



# QUARTERLY STATEMENT

AS OF MARCH 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

## Blue Cross Complete of Michigan LLC

NAIC Group Code 00572 (Current Period), 00572 (Prior Period) NAIC Company Code 11557 Employer's ID Number 47-2582248

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

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
 Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [ X ]  
 Other [ ] Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 12/18/2014 Commenced Business 01/01/2003

Statutory Home Office 100 Galleria Offcentre, Suite 210, Southfield, MI, US 48304  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 200 Stevens Drive, Philadelphia, PA, US 19113 215-937-8000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Galleria Offcentre, Suite 210, Southfield, MI, US 48304  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 200 Stevens Drive, Philadelphia, PA, US 19113 215-937-8000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address MiBlueCrossComplete.com

Statutory Statement Contact Maureen Mastropietro 215-863-6384  
(Name) (Area Code) (Telephone Number) (Extension)  
mmastropietro@amerihealthcaritas.com 215-937-5349  
(E-Mail Address) (FAX Number)

### OFFICERS

Name	Title	Name	Title
<u>Steven Harvey Bohner</u>	<u>Treasurer</u>	<u>James Michael Jernigan</u>	<u>President</u>
<u>Robert Howard Gilman, Esquire</u>	<u>Secretary</u>		

### OTHER OFFICERS

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### DIRECTORS OR TRUSTEES

<u>Eileen Mary Coggins</u>	<u>James Michael Jernigan</u>	<u>Mark Robert Bartlett</u>	<u>Lynda Marie Rossi</u>
<u>Joseph Charles Swartz #</u>			

State of Pennsylvania

ss

County of Delaware

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.

Steven Harvey Bohner  
Treasurer

James Michael Jernigan  
President

Robert Howard Gilman, Esquire  
Secretary

Subscribed and sworn to before me this  
day of May, 2016

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

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STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....			0	0
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
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 (\$ .....119,245,685 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....1,000,000 ) .....	120,245,685		120,245,685	109,152,843
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	120,245,685	0	120,245,685	109,152,843
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	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 .....			0	0
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 (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....			0	0
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 .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	288,000		288,000	0
18.2 Net deferred tax asset .....	1,402,721	784,125	618,596	2,867,045
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 (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ .....4,284,939 ) and other amounts receivable .....	4,284,939		4,284,939	3,431,683
25. Aggregate write-ins for other-than-invested assets .....	2,952,525	2,952,525	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	129,173,870	3,736,650	125,437,220	115,451,571
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	129,173,870	3,736,650	125,437,220	115,451,571
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid Expenses .....	46,275	46,275	0	0
2502. Intangible Asset .....	2,906,250	2,906,250	0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	2,952,525	2,952,525	0	0

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 46,035 reinsurance ceded)	43,364,724		43,364,724	33,705,271
2. Accrued medical incentive pool and bonus amounts	2,397,222		2,397,222	1,700,001
3. Unpaid claims adjustment expenses	793,017		793,017	623,754
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	6,653,528		6,653,528	8,979,683
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	24,178,368		24,178,368	21,558,308
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	6,474,017		6,474,017	8,450,634
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ 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			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	3,920,471	0	3,920,471	2,578,051
24. Total liabilities (Lines 1 to 23)	87,781,347	0	87,781,347	77,595,702
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	4,080,480
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	44,000,001	44,000,001
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(6,344,128)	(10,224,612)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$ )	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$ )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	37,655,873	37,855,869
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	125,437,220	115,451,571
<b>DETAILS OF WRITE-INS</b>				
2301. Stale Dated Checks	339,870		339,870	339,871
2302. Premium Assessment	1,986,570		1,986,570	1,116,662
2303. Health Insurance Claim Assessment	1,594,031		1,594,031	1,121,518
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	3,920,471	0	3,920,471	2,578,051
2501. Subsequent Year Affordable Care Act Assessment	XXX	XXX		4,080,480
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	4,080,480
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 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	367,393	242,573	1,036,110
2. Net premium income (including \$ non-health premium income).....	XXX	152,556,536	98,548,850	418,451,930
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0	0
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	0	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	152,556,536	98,548,850	418,451,930
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		62,907,055	46,378,519	186,233,362
10. Other professional services .....		5,031,938	3,619,866	16,400,326
11. Outside referrals .....			0	0
12. Emergency room and out-of-area .....		5,396,451	4,871,616	17,002,722
13. Prescription drugs .....		19,207,042	10,082,975	41,357,394
14. Aggregate write-ins for other hospital and medical.....	0	34,216,054	22,675,906	93,935,796
15. Incentive pool, withhold adjustments and bonus amounts.....		697,221	373,126	2,464,660
16. Subtotal (Lines 9 to 15) .....	0	127,455,761	88,002,008	357,394,260
<b>Less:</b>				
17. Net reinsurance recoveries .....		0	806,216	(1,345,592)
18. Total hospital and medical (Lines 16 minus 17) .....	0	127,455,761	87,195,792	358,739,852
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 296,402 cost containment expenses.....		3,525,739	2,928,662	11,809,096
21. General administrative expenses.....		20,998,383	11,145,706	53,119,268
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			(1,280,000)	(3,610,000)
23. Total underwriting deductions (Lines 18 through 22) .....	0	151,979,883	99,990,160	420,058,216
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	576,653	(1,441,310)	(1,606,286)
25. Net investment income earned .....		610	150,426	196,020
26. Net realized capital gains (losses) less capital gains tax of \$ .....			3,523	251,685
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	610	153,949	447,705
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )] .....			0	0
29. Aggregate write-ins for other income or expenses .....	0	0	0	0
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	577,263	(1,287,361)	(1,158,581)
31. Federal and foreign income taxes incurred .....	XXX	(288,000)	0	0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	865,263	(1,287,361)	(1,158,581)
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX			0
0602. ....	XXX			
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0	0
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0	0
1401. Durable Medical Equipment.....		133,773	0	176,690
1402. Alternative Medical Cost.....		81,035	0	121,481
1403. Provider Passthrough Programs.....		33,913,490	22,675,906	93,291,162
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	87,756	0	346,463
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	34,216,054	22,675,906	93,935,796
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	0	0	0

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

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	37,855,869	30,690,527	30,690,527
34. Net income or (loss) from Line 32 .....	.865,263	(1,287,361)	(1,158,581)
35. Change in valuation basis of aggregate policy and claim reserves .....		.0	.0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		24,734	61,628
37. Change in net unrealized foreign exchange capital gain or (loss) .....		.0	.0
38. Change in net deferred income tax .....	(2,280,324)	.0	3,683,045
39. Change in nonadmitted assets .....	2,204,873	(33,624)	(5,206,281)
40. Change in unauthorized and certified reinsurance .....	.0	.0	.0
41. Change in treasury stock .....		.0	.0
42. Change in surplus notes .....	.0	.0	(30,000,000)
43. Cumulative effect of changes in accounting principles .....		.0	.0
44. Capital Changes:			
44.1 Paid in .....		.0	.0
44.2 Transferred from surplus (Stock Dividend) .....		.0	.0
44.3 Transferred to surplus .....		.0	.0
45. Surplus adjustments:			
45.1 Paid in .....		.0	21,750,001
45.2 Transferred to capital (Stock Dividend) .....	.0	.0	.0
45.3 Transferred from capital .....		.0	22,250,000
46. Dividends to stockholders .....		.0	.0
47. Aggregate write-ins for gains or (losses) in surplus .....	(989,808)	.0	(4,214,470)
48. Net change in capital and surplus (Lines 34 to 47) .....	(199,996)	(1,296,251)	7,165,342
49. Capital and surplus end of reporting period (Line 33 plus 48)	37,655,873	29,394,276	37,855,869
<b>DETAILS OF WRITE-INS</b>			
4701. Change in merger consideration during remeasurement period (Note 3 (b)).....	(989,808)		
4702. Merger consideration (Note 3 (b)).....			(4,214,470)
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(989,808)	.0	(4,214,470)

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	152,556,536	98,505,883	418,214,772
2. Net investment income .....	610	255,543	761,921
3. Miscellaneous income .....	0	0	0
4. Total (Lines 1 to 3) .....	152,557,146	98,761,426	418,976,693
5. Benefit and loss related payments .....	116,620,206	81,078,163	348,520,166
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	27,979,932	13,640,154	59,335,081
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9) .....	144,600,138	94,718,317	407,855,247
11. Net cash from operations (Line 4 minus Line 10) .....	7,957,008	4,043,109	11,121,446
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	0	5,097,859	24,640,917
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	799,678
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	981
12.7 Miscellaneous proceeds .....	0	3,568,952	1
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	0	8,666,811	25,441,577
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	0	0	0
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	523,074
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	0	523,074
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	0	8,666,811	24,918,503
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	(30,000,000)
16.2 Capital and paid in surplus, less treasury stock.....	0	0	44,000,001
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	3,135,834	5,173,238	3,762,899
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	3,135,834	5,173,238	17,762,900
<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) .....	11,092,842	17,883,158	53,802,849
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	109,152,843	55,349,994	55,349,994
19.2 End of period (Line 18 plus Line 19.1) .....	120,245,685	73,233,152	109,152,843

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	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 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	88,533	.0	.0	.0	.0	.0	.0	.0	88,533	.0
2. First Quarter .....	132,237	.0	.0	.0	.0	.0	.0	.0	132,237	.0
3. Second Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Third Quarter .....	.0									
5. Current Year	0									
6. Current Year Member Months	367,393								367,393	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	245,006								245,006	
8. Non-Physician .....	36,558								36,558	
9. Total	281,564	0	0	0	0	0	0	0	281,564	0
10. Hospital Patient Days Incurred	16,805								16,805	
11. Number of Inpatient Admissions	3,515								3,515	
12. Health Premiums Written (a).....	153,238,571								153,238,571	
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	153,238,571								153,238,571	
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	117,099,086								117,099,086	
18. Amount Incurred for Provision of Health Care Services	127,455,760								127,455,760	

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

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
REGENTS OF THE UNIVOF MICHIGAN.....	3,504,445	117,976	1,144			3,623,565
OAKWOOD HEALTHCARE INC.....	1,359,175	56,078				1,415,253
EDWARD W SPARROW HOSPITAL.....	930,275	12,510				942,785
VHS HARPER-HUTZEL HOSPITAL INC.....	768,548	104,832				873,381
HENRY FORD HEALTH SYSTEM.....	812,808	36,724				849,532
ST JOSEPH MERCY HOSPITAL.....	714,643	17,738				732,381
WILLIAM BEAUMONT HOSPITAL.....	682,150	21,734				703,884
VHS SINAI-GRACE HOSPITAL INC.....	585,988	49,889				635,877
ST JOHN HOSPITAL AND MEDICAL CENTER.....	629,138	4,429				633,567
VHS DETROIT RECEIVING HOSPITAL INC.....	520,133	18,041				538,173
VHS CHILDRENS HOSPITAL.....	470,866	9,149				480,015
BOTSFORD GENERAL HOSPITAL.....	434,294	1,314				435,608
PROVIDENCE HOSPITAL.....	381,256	14,336				395,592
JOINT VENTURE HOSPITAL LABS.....	327,158					327,158
PRIME HEALTHCARE SERVICES.....	238,474	76,281				314,755
NORTHWOOD INC.....	239,358					239,358
HENRY FORD WYANDOTTE HOSPITAL.....	218,064	8,274				226,339
METROPOLITAN HOSPITAL.....	4,111	217,470				221,581
HURLEY RADIOLOGY GROUP.....	205,441					205,441
DVA HEALTHCARE RENAL CARE INC.....	193,111	3,575				196,686
3982902.....	187,931					187,931
ST MARY MERCY HOSPITAL.....	175,789	9,149				184,938
IHA HEALTH SERVICES CORP.....	168,885					168,885
BARBARA ANN KARMANOS.....	148,994	8,231				157,225
UNIVERSITY PHYSICIAN GROUP.....	155,703					155,703
5721267.....	122,599					122,599
ST JOHN MACOMB OAKLAND HOSPITAL.....	91,912	13,808				105,720
INGHAM REGIONAL MEDICAL CENTER.....	86,208	495				86,703
QUEST DIAGNOSTICS INCORPORATED MI.....	86,489		82			86,571
MICHIGAN HEALTHCARE PROFESSIONALS PC.....	85,806					85,806
OAKWOOD AMBULATORY LLC.....	71,422					71,422
VHS REHABILITATION INSTITUTE OF MI.....	70,821					70,821
DETROIT HLTH FOR THE HOMELESS.....	69,936					69,936
SAINT JOSEPH MERCY LIVINGSTON.....	65,188	1,314				66,502
MICHIGAN STATE UNIVERSITY.....	65,558					65,558
THE TOLEDO HOSPITAL.....	62,579					62,579
Emergency Professionals of Mi PC.....	57,418					57,418
INGHAM COUNTY HEALTH DEPARTMENT.....	54,105	35				54,140
SAINT MARYS HEALTH CARE.....	52,870					52,870
ST JOSEPH MERCY HOSPITAL SMHC.....	51,661					51,661
W A FOOTE MEMORIAL HOSPITAL INC.....	51,177					51,177
HURON VALLEY AMBULANCE INC.....	51,123					51,123
SPECTRUM HEALTH HOSPITALS.....	49,903					49,903
HEARTLAND OF ANN ARBOR MI, LLC.....	49,728					49,728
AMERITOX LTD.....	48,651					48,651
DR L REYNOLDS ASSOC PC.....	47,472					47,472
RIVERVIEW ACQUISITION COMPANY LLC.....	47,319					47,319
THE PAIN CENTER USA PLLC.....	46,674					46,674
UNIVERSITY PEDIATRICIANS.....	46,433					46,433
HOSPICE OF MICHIGAN INC.....	46,363					46,363
LANSING URGENT CARE PLC.....	45,681					45,681
2348046.....	45,428					45,428
Millennium Laboratories Ins.....	44,167					44,167
BIO-MEDICAL APPLICATIONS OF MICHIGAN INC.....	43,212					43,212
ABBA CARE CORPORATION.....	42,384					42,384

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
VHS PHYSICIANS OF MICHIGAN.....	41,603					41,603
MCLAREN REGIONAL MEDICAL CENTER.....	41,226					41,226
EPMG OF MICHIGAN PC.....	40,659					40,659
PARK FAMILY HEALTH CARE PC.....	39,975					39,975
CITY OF DETROIT.....	37,663					37,663
2635956.....	37,413					37,413
MIDWEST MEDICAL CENTER.....	37,020					37,020
Mercy Health Partners.....	36,666					36,666
BOULEVARD TEMPLE CARE CENTER.....	35,672					35,672
MEDICAL CENTER EMERGENCY SERVICES PC.....	35,390					35,390
EMERGENCY DEPARTMENT PHYSICIANS PC.....	33,831					33,831
CATHOLIC SOCIAL SERVICES.....	32,413					32,413
J & B MEDICAL SUPPLY CO INC.....	32,174					32,174
GENESYS REGIONAL MEDICAL CENTER.....	29,530	2,458				31,988
MT CLEMENS REGIONAL.....	31,840	87				31,927
2374445.....	31,219					31,219
1089526.....	30,997					30,997
MERCY MEMORIAL HOSPITAL CORP.....	29,556	1,144				30,699
CHELSEA COMMUNITY HOSPITAL.....	26,955					26,955
MEMORIAL HOSPITAL.....	25,393	1,314				26,707
KIDNEY CENTERS OF MICHIGAN LLC.....	26,312					26,312
HURON VALLEY RADIOLOGY PC.....	26,172					26,172
HEARTLAND-UNIV OF LIVONIA MI, LLC.....	25,840					25,840
TONIA COUNTY MEMORIAL HOSPITAL.....	25,492					25,492
HEARTLAND OF DEARBORN HEIGHTS MI, LLC.....	25,130					25,130
EMERGENCY MEDICAL ASSOCIATES PC.....	25,057					25,057
Milford OPCO LLC.....	24,918					24,918
DVA RENAL HEALTHCARE INC.....	24,750					24,750
LANSING OPHTHALMOLOGY PC.....	24,207					24,207
METRO INFECTIOUS DISEASE CON.....	23,446					23,446
Natera Inc.....	22,765					22,765
GREAT LAKES HOME HEALTH SERVICES INC.....	21,206	1,340				22,547
MICHIGAN HOME DIALYSIS CENTER INC.....	22,445					22,445
CITY OF LANSING AMB.....	22,180					22,180
2372693.....	21,939					21,939
CARLIN EMPLOYEE SERVICES INC.....	21,698					21,698
2345812.....	21,580					21,580
HEART & VASCULAR INSTITUTE PLLC.....	21,521					21,521
ACRO PHARMACY.....	21,005					21,005
RHEMA-NOVI INC.....	20,778					20,778
INPATIENT CONSULTANTS OF MICHIGAN.....	20,562					20,562
COMPLETE INFUSION SERVICES LLC.....	19,973					19,973
2373025.....	19,610					19,610
MICHIGAN SPINE AND BRAIN SURGEONS.....	19,419					19,419
2370904.....	19,328					19,328
PRIME GARDEN CITY MEDICAL GROUP.....	19,102					19,102
SVS VISION INC.....	18,607					18,607
OAKWOOD HEALTHCARE GROUP I LLC.....	18,272					18,272
Independent Emergency Physicians PC.....	17,653					17,653
3958898.....	16,874					16,874
HEALTH CENTERS DETROIT MEDICAL GROUP PC.....	16,659					16,659
SOUTHFIELD RADIOLOGY ASSOCIATES PC.....	16,598					16,598
MICHIGAN REHABILITATION SPECIALISTS.....	15,594					15,594
NORTHWEST DETROIT DIALYSIS CENTER.....	15,532					15,532
2352956.....	15,529					15,529
2357867.....	15,170					15,170

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Beachside Dialysis LLC.....	14,575					14,575
RENAL TREATMENT CENTERS-ILLINOIS INC.....	14,172					14,172
TRINITY HOME HEALTH SERVICES.....	13,994					13,994
ANESTHESIA ASSOCIATES OF A A PC.....	13,944					13,944
ANESTHESIA SERVICES ASSOCIATES PC.....	13,879					13,879
2358338.....	13,024					13,024
Nurturing Home Care Inc.....	12,909					12,909
SEQUENOM CENTER FOR MOLECULAR MEDICINE.....	12,892					12,892
PROBILITY PHYSICAL THERAPY.....	12,752					12,752
2308965.....	12,712					12,712
MICHIGAN DIALYSIS SERVICES.....	12,709					12,709
D O GARDI PC.....	12,646					12,646
COMPREHENSIVE LAB SERVICES LLC.....	12,577					12,577
NORTHSTAR ANESTHESIA OF MICHIGAN PLLC.....	12,418					12,418
EXCLUSIVE PHYSICIANS LLC.....	12,182					12,182
P COR LLC.....	12,127					12,127
CLINTON MEMORIAL HOSPITAL.....	10,747	1,314				12,061
2364824.....	11,963					11,963
NORTHWEST PARTNERS LLC.....	11,954					11,954
LANSING RADIOLOGY ASSOCIATES PC.....	11,756					11,756
EASTPOINTE RADIOLOGIST PC.....	11,665					11,665
2366246.....	11,664					11,664
OUTER DRIVE PARTNERS LLC.....	(5,894)		17,514			11,620
2369797.....	11,589					11,589
5908263.....	11,565					11,565
DRS HARRIS BIRKHILL WANG SONGE ASSOC.....	11,553					11,553
HAYES GREEN BEACH MEMORIAL HOSPITAL.....	11,421					11,421
HENRY FORD MACOMB HOSPITAL CORP.....	11,284					11,284
COLONIAL HEALTHCARE CENTER LLC.....	10,941					10,941
CARSON CITY HOSPITAL.....	10,930					10,930
SPECTRUM HEALTH PRIMARY CARE.....	10,762					10,762
CCLA 9 LLC.....	10,734					10,734
PORT HURON HOSPITAL.....	10,660					10,660
2355407.....	10,568					10,568
2317798.....	10,520					10,520
CRG LYNWOOD LLC.....	10,456					10,456
GIVELIFE DIALYSIS LLC.....	10,430					10,430
MEDICAL RESOURCES GROUP.....	10,384					10,384
MCFORD PEDIATRICS PLC.....	10,344					10,344
2379421.....	10,230					10,230
COMPASS HEALTHCARE PLC.....	10,204					10,204
DEARBORN PHYSICAL THERAPY LTD.....	9,898	118				10,016
2302468.....	10,004					10,004
0199999 Individually listed claims unpaid.....	17,784,991	811,157	18,739	0	0	18,614,886
0299999 Aggregate accounts not individually listed-uncovered.....		924				0
0399999 Aggregate accounts not individually listed-covered.....	3,510,417					3,511,341
0499999 Subtotals.....	21,295,407	812,081	18,739	0	0	22,126,227
0599999 Unreported claims and other claim reserves.....	XXX	XXX	XXX	XXX	XXX	21,238,497
0699999 Total amounts withheld.....	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid.....	XXX	XXX	XXX	XXX	XXX	43,364,724
0899999 Accrued medical incentive pool and bonus amounts.....	XXX	XXX	XXX	XXX	XXX	2,397,222

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 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 Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental only .....					.0	.0
4. Vision only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid .....	28,058,294	93,325,730	6,231,173	37,133,553	34,289,467	33,705,271
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	28,058,294	93,325,730	6,231,173	37,133,553	34,289,467	33,705,271
10. Health care receivables (a) .....	3,105,273	1,179,666			3,105,273	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....			1,700,001	697,221	1,700,001	1,700,001
13. Totals (Lines 9-10+11+12)	24,953,021	92,146,064	7,931,174	37,830,774	32,884,195	35,405,272

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

# STATEMENT AS OF MARCH 31, 2016 OF THE BLUE CROSS COMPLETE OF MICHIGAN LLC

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Accounting Practices

The financial statements of Blue Cross Complete of Michigan LLC (the Company) are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS).

The Michigan DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Michigan Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Michigan. The State has adopted prescribed or permitted accounting practices that differ from those found in NAIC SAP (see specific practices below). Currently, "prescribed" statutory accounting practices are interspersed throughout the state insurance laws and regulations, NAIC SAP, and a variety of other NAIC publications. "Permitted" statutory accounting practices encompass all accounting practices that are not prescribed but are permitted by the domicile state department of insurance; such practices may differ from state to state, may differ from company to company within a state, and may change in the future.

- Loans or advances to hospitals or other providers are not permitted. The NAIC SAP permits loans and advances to a non-related party provider or hospitals to be admitted up to the amount of claims incurred and payable. Loans or advances to hospital have additional criteria required that must be met for admittance.
- Maternity care receivables due from the Michigan Department of Community Health (MDCH) are reported as health care receivables on the statutory statement of admitted assets.

A reconciliation of the Company's net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	<u>State of Domicile</u>	<u>2016</u>	<u>2015</u>
<b>NET INCOME</b>			
(1) Blue Cross Complete of Michigan LLC state basis (Page 4, Line 32, Columns 2 & 3)	MICHIGAN	\$ .....865,263	\$ .....(1,158,581)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP		\$ .....0	\$ .....0
(3) State Permitted Practices that increase/(decrease) NAIC SAP		\$ .....0	\$ .....0
(4) NAIC SAP (1-2-3=4)	MICHIGAN	<u>\$ .....865,263</u>	<u>\$ .....(1,158,581)</u>
<b>SURPLUS</b>			
(5) Blue Cross Complete of Michigan LLC state basis (Page 3, Line 33, Columns 3 & 4)	MICHIGAN	\$ .....37,655,873	\$ .....37,855,869
(6) State Prescribed Practices that increase/(decrease) NAIC SAP		\$ .....(10,671)	\$ .....0
(7) State Permitted Practices that increase/(decrease) NAIC SAP		\$ .....0	\$ .....0
(8) NAIC SAP (5-6-7=8)	MICHIGAN	<u>\$ .....37,666,544</u>	<u>\$ .....37,855,869</u>

B. Use of Estimates in the Preparation of the Financial Statements - No significant changes since December 31, 2015.

#### C. Accounting Policy

The Company uses the following accounting policies:

- (1) Short-term investments - No significant changes since December 31, 2015.
- (2) Bonds - None
- (3) Common Stocks - None
- (4) Preferred Stock - None
- (5) Mortgage Loans - None
- (6) Loan-backed securities - None
- (7) Investments in subsidiaries, controlled and affiliated (SCA) entities - None
- (8) Investments in joint ventures, partnerships and limited liability companies - None
- (9) Derivatives - None
- (10) The Company utilized anticipated investment income as a factor in the premium deficiency calculation - None
- (11) Accrued Medical Expense/Unpaid Claim Adjustment Expense - No significant changes since December 31, 2015.
- (12) Fixed asset capitalization policy modifications - None
- (13) Pharmaceutical Rebates - No significant changes since December 31, 2015.

D. Going Concern - None

### 2. Accounting Changes and Corrections of Errors

Material changes in accounting principle and/or correction of errors - None

### 3. Business Combinations and Goodwill

A. Statutory Purchase Method - None

B. Statutory Merger

- (1) Name and brief description of the combined entities - No significant changes since December 31, 2015.
- (2) Method of accounting - None
- (3) Shares of stock issued in the transaction - None
- (4) Details of results of operations - None
- (5) Adjustments recorded directly to surplus - None

C. Assumption Reinsurance - None

D. Impairment Loss recognized on Business Combinations and Goodwill - None

### 4. Discontinued Operations

A. Segment of business that has been or will be discontinued - None

B. Expected disposal date, if known - None

C. Manner of disposal - None

D. Description of remaining assets and liabilities of the segment at the balance sheet date - None

E. Amounts related to the discontinued operations and the effect on the Company's Balance Sheet and Statement of Revenue and Expenses - None

### 5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities

- (1) Prepayment assumptions - None
- (2) Recognized Other-than-Temporary Impairment - None
- (3) Present Value of Cash Flows - None
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other than temporary impairment has not been recognized - None

E. Repurchase Agreements and/or Securities Lending Transactions - None

F. Real Estate - None

G. Investments in low-income housing tax credits (LIHTC) - None

H. Restricted Assets

- (1) Restricted Assets (Including Pledged) - No significant changes since December 31, 2015.
- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories - None
- (3) Detail of Other Restricted Assets - None

I. Working Capital Finance Investments - None

J. Offsetting and Netting of Assets and Liabilities - None

K. Structured Notes - None

### 6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of admitted assets - None

B. Impaired investments in Joint Ventures, Partnerships and Limited Liability Companies - None

### 7. Investment Income

A. Due and accrued income is excluded from surplus on the following bases - No significant changes since December 31, 2015.

B. Total amount excluded - No significant changes since December 31, 2015.

### 8. Derivative Instruments

A. Market risk, credit risk and cash requirements of the derivative instruments - None

B. Objective for using derivative instruments - None

C. Accounting policies for recognizing and measuring derivatives instruments used - None

D. Component of gain or loss recognized excluded from hedge effectiveness assessment - None

E. Net gain or loss recognized for derivatives no longer qualifying for hedge accounting - None

F. Derivative instruments accounted for as cash flow hedges - None

### 9. Income Taxes - No significant changes since December 31, 2015.

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

A.,B., Material related party transactions - No significant changes since December 31, 2015.

C.

D. Amounts due from or to related parties as of March 31, 2016 - No significant changes since December 31, 2015.

E. Parental guarantees - None

F. Material management or service arrangements - No significant changes since December 31, 2015.

G. Nature of control relationship - No significant changes since December 31, 2015.

H. Amounts deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream SCA entity - None

I. Investments in an SCA entity that exceed 10% of admitted assets - None

J. Write-downs for impaired investments in SCA entities - None

# STATEMENT AS OF MARCH 31, 2016 OF THE BLUE CROSS COMPLETE OF MICHIGAN LLC

- K. Investment in foreign subsidiary calculation – None
  - L. Investment in a downstream noninsurance holding company – None
- 11. Debt**
- A. Capital Notes – None
  - B. Federal Home Loan Bank (FHLB) Agreements – None
- 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**
- A. Defined Benefit Plan – None
  - B.C. Postretirement Plan Assets – None
  - D. Basis used to determine the overall expected long-term rate-of-return-on-assets assumption – None
  - E. Defined Contribution Plans – None
  - F. Multiemployer Plans - None
  - G. Consolidated/Holding Company Plans – None
  - H. Postemployment Benefits and Compensated Absences – None
  - I. Impact of Medicare Modernization Act on Postretirement Benefits – None
- 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**
- A. Common Capital stock outstanding – None
  - B. Preferred stock – None
  - C. Dividend restrictions – No significant changes since December 31, 2015.
  - D. Dates and amounts of dividends paid – None
  - E. Stockholder's portion of ordinary dividend from profits – None
  - F. Restrictions placed on unassigned funds (surplus) – None
  - G. The total amount of advances to surplus not repaid – None
  - H. The amount of stock held by the Company for special purposes – None
  - I. Changes in balances of special surplus funds from the prior year – As a result of the Consolidated Appropriations Act of 2016, the Subsequent Year Affordable Care Act (ACA) assessment will not be applicable to the Company in 2016. As of March 31, 2016, the change in balance of special surplus funds from the prior year, due to the Subsequent Year ACA assessment, was \$4,080,480.
  - J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses - None
  - K. Surplus notes – None
  - L. Impact of any restatement due to quasi-reorganization – None
  - M. Effective dates of all quasi-reorganizations in the prior 10 years is/are – None
- 14. Liabilities, Contingencies and Assessments**
- A. Contingent Commitments – None
  - B. Assessments – None
  - C. Gain Contingencies – None
  - D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None
  - E. Joint and Several Liabilities – None
  - F. All Other Contingencies – None
- 15. Leases**
- A. Lessee Operating Leases
    - (1) Lease description – None
    - (2) Minimum aggregate rental commitments – None
    - (3) Sales leaseback transactions – None
  - B. Lessor Leases
    - (1) Operating Leases – None
    - (2) Leveraged Leases – None
- 16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk**
- A. The face, contract or notional principle amount – None
  - B. The nature and terms of the contract – None
  - C. The amount of accounting loss the entity would incur if any party to the financial instrument failed completely to perform according to the term of the contract and the collateral or other security, if any, for the amount due proved to be of no value to the entity – None
  - D. The Company's policy of requiring collateral or other security to support financial instruments subject to credit risk – None
- 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**
- A. Transfers of Receivables reported as Sales – None
  - B. Transfer and Servicing of Financial Assets – None
  - C. Wash Sales – None
- 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**
- A. ASO Plans – None
  - B. ASC Plans – None
  - C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – None
- 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – None**
- 20. Fair Value Measurements**
- A.B. Fair value measurement at reporting date
    - (1) Level of fair value hierarchy – No significant changes since December 31, 2015.
    - (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None
    - (3) Transfers in and/or out of Level 3 – None
    - (4) Fair value measurements categorized within Level 2 and 3 – None
  - C. The aggregate fair value of all financial instruments and the level within the fair value hierarchy – None
  - D. Not Practicable to Estimate Fair Value – None
- 21. Other Items**
- A. Extraordinary Items – None
  - B. Troubled Debt Restructuring: Debtors – None
  - C. Other Disclosures and Unusual Items – None
  - D. Business Interruption Insurance Recoveries – None
  - E. State Transferable and Non-transferable Tax Credits – None
  - F. Subprime-Mortgage-Related Risk Exposure – None
  - G. Retained Assets – None
- 22. Events Subsequent**
- Type 1 – Recognized subsequent event – None
  - Type 2 – Nonrecognized subsequent event – No significant change since December 31, 2015.
- 23. Reinsurance**
- A. Ceded Reinsurance Report – None
    - Section 1 – General Interrogatories: Not Applicable
    - Section 2 – Ceded Reinsurance Report – Part A: None
    - Section 3 – Ceded Reinsurance Report – Part B: None
  - B. Uncollectible Reinsurance – None
  - C. Commutation of Ceded Reinsurance – None
  - D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None
    - (1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation – None
    - (2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None
- 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**
- A. Accrued retrospective premium adjustments – None
  - B. Accrued retrospective premium as an adjustment to earned premium – None
  - C. The amount of net premium written that are subject to retrospective rating features – None
  - D. Medical loss ratio rebates required pursuant to the Public Health Service Act. – None
  - E. Risk - Sharing Provisions of the ACA – None
- 25. Change in Incurred Claims and Claim Adjustment Expenses**
- Reserves as of December 31, 2015 were \$36,029,026 for incurred claims and claim adjustment expenses. As of March 31, 2016, \$25,576,774 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$7,931,174 as a result of the re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been favorable prior year development of \$2,521,078 during 2016 for the year ended December 31, 2015. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.
- 26. Intercompany Pooling Arrangements – None**
- 27. Structured Settlements – None**
- 28. Health Care Receivables**
- A. Pharmaceutical Rebate Receivables – No significant change since December 31, 2015.
  - B. Risk Sharing Receivables – No significant change since December 31, 2015.
- 29. Participating Policies – None**
- 30. Premium Deficiency Reserves – None**
- 31. Anticipated Salvage and Subrogation – None**



# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes  No
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes  No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes  No
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes  No   
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes  No
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes  No
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes  No  NA   
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/2013
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....06/15/2015
- 6.4 By what department or departments?  
Michigan Department of Insurance and Financial Services.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes  No  NA
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes  No  NA
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes  No
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes  No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes  No
- 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

## GENERAL INTERROGATORIES

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

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

- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No

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

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No

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

### FINANCIAL

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

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

### INVESTMENT

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

11.2 If yes, give full and complete information relating thereto:  
 .....

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

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

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....0	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No

If no, attach a description with this statement.

## GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
- 16.3 Total payable for securities lending reported on the liability page \$ .....

17. 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 [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [X] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
State Street Bank and Trust Company.....		..02/29/2016.....	Account was closed.....

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

1 Central Registration Depository	2 Name(s)	3 Address

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

- 18.2 If no, list exceptions:  
.....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

- |     |  |         |        |
|-----|--|---------|--------|
| 1.  | Operating Percentages:   |         |        |
|     | 1.1 A&H loss percent.....  | 83.7    | %      |
|     | 1.2 A&H cost containment percent .....   | 0.2     | %      |
|     | 1.3 A&H expense percent excluding cost containment expenses.....                           | 13.8    | %      |
| 2.1 | Do you act as a custodian for health savings accounts?.....                                | Yes [ ] | No [X] |
| 2.2 | If yes, please provide the amount of custodial funds held as of the reporting date.....    | \$      |        |
| 2.3 | Do you act as an administrator for health savings accounts?.....                           | Yes [ ] | No [X] |
| 2.4 | If yes, please provide the balance of the funds administered as of the reporting date..... | \$      |        |



STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

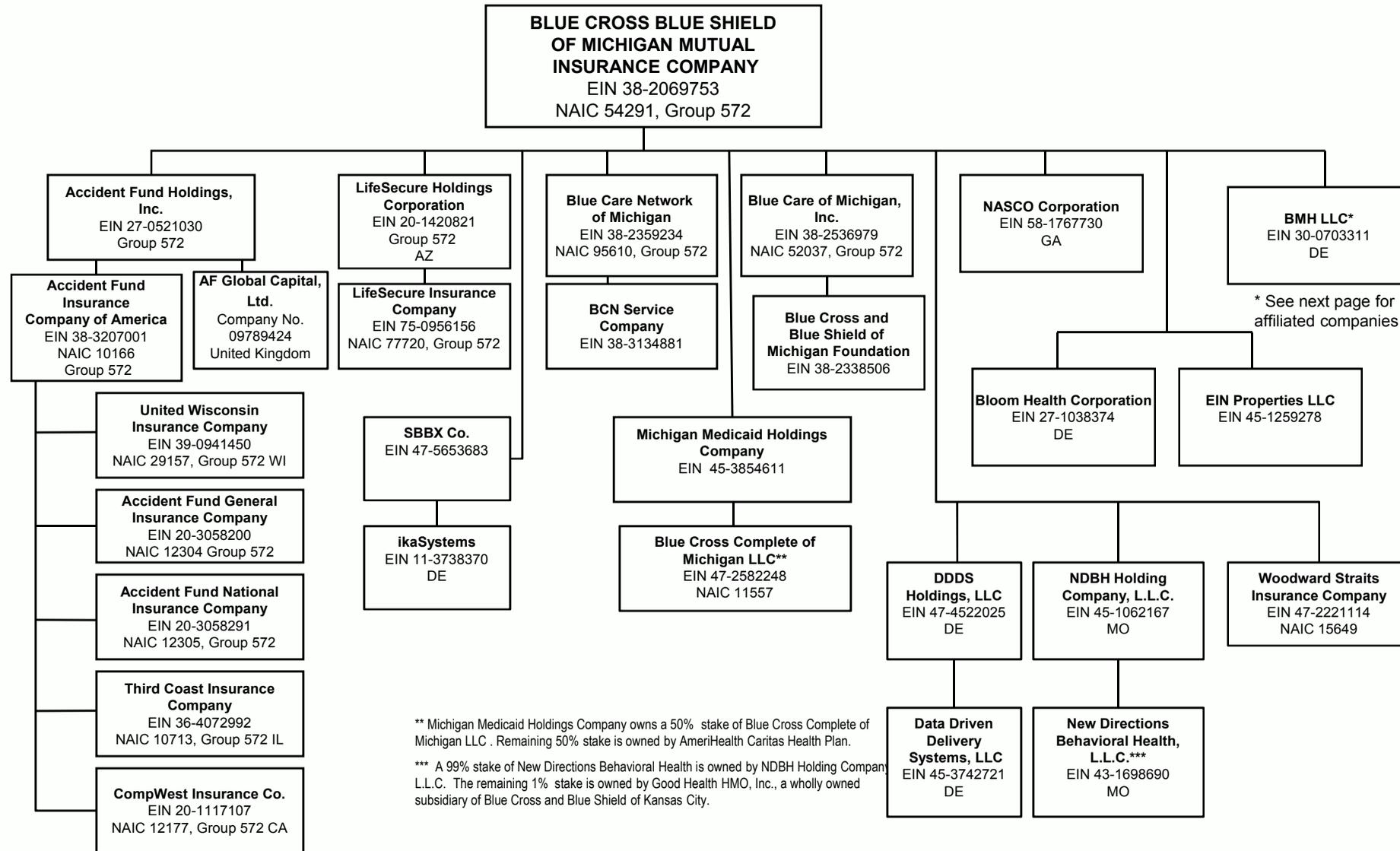
Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
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. Dist. 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		153,238,571					153,238,571	
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 alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	153,238,571	0	0	0	153,238,571	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 1	0	0	153,238,571	0	0	0	153,238,571	0	0
<b>DETAILS OF WRITE-INS</b>										
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
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

**STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC  
 SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER OF A HOLDING COMPANY GROUP  
 PART 1 – ORGANIZATION CHART**



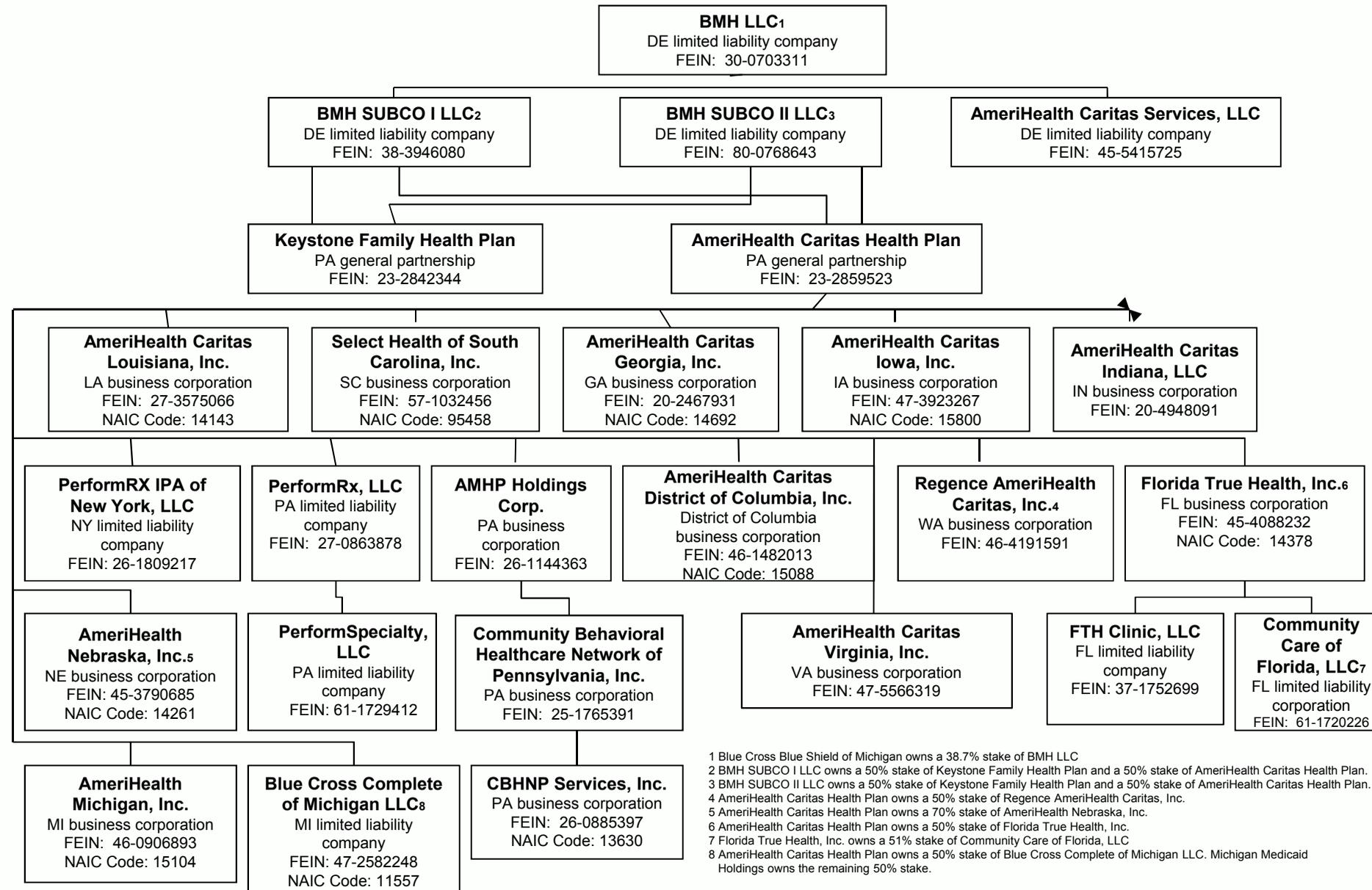
\*\* Michigan Medicaid Holdings Company owns a 50% stake of Blue Cross Complete of Michigan LLC. Remaining 50% stake is owned by AmeriHealth Caritas Health Plan.

\*\*\* A 99% stake of New Directions Behavioral Health is owned by NDBH Holding Company, L.L.C. The remaining 1% stake is owned by Good Health HMO, Inc., a wholly owned subsidiary of Blue Cross and Blue Shield of Kansas City.

\* See next page for affiliated companies

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

**STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC**  
**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER OF A HOLDING COMPANY GROUP**  
**PART 1 – 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 Regence AmeriHealth Caritas, Inc.  
 5 AmeriHealth Caritas Health Plan owns a 70% stake of AmeriHealth Nebraska, Inc.  
 6 AmeriHealth Caritas Health Plan owns a 50% stake of Florida True Health, Inc.  
 7 Florida True Health, Inc. owns a 51% stake of Community Care of Florida, LLC  
 8 AmeriHealth Caritas Health Plan owns a 50% stake of Blue Cross Complete of Michigan LLC. Michigan Medicaid Holdings owns the remaining 50% stake.

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

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00572	BC/ BS of Michigan Mutual Insurance Co	54291	38-2069753				Blue Cross Blue Shield of Michigan Mutual Insurance Company	MI	RE	State of Michigan	Legal		Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	00000	27-0521030				Accident Fund Holdings, Inc	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	00000	00-9789424				AF Global Capital, Ltd	GBR	DS	Accident Fund Holdings, Inc	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	10166	38-3207001				Accident Fund Insurance Company of America	MI	DS	Accident Fund Holdings, Inc	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	29157	39-0941450				United Wisconsin Insurance Company	WI	DS	Accident Fund Insurance Company of America	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	12304	20-3058200				Accident Fund General Insurance Company	MI	DS	Accident Fund Insurance Company of America	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	12305	20-3058291				Accident Fund National Insurance Company	MI	DS	Accident Fund Insurance Company of America	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	10713	36-4072992				Third Coast Insurance Company	IL	DS	Accident Fund Insurance Company of America	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0
00572	BC/ BS of Michigan Mutual Insurance Co	12177	20-1117107				CompWest Insurance Co	CA	DS	Accident Fund Insurance Company of America	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	.0

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00572	BC/ BS of Michigan Mutual Insurance Co	00000	20-1420821				LifeSecure Holdings Corporation	AZ	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	77720	75-0956156				LifeSecure Insurance Company	MI	DS	LifeSecure Holdings Corporation	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	95610	38-2359234				Blue Care Network of Michigan	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	00000	45-3854611				Michigan Medicaid Holdings Company	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	11557	47-2582248				Blue Cross Complete of Michigan LLC	MI	DS	Michigan Medicaid Holdings Company	Ownership	50.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	00000	38-3134881				BCN Service Company	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	52037	38-2536979				Blue Care of Michigan, Inc	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	00000	38-2338506				Blue Cross and Blue Shield of Michigan Foundation	MI	DS	Blue Care of Michigan, Inc	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00572	BC/ BS of Michigan Mutual Insurance Co	15649	47-2221114				Woodward Straits Insurance Company	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0

16.1

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00000		00000	47-5653683				SBBX Co.	MI	DS	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	11-3738370				ikaSystems	DE	DS	SBBX	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	58-1767730				NASCO Corporation	GA	NIA	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	20.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	27-1038374				Bloom Health Corporation	DE	NIA	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	28.7	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	45-1259278				EIN Properties LLC	MI	NIA	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	40.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	47-4522025				Data Driven Delivery Systems, Holdings, LLC	DE	NIA	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	70.1	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	45-3742721				Data Driven Delivery Systems, LLC	DE	NIA	Data Driven Delivery Systems, Holdings, LLC	Ownership	100.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	45-1062167				NDBH Holding Company, LLC	MO	NIA	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	10.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	43-1698690				New Directions Behavioral Health, LLC	MO	NIA	NDBH Holding Company, LLC	Ownership	99.0	Blue Cross Blue Shield of Michigan Mutual Insurance Company	0
00000		00000	30-0703311				BMH LLC	DE	NIA	Blue Cross Blue Shield of Michigan Mutual Insurance Company	Ownership	38.7	BCBSM and IBC MH LLC	0

16.2

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00000		00000	38-3946080				BMH SUBCO I LLC	DE	NIA	BMH LLC	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	80-0768643				BMH SUBCO II LLC	DE	NIA	BMH LLC	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	45-5415725				AmeriHealth Caritas Services, LLC	DE	NIA	BMH LLC	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	23-2859523				AmeriHealth Caritas Health Plan	PA	NIA	BMH SUBCO I LLC	Ownership	19.4	BCBSM and IBC MH LLC	.0
00000		00000	23-2859523				AmeriHealth Caritas Health Plan	PA	NIA	BMH SUBCO II LLC	Ownership	19.4	BCBSM and IBC MH LLC	.0
00000		14143	27-3575066				AmeriHealth Caritas Louisiana, Inc	LA	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		95458	57-1032456				Select Health of South Carolina, Inc	SC	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		14692	20-2467931				AmeriHealth Caritas Georgia, Inc	GA	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	20-4948091				AmeriHealth Caritas Indiana, LLC	IN	NIA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		15800	47-3923267				AmeriHealth Caritas Iowa, Inc	IA	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	26-1809217				Perform RX IPA of New York, LLC	NY	NIA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	26-1144363				AMHP Holdings Corp	PA	NIA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	25-1765391				Community Behavioral Healthcare Network of Pennsylvania, Inc	PA	NIA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		13630	26-0885397				CBHNP Services, Inc	PA	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		14378	45-4088232				Florida True Health, Inc	FL	IA	AmeriHealth Caritas Health Plan	Ownership	19.4	BCBSM and IBC MH LLC	.0
00000		00000	47-5566319				AmeriHealth Caritas Virginia, Inc	VA	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	37-1752699				FTH Clinic, LLC	FL	NIA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	61-1720226				Community Care of Florida, LLC	FL	NIA	Florida True Health, Inc	Ownership	9.9	BCBSM and IBC MH LLC	.0
00000		15088	46-1482013				AmeriHealth District of Columbia, Inc	DC	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		15104	46-0906893				AmeriHealth Michigan, Inc	MI	IA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		14261	45-3790685				AmeriHealth Nebraska, Inc	NE	IA	AmeriHealth Caritas Health Plan	Ownership	27.1	BCBSM and IBC MH LLC	.0
00000		00000	27-0863878				PerformRx, LLC	PA	NIA	AmeriHealth Caritas Health Plan	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	61-1729412				PerformSpecialty, LLC	PA	NIA	PerformRx, LLC	Ownership	38.7	BCBSM and IBC MH LLC	.0
00000		00000	46-4191591				Regence AmeriHealth Caritas, Inc	WA	NIA	AmeriHealth Caritas Health Plan	Ownership	19.4	BCBSM and IBC MH LLC	.0



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

**Explanation:**

1.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

MQ004 Additional Aggregate Lines for Page 04 Line 14.  
 \*REVEX1

	1 Current Year To Date Uncovered	2 Current Year To Date Total	3 Prior Year To Date Total	4 Prior Year Ended December 31 Total
1404. Consumer Incentives.....		87,756	0	346,463
1497. Summary of remaining write-ins for Line 14 from Page 04	0	87,756	0	346,463

### SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other-than-temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

### SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

### SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	738,051
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		61,627
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		799,678
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

### SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	0	24,526,763
2. Cost of bonds and stocks acquired		0
3. Accrual of discount		1,121
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		250,704
6. Deduct consideration for bonds and stocks disposed of		24,640,917
7. Deduct amortization of premium		137,671
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

STATEMENT AS OF MARCH 31, 2016 OF THE Blue Cross Complete of Michigan LLC

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	2,488,117		1,488,117		1,000,000	0	0	2,488,117
2. NAIC 2 (a).....	0				0	0	0	0
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	2,488,117	0	1,488,117	0	1,000,000	0	0	2,488,117
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	2,488,117	0	1,488,117	0	1,000,000	0	0	2,488,117

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

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## SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	1,000,000	XXX	1,000,000	68	0

## SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	2,488,117	55,655,243
2. Cost of short-term investments acquired .....		228,768,133
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		981
6. Deduct consideration received on disposals .....	1,488,117	281,784,343
7. Deduct amortization of premium.....		151,897
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,000,000	2,488,117
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,000,000	2,488,117

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	2,505,923
2. Cost of cash equivalents acquired .....		39,745,038
3. Accrual of discount .....		11,714
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals .....		42,254,000
7. Deduct amortization of premium .....		8,675
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	0
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							
8699999 Total Cash Equivalents					0	0	0