418D-CX-8	\$ 902,394	\$ 812,915	\$ 89,479	\$ 812,915	\$ 812,915	12/31/2023
36179V-4Y-3	\$ 4,442,037	\$ 4,198,308	\$ 243,730	\$ 4,198,308	\$ 4,198,308	12/31/2023
36179W-XL-7	\$ 1,993,614	\$ 1,791,410	\$ 202,204	\$ 1,791,410	\$ 1,791,410	12/31/2023
Total	XXX	XXX	\$ 1,759,182	XXX	XXX	XXX

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a) The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ (428,759)
2. 12 Months or Longer	\$ (25,762,453)
b) The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 63,227,630
2. 12 Months or Longer	\$ 197,546,697

(5) Because BCN has determined the investments, noted in (4)b above, have not been subject to credit losses and BCN does not have the intent to sell the securities and has the ability to hold such securities, BCN does not consider these investments to be other-than-temporarily impaired.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) Policy for Requiring Collateral or Other Security – In the normal course of business, BCN participates in security lending agreements with a custodian bank. Under the agreement, BCN lends equity and bond securities in exchange for collateral, approximating at least 102% of the value of the securities loaned. Cash collateral is invested by the custodian bank in a money market fund and the offsetting collateral liability is included in Collateral from Lending activities. BCN's non-cash collateral is in the form of U.S. Treasury and U.S. agency securities. The security lending agreements are primarily overnight in nature and subject to renewal or termination. The fair value of the cash and non-cash collateral at December 31, 2023 is \$12,892,548 and \$332,405 respectively.

(2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities – BCN has no pledged assets under its security lending transaction

(3) Collateral Received

a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending	
(a) Open	\$ 12,892,548
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal (a+b+c+d+e)	\$ 12,892,548
(g) Securities Received	
(h) Total Collateral Received (f+g)	\$ 12,892,548
2. Dollar Repurchase Agreement	
(a) Open	
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Subtotal (a+b+c+d+e)	\$ -
(g) Securities Received	
(h) Total Collateral Received (f+g)	\$ -

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged

\$ -

c. Information about Sources and Uses of Collateral – BCN receives cash and noncash collateral in an amount in excess of the fair value of the securities lent. BCN reinvests the cash collateral into a money market fund.

(4) Securities lending transactions administered by an affiliated agent

NOT APPLICABLE

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	\$ 12,892,548	\$ 12,892,548
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater than 3 years		
(k) Subtotal (Sum of a through j)	\$ 12,892,548	\$ 12,892,548
(l) Securities Received		



**NOTES TO FINANCIAL STATEMENTS**

(m) Total Collateral Reinvested (k+l)	\$ 12,892,548	\$ 12,892,548
2. Dollar Repurchase Agreement		
(a) Open		
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 years		
(i) 2 to 3 years		
(j) Greater than 3 years		
(k) Subtotal (Sum of a through j)	\$ -	\$ -
(l) Securities Received		
(m) Total Collateral Reinvested (k+l)	\$ -	\$ -

b. Explanation of Additional Sources of Liquidity for Maturity Date Mismatches

NOT APPLICABLE

BCN has re-invested the cash collateral (Collateral to be returned) in a Money Market Mutual Fund with no specified maturity date and can be returned at any time.

(6) Detail on Collateral Transactions Not Permitted by Contract or Custom to Sell or Repledge  
By contract, BCN through its custodian bank, is allowed to sell collateral received if borrowers are in default.

(7) Collateral for securities lending transactions that extend beyond one year from the reporting date.

NOT APPLICABLE

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

NOT APPLICABLE

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

NOT APPLICABLE

H. Repurchase Agreements Transactions Accounted for as a Sale

NOT APPLICABLE

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

NOT APPLICABLE

J. Real Estate

NOT APPLICABLE

K. Low Income Housing tax Credits (LIHTC)

NOT APPLICABLE

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Non- admitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Non- admitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown			\$ -		\$ -	0.000%	0.000%
b. Collateral held under security lending agreements	\$12,892,548	\$11,249,884	\$ 1,642,664		\$12,892,548	0.488%	0.494%
c. Subject to repurchase agreements			\$ -		\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements			\$ -		\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
g. Placed under option contracts			\$ -		\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			\$ -		\$ -	0.000%	0.000%
i. FHLB capital stock	\$ 5,458,500	\$ 3,973,400	\$ 1,485,100		\$ 5,458,500	0.207%	0.209%
j. On deposit with states	\$ 1,000,000	\$ 1,000,000	\$ -		\$ 1,000,000	0.038%	0.038%
k. On deposit with other regulatory bodies			\$ -		\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ 54,285,727	\$ 89,059,352	\$ (34,773,625)		\$ 54,285,727	2.057%	2.081%
m. Pledged as collateral not captured in other categories		\$ -	\$ -		\$ -	0.000%	0.000%
n. Other restricted assets	\$ 200	\$ 200	\$ -		\$ 200	0.000%	0.000%
<b>o. Total Restricted Assets (Sum of a through n)</b>	<b>\$ 73,636,975</b>	<b>\$ 105,282,836</b>	<b>\$ (31,645,861)</b>	<b>\$ -</b>	<b>\$ 73,636,975</b>	<b>2.790%</b>	<b>2.823%</b>

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

**NOTES TO FINANCIAL STATEMENTS**

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

NOT APPLICABLE

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Non- admitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
BCBSM Foundation	\$ 200	\$ 200	\$ -	\$ 200	0.000%	0.000%
Total (a)	\$ 200	\$ 200	\$ -	\$ 200	0.000%	0.000%

(a) Total Line for Columns 1 through 3 should equal 5L(1)n Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)n Column 5.

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments			0.000%	0.000%
b. Schedule D, Part 1			0.000%	0.000%
c. Schedule D, Part 2, Section 1			0.000%	0.000%
d. Schedule D, Part 2, Section 2			0.000%	0.000%
e. Schedule B			0.000%	0.000%
f. Schedule A			0.000%	0.000%
g. Schedule BA, Part 1			0.000%	0.000%
h. Schedule DL, Part 1	\$ 12,892,548	\$ 12,892,548	0.488%	0.494%
i. Other			0.000%	0.000%
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 12,892,548	\$ 12,892,548	0.488%	0.494%

\* Column 1 divided by Asset Page, Line 26 (Column 1)

\*\* Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	\$ 12,892,548	1.500%

\* Column 1 divided by Liability Page, Line 24 (Column 3)

M. Working Capital Finance Investments

NOT APPLICABLE

N. Offsetting and Netting of Assets and Liabilities

NOT APPLICABLE

O. 5GI Securities

NOT APPLICABLE

P. Short Sales

NOT APPLICABLE

Q. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
1. Number of CUSIPs	16
2. Aggregate Amount of Investment Income	\$ 100,925

R. Reporting Entity's Share of Cash Pool by Asset Type

NOT APPLICABLE

**NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies**

NOT APPLICABLE

**NOTE 7 Investment Income**

A. BCN non-admits investment income due and accrued if the amounts are over 90 days past due.

B. BCN admitted all accrued investment income as of December 31, 2023 and 2022.

C. The gross, nonadmitted and admitted amounts for interest income due and accrued.

Interest Income Due and Accrued	<u>Amount</u>
1. Gross	\$ 15,387,998
2. Nonadmitted	\$ -
3. Admitted	\$ 15,387,998

D. The aggregate deferred interest.

	<u>Amount</u>
Aggregate Deferred Interest	\$ -

**NOTES TO FINANCIAL STATEMENTS**

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.

	Amount
Cumulative amounts of PIK interest included in the current principal balance	\$ -

**NOTE 8 Derivative Instruments**

NOT APPLICABLE

**NOTE 9 Income Taxes**

A. Deferred Tax Assets/(Liabilities)

The income tax provision is calculated under the liability method. Deferred tax assets and liabilities are recorded based on the difference between the statutory financial statement and tax basis of assets and liabilities at the enacted rates. The net change in deferred tax assets and liabilities is applied directly to unassigned surplus. The nonadmitted portion of a net deferred tax asset is determined by applying the rules prescribed by Statement of Statutory Accounting Principles (SSAP) No. 101, Income Taxes.

1. The components of net deferred tax asset/(liability) at the end of the current period are as follows:

	12/31/2023			12/31/2022			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets			\$ -			\$ -	\$ -	\$ -	\$ -
(b) Statutory Valuation Allowance Adjustment			\$ -			\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d) Deferred Tax Assets Nonadmitted			\$ -			\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(f) Deferred Tax Liabilities			\$ -			\$ -	\$ -	\$ -	\$ -
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Admission Calculation Components SSAP No. 101:

	12/31/2023			12/31/2022			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks			\$ -			\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) Above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)			\$ -			\$ -	\$ -	\$ -	\$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			\$ -			\$ -	\$ -	\$ -	\$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX		XXX	XXX		XXX	XXX	\$ -
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) Above) Offset by Gross Deferred Tax Liabilities.			\$ -			\$ -	\$ -	\$ -	\$ -
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Under the Federal Internal Revenue Code, ordinary losses can be carried back two years for entities taxed as nonlife insurance companies, while capital losses for entities taxed both as nonlife and life insurance companies can be carried back three years.

3. Other Admissibility Criteria

	2023	2022
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	0.000%	0.000%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ -	\$ -

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	12/31/2023		12/31/2022		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
1. Adjusted Gross DTAs amount from Note 9A1 (c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%			0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	0.000%			0.000%	0.000%

b. Does the Company's tax-planning strategies include the use of reinsurance? Yes  No

B. Unrecognized Deferred Tax Liabilities

NOT APPLICABLE

## NOTES TO FINANCIAL STATEMENTS

### C. Components of Income Tax Incurred

BCN has identified specific investment activity subject to tax as unrelated debt-financed income associated with the Federal Home Loan Bank loan proceeds, offset by applicable expenses and charitable contribution deductions.

BCN has been recognized by the Internal Revenue Service, under Internal Revenue Code Section 501(c)(4), as an organization exempt from tax under Section 501 (a). BCN incurs unrelated business income that generates federal income taxes. There were no material uncertain tax positions as of December 31, 2023 or 2022.

	(1) 12/31/2023	(2) 12/31/2022	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 20,700	\$ 561,214	\$ (540,514)
(b) Foreign			\$ -
(c) Subtotal (1a+1b)	\$ 20,700	\$ 561,214	\$ (540,514)
(d) Federal income tax on net capital gains			\$ -
(e) Utilization of capital loss carry-forwards			\$ -
(f) Other	\$ 10,132	\$ 160,347	\$ (150,215)
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 30,832	\$ 721,561	\$ (690,729)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses			\$ -
(2) Unearned premium reserve			\$ -
(3) Policyholder reserves			\$ -
(4) Investments			\$ -
(5) Deferred acquisition costs			\$ -
(6) Policyholder dividends accrual			\$ -
(7) Fixed assets			\$ -
(8) Compensation and benefits accrual			\$ -
(9) Pension accrual			\$ -
(10) Receivables - nonadmitted			\$ -
(11) Net operating loss carry-forward			\$ -
(12) Tax credit carry-forward			\$ -
(13) Other			\$ -
(99) Subtotal (sum of 2a1 through 2a13)	\$ -	\$ -	\$ -
(b) Statutory valuation allowance adjustment			\$ -
(c) Nonadmitted			\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ -	\$ -	\$ -
(e) Capital:			
(1) Investments			\$ -
(2) Net capital loss carry-forward			\$ -
(3) Real estate			\$ -
(4) Other			\$ -
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ -	\$ -	\$ -
(f) Statutory valuation allowance adjustment			\$ -
(g) Nonadmitted			\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ -	\$ -	\$ -
(i) Admitted deferred tax assets (2d + 2h)	\$ -	\$ -	\$ -
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments			\$ -
(2) Fixed assets			\$ -
(3) Deferred and uncollected premium			\$ -
(4) Policyholder reserves			\$ -
(5) Other			\$ -
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ -	\$ -	\$ -
(b) Capital:			
(1) Investments			\$ -
(2) Real estate			\$ -
(3) Other			\$ -
(99) Subtotal (3b1+3b2+3b3)	\$ -	\$ -	\$ -
(c) Deferred tax liabilities (3a99 + 3b99)	\$ -	\$ -	\$ -
4. Net deferred tax assets/liabilities (2i - 3c)	\$ -	\$ -	\$ -

### D. Significant book to tax adjustments – During 2023, BCN incurred realized net capital gains of \$0.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 that includes changes to the U.S. corporate tax system, including a fifteen percent minimum tax assessed on corporations with average annual adjusted financial statement income in excess of \$1 billion for three prior taxable years. A corporation that meets the applicable threshold is an "applicable corporation." BCN determined that it is not an applicable corporation in 2023.

### E. Loss carry-forwards, credit carry-forwards - As of December 31, 2023, BCN had no operating loss or tax credit carry-forward.

### F. Consolidated Tax Filing

NOT APPLICABLE

### G. Loss Contingencies

NOT APPLICABLE - BCN believes that any income tax liability for uncertain tax positions will not significantly increase or decrease within the next twelve months.

### H. Repatriation Transition Tax (RTT)

NOT APPLICABLE

### I. Alternative Minimum Tax (AMT) Credit

NOT APPLICABLE

### NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

## NOTES TO FINANCIAL STATEMENTS

- A. On a routine basis, BCN conducts business transactions with its parent, Blue Cross Blue Shield of Michigan Mutual Insurance Company (BCBSM), and various affiliates.
- B. Transactions with BCBSM include insolvency coverage; payments for health benefit coverage; processing and payment of certain claims; underpayments and/or overpayments due to and from hospitals; management, administrative and professional services; allocated employee salaries and related benefits; building rent; purchased services including agent fees; and reinsurance. Transactions with affiliates include management, administrative and professional services; workers' compensation coverage; malpractice liability coverage; and investment management.
- Administrative support fees incurred from BCBSM were allocated to the statutory administrative expense categories of cost containment, other claims adjustment, general administrative and investment expenses, based on BCBSM's statutory administrative expense categories. These statutory administrative expense categories were further allocated to detailed expense accounts based on the BCBSM's expense detail.
- On October 31, 2022, BCN purchased an affiliated surplus note for \$8,250,000 from AFHI, with an August 1, 2032 maturity date and recorded as part of other invested assets in the statements of admitted assets, liabilities, capital and surplus. BCN sold the affiliated surplus note issued by AFHI in August 2023.
- For the years ended December 31, 2023 and 2022, \$703,239,070 and \$771,993,155, respectively, were billed from BCBSM and affiliates for the operating activities detailed above. The majority of these transactions were related to BCBSM.
- For the years ended December 31, 2023 and 2022, \$594,450,301 and \$376,714,901, respectively, were billed to BCBSM and affiliates for the operating activities detailed above. The majority of these transactions were related to BCBSM.
- C. Transactions with related party who are not reported on Schedule Y
- NOT APPLICABLE
- D. Except for reinsurance ceded and ceded reinsurance premiums payable, all related-party receivable and payable balances are classified as either claims unpaid or amounts due to or receivables from parent, subsidiaries, and affiliates.
- As of December 31, 2023 and 2022, BCN had \$10,995,652 and \$59,048,963, respectively, in related party receivables. The majority of these balances were related to BCBSM.
- As of December 31, 2023 and 2022, BCN had \$36,744,251 and \$82,190,794, respectively, in related party payables. The majority of these balances were related to BCBSM.
- E. BCN has agreements with BCBSM and affiliates under which the parties may provide services to or receive services from BCN. Unless otherwise required under IRC guidelines, the agreements provide for monthly payments and a year-end settlement based on the actual cost of services performed.
- F. Affiliate Guarantees
- NOT APPLICABLE
- G. All outstanding shares of BCN are owned by BCBSM.
- H. Ownership in upstream affiliate or parent
- NOT APPLICABLE
- I. Investment in SCA
- NOT APPLICABLE
- J. Investment Impaired
- NOT APPLICABLE
- K. Investment in a foreign insurance subsidiary
- NOT APPLICABLE
- L. Investment in downstream noninsurance holding company
- NOT APPLICABLE
- M. All SCA Investments
- NOT APPLICABLE
- N. Investment in Insurance SCAs
- NOT APPLICABLE
- O. SCA or SSAP 48 Entity Loss Tracking
- NOT APPLICABLE

### NOTE 11 Debt

- A. Debt Including Capital Notes
- NOT APPLICABLE
- B. FHLB (Federal Home Loan Bank) Agreements
- (1) BCN became a member of the Federal Home Loan Bank of Indianapolis (FHLBI) on December 1, 2009, in order to obtain short-term, long-term and line-of-credit borrowing privileges. As of December 31, 2023, BCN has \$50,000,000 outstanding at a rate of 1.89% with a maturity of November 8, 2024. BCN plans to utilize any funding obtained to cover operational needs or longer-term strategy plans. Borrowings are accounted for consistent with SSAP No. 15, Debt and Holding Company Obligations. The loans are collateralized by government securities at 105% of the outstanding loan balance. BCN calculates the actual or estimated borrowing capacity based on current FHLBI capital Stock.

- (2) FHLB Capital Stock
- a. Aggregate Totals

	<u>Total</u>
1. Current Year	
(a) Membership Stock - Class A	
(b) Membership Stock - Class B	\$ 5,458,500
(c) Activity Stock	
(d) Excess Stock	
(e) Aggregate Total (a+b+c+d)	\$ 5,458,500

**NOTES TO FINANCIAL STATEMENTS**

(f) Actual or estimated Borrowing Capacity as Determined by the Insurer \$ 121,300,000

2. Prior Year-end

(a) Membership Stock - Class A  
 (b) Membership Stock - Class B \$ 3,973,400  
 (c) Activity Stock  
 (d) Excess Stock  
 (e) Aggregate Total (a+b+c+d) \$ 3,973,400  
 (f) Actual or estimated Borrowing Capacity as Determined by the Insurer \$ 88,297,778

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)  
 11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	Eligible for Redemption					
	1	2	3	4	5	6
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock						
1. Class A	\$ -					
2. Class B	\$ 5,458,500	\$ 5,458,500				

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)  
 11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1	2	3
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total Collateral Pledged	\$ 56,899,771	\$ 54,285,727	\$ 50,000,000
2. Prior Year-end Total Collateral Pledged	\$ 92,662,330	\$ 89,059,353	\$ 50,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)  
 11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)  
 11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)  
 11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged	\$ 106,050,409	\$ 100,973,549	\$ 50,000,000
2. Prior Year-end Total Maximum Collateral Pledged	\$ 129,461,627	\$ 124,376,087	\$ 50,000,000

(4) Borrowing from FHLB

a. Amount as of Reporting Date

	Total	Funding Agreements Reserves Established
	1. Current Year	
(a) Debt		XXX
(b) Funding Agreements	\$ 50,000,000	
(c) Other		XXX
(d) Aggregate Total (a+b+c)	\$ 50,000,000	\$ -
2. Prior Year end		
(a) Debt		XXX
(b) Funding Agreements	\$ 50,000,000	
(c) Other		XXX
(d) Aggregate Total (a+b+c)	\$ 50,000,000	\$ -

b. Maximum Amount During Reporting Period (Current Year)

	Total
1. Debt	
2. Funding Agreements	\$ 50,000,000
3. Other	
4. Aggregate Total (Lines 1+2+3)	\$ 50,000,000

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

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

A. Defined Benefit Plan

## NOTES TO FINANCIAL STATEMENTS

NOT APPLICABLE

## B. Plan Asset Investment Policies and Procedures

NOT APPLICABLE

## C. The fair value of each class of plan assets

NOT APPLICABLE

## D. Basis of Rate-of-Return-on-Assets Assumption

NOT APPLICABLE

## E. Defined Contribution Plan

NOT APPLICABLE

## F. Multiemployer Plans

NOT APPLICABLE

## G. Consolidated/Holding Company Plans

BCBSM has the responsibility for administering and funding the pension and other postretirement benefits for BCN, including qualified and non-qualified noncontributory defined benefit pension plans, and qualified defined contribution and deferred compensation plans. BCN has no legal obligation for benefits under these plans. BCBSM allocates expenses to BCN based on allocations supporting other employment and overhead costs. BCN's share of net expense for qualified and non-qualified pension plans, other postretirement benefit plans and qualified defined contribution plans was:

	2023	2022
Qualified and non-qualified pensions plans	\$10,922,997	\$14,108,613
Other postretirement benefit plans	828,160	(2,618,097)
Qualified defined contribution plan	7,496,637	6,778,697

The above expenses and amounts due to BCBSM related to the retirement expenses, as of December 31, 2023 and 2022, are included in the amounts disclosed in Note 10.

## H. Postemployment Benefits and Compensated Absences

NOT APPLICABLE

## I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

NOT APPLICABLE

**NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

## A. BCN has 500 shares of common stock authorized; and 100 shares issued and outstanding. All shares are one class and have a par value of \$100 per share.

## B. Preferred stock

NOT APPLICABLE

## C. Dividend restrictions – BCN's Articles of Incorporation prohibit dividends.

## D. Dividends paid

NOT APPLICABLE

## E. Stockholder's portion of ordinary dividends

NOT APPLICABLE

## F. Restrictions placed on unassigned funds (surplus)

NOT APPLICABLE

## G. The total amount of advances to surplus not repaid

NOT APPLICABLE

## H. The amount of stock held by BCN for special purposes

NOT APPLICABLE

## I. Special surplus fund changes

NOT APPLICABLE

## J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was a net unrealized gain of \$75,270,601 at December 31, 2023.

## K. Surplus notes

NOT APPLICABLE

## L. Impact of any restatement due to quasi-reorganization

NOT APPLICABLE

## M. Effective date(s) of all quasi-reorganizations in the prior 10 years is/are

NOT APPLICABLE

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14 Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

BCN has outstanding commitments for additional investments to its joint ventures and partnership interests in the amount of \$79,066,235 at December 31, 2023.

#### B. Assessments

NOT APPLICABLE

#### C. Gain Contingencies

NOT APPLICABLE

#### D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

NOT APPLICABLE

#### E. Joint and Several Liabilities

NOT APPLICABLE

#### F. All Other Contingencies

**BCBSA Litigation**—Numerous antitrust class actions have been filed against BCBSA and every BCBSA licensees. The cases were originally filed in 2012 and allege that numerous BCBSA rules and/or regulations violate the Sherman Antitrust Act and related state laws. The cases were consolidated into two matters, a provider case and a subscriber case and are currently pending in United States District Court for the Northern District of Alabama. In October 2020, a preliminary settlement was reached in the subscriber matter and BCN paid its portion of the settlement amount in September 2022. Certain entities have opted out of the subscriber settlement and have filed separate legal actions. Additionally, several entities filed Notices of Appeal and intend to appeal the approval of the preliminary settlement to the Eleventh Circuit Court of Appeals. With respect to the opt-out cases, the appeal and the provider action, it is not yet possible to make an assessment regarding the probability of an adverse outcome, nor estimate a range of potential loss.

**Other Legal Matters** – BCN is a defendant in numerous other lawsuits and involved in other matters arising in the normal course of business primarily related to subscribers' benefits, breach of contracts, provider reimbursement issues and provider participation arrangements. BCN's management, as of December 31, 2023, estimates that these matters will be resolved without a material adverse effect on BCN's future financial position or results of operations.

Where available information indicates that it is probable that a loss has been incurred as of the date of the statutory-basis financial statements and the amount of the loss can be reasonably estimated, BCN will accrue the estimated loss. As of December 31, 2023, and 2022, BCN recorded in general expenses due or accrued in the Liabilities, Capital, and Surplus \$442,716 and \$899,000, respectively, for all probable and reasonably estimable losses.

The statements of revenue and expenses for the periods ended December 31, 2023 and 2022 includes approximately \$478,957 and \$3,986,673, respectively, related to legal losses and settlements.

**Asset Impairment** – In accordance with BCN's impairment policy, OTTI is presumed to exist when the market value is below cost for investments managed by outside investment managers, because BCN has delegated the decision to hold the security until recovery and cannot assert the "intent and ability to hold to recovery."

The OTTI fair-value write-down for securities was \$7,113,941 and \$34,582,927 for debt securities and \$1,999,242 and \$12,399,752 for equity securities in 2023 and 2022, respectively.

Except for the recorded impairment mentioned above, all other investment securities that temporarily have a fair market value that is below amortized cost, are not considered to be impaired.

### NOTE 15 Leases

#### A. Lessee Operating Lease:

##### (1) Leasing arrangements

###### (a) Rent Expense

BCN entered into certain cancelable building leases with BCBSM.

BCN also leases office buildings under noncancelable operating leases with unrelated parties. Rent expense in 2023 and 2022 was \$4,347,080 and \$3,983,490, respectively.

###### (b) Contingent Rental Payment Basis

NOT APPLICABLE

(c) BCN's corporate office is leased through June 30, 2025. At the expiration of the lease, BCN has the option to extend the lease for three terms of five years. On December 19, 2023, the BCN's corporate office lease was modified to include a termination clause. This clause allows BCN to terminate the lease effective March 31, 2024, for a fee of \$640,000, if the landlord is notified by April 1, 2023. Effective April 1, 2023, the landlord has been notified of BCN's intention to terminate the lease. The noncancelable portion of future minimum lease payments is not significant.

###### (d) Lease Restrictions

NOT APPLICABLE

###### (e) Early Terminations

NOT APPLICABLE

##### (2) Non-cancelable leases

BCN has no significant future minimum rental payments extending into the next five succeeding years.

###### (a) Minimum aggregate rental commitments

NOT APPLICABLE

###### (b) Non-cancelable subleases

NOT APPLICABLE

##### (3) Sale-leaseback transactions

NOT APPLICABLE

#### B. Lessor Leases

NOT APPLICABLE

### NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

NOT APPLICABLE

### NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

#### A. Transfers of Receivables Reported as Sales



## NOTES TO FINANCIAL STATEMENTS

NOT APPLICABLE

B. Transfer and Servicing of Financial Assets

(1) Description of any Loaned Securities

BCN participates in security lending agreements with a custodian bank. Under this agreement, BCN lends equity and bond securities in exchange for collateral, approximating at least 103% of the value of the securities loaned. Cash collateral is invested by the custodian bank in a money market fund, while non-cash collateral is in the form of U.S. Treasury and U.S. agency securities. The security lending agreements are primarily overnight in nature and subject to renewal or termination. The fair value of loaned securities at December 31, 2023 were \$7,314,316 and \$5,603,607 for bonds and equities respectively.

(2) Servicing Assets and Servicing Liabilities

NOT APPLICABLE

(3) When Servicing Assets and Liabilities are Measured at Fair Value

NOT APPLICABLE

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

NOT APPLICABLE

(5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing

NOT APPLICABLE

(6) Transfer of Receivables with Recourse

NOT APPLICABLE

(7) Securities Underlying Dollar Repurchase and Dollar Reverse Repurchase Agreements

NOT APPLICABLE

C. Wash Sales

BCN has no wash sales at December 31, 2023.

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

A. ASO Plans:

The gain (loss) from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans for the year ended December 31, 2023 are as follows:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative Expenses (including administrative fees) in excess of actual expenses	\$ (34,072,524)		\$ (34,072,524)
b. Total net other income or expenses (including interest paid to or received from plans)	\$ -		\$ -
c. Net gain or (loss) from operations (a+b)	\$ (34,072,524)	\$ -	\$ (34,072,524)
d. Total claim payment volume	\$ 906,368,519		\$ 906,368,519

B. ASC Plans

NOT APPLICABLE

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

(1) Medicare Part D cost-based reimbursements for the years 2023 and 2022 consisted of \$17,302,931 and \$13,000,586, respectively, for coverage gap discount; \$17,714,764 and \$18,527,277, respectively, for low-income subsidy (cost sharing portion); and \$47,196,938 and \$45,988,263, respectively, for reinsurance payments.

(2) As of December 31, 2023 and 2022, respectively, BCN had recorded receivables from the following payors whose account balances were greater than 10% of BCN's amounts receivable from uninsured accident and health plans or \$10,000:

	2023	2022
Centers for Medicare & Medicaid Services (CMS)	\$17,235,812	\$18,037,184

(3) In connection with the Medicare Part D cost-based reimbursement portion of the contract, BCN has recorded no allowances and reserves for adjustment of recorded reimbursement advances as of December 31, 2023 and 2022.

(4) Adjustments to revenue resulting from an audit of receivables related to revenues recorded in the prior period.

NOT APPLICABLE

**NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

NOT APPLICABLE

**NOTE 20 Fair Value Measurements**

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3

The fair values BCN's securities are based on quoted market prices, where available. These fair values are obtained primarily from custodian banks or third-party pricing services, which generally use Level 1 or Level 2 inputs for the determination of fair value in accordance with SSAP guidance.

**NOTES TO FINANCIAL STATEMENTS**

BCN obtains one quoted price for each security, which are derived through recently reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information. For securities not actively traded, the third-party pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds.

In certain circumstances, it may not be possible to derive pricing model inputs from observable market activity, and therefore, such inputs are estimated internally. Such securities are designated Level 3.

The following techniques were used to estimate the fair value and determine the classification of assets pursuant to the valuation hierarchy:

Bonds consist of:

U.S. Government—Consist of certain U.S. government securities and bonds issued by U.S. government-backed agencies. U.S. Government securities are valued based on observable inputs such as the U.S. Treasury yield curve and/or similar assets in markets that are active and are classified as Level 2.

All Other Government—Consists of government securities and bonds issued by foreign government-backed agencies. Valuation is based on prices by a pricing service using a composite yield curve. These securities are classified as Level 2.

Special Revenue and Assessments—Consist of bonds and debt backed by noncorporate entities. Valuation is based on inputs derived directly from observable market data, such as discounted cash flows. These securities are not consistently or actively traded and are classified as Level 2.

Industrial and Miscellaneous—Consist of corporate notes and bonds. Valuation is determined using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the security is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustment for certain risks that may not be observable, such as credit and liquidity risk or a broker quote, if available. These securities are classified as Level 2.

Surplus Notes - are comprised of insurer-specific bonds. Valuation is determined using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the security is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustment for certain risks that may not be observable, such as credit and liquidity risk or a broker quote, if available. These securities are classified as Level 2.

Common Stocks—Consist of actively traded exchange-listed common stock and mutual fund investments, as well as privately held mutual funds and other private equity investments. The valuation for exchange-traded securities are based on unadjusted quoted prices for these securities, or funds in an active market. These securities are classified as Level 1. If applicable, certain private equity investments would be classified as Level 3, valued using external pricing, supplemented by internal review and analysis.

Mutual Funds—Consist of registered mutual funds actively traded on an open exchange. The public-traded funds are based on an observable price in an active market and; therefore, classified as Level 1.

Cash Equivalents and Short-Term Investments—Consist of commercial paper, discount notes, other money market mutual funds, and other investments with original maturities of one year or less. Valuation is based on unadjusted quoted prices. These securities are classified as Level 1. Valuation for commercial paper and other securities is based on inputs derived from observable market data and are classified as Level 2.

Exempt Money Market Funds—Consist of money market funds that invest in one of the following: securities that are direct obligations of the U.S. government, securities that are backed by the full faith and credit of the U.S. government or collateralized repurchase agreements composed of such obligations. The Securities Valuation Office of the National Association of Insurance Commissioners maintains the list of money market funds that are eligible for classification as Exempt Money Market Funds. These securities are classified as Level 1.

Other Money Market Mutual Funds—are recorded at fair value or net asset value (NAV) per share. These securities are classified as Level 1.

State Street Navigator Securities Lending—Consists of the cash collateral posted on securities lending transactions and reinvested in money market securities. These securities are classified as Level 1.

BCN's assets and liabilities measured and recorded at fair value as of December 31, 2023, are as follows:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>a. Assets at fair value</b>					
Bonds					\$ -
Exchange Traded Funds - As Identified by SVO	\$ 248,838				\$ 248,838
Common Stock					\$ -
Industrial and miscellaneous (Unaffiliated)	\$ 139,116,529				\$ 139,116,529
Mutual funds	\$ 1,149,151				\$ 1,149,151
Cash Equivalents					\$ -
Exempt money market mutual funds	\$ 1,000,000				\$ 1,000,000
Other money market mutual funds	\$ 1,906				\$ 1,906
Other					\$ -
Securities lending collateral	\$ 12,892,548				\$ 12,892,548
<b>Total assets at fair value/NAV</b>	<b>\$ 154,408,972</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 154,408,972</b>
<b>b. Liabilities at fair value</b>					
Payable for securities lending	\$ 12,892,548				\$ 12,892,548
<b>Total liabilities at fair value</b>	<b>\$ 12,892,548</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,892,548</b>

BCN's assets and liabilities measured and recorded at fair value as of December 31, 2022, are as follows:

(1) Fair Value Measurements at Reporting Date

of asset or liability	(Level 1)	(Level 2)	(Level 3)	(NAV)	Total
<b>a. Assets at fair value</b>					
Bonds					\$ -
Exchange Traded Funds - as Identified by SVO	\$ 1,664,264				\$ 1,664,264
Common Stock					\$ -
Industrial and miscellaneous (Unaffiliated)	\$ 160,737,921				\$ 160,737,921
Mutual Funds	\$ 987,164				\$ 987,164
Cash Equivalents					\$ -

**NOTES TO FINANCIAL STATEMENTS**

Exempt money market mutual funds	\$ 1,008,381				\$ 1,008,381
Other money market mutual funds	\$ 3,503,083				\$ 3,503,083
Other					\$ -
Securities lending collateral	\$ 11,249,884				\$ 11,249,884
					\$ -
<b>Total assets at fair value/NAV</b>	<b>\$ 179,150,697</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 179,150,697</b>

of asset or liability	(Level 1)	(Level 2)	(Level 3)	(NAV)	Total
b. Liabilities at fair value					
Payables for securities lending	\$ 11,249,884				\$ 11,249,884
<b>Total liabilities at fair value</b>	<b>\$ 11,249,884</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,249,884</b>

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

NOT APPLICABLE

(3) Transactions between levels

NOT APPLICABLE

(4) Certain assets and liabilities of BCN are measured and reported: (a) at amortized cost, (b) at values using the adjusted audited GAAP equity method, or (c) at values that approximate fair value due to their liquid or short-term nature.

(5) Derivative assets and liabilities

NOT APPLICABLE

B. Other Fair Value Information

NOT APPLICABLE

C. Aggregate fair value or NAV for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

The table below reflects the fair values and admitted values of all admitted assets and liabilities as of December 31, 2023 that are financial instruments excluding those accounted for under the equity method (joint ventures). The fair values are also categorized into the three-level fair value hierarchy as described above.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
<b>Assets:</b>							
Bonds							
Special revenue and assessment obligations	\$ 333,207,567	\$ 359,554,995		\$ 333,207,567			
Industrial and miscellaneous	\$ 607,451,705	\$ 602,685,343		\$ 607,451,705			
U.S. governments	\$ 358,930,589	\$ 383,962,017		\$ 358,930,589			
Other Countries government	\$ 1,288,217	\$ 1,444,811		\$ 1,288,217			
ETF Bonds Identified by SVO	\$ 248,838	\$ 248,838	\$ 248,838				
Surplus Notes	\$ 2,891,026	\$ 2,979,263		\$ 2,891,026			
Common Stock							
Industrial and miscellaneous (Unaffiliated)	\$ 139,116,529	\$ 139,116,529	\$ 139,116,529				
Mutual funds	\$ 1,149,151	\$ 1,149,151	\$ 1,149,151				
Cash Equivalents and Short Term Investments							
Industrial and miscellaneous (Unaffiliated)	\$ 439,522,114	\$ 439,323,683		\$ 439,522,114			
Exempt money market mutual funds	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000				
Other money market mutual funds	\$ 1,906	\$ 1,906	\$ 1,906				
Other:							
Securities lending collateral	\$ 12,892,548	\$ 12,892,548	\$ 12,892,548				
<b>Liabilities:</b>							
Debt	\$ 48,727,196	\$ 50,000,000			\$ 48,727,196		
Payable for securities lending	\$ 12,892,548	\$ 12,892,548	\$ 12,892,548				

The table below reflects the fair values and admitted values of all admitted assets and liabilities as of December 31, 2022 that are financial instruments excluding those accounted for under the equity method (joint ventures). The fair values are also categorized into the three-level fair value hierarchy as described above.

**NOTES TO FINANCIAL STATEMENTS**

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
<b>Assets:</b>							
<b>Bonds</b>							
Special revenue and assessment obligations	\$ 309,728,786	\$ 344,952,522		\$ 309,728,786			
Industrial and miscellaneous	\$ 666,056,465	\$ 687,995,914		\$ 666,056,465			
U.S. Governments	\$ 329,496,705	\$ 363,513,021		\$ 329,496,705			
Other Countries Government	\$ 1,446,687	\$ 1,691,383		\$ 1,446,687			
ETF Bonds Identified by SVO	\$ 1,664,264	\$ 1,664,264	\$ 1,664,264				
Surplus Notes	\$ 10,888,695	\$ 10,887,636		\$ 10,888,695			
<b>Common Stock</b>							
Industrial and miscellaneous (unaffiliated)	\$ 160,737,921	\$ 160,737,921	\$ 160,737,921				
Mutual Funds	\$ 987,164	\$ 987,164	\$ 987,164				
<b>Cash Equivalents and Short Term Investments</b>							
Industrial and miscellaneous (unaffiliated)	\$ 495,533,732	\$ 496,614,183		\$ 495,533,732			
Exempt money market mutual funds	\$ 1,008,381	\$ 1,008,381	\$ 1,008,381				
Other money market funds	\$ 3,503,083	\$ 3,503,083	\$ 3,503,083				
Governments	\$ 438,392	\$ 438,362		\$ 438,392			
<b>Other:</b>							
Securities lending collateral	\$ 11,249,884	\$ 11,249,884	\$ 11,249,884				
<b>Liabilities:</b>							
Debt	\$ 47,576,992	\$ 50,000,000			\$ 47,576,992		
Payable for securities lending	\$ 11,249,884	\$ 11,249,884	\$ 11,249,884				

D. Not Practicable to Estimate Fair Value

BCN held no securities at December 31, 2023 and 2022 where it was not practicable to determine the fair value of the investment.

E. Investments Using the NAV Practical Expedient

NOT APPLICABLE

**NOTE 21 Other Items**

A. Unusual or Infrequent Items

NOT APPLICABLE

B. Troubled Debt Restructuring: Debtors

NOT APPLICABLE

C. Other Disclosures

Statutory Deposit – As a condition of maintaining its certificate of authority with the State of Michigan, BCN maintains a deposit in a segregated account of \$1,000,000, which is the maximum required for a Health Maintenance Organization. These funds are intended to be used for the sole benefit of all BCN members, and only at the direction of the Director of DIFS. The funds are invested in an exempt money market mutual fund and reported in cash equivalents, in accordance with SSAP No. 2R - Cash, Cash Equivalents, Drafts and Short-Term Investments. Interest on these funds accrues to BCN.

D. Business Interruption Insurance Recoveries

NOT APPLICABLE

E. State Transferable and Non-transferable Tax Credits

NOT APPLICABLE

F. Subprime Mortgage Related Risk Exposure

NOT APPLICABLE

G. Retained Assets

NOT APPLICABLE

## NOTES TO FINANCIAL STATEMENTS

H. Insurance-Linked Securities (ILS) Contracts

NOT APPLICABLE

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

NOT APPLICABLE

**NOTE 22 Events Subsequent**

Management has evaluated all events subsequent to the annual statement date of December 31, 2023, through March 1, 2024, for the annual statement submitted on March 1, 2024.

Type I – Recognized Subsequent Events:

Management has determined that there are no Type I subsequent events that require disclosure under SSAP No. 9, Subsequent Events.

Type II – Nonrecognized Subsequent Events:

1) Social Mission payment in 2024 by Blue Care Network of Michigan

Consistent with its social mission to improve the access and quality of health care for the residents of the State of Michigan, on February 14, 2024, the Blue Care Network of Michigan board of directors authorized the payment of \$100 million on or before April 1, 2024, to the Michigan Health Endowment Fund. The payment by BCN satisfies BCBSM's 2024 best efforts annual commitment to the MHEF as set forth in the Community Health Investment Agreement currently in place with the State of Michigan.

**NOTE 23 Reinsurance**

A. Ceded Reinsurance Report

In compliance with the NAIC annual statement instructions and SSAP No. 61R, Life, Deposit-Type and Accident and Health Reinsurance, BCN accounts for its transactions with BCBSM as ceded reinsurance. In the normal course of business, BCN cedes reinsurance to BCBSM to limit losses from large exposures under a modified reinsurance arrangement. For 2023 and 2022, BCBSM covers inpatient and outpatient facility claims in excess of \$300,000 per member basis for all lines of business, up to a defined accumulated attachment point. BCBSM provides insolvency coverage subject to a separate aggregate limit in the amount of \$5,000,000 for all policies combined. As of December 31, 2023 and 2022, BCN has a modified reinsurance experience adjustment receivable recorded in aggregate write-ins for the other-than-invested assets of \$6,063,275 and \$0, respectively. As of December 31, 2023 and 2022, BCN has a ceded reinsurance premiums payable of \$0 and \$12,344,609, respectively.

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No (X)

If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. NOT APPLICABLE

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? NOT APPLICABLE

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate \$0

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? NOT APPLICABLE

B. Uncollectible Reinsurance

NOT APPLICABLE

C. Commutation of Reinsurance Reflected in Income and Expenses

NOT APPLICABLE

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

NOT APPLICABLE

**NOTES TO FINANCIAL STATEMENTS**

E. Reinsurance Credit

NOT APPLICABLE

**NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination**

A. BCN estimates accrued redetermination premium adjustments and return premium adjustments for its group health insurance contracts subject to redetermination based on an examination of contract requirements in relation to the rates charged for similarly sized subscriber groups, and the status of past applicable audits.

BCN estimates accrued retrospective premium adjustments for its Medicare Advantage health insurance contracts based on an analysis of Part C member health risk score adjustments submitted to CMS and the Part D risk corridor reconciliation related to the funds received from CMS or the beneficiary.

To the extent that BCN is subject to potential medical loss ratio (MLR) rebates, any return premium adjustment would be based on the formulas required by law.

B. Accrued redetermination premium adjustments and return premium adjustments, as well as retrospective premiums, are recorded as adjustments to earned premium revenue.

C. The amount of net premiums, written by BCN, that were subject to redetermination or retrospective provisions (including premiums subject to MLR rebates) was \$4,334,238 and \$4,122,711 for 2023 and 2022, respectively; representing approximately 99.4% and 99.3% of the total net health premiums written for 2023 and 2022, respectively. No other premiums written by BCN were subject to redetermination or retrospective provisions.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ 2,412,000	\$ -	\$ -	\$ -	\$ 2,412,000
(2) Medical loss ratio rebates paid	\$ 14,017	\$ -	\$ -	\$ 1,844	\$ 15,861
(3) Medical loss ratio rebates unpaid	\$ 11,456,831	\$ -	\$ -	\$ 107,402	\$ 11,564,233
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 11,564,233
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ (914,363)	\$ -	\$ -	\$ (107,363)	\$ (1,021,726)
(8) Medical loss ratio rebates paid	\$ -	\$ -	\$ -	\$ 39	\$ 39
(9) Medical loss ratio rebates unpaid	\$ 10,542,468	\$ -	\$ -	\$ -	\$ 10,542,468
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 10,542,468

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [X] No [ ]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year Amount

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment \$ 895,138

3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium) \$ 36,443,517

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ 24,487,743

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$ 533,582

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance

2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)

3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium

5. Ceded reinsurance premiums payable due to ACA Reinsurance

6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance

8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments

9. ACA Reinsurance contributions – not reported as ceded premium

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received)

4. Effect of ACA Risk Corridors on change in reserves for rate credits

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)	
					5	6	7	8			
a. Permanent ACA Risk Adjustment Program	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Ref	Receivable	Payable

**NOTES TO FINANCIAL STATEMENTS**

1. Premium adjustments receivable (including high risk pool payments)					\$ -	\$ -			A	\$ -	\$ -
2. Premium adjustments (payable) (including high risk pool premium)		\$34,691,640		\$24,358,332	\$ -	\$10,333,308		\$ (10,345,727)	B	\$ -	\$ (12,419)
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$34,691,640	\$ -	\$24,358,332	\$ -	\$10,333,308	\$ -	\$ (10,345,727)		\$ -	\$ (12,419)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid					\$ -	\$ -			C	\$ -	\$ -
2. Amounts recoverable for claims unpaid (contra liability)					\$ -	\$ -			D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans					\$ -	\$ -			E	\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium					\$ -	\$ -			F	\$ -	\$ -
5. Ceded reinsurance premiums payable					\$ -	\$ -			G	\$ -	\$ -
6. Liability for amounts held under uninsured plans					\$ -	\$ -			H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium					\$ -	\$ -			I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			J	\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
d. Total for ACA Risk Sharing Provisions	\$ -	\$34,691,640	\$ -	\$24,358,332	\$ -	\$10,333,308	\$ -	\$ (10,345,727)		\$ -	\$ (12,419)

Explanations of Adjustments

- A.
- B. Adjustment supplied by CMS
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)	
					5	6	7	8			
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Ref	Receivable	Payable
a. 2014											
1. Accrued retrospective premium					\$ -	\$ -			A	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			B	\$ -	\$ -
b. 2015											
1. Accrued retrospective premium					\$ -	\$ -			C	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			D	\$ -	\$ -
c. 2016											
1. Accrued retrospective premium					\$ -	\$ -			E	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			F	\$ -	\$ -
d. Total for Risk Corridors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

Explanations of Adjustments

- A.
- B.
- C.
- D.

**NOTES TO FINANCIAL STATEMENTS**

E.

F.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4 - 5)
a. 2014	\$ 17,193,568		\$ 17,193,568	\$ -		\$ -
b. 2015	\$ 4,131,999		\$ 4,131,999	\$ -		\$ -
c. 2016	\$ 20,617,732		\$ 20,617,732	\$ -		\$ -
d. Total (a + b + c)	\$ 41,943,299	\$ -	\$ 41,943,299	\$ -	\$ -	\$ -

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

BCN is currently under a MLR audit examination for the 2017 - 2019 reporting years, and we are awaiting finalization of the audit by the Center for Consumer Information and Insurance Oversight (CCIIO). No financially material findings are anticipated. Included in the table above are unpaid rebates to individuals resulting from ACA Risk Corridor refunds received in 2020. The premium rebates resulting from the Risk Corridor refunds amount to \$6,558,477 and will be paid once the MLR audit is completed.

**NOTE 25 Change in Incurred Claims and Claim Adjustment Expenses**

A. Liabilities for unpaid claims and claims adjustment expenses as of December 31, 2022, were \$455,699,948. As of December 31, 2023, \$421,251,327 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Liabilities for unpaid claims and claims adjustment expenses remaining for prior years are now estimated to be \$3,425,603 as a result of a re-estimation of unpaid claims on comprehensive and Medicare lines of business. Therefore, there has been a \$31,023,018 favorable prior year development based on the analysis of recent loss development trends from December 31, 2022 to December 31, 2023.

B. Significant Changes in Methodologies and Assumptions

NOT APPLICABLE

**NOTE 26 Intercompany Pooling Arrangements**

NOT APPLICABLE

**NOTE 27 Structured Settlements**

NOT APPLICABLE

**NOTE 28 Health Care Receivables**

A. Pharmaceutical Rebate Receivables

Health care receivables include pharmacy rebates BCN receives from a third-party vendor. BCN estimates pharmacy rebate receivables based on historical rebate experience and membership. Activity for the most recent three years is summarized as follows:

Date	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2023	\$ 128,120,156	\$ -	\$ 4,135,729	\$ -	\$ -
09/30/2023	\$ 110,380,107	\$ 125,157,927	\$ 101,605,278	\$ -	\$ -
06/30/2023	\$ 119,509,275	\$ 117,817,435	\$ 101,603,264	\$ 1,295,797	\$ -
03/31/2023	\$ 97,327,106	\$ 109,601,741	\$ 90,926,333	\$ 4,749,390	\$ -
12/31/2022	\$ 83,182,464	\$ 82,803,910	\$ 80,874,948	\$ 814,285	\$ 1,114,677
09/30/2022	\$ 84,995,533	\$ 89,619,154	\$ 80,382,979	\$ 470,909	\$ (145,283)
06/30/2022	\$ 84,272,552	\$ 91,967,573	\$ 91,992,302	\$ 972,769	\$ (542,693)
03/31/2022	\$ 83,129,733	\$ 80,901,136	\$ 80,389,335	\$ 518,426	\$ 320,653
12/31/2021	\$ 76,642,829	\$ 69,326,482	\$ 58,231,657	\$ 22,546,814	\$ 1,081,922
09/30/2021	\$ 74,092,592	\$ 75,469,744	\$ 65,908,863	\$ 763,231	\$ 8,799,065
06/30/2021	\$ 75,844,872	\$ 82,225,812	\$ 69,016,252	\$ 840,450	\$ 12,368,689
03/31/2021	\$ 71,356,818	\$ 77,955,787	\$ 61,489,613	\$ 526,826	\$ 15,939,113

B. Risk-Sharing Receivables

Estimated risk sharing receivables are actuarially determined based on current year and adjusted for seasonality of claims, risk and revenue. Risk sharing receivables at December 31, 2023 are summarized in the following table.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2023	2023	5,962,877	9,999,682	1,397,741	9,999,682	1,175,203	222,538	-	-
	2024	-	25,852,545	-	-	-	-	-	-
2022	2022	-	-	-	-	-	-	-	-
	2023	-	5,962,877	-	-	-	-	-	-
2021	2021	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-



**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 29 Participating Policies**

NOT APPLICABLE

**NOTE 30 Premium Deficiency Reserves**

A liability for premium deficiency losses is an actuarial estimate that is recognized when it is probable that expected claim losses and allocable administrative expenses will exceed future premiums on existing health and other contracts. An additional liability reserve may also be recognized when administrative fee revenues are insufficient to cover the direct fixed and variable expenses allocated to self-insured groups. For purposes of premium deficiency losses, contracts are grouped in a manner consistent with BCN's method of acquiring, servicing, and measuring the profitability of such contracts. Premium deficiency losses are generally released over the period that the contract is in a loss position.

1. Liability carried for premium deficiency reserves	\$	31,070,000
2. Date of the most recent evaluation of this liability		12/31/2023
3. Was anticipated investment income utilized in the calculation?		Yes [X] No [ ]

**NOTE 31 Anticipated Salvage and Subrogation**

BCN did not reduce its liability for unpaid claims/losses by any estimated anticipated salvage and subrogation at December 31, 2023 or 2022 as BCN records salvage and subrogation on a paid basis when cash is received.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... Michigan
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2022
- 3.2 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. .... 12/31/2020
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 10/15/2021
- 3.4 By what department or departments?  
Michigan Department of Insurance and Financial Services .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ X ] No [ ]
- 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 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 FDIC	6 SEC
Bricktown Capital LLC .....	Detroit, MI .....	NO.....	NO.....	NO.....	YES.....

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? ..... Yes [ ] No [ X ]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ X ] N/A [ ]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP, 1001 Woodward, Suite 700, Detroit, MI 48226 .....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain.  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Kirk Roy, FSA, MAAA, Sr. Vice President and Chief Actuary, Blue Cross Blue Shield of Michigan, 600 Lafayette East, MC 1701, Detroit, MI 48226 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ X ] No [ ]
- 12.11 Name of real estate holding company ... Alidade V  
Brookfield
- 12.12 Number of parcels involved ..... 850
- 12.13 Total book/adjusted carrying value ..... \$ ..... 20,637,560
- 12.2 If yes, provide explanation  
These are limited partnerships with Real Estate portfolios. ....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 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.
- 14.11 If the response to 14.1 is No, please explain:  
- .....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
- .....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan  
**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ .....
  - 20.12 To stockholders not officers.....\$ .....
  - 20.13 Trustees, supreme or grand (Fraternal Only) .....\$ .....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ .....
  - 20.22 To stockholders not officers.....\$ .....
  - 20.23 Trustees, supreme or grand (Fraternal Only) .....\$ .....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ .....
  - 21.22 Borrowed from others.....\$ .....
  - 21.23 Leased from others .....\$ .....
  - 21.24 Other .....\$ .....
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ .....
  - 22.22 Amount paid as expenses .....\$ .....
  - 22.23 Other amounts paid .....\$ .....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$ ..... 10,995,652
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [ ] No [ X ]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

**INVESTMENT**

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [ X ] No [ ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**GENERAL INTERROGATORIES**

- 25.02 If no, give full and complete information, relating thereto  
.....
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
Refer to Note 17 .....
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ ..... 332,405
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ .....
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes  No  N/A
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes  No  N/A
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes  No  N/A
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ ..... 12,892,548
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ ..... 12,892,548
- 25.093 Total payable for securities lending reported on the liability page. .... \$ ..... 12,892,548

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). .... Yes  No
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements ..... \$ ..... 0
- 26.22 Subject to reverse repurchase agreements ..... \$ ..... 0
- 26.23 Subject to dollar repurchase agreements ..... \$ ..... 0
- 26.24 Subject to reverse dollar repurchase agreements ..... \$ ..... 0
- 26.25 Placed under option agreements ..... \$ ..... 0
- 26.26 Letter stock or securities restricted as to sale -  
excluding FHLB Capital Stock ..... \$ ..... 0
- 26.27 FHLB Capital Stock ..... \$ ..... 5,458,500
- 26.28 On deposit with states ..... \$ ..... 1,000,000
- 26.29 On deposit with other regulatory bodies ..... \$ ..... 0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB ..... \$ ..... 0
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements ..... \$ ..... 54,285,727
- 26.32 Other ..... \$ ..... 200

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes  No
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No  N/A   
If no, attach a description with this statement.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes  No
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 ..... Yes  No
- 27.42 Permitted accounting practice ..... Yes  No
- 27.43 Other accounting guidance ..... Yes  No
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: ..... Yes  No
- The reporting entity has obtained explicit approval from the domiciliary state.
  - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
  - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
  - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes  No
- 28.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....
29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes  No
- 29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company .....	801 Pennsylvania, Kansas City, MO 64205 .....
Federal Home Loan Bank of Indianapolis .....	8250 Woodfield Crossings, Indianapolis, IN 46240 .....
Fidelity Investments Institutional Operations Co .....	100 Magellan Way, Covington, KY 41015 .....
JPMorgan Chase .....	383 Madison Ave, 4th floor, New York, NY 10179 .....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**GENERAL INTERROGATORIES**

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

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [ ] No [ X ]

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

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

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Bricktown Capital, LLC .....	A.....
Snyder Capital Management L. P. ....	U.....
Los Angeles Capital Management & Equity Research Inc. ....	U.....
Arrowstreet Capital Limited Partnership .....	U.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
319290 .....	Bricktown Capital, LLC .....	2549000B61KVCB6LOU24 .....	SEC .....	NO.....
108518 .....	Snyder Capital Management L. P. ....	801-54641 .....	SEC .....	NO.....
119033 .....	Los Angeles Capital Management & Equity Research Inc. ....	549300DZCL1LRBNU327 .....	SEC .....	NO.....
111298 .....	Arrowstreet Capital Limited Partnership .....	L03UDTZG0R1CVFPGQ53 .....	SEC .....	NO.....

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
316146-61-9 .....	Fid Inv Gr Bond .....	12,939
74256W-W5-4 .....	PIF MidCap Fund R6 .....	50,475
378690-08-0 .....	Glennmede Sm Cap E IS .....	3,193
315911-17-0 .....	Fid 500 Index IPR .....	132,578
315911-17-7 .....	Fid Intl Index IPR .....	9,363
411512-25-8 .....	Harbor Cap App Ret .....	4,285
779546-63-8 .....	TRP DIV Growth .....	10,230
92646A-A8-3 .....	Victory Special Value I .....	4,651
315794-47-2 .....	Fid Freedom 2015 K .....	199,602
315794-47-4 .....	Fid Freedom 2020 K .....	139,234
315794-47-6 .....	Fid Freedom 2025 K .....	186,160
315794-47-8 .....	Fid Freedom 2030 K .....	24,807
315794-47-0 .....	Fid Freedom 2035 K .....	115,211
31618H-H3-6 .....	Fid Intl Cap Appr K6 .....	251,182
47803W-W7-3 .....	JH DSCPL VAL MDCP R6 .....	5,241
464287-72-0 .....	iShares Core S&P 500 ETF (IVV) .....	36,620,847
46429B-B6-1 .....	iShares MSCI China ETF (MCHI) .....	860,266
464287-72-4 .....	iShares MSCI Emerging Markets ETF (EEM) .....	757,154
922042-28-4 .....	FTSE Europe ETF (VGK) .....	1,432,359
922042-28-8 .....	FTSE Emerging Markets ETF (VWO) .....	1,472,572
921943-38-8 .....	FTSE Developed Markets ETF (VEA) .....	17,991,671
81369Y-Y5-6 .....	Energy Select Sector SPDR ETF (XLE) .....	4,611,200
46137V-V3-7 .....	Invesco S&P 500 Equal Weight ETF (RSP) .....	18,894,025
46090E-E1-3 .....	Invesco QQQ Trust Series I (QQQ) .....	34,400
46641Q-Q3-2 .....	JPMorgan Equity Premium Income ETF (JEPI) .....	9,198,319
46434G-G8-2 .....	iShares MSCI Japan ETF (EIJ) .....	148,420
30.2999 - Total		93,170,384

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Fid Inv Gr Bond (FBNDX) .....	Corporate .....	4,918	12/31/2023 ..
Fid Inv Gr Bond (FBNDX) .....	GNMA and Other Mtg backed .....	4,201	12/31/2023 ..
Fid Inv Gr Bond (FBNDX) .....	Treasury Notes/Bonds .....	2,356	12/31/2023 ..
Fid Inv Gr Bond (FBNDX) .....	Govt Agency securities .....	721	12/31/2023 ..

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan**

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Fid Inv Gr Bond (FBNDX)	Asset backed securities	247	12/31/2023
Glenmede SMCAP EQ IS (GTCSX)	Hostess Brands Inc. CI A	69	12/31/2023
Glenmede SMCAP EQ IS (GTCSX)	CNX Resources Corp.	63	12/31/2023
Glenmede SMCAP EQ IS (GTCSX)	Beacon Roofing Supply Inc.	60	12/31/2023
Glenmede SMCAP EQ IS (GTCSX)	Boise Cascade Co.	52	12/31/2023
Glenmede SMCAP EQ IS (GTCSX)	HealthEquity Inc.	50	12/31/2023
Fid International Capital Appreciation K6 Fund (FAPCX)	Taiwan Semiconductor Mfg Co Lt	7,887	12/31/2023
Fid International Capital Appreciation K6 Fund (FAPCX)	Novo Nordisk A/S ORD	7,058	12/31/2023
Fid International Capital Appreciation K6 Fund (FAPCX)	ASML Holdings NV	6,782	12/31/2023
Fid International Capital Appreciation K6 Fund (FAPCX)	LVMH Moet Hennessy Luis Vuitton	5,853	12/31/2023
Fid International Capital Appreciation K6 Fund (FAPCX)	PDD Holdings Inc. ADR	5,275	12/31/2023
Fid International Index IPR (FSPSX)	Novo Nordisk A/S ORD	196	12/31/2023
Fid International Index IPR (FSPSX)	Nestle S.A.	178	12/31/2023
Fid International Index IPR (FSPSX)	ASML Holdings NV	161	12/31/2023
Fid International Index IPR (FSPSX)	Shell PLC	127	12/31/2023
Fid International Index IPR (FSPSX)	LVMH Moet Hennessy Luis Vuitton	124	12/31/2023
PIF MidCap Fund R6 (PMAQX)	Copart Inc.	2,811	12/31/2023
PIF MidCap Fund R6 (PMAQX)	TransDigm Group Inc	2,801	12/31/2023
PIF MidCap Fund R6 (PMAQX)	Brookfield Corp.	2,504	12/31/2023
PIF MidCap Fund R6 (PMAQX)	O'Reilly Automotice Inc.	2,347	12/31/2023
PIF MidCap Fund R6 (PMAQX)	CoStar Group Inc.	2,226	12/31/2023
Harbor Cap App Ret (HACAX)	NVIDIA Corp.	340	12/31/2023
Harbor Cap App Ret (HACAX)	Microsoft Corp	335	12/31/2023
Harbor Cap App Ret (HACAX)	Amazon.com Inc	299	12/31/2023
Harbor Cap App Ret (HACAX)	Apple Inc	218	12/31/2023
Harbor Cap App Ret (HACAX)	Tesla Inc.	210	12/31/2023
Fid 500 Index IPR (FXAIX)	Microsoft Corp	9,718	12/31/2023
Fid 500 Index IPR (FXAIX)	Apple Inc	9,638	12/31/2023
Fid 500 Index IPR (FXAIX)	Amazon.com Inc	4,574	12/31/2023
Fid 500 Index IPR (FXAIX)	NVIDIA Corp.	3,991	12/31/2023
Fid 500 Index IPR (FXAIX)	Alphabet Inc. CI A	2,718	12/31/2023
Fid Freedom 2015 K (FFVFX)	Fidelity Series Investment Grade Bond Fund	63,214	12/31/2023
Fid Freedom 2015 K (FFVFX)	Fidelity Series 0-5 Year Inflation Protected Bond Index Fund	16,906	12/31/2023
Fid Freedom 2015 K (FFVFX)	Fidelity Series Emerging Markets Fund	12,715	12/31/2023
Fid Freedom 2015 K (FFVFX)	Fidelity Series 5+ year Inflation protected Bond Index Fund	10,339	12/31/2023
Fid Freedom 2015 K (FFVFX)	Fidelity Series Government Money Market Fund	9,641	12/31/2023
Fid Freedom 2020 K (FFFDX)	Fidelity Series Investment Grade Bond Fund	38,972	12/31/2023
Fid Freedom 2020 K (FFFDX)	Fidelity Series 5+ year Inflation protected Bond Index Fund	10,707	12/31/2023
Fid Freedom 2020 K (FFFDX)	Fidelity Series Emerging Markets Fund	9,983	12/31/2023
Fid Freedom 2020 K (FFFDX)	Fidelity Series Growth Company Fund	6,112	12/31/2023
Fid Freedom 2020 K (FFFDX)	Fidelity Series Long-Term Treasury Bond Index Fund	6,098	12/31/2023
Fid Freedom 2025 K (FFTWX)	Fidelity Series Investment Grade Bond Fund	45,200	12/31/2023
Fid Freedom 2025 K (FFTWX)	Fidelity Series 5+ year Inflation protected Bond Index Fund	15,693	12/31/2023
Fid Freedom 2025 K (FFTWX)	Fidelity Series Emerging Markets Fund	14,576	12/31/2023
Fid Freedom 2025 K (FFTWX)	Fidelity Series Growth Company Fund	9,773	12/31/2023
Fid Freedom 2025 K (FFTWX)	Fidelity Series International Growth Fund	9,103	12/31/2023
Fid Freedom 2030 K (FSNQX)	Fidelity Series Investment Grade Bond Fund	5,331	12/31/2023
Fid Freedom 2030 K (FSNQX)	Fidelity Series Emerging Markets Fund	2,084	12/31/2023
Fid Freedom 2030 K (FSNQX)	Fidelity Series Growth Company Fund	1,488	12/31/2023
Fid Freedom 2030 K (FSNQX)	Fidelity Series Growth & Income Fund	1,364	12/31/2023
Fid Freedom 2030 K (FSNQX)	Fidelity Series International Growth Fund	1,352	12/31/2023
Fid Freedom 2035 K (FFTHX)	Fidelity Series Investment Grade Bond Fund	16,613	12/31/2023
Fid Freedom 2035 K (FFTHX)	Fidelity Series Emerging Markets Fund	10,864	12/31/2023
Fid Freedom 2035 K (FFTHX)	Fidelity Series Growth Company Fund	8,457	12/31/2023
Fid Freedom 2035 K (FFTHX)	Fidelity Series Growth & Income Fund	7,754	12/31/2023
Fid Freedom 2035 K (FFTHX)	Fidelity Series International Value Fund	7,431	12/31/2023
Victory Special Value (SSVSX)	Apple Inc	291	12/31/2023
Victory Special Value (SSVSX)	Microsoft Corp	270	12/31/2023
Victory Special Value (SSVSX)	Alphabet Inc Class C	228	12/31/2023
Victory Special Value (SSVSX)	Amazon.com Inc	127	12/31/2023
Victory Special Value (SSVSX)	JPMorgan Chase & Co.	96	12/31/2023
T Rowe Price Dividend Growth Fund	Microsoft Corp	605	12/31/2023
T Rowe Price Dividend Growth Fund	Apple Inc	449	12/31/2023
T Rowe Price Dividend Growth Fund	T. Rowe Price Government Money Fund	273	12/31/2023
T Rowe Price Dividend Growth Fund	UnitedHealth Group Inc.	226	12/31/2023
T Rowe Price Dividend Growth Fund	Visa Inc. CI A	215	12/31/2023
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Ameriprise Financial Inc	111	12/31/2023
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Parker Hannifin Corp.	92	12/31/2023
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Ametek Inc.	91	12/31/2023
John Hancock Disciplined Value Mid Cap fund (JVMRX)	State Street Institutional U.S. Govt MM	90	12/31/2023
John Hancock Disciplined Value Mid Cap fund (JVMRX)	Howmet Aerospace Inc.	80	12/31/2023
iShares Core S&P 500 ETF (IVV)	Apple Inc	2,567,121	12/31/2023
iShares Core S&P 500 ETF (IVV)	Microsoft Corp	2,548,811	12/31/2023
iShares Core S&P 500 ETF (IVV)	Amazon.com Inc	1,259,757	12/31/2023
iShares Core S&P 500 ETF (IVV)	NVIDIA Corp.	1,116,936	12/31/2023
iShares Core S&P 500 ETF (IVV)	Alphabet Inc. CI A	754,389	12/31/2023
iShares MSCI China ETF (MCHI)	Tencent Holdings Ltd	114,587	12/31/2023
iShares MSCI China ETF (MCHI)	Alibaba Group Holding Ltd	71,918	12/31/2023
iShares MSCI China ETF (MCHI)	PDD Holdings Inc. ADR	39,916	12/31/2023
iShares MSCI China ETF (MCHI)	China Construction Bank Corp	26,066	12/31/2023
iShares MSCI China ETF (MCHI)	Meituan	24,260	12/31/2023
iShares MSCI Emerging Markets ETF (EEM)	Taiwan Semiconductor Mfg Co Lt	50,805	12/31/2023
iShares MSCI Emerging Markets ETF (EEM)	Samsung Electronics Ltd	31,043	12/31/2023
iShares MSCI Emerging Markets ETF (EEM)	Tencent Holdings Ltd	26,803	12/31/2023
iShares MSCI Emerging Markets ETF (EEM)	Alibaba Group Holding Ltd	16,809	12/31/2023
iShares MSCI Emerging Markets ETF (EEM)	Reliance Industries Ltd ORD	10,070	12/31/2023
FTSE Europe ETF (VGK)	Novo Nordisk A/S ORD	39,103	12/31/2023
FTSE Europe ETF (VGK)	Nestle S.A.	37,385	12/31/2023

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1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
FTSE Europe ETF (VGK) .....	ASML Holdings NV .....	35,952	12/31/2023 ..
FTSE Europe ETF (VGK) .....	Shell PLC .....	26,212	12/31/2023 ..
FTSE Europe ETF (VGK) .....	Novartis AG .....	25,210	12/31/2023 ..
FTSE Emerging Markets ETF (VWO) .....	Taiwan Semiconductor Mfg Co Lt .....	78,488	12/31/2023 ..
FTSE Emerging Markets ETF (VWO) .....	Tencent Holdings Ltd .....	45,208	12/31/2023 ..
FTSE Emerging Markets ETF (VWO) .....	Vanguard Market Liquidity Fund .....	39,170	12/31/2023 ..
FTSE Emerging Markets ETF (VWO) .....	Alibaba Group Holding Ltd .....	31,366	12/31/2023 ..
FTSE Emerging Markets ETF (VWO) .....	Reliance Industries Ltd ORD .....	20,027	12/31/2023 ..
FTSE Developed Markets ETF (VEA) .....	Vanguard Market Liquidity Fund .....	264,478	12/31/2023 ..
FTSE Developed Markets ETF (VEA) .....	Novo Nordisk A/S ORD .....	260,879	12/31/2023 ..
FTSE Developed Markets ETF (VEA) .....	Nestle S.A. ....	250,084	12/31/2023 ..
FTSE Developed Markets ETF (VEA) .....	ASML Holdings NV .....	239,289	12/31/2023 ..
FTSE Developed Markets ETF (VEA) .....	Samsung Electronics Ltd .....	232,093	12/31/2023 ..
Energy Select Sector SPDR ETF (XLE) .....	Exxon Mobil Corp. ....	1,032,909	12/31/2023 ..
Energy Select Sector SPDR ETF (XLE) .....	Chevron Corp. ....	806,960	12/31/2023 ..
Energy Select Sector SPDR ETF (XLE) .....	ConocoPhillips .....	424,692	12/31/2023 ..
Energy Select Sector SPDR ETF (XLE) .....	EOG Resources Inc. ....	217,188	12/31/2023 ..
Energy Select Sector SPDR ETF (XLE) .....	Schlumberger Ltd. ....	214,421	12/31/2023 ..
Invesco S&P 500 Equal Weight ETF (RSP) .....	Emphase Energy Inc. ....	45,346	12/31/2023 ..
Invesco S&P 500 Equal Weight ETF (RSP) .....	Ansys Inc. ....	45,346	12/31/2023 ..
Invesco S&P 500 Equal Weight ETF (RSP) .....	Align Technology Inc. ....	45,346	12/31/2023 ..
Invesco S&P 500 Equal Weight ETF (RSP) .....	Moderna Inc. ....	45,346	12/31/2023 ..
Invesco S&P 500 Equal Weight ETF (RSP) .....	Illumina Inc. ....	43,456	12/31/2023 ..
Invesco QQQ Trust Series I (QQQ) .....	Apple Inc .....	3,172	12/31/2023 ..
Invesco QQQ Trust Series I (QQQ) .....	Microsoft Corp .....	2,962	12/31/2023 ..
Invesco QQQ Trust Series I (QQQ) .....	Amazon.com Inc .....	1,665	12/31/2023 ..
Invesco QQQ Trust Series I (QQQ) .....	Broadcom Inc. ....	1,428	12/31/2023 ..
Invesco QQQ Trust Series I (QQQ) .....	Meta Platforms Inc. ....	1,324	12/31/2023 ..
JPMorgan Equity Premium Income ETF (JEPI) .....	Amazon.com Inc .....	154,532	12/31/2023 ..
JPMorgan Equity Premium Income ETF (JEPI) .....	Microsoft Corp .....	152,692	12/31/2023 ..
JPMorgan Equity Premium Income ETF (JEPI) .....	Intuit Inc. ....	149,933	12/31/2023 ..
JPMorgan Equity Premium Income ETF (JEPI) .....	Trane Technologies PLC .....	147,173	12/31/2023 ..
JPMorgan Equity Premium Income ETF (JEPI) .....	Progressive Corp. ....	142,574	12/31/2023 ..
iShares MSCI Japan ETF (EWJ) .....	Toyota Motor Corp. ....	7,940	12/31/2023 ..
iShares MSCI Japan ETF (EWJ) .....	Sony Group Corp. ....	4,883	12/31/2023 ..
iShares MSCI Japan ETF (EWJ) .....	Mitsubishi UFJ Financial Group Inc. ....	3,993	12/31/2023 ..
iShares MSCI Japan ETF (EWJ) .....	Keyence Corp. ....	3,488	12/31/2023 ..
iShares MSCI Japan ETF (EWJ) .....	Tokyo Electron Ltd. ....	3,443	12/31/2023 ..



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan  
**GENERAL INTERROGATORIES**

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds .....	1,787,219,687	1,787,207,441	(12,246)
31.2 Preferred stocks .....	0		0
31.3 Totals	1,787,219,687	1,787,207,441	(12,246)

31.4 Describe the sources or methods utilized in determining the fair values:

Custodians and Refinitiv (formerly Thomson Reuters) are the sources for fair values .....

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 .....

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

33.2 If no, list exceptions:  
 .....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan  
**GENERAL INTERROGATORIES**

38.1 Does the reporting entity directly hold cryptocurrencies? ..... Yes [ ] No [ X ]

38.2 If the response to 38.1 is yes, on what schedule are they reported?  
 .....

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? ..... Yes [ ] No [ X ]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?  
 39.21 Held directly ..... Yes [ ] No [ ]  
 39.22 Immediately converted to U.S. dollars ..... Yes [ ] No [ ]

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1 Name of Cryptocurrency	2 Immediately Converted to USD, Directly Held, or Both	3 Accepted for Payment of Premiums

**OTHER**

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... \$ .....2,991,114

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

1 Name	2 Amount Paid
BCBSA .....	2,050,765
American Association of Health Plans .....	940,349

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ X ] No [ ]

1.2 If yes, indicate premium earned on U.S. business only. .... \$ 26,764,384

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ 0

1.31 Reason for excluding  
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ 20,965,292

1.6 Individual policies: Most current three years:

1.61 Total premium earned ..... \$ 0

1.62 Total incurred claims ..... \$ 0

1.63 Number of covered lives ..... 0

All years prior to most current three years:

1.64 Total premium earned ..... \$ 26,764,384

1.65 Total incurred claims ..... \$ 20,965,292

1.66 Number of covered lives ..... 8,262

1.7 Group policies: Most current three years:

1.71 Total premium earned ..... \$ 0

1.72 Total incurred claims ..... \$ 0

1.73 Number of covered lives ..... 0

All years prior to most current three years:

1.74 Total premium earned ..... \$ 0

1.75 Total incurred claims ..... \$ 0

1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	4,361,002,777	4,151,192,419
2.2 Premium Denominator .....	4,361,002,777	4,151,192,419
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	582,390,039	559,844,767
2.5 Reserve Denominator .....	582,390,039	559,844,767
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [ X ]

3.2 If yes, give particulars:  
.....

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... Yes [ X ] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? ..... Yes [ ] No [ X ]

5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ X ] No [ ]

5.2 If no, explain:  
.....

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$ 300,000

5.32 Medical Only ..... \$

5.33 Medicare Supplement ..... \$

5.34 Dental & Vision ..... \$

5.35 Other Limited Benefit Plan ..... \$

5.36 Other ..... \$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
Hold harmless provisions are included in contracts with providers. BCN has stop-loss coverage through an affiliate which includes an insolvency clause. In addition, BCN holds a state-mandated cash deposit and BCN members have conversion rights to BCBSM coverage. ..

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?..... Yes [ X ] No [ ]

7.2 If no, give details  
.....

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year ..... 73,505

8.2 Number of providers at end of reporting year ..... 77,911

9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ X ] No [ ]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.. \$ 29,542,001

9.22 Business with rate guarantees over 36 months ..... \$ 0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**GENERAL INTERROGATORIES**

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses.....\$ ..... 60,267,452
- 10.22 Amount actually paid for year bonuses.....\$ ..... 53,971,537
- 10.23 Maximum amount payable withholds.....\$ ..... 8,319,290
- 10.24 Amount actually paid for year withholds.....\$ ..... 9,762,732

- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]
- 11.13 An Individual Practice Association (IPA), or, ..... Yes [ X ] No [ ]
- 11.14 A Mixed Model (combination of above)? .... Yes [ ] No [ X ]

- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Michigan
- 11.4 If yes, show the amount required. .... \$ 290,246,252
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation  
 The greater of 4% of subscription revenue \$4,375,711,730 x .04 = \$175,028,469 or 2 times authorized control level risk-based capital 2 x \$145,123,126 = \$290,246,252. ....

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

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

- 13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....
- 13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ ] No [ X ] N/A [ ]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 15.1 Direct Premium Written ..... \$ .....
- 15.2 Total Incurred Claims ..... \$ .....
- 15.3 Number of Covered Lives .....

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ ] No [ X ]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ X ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Blue Care Network of Michigan

**FIVE-YEAR HISTORICAL DATA**

	1 2023	2 2022	3 2021	4 2020	5 2019
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	2,608,200,890	2,673,166,704	2,791,906,983	2,872,294,346	2,649,229,447
2. Total liabilities (Page 3, Line 24) .....	859,618,492	921,714,922	1,000,527,258	963,776,665	920,306,004
3. Statutory minimum capital and surplus requirement .....	290,246,252	311,370,336	306,052,846	274,257,884	284,045,562
4. Total capital and surplus (Page 3, Line 33) .....	1,748,582,398	1,751,451,782	1,791,379,725	1,908,517,681	1,728,923,443
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	4,362,938,037	4,147,448,730	3,923,824,571	4,094,481,691	4,252,385,664
6. Total medical and hospital expenses (Line 18) .....	3,817,780,863	3,636,886,462	3,594,681,725	3,404,269,862	3,603,254,332
7. Claims adjustment expenses (Line 20) .....	184,382,945	163,860,419	148,161,884	160,422,951	155,332,863
8. Total administrative expenses (Line 21) .....	430,797,728	418,312,376	408,880,292	481,755,761	473,465,009
9. Net underwriting gain (loss) (Line 24) .....	(101,093,499)	(39,446,580)	(220,304,476)	43,774,316	(15,166,540)
10. Net investment gain (loss) (Line 27) .....	86,696,261	3,178,971	122,251,406	88,882,292	90,000,470
11. Total other income (Lines 28 plus 29) .....	0	649,571	0	0	0
12. Net income or (loss) (Line 32) .....	(14,417,938)	(36,179,252)	(98,095,077)	132,354,775	74,746,591
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(137,172,753)	(35,689,097)	(145,805,315)	102,566,518	111,917,126
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	1,748,582,398	1,751,451,782	1,791,379,725	1,908,517,681	1,728,923,443
15. Authorized control level risk-based capital .....	145,123,126	155,685,168	153,026,423	137,128,942	142,022,781
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	648,197	663,057	669,179	704,385	745,471
17. Total members months (Column 6, Line 7) .....	7,774,894	7,961,550	8,092,569	8,663,457	8,928,617
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	87.5	87.7	91.6	83.1	84.7
20. Cost containment expenses .....	2.0	1.9	1.9	1.8	1.8
21. Other claims adjustment expenses .....	2.2	2.0	1.9	2.1	1.8
22. Total underwriting deductions (Line 23) .....	102.3	101.0	105.6	98.9	100.4
23. Total underwriting gain (loss) (Line 24) .....	(2.3)	(1.0)	(5.6)	1.1	(0.4)
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	458,578,856	481,919,359	503,573,186	457,535,254	460,938,186
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] .....	412,339,180	364,809,223	398,848,667	408,416,272	420,826,747
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....			0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0		0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....	200	8,250,200	200	200	200
32. Total of above Lines 26 to 31 .....	200	8,250,200	200	200	200
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? ..... Yes [  ] No [  ]  
 If no, please explain: .....

**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	N								0	
5. California	CA	N								0	
6. Colorado	CO	N								0	
7. Connecticut	CT	N								0	
8. Delaware	DE	N								0	
9. District of Columbia	DC	N								0	
10. Florida	FL	N								0	
11. Georgia	GA	N								0	
12. Hawaii	HI	N								0	
13. Idaho	ID	N								0	
14. Illinois	IL	N								0	
15. Indiana	IN	N								0	
16. Iowa	IA	N								0	
17. Kansas	KS	N								0	
18. Kentucky	KY	N								0	
19. Louisiana	LA	N								0	
20. Maine	ME	N								0	
21. Maryland	MD	N								0	
22. Massachusetts	MA	N								0	
23. Michigan	MI	L	2,938,238,617	1,318,102,074		119,371,039				4,375,711,730	
24. Minnesota	MN	N								0	
25. Mississippi	MS	N								0	
26. Missouri	MO	N								0	
27. Montana	MT	N								0	
28. Nebraska	NE	N								0	
29. Nevada	NV	N								0	
30. New Hampshire	NH	N								0	
31. New Jersey	NJ	N								0	
32. New Mexico	NM	N								0	
33. New York	NY	N								0	
34. North Carolina	NC	N								0	
35. North Dakota	ND	N								0	
36. Ohio	OH	N								0	
37. Oklahoma	OK	N								0	
38. Oregon	OR	N								0	
39. Pennsylvania	PA	N								0	
40. Rhode Island	RI	N								0	
41. South Carolina	SC	N								0	
42. South Dakota	SD	N								0	
43. Tennessee	TN	N								0	
44. Texas	TX	N								0	
45. Utah	UT	N								0	
46. Vermont	VT	N								0	
47. Virginia	VA	N								0	
48. Washington	WA	N								0	
49. West Virginia	WV	N								0	
50. Wisconsin	WI	N								0	
51. Wyoming	WY	N								0	
52. American Samoa	AS	N								0	
53. Guam	GU	N								0	
54. Puerto Rico	PR	N								0	
55. U.S. Virgin Islands	VI	N								0	
56. Northern Mariana Islands	MP	N								0	
57. Canada	CAN	N								0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	2,938,238,617	1,318,102,074	0	0	119,371,039	0	0	0	4,375,711,730	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX									0	
61. Totals (Direct Business)	XXX	2,938,238,617	1,318,102,074	0	0	119,371,039	0	0	0	4,375,711,730	0
DETAILS OF WRITE-INS											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

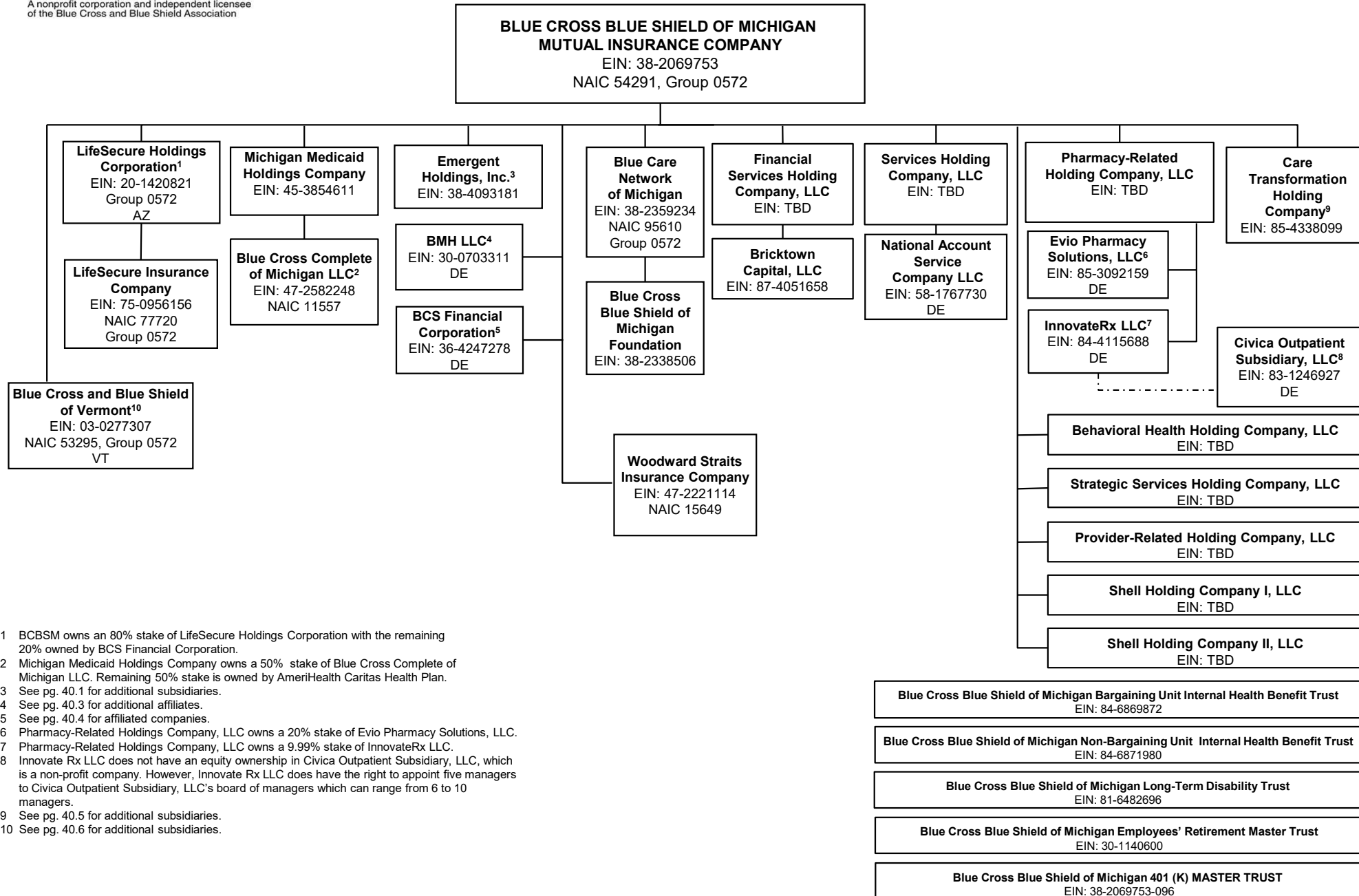
(a) Active Status Counts:  
 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 1  
 2. R - Registered - Non-domiciled RRGs..... 0  
 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state. .... 0  
 4. Q - Qualified - Qualified or accredited reinsurer..... 0  
 5. N - None of the above - Not allowed to write business in the state..... 56

(b) Explanation of basis of allocation by states, premiums by state, etc.  
 By Situs of contract



A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

# SUBSIDIARY & AFFILIATE ORGANIZATION CHART



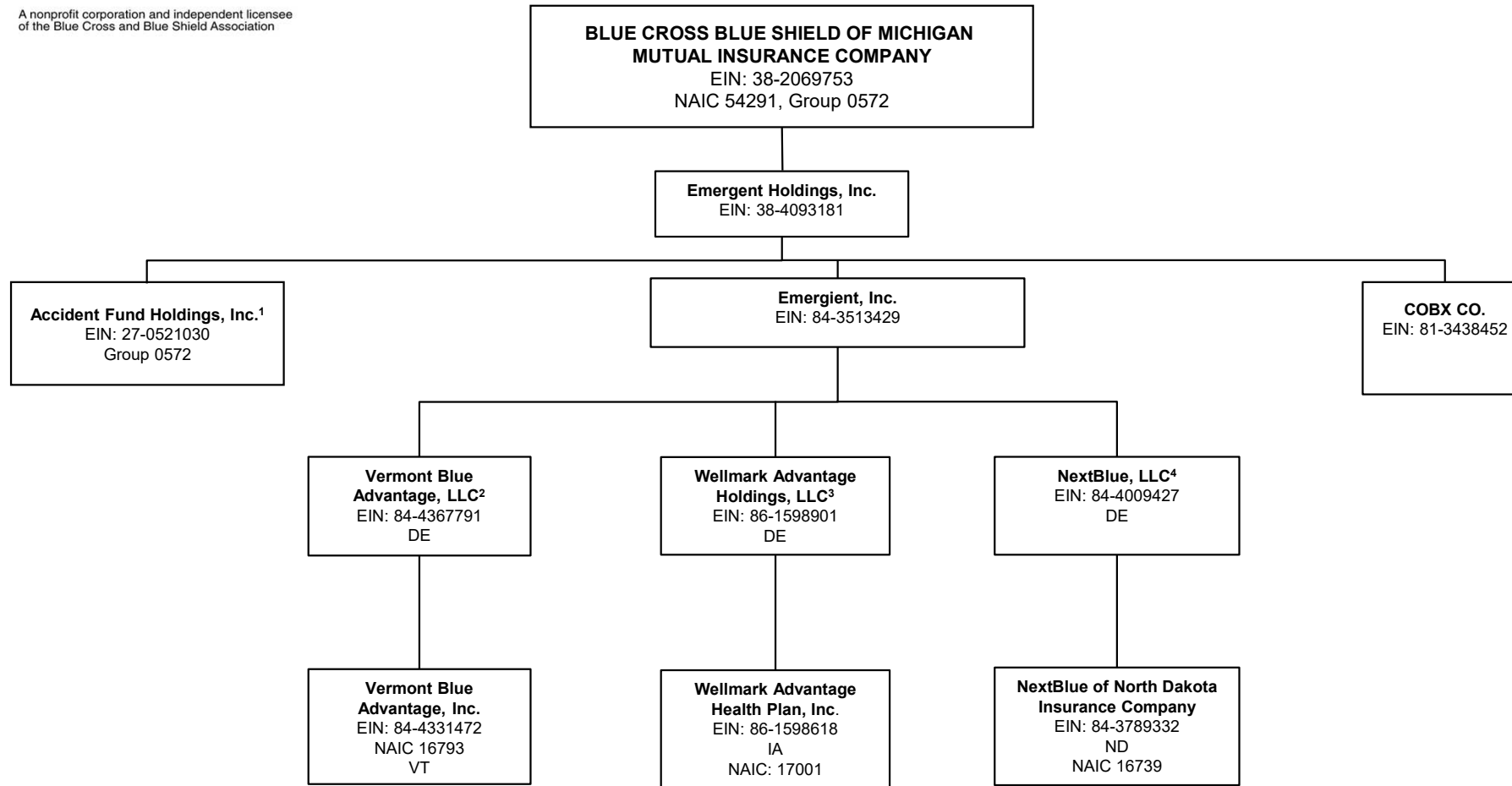
1 BCBSM owns an 80% stake of LifeSecure Holdings Corporation with the remaining 20% owned by BCS Financial Corporation.  
 2 Michigan Medicaid Holdings Company owns a 50% stake of Blue Cross Complete of Michigan LLC. Remaining 50% stake is owned by AmeriHealth Caritas Health Plan.  
 3 See pg. 40.1 for additional subsidiaries.  
 4 See pg. 40.3 for additional affiliates.  
 5 See pg. 40.4 for affiliated companies.  
 6 Pharmacy-Related Holdings Company, LLC owns a 20% stake of Evio Pharmacy Solutions, LLC.  
 7 Pharmacy-Related Holdings Company, LLC owns a 9.99% stake of InnovateRx LLC.  
 8 Innovate Rx LLC does not have an equity ownership in Civica Outpatient Subsidiary, LLC, which is a non-profit company. However, Innovate Rx LLC does have the right to appoint five managers to Civica Outpatient Subsidiary, LLC's board of managers which can range from 6 to 10 managers.  
 9 See pg. 40.5 for additional subsidiaries.  
 10 See pg. 40.6 for additional subsidiaries.

All entities that do not reflect a particular state name or abbreviation are domiciled in Michigan.



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

## SUBSIDIARY & AFFILIATE ORGANIZATION CHART



1 See page 40.2 for additional subsidiaries and affiliates.

2 Emergent, Inc. owns a 51% stake in Vermont Blue Advantage LLC with the remaining 49% owned by Blue Cross and Blue Shield of Vermont.

3 Emergent, Inc. owns a 51% stake in Wellmark Advantage Holdings, LLC

4 Emergent, Inc. owns a 51% stake in NextBlue, LLC.

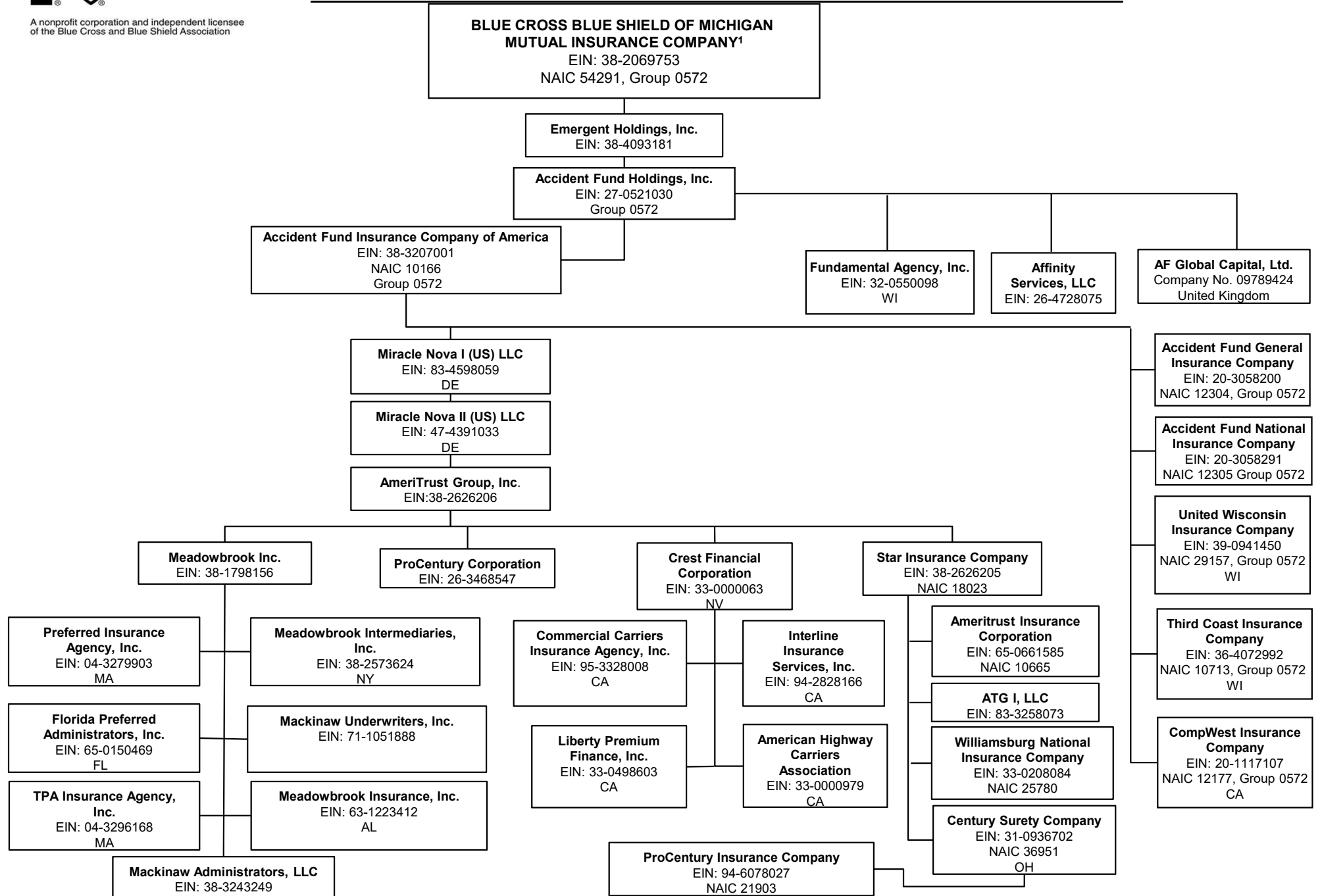
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# SUBSIDIARY & AFFILIATE ORGANIZATION CHART

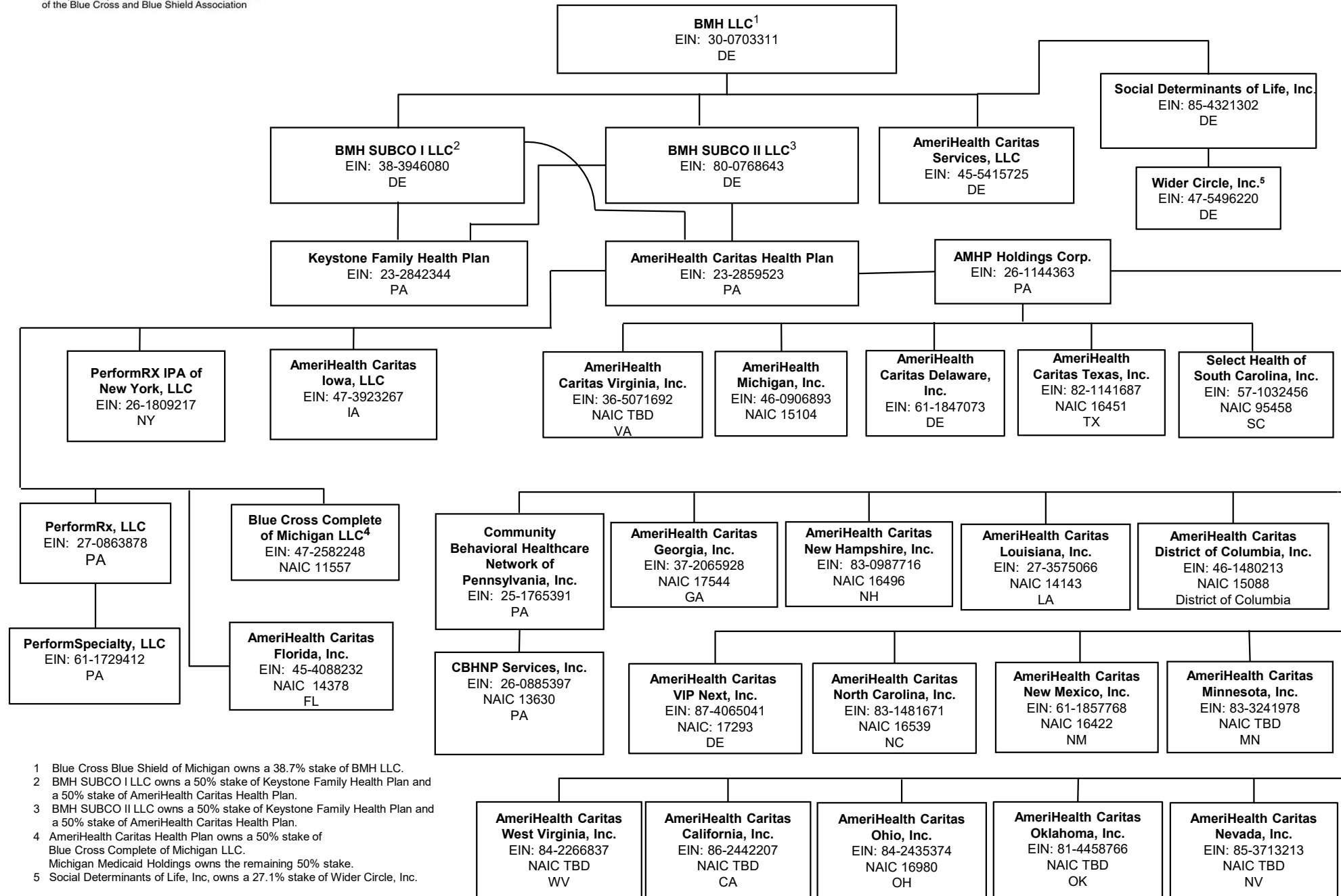


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# SUBSIDIARY & AFFILIATE ORGANIZATION CHART



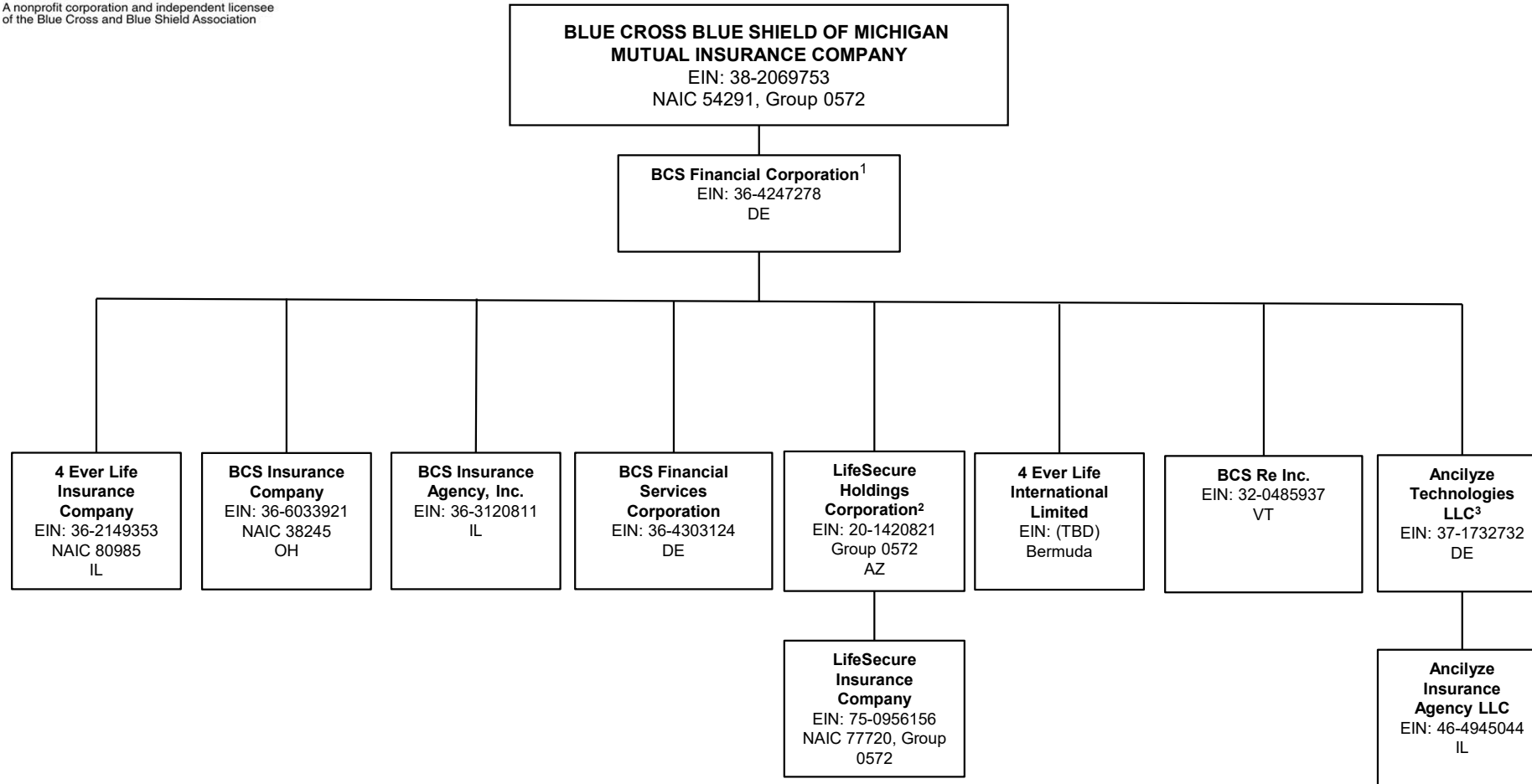
1 Blue Cross Blue Shield of Michigan owns a 38.7% stake of BMH LLC.  
 2 BMH SUBCO I LLC owns a 50% stake of Keystone Family Health Plan and a 50% stake of AmeriHealth Caritas Health Plan.  
 3 BMH SUBCO II LLC owns a 50% stake of Keystone Family Health Plan and a 50% stake of AmeriHealth Caritas Health Plan.  
 4 AmeriHealth Caritas Health Plan owns a 50% stake of Blue Cross Complete of Michigan LLC.  
 Michigan Medicaid Holdings owns the remaining 50% stake.  
 5 Social Determinants of Life, Inc. owns a 27.1% stake of Wider Circle, Inc.

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## SUBSIDIARY & AFFILIATE ORGANIZATION CHART



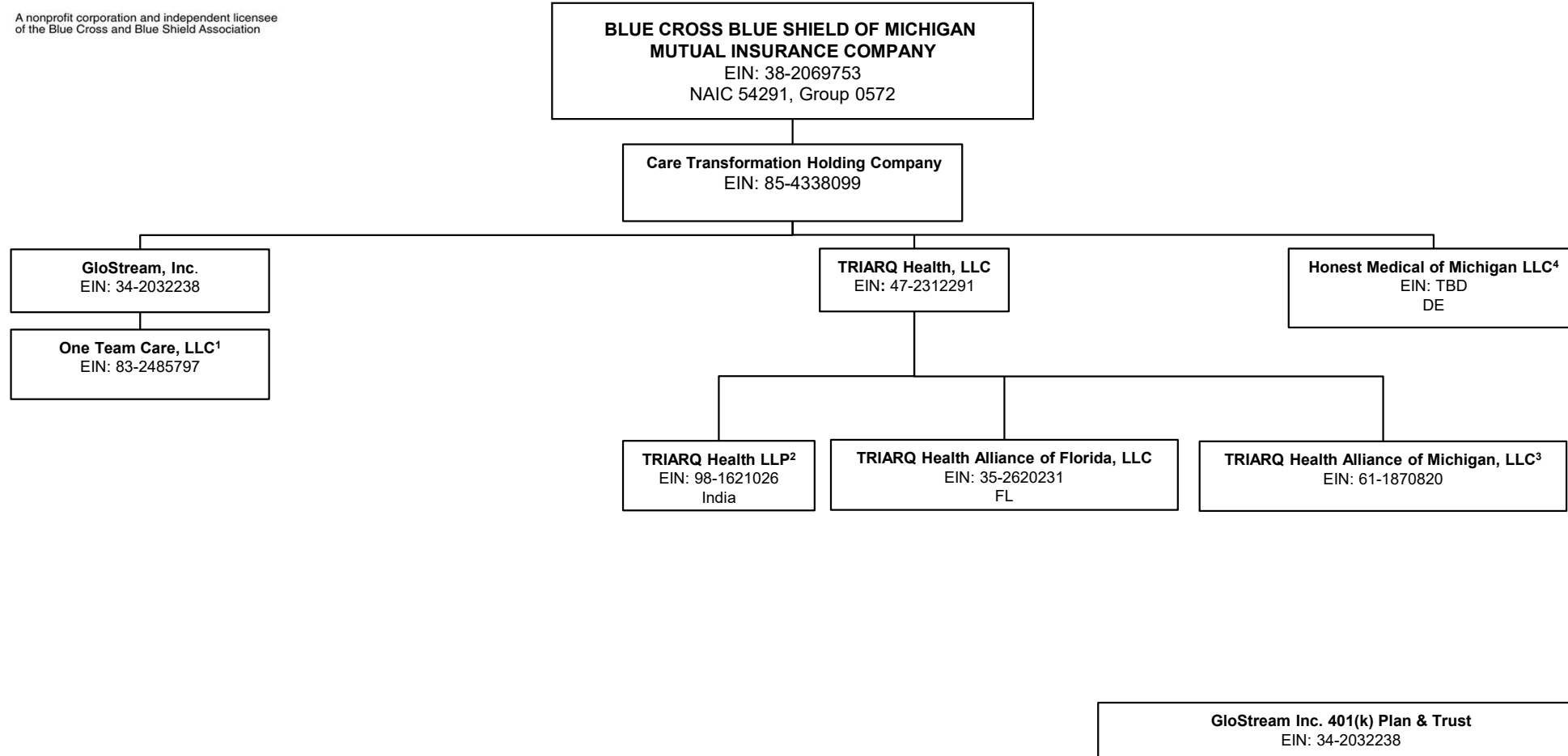
1 Blue Cross Blue Shield of Michigan owns 10.1% of BCS Financial Corporation Accident Fund Insurance Company of America owns 3.56% of BCS Financial Corporation.  
 2 BCS Financial owns a 20% stake in LifeSecure Holdings Corporation with the remaining 80% owned by BCBSM.  
 3 BCS Financial Corporation owns 50% of Ancilyze Technologies LLC.

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# SUBSIDIARY & AFFILIATE ORGANIZATION CHART



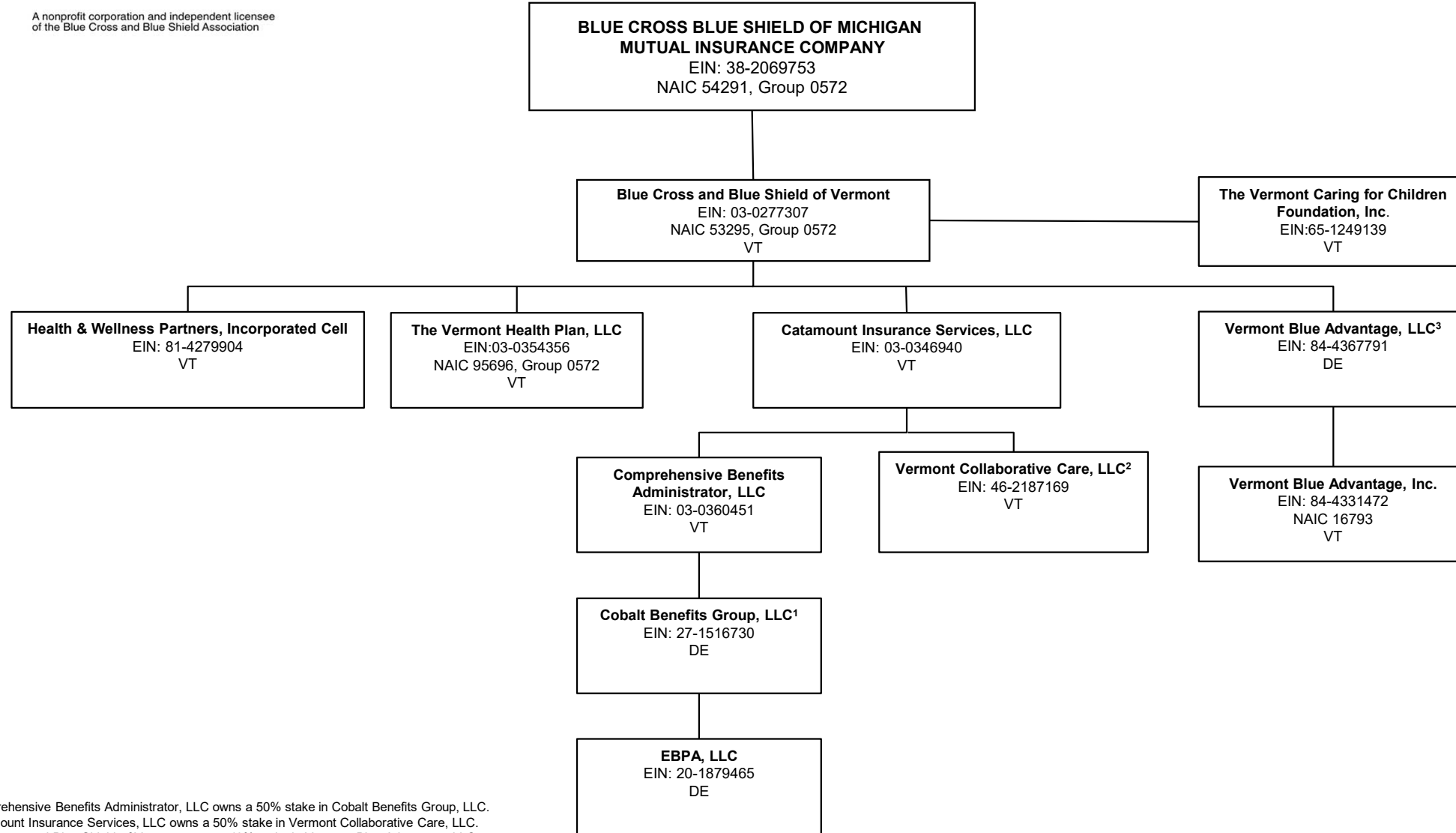
1 GloStream Inc. owns a 50% stake in One Team Care, LLC.  
 2 TRIARQ Health, LLC owns a 99.9999% stake in TRIARQ Health LLP and Glostream, Inc. owns 0.0001%.  
 3 TRIARQ Health, LLC owns a 68% stake in TRIARQ Health Alliance of Michigan.  
 4 Care Transformation Holding Company owns a 19.9% stake in Honest Medical of Michigan LLC

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1 Comprehensive Benefits Administrator, LLC owns a 50% stake in Cobalt Benefits Group, LLC.  
 2 Catamount Insurance Services, LLC owns a 50% stake in Vermont Collaborative Care, LLC.  
 3 Blue Cross and Blue Shield of Vermont owns a 49% stake in Vermont Blue Advantage, LLC with the remaining 51% owned by Emergent, Inc.

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**OVERFLOW PAGE FOR WRITE-INS**

**NONE**