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# ANNUAL STATEMENT

**For the Year Ended December 31, 2008**

of the Condition and Affairs of the

# BLUE CROSS BLUE SHIELD OF MICHIGAN

NAIC Group Code.....572, 572 (Current Period) (Prior Period) NAIC Company Code..... 54291 Employer's ID Number..... 38-2069753

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

Incorporated/Organized..... February 1, 1975 Commenced Business..... January 1, 1975

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

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| 1. DANIEL J. LOEPP | President and CEO | 2. MARK R. BARTLETT | Executive Vice President and CFO |
| 3. CAROLYNN WALTON | Vice President and Treasurer | 4. TRICIA A. KEITH | VP & Corporate Secretary |

## OTHER

| | | | |
|---|---|---|---|
| LISA S. DEMOSS | SVP, General Counsel | ELIZABETH R. HARR | Senior Vice President |
| ROBERT MILEWSKI | Senior Vice President | KEVIN L. SEITZ | Executive Vice President |
| JOSEPH H HOHNER | SVP and Chief Information Officer | THOMAS L. SIMMER | Chief Medical Officer |
| JEANNE H. CARLSON | Senior Vice President | KENNETH R. DALLAFIOR | Senior Vice President |
| DARRELL E. MIDDLETON | Senior Vice President | | |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| JAMES G. AGEE | JON E. BARFIELD | WILLIAM H. BLACK | JOHN E. BODELL D.O. |
| ARLENE R. BRENNAN RN | TERRY BURNS | BRIAN M. CONNOLLY | PATRICK J. DEVLIN |
| MARK T. GAFFNEY | CHARLES M. GAYNEY | THOMAS J. HADRYCH | JOHN M. HAMILTON |
| TEOLA P. HUNTER | WALLACE D. RILEY | SPENCER C. JOHNSON | GARY H. TORGOW # |
| MELVIN L. LARSEN | DANIEL J. LOEPP | F. REMINGTON SPRAGUE MD | GARY J. MCINERNEY |
| LIVIO MEZZA | PETER T. MULLER MD | ROBERT A. PATZER | RENEE C. AXT |
| CALVIN T. RAPSON | JAMES W. RICHARDS RPH | IRIS K. SALTERS | JAMES U. SETTLES |
| RICHARD SHOEMAKER | DONALD E. STROUD DDS | GREGORY A. SUDDERTH | S. MARTIN. TAYLOR |
| EMERY I. KLEIN | JANICE K. UHLIG | JOHN VANDER MOLEN | |

State of.. MICHIGAN.....
County of...WAYNE

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

| | | |
|---|---|---|
| (Signature) | (Signature) | (Signature) |
| DANIEL J. LOEPP | MARK R. BARTLETT | CAROLYNN WALTON |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President and CEO | Executive Vice President and CFO | Vice President and Treasurer |
| (Title) | (Title) | (Title) |

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

# EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1<br>Name of Debtor | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | 7<br>Admitted |
|---|---|---|---|---|---|---|
| **A&H Premiums Due and Unpaid** | | | | | | |
| Small group Market | 5,814,884 | 178,443 | 43,746 | | | 6,037,073 |
| Experience Rated | 28,395,522 | 77,671 | 6,329 | | | 28,479,522 |
| 0299997. Group subscribers subtotal | 34,210,406 | 256,114 | 50,075 | 0 | 0 | 34,516,595 |
| 0299999. Total group | 34,210,406 | 256,114 | 50,075 | 0 | 0 | 34,516,595 |
| 0399999. Premiums due and unpaid from Medicare entities | 18,407,948 | 785,092 | 612,278 | 64,676 | 64,676 | 19,805,318 |
| 0599999. Accident and health premiums due and unpaid (Page 2, Line 13) | 52,618,354 | 1,041,206 | 662,353 | 64,676 | 64,676 | 54,321,913 |

# EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1<br>Name of Debtor | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | 7<br>Admitted |
|---|---|---|---|---|---|---|
| **Pharmaceutical Rebate Receivables** | | | | | | |
| 0199998. Pharmaceutical Rebate Receivables Not Listed Individually | 72,784,652 | | | | | 72,784,652 |
| 0199999. Total Pharmaceutical Rebate Receivables | 72,784,652 | 0 | 0 | 0 | 0 | 72,784,652 |
| **Other Receivables** | | | | | | |
| Federal Employee Programme Receivables | 43,704,904 | | | | | 43,704,904 |
| 0699999. Total Other Receivables | 43,704,904 | 0 | 0 | 0 | 0 | 43,704,904 |
| 0799999. Total Health Care Receivables | 116,489,556 | 0 | 0 | 0 | 0 | 116,489,556 |

# EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

## Aging Analysis of Unpaid Claims

| 1<br>Account | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 Days | 6<br>Over 120 Days | 7<br>Total |
|---|---|---|---|---|---|---|
| **Claims Unpaid (Reported)** | | | | | | |
| 0399999. Aggregate accounts not individually listed - covered | 33,558,015 | 2,391,425 | 45,609 | 1,239 | 47 | 35,996,335 |
| 0499999. Subtotals | 33,558,015 | 2,391,425 | 45,609 | 1,239 | 47 | 35,996,335 |
| 0599999. Unreported claim and other claim reserves | | | | | | 591,128,352 |
| 0799999. Total claims unpaid | | | | | | 627,124,687 |
| 0899999. Accrued medical incentive pool and bonus amounts | | | | | | 23,413,626 |

# EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

| 1 | 2 | 3 | 4 | 5 | 6 | Admitted | |
|---|---|---|---|---|---|---|---|
| | | | | | | 7 | 8 |
| Name of Affiliate | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Current | Non-Current |
| **Amounts Due From Parent, Subsidiaries and Affiliates** | | | | | | | |
| Blue Care Network of Michigan | 7,396,515 | 10,414,225 | | | | 17,810,740 | |
| Accident Fund Insurance Company of America | 933,360 | 184,546 | | | | 1,117,906 | |
| DenteMax | 4,617,451 | 252,684 | | | | 4,870,135 | |
| LifeSecure | 297,398 | 30,018 | | | | 327,416 | |
| A/R Foundation | 285,711 | 69,854 | | | | 355,565 | |
| 0199999. Individually listed receivables | 13,530,435 | 10,951,327 | 0 | 0 | 0 | 24,481,762 | 0 |
| 0399999. Total gross amounts receivable | 13,530,435 | 10,951,327 | 0 | 0 | 0 | 24,481,762 | 0 |

# EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

| 1<br>Affiliate | 2<br>Description | 3<br>Amount | 4<br>Current | 5<br>Non-Current |
|---|---|---|---|---|
| **Amounts Due To Parent, Subsidiaries and Affiliates** | | | | |
| Blue Care Network of Michigan | Point of Service and Hospital Settlements | 2,876,604 | 2,876,604 | |
| Accident Fund Insurance Company of America | Tax sharing payable | 46,096,857 | | 46,096,857 |
| DenteMax | Tax sharing payable | 2,148,941 | 2,148,941 | |
| 0199999. Individually listed payables | | 51,122,402 | 5,025,545 | 46,096,857 |
| 0399999. Total gross payables | | 51,122,402 | 5,025,545 | 46,096,857 |

# EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

| Payment Method | 1<br>Direct Medical Expense Payment | 2<br>Column 1 as a % of Total Payment | 3<br>Total Members Covered | 4<br>Column 3 as a % of Total Members | 5<br>Column 1 Expenses Paid to Affiliated Providers | 6<br>Column 1 Expenses Paid to Non-Affiliated Providers |
|---|---|---|---|---|---|---|
| Capitation Payments: | | | | | | |
| 1. Medical groups | 0 | 0.0 | | | | |
| 2. Intermediaries | 16,312,848 | 0.3 | | | | 16,312,848 |
| 3. All other providers | 0 | 0.0 | | | | |
| 4. Total capitation payments | 16,312,848 | 0.3 | 0 | | 0 | 16,312,848 |
| Other Payments: | | | | | | |
| 5. Fee-for-service | 0 | 0.0 | XXX | XXX | | |
| 6. Contractual fee payments | 6,065,633,737 | 99.0 | XXX | XXX | | 6,065,633,737 |
| 7. Bonus/withhold arrangements - fee-for-service | 0 | 0.0 | XXX | XXX | | |
| 8. Bonus/withhold arrangements - contractual fee payments | 44,708,375 | 0.7 | XXX | XXX | | 44,708,375 |
| 9. Non-contingent salaries | 0 | 0.0 | XXX | XXX | | |
| 10. Aggregate cost arrangements | 0 | 0.0 | XXX | XXX | | |
| 11. All other payments | 0 | 0.0 | XXX | XXX | | |
| 12. Total other payments | 6,110,342,112 | 99.7 | XXX | XXX | 0 | 6,110,342,112 |
| 13. Total (Line 4 plus Line 12) | 6,126,654,960 | 100.0 | XXX | XXX | 0 | 6,126,654,960 |



# EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

| 1<br>NAIC Code | 2<br>Name of Intermediary | 3<br>Capitation Paid | 4<br>Average Monthly Capitation | 5<br>Intermediary's Total Adjusted Capital | 6<br>Intermediary's Authorized Control Level RBC |
|---|---|---|---|---|---|
| **Transactions with Intermediaries** | | | | | |
| | Quest Diagnostics | 4,346,484 | 362,207 | | |
| | Wright & Filippis, Inc | 11,966,364 | 997,197 | | |
| 9999999. Totals | | 16,312,848 | XXX | XXX | XXX |

# EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

| Description | 1<br>Cost | 2<br>Improvements | 3<br>Accumulated Depreciation | 4<br>Book Value Less Encumbrances | 5<br>Assets Not Admitted | 6<br>Net Admitted Assets |
|---|---|---|---|---|---|---|
| 1. Administrative furniture and equipment | 53,776,373 | | 31,688,777 | 22,087,597 | 22,087,597 | 0 |
| 2. Medical furniture, equipment and fixtures | | | | | | 0 |
| 3. Pharmaceuticals and surgical supplies | | | | | | 0 |
| 4. Durable medical equipment | | | | | | 0 |
| 5. Other property and equipment | | | | | | 0 |
| 6. Total | 53,776,373 | 0 | 31,688,777 | 22,087,597 | 22,087,597 | 0 |

# EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

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

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

NAIC Group Code.....572

NAIC Company Code.....54291

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2 | 3 | | | | | | | |
| | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| **Total Members at end of:** | | | | | | | | | | |
| 1. Prior year | 1,727,790 | 160,920 | 1,131,451 | 209,395 | 3,559 | 18,133 | 80,876 | 60,963 | | 62,493 |
| 2. First quarter | 1,740,773 | 175,259 | 1,110,249 | 210,135 | 4,288 | 20,828 | 81,773 | 86,026 | | 52,215 |
| 3. Second quarter | 1,744,218 | 182,260 | 1,103,884 | 207,750 | 4,886 | 21,826 | 82,024 | 89,126 | | 52,462 |
| 4. Third quarter | 1,742,439 | 190,463 | 1,093,521 | 207,815 | 4,155 | 19,876 | 82,533 | 91,421 | | 52,655 |
| 5. Current year | 1,730,312 | 196,381 | 1,074,346 | 207,067 | 4,082 | 19,528 | 82,797 | 93,280 | | 52,831 |
| 6. Current year member months | 20,913,922 | 2,236,900 | 13,175,176 | 2,511,389 | 52,342 | 246,700 | 988,245 | 1,072,389 | | 630,781 |
| **Total Member Ambulatory Encounters for Year:** | | | | | | | | | | |
| 7. Physician | 0 | | | | | | | | | |
| 8. Non-physician | 0 | | | | | | | | | |
| 9. Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital patient days incurred | 0 | | | | | | | | | |
| 11. Number of inpatient admissions | 0 | | | | | | | | | |
| 12. Health premiums written (b) | 6,837,195,213 | 395,199,236 | 4,578,025,496 | 240,339,671 | 17,324,378 | 83,273,776 | 334,356,684 | 945,150,949 | | 243,525,023 |
| 13. Life premiums direct | 0 | | | | | | | | | |
| 14. Property/casualty premiums written | 0 | | | | | | | | | |
| 15. Health premiums earned | 6,807,587,177 | 393,332,820 | 4,539,131,430 | 255,536,359 | 17,484,595 | 82,778,880 | 330,689,417 | 941,814,960 | | 246,818,716 |
| 16. Property/casualty premiums earned | 0 | | | | | | | | | |
| 17. Amount paid for provision of health care services | 6,127,911,632 | 422,420,933 | 3,838,149,758 | 394,403,554 | 13,381,479 | 70,662,528 | 303,308,829 | 852,633,458 | | 232,951,093 |
| 18. Amount incurred for provision of health care services | 6,109,119,667 | 426,118,017 | 3,809,486,513 | 399,736,681 | 13,425,515 | 70,258,488 | 305,781,762 | 873,952,240 | | 210,360,451 |

(a) For health business: number of persons insured under PPO managed care products.....1,277,188 and number of persons insured under indemnity only products.....422,078.

(b) For heatlh premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,006,881,662

# EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

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

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

NAIC Group Code.....572

NAIC Company Code.....54291

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2 | 3 | | | | | | | |
| | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| **Total Members at end of:** | | | | | | | | | | |
| 1. Prior year | 1,728,575 | 160,920 | 1,131,451 | 209,395 | 3,559 | 18,133 | 80,876 | 60,963 | | 63,278 |
| 2. First quarter | 1,740,773 | 175,259 | 1,110,249 | 210,135 | 4,288 | 20,828 | 81,773 | 86,026 | | 52,215 |
| 3. Second quarter | 1,744,218 | 182,260 | 1,103,884 | 207,750 | 4,886 | 21,826 | 82,024 | 89,126 | | 52,462 |
| 4. Third quarter | 1,742,439 | 190,463 | 1,093,521 | 207,815 | 4,155 | 19,876 | 82,533 | 91,421 | | 52,655 |
| 5. Current year | 1,730,312 | 196,381 | 1,074,346 | 207,067 | 4,082 | 19,528 | 82,797 | 93,280 | | 52,831 |
| 6. Current year member months | 20,913,922 | 2,236,900 | 13,175,176 | 2,511,389 | 52,342 | 246,700 | 988,245 | 1,072,389 | | 630,781 |
| **Total Member Ambulatory Encounters for Year:** | | | | | | | | | | |
| 7. Physician | 0 | | | | | | | | | |
| 8. Non-physician | 0 | | | | | | | | | |
| 9. Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital patient days incurred | 0 | | | | | | | | | |
| 11. Number of inpatient admissions | 0 | | | | | | | | | |
| 12. Health premiums written (b) | 6,837,195,213 | 395,199,236 | 4,578,025,496 | 240,339,671 | 17,324,378 | 83,273,776 | 334,356,684 | 945,150,949 | | 243,525,023 |
| 13. Life premiums direct | 0 | | | | | | | | | |
| 14. Property/casualty premiums written | 0 | | | | | | | | | |
| 15. Health premiums earned | 6,807,587,177 | 393,332,820 | 4,539,131,430 | 255,536,359 | 17,484,595 | 82,778,880 | 330,689,417 | 941,814,960 | | 246,818,716 |
| 16. Property/casualty premiums earned | 0 | | | | | | | | | |
| 17. Amount paid for provision of health care services | 6,127,911,632 | 422,420,933 | 3,838,149,758 | 394,403,554 | 13,381,479 | 70,662,528 | 303,308,829 | 852,633,458 | | 232,951,093 |
| 18. Amount incurred for provision of health care services | 6,109,119,667 | 426,118,017 | 3,809,486,513 | 399,736,681 | 13,425,515 | 70,258,488 | 305,781,762 | 873,952,240 | | 210,360,451 |

(a) For health business: number of persons insured under PPO managed care products.....1,277,188 and number of persons insured under indemnity only products.....422,078.

(b) For heatlh premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,006,881,662

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

# Sch. S-Pt. 2
# NONE

# SCHEDULE S - PART 3 - SECTION 2

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

| 1<br>NAIC Company Code | 2<br>Federal ID Number | 3<br>Effective Date | 4<br>Name of Company | 5<br>Location | 6<br>Type | 7<br>Premiums | 8<br>Unearned Premiums (estimated) | 9<br>Reserve Credit Taken Other Than for Unearned Premiums | Outstanding Surplus Relief<br>10<br>Current Year | <br>11<br>Prior Year | 12<br>Modified Coinsurance Reserve | 13<br>Funds Withheld Under Coinsurance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Authorized General Account - Non-Affiliates** | | | | | | | | | | | | |
| 38245 | 36-6033921 | .01/01/2008 | BCS Insurance Company | Chicago,Illinois | Quota share | 1,546,965 | | | | | | |
| 0299999. | Total - Authorized General Account - Non-Affiliates | | | | | 1,546,965 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0399999. | Total - Authorized General Account | | | | | 1,546,965 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0799999. | Total - Authorized and Unauthorized General Account | | | | | 1,546,965 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1599999. | Totals | | | | | 1,546,965 | 0 | 0 | 0 | 0 | 0 | 0 |

# SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

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

# NONE

# SCHEDULE S - PART 5

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

| | 1<br>2008 | 2<br>2007 | 3<br>2006 | 4<br>2005 | 5<br>2004 |
|---|---|---|---|---|---|
| **A. OPERATIONS ITEMS** | | | | | |
| 1. Premiums | 1,547 | | | | |
| 2. Title XVIII - Medicare | | | | | |
| 3. Title XIX - Medicaid | | | | | |
| 4. Commissions and reinsurance expense allowance | | | | | |
| 5. Total hospital and medical expenses | 1,257 | | | | |
| **B. BALANCE SHEET ITEMS** | | | | | |
| 6. Premiums receivable | | | | | |
| 7. Claims payable | | | | | |
| 8. Reinsurance recoverable on paid losses | | | | | |
| 9. Experience rating refunds due or unpaid | | | | | |
| 10. Commissions and reinsurance expense allowances unpaid | | | | | |
| 11. Unauthorized reinsurance offset | | | | | |
| **C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)** | | | | | |
| 12. Funds deposited by and withheld from (F) | | | | | |
| 13. Letters of credit (L) | | | | | |
| 14. Trust agreements (T) | | | | | |
| 15. Other (O) | | | | | |

# SCHEDULE S - PART 6

## Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

| | | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|---|---|---|---|---|
| | **ASSETS (Page 2, Col. 3)** | | | |
| 1. | Cash and invested assets (Line 10) | 4,349,182,768 | (290,292) | 4,348,892,476 |
| 2. | Accident and health premiums due and unpaid (Line 13) | 54,321,913 | | 54,321,913 |
| 3. | Amounts recoverable from reinsurers (Line 14.1) | | | 0 |
| 4. | Net credit for ceded reinsurance | XXX | 290,292 | 290,292 |
| 5. | All other admitted assets (balance) | 724,040,674 | | 724,040,674 |
| 6. | Totals assets (Line 26) | 5,127,545,355 | 0 | 5,127,545,355 |
| | **LIABILITIES, CAPITAL AND SURPLUS (Page 3)** | | | |
| 7. | Claims unpaid (Line 1) | 627,124,687 | | 627,124,687 |
| 8. | Accrued medical incentive pool and bonus payments (Line 2) | 23,413,626 | | 23,413,626 |
| 9. | Premiums received in advance (Line 8) | | | 0 |
| 10. | Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17) | | | 0 |
| 11. | Reinsurance in unauthorized companies (Line 18) | | | 0 |
| 12. | All other liabilities (balance) | 2,249,600,529 | | 2,249,600,529 |
| 13. | Total liabilities (Line 22) | 2,900,138,842 | 0 | 2,900,138,842 |
| 14. | Total capital and surplus (Line 31) | 2,227,406,513 | XXX | 2,227,406,513 |
| 15. | Total liabilities, capital and surplus (Line 32) | 5,127,545,355 | 0 | 5,127,545,355 |
| | **NET CREDIT FOR CEDED REINSURANCE** | | | |
| 16. | Claims unpaid | 0 | | |
| 17. | Accrued medical incentive pool | 0 | | |
| 18. | Premiums received in advance | 0 | | |
| 19. | Reinsurance recoverable on paid losses | 0 | | |
| 20. | Other ceded reinsurance recoverables | 290,292 | | |
| 21. | Total ceded reinsurance recoverables | 290,292 | | |
| 22. | Premiums receivable | 0 | | |
| 23. | Funds held under reinsurance treaties with authorized and unauthorized reinsurers | 0 | | |
| 24. | Unauthorized reinsurance | 0 | | |
| 25. | Other ceded reinsurance payables/offsets | 0 | | |
| 26. | Total ceded reinsurance payables/offsets | 0 | | |
| 27. | Total net credit for ceded reinsurance | 290,292 | | |

# SCHEDULE T - PART 2

# INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

| | | Direct Business Only | | | | | |
|---|---|---|---|---|---|---|---|
| | States, Etc. | 1<br>Life<br>(Group and Individual) | 2<br>Annuities<br>(Group and Individual) | 3<br>Disability Income<br>(Group and Individual) | 4<br>Long-Term Care<br>(Group and Individual) | 5<br>Deposit-Type Contracts | 6<br>Totals |
| 1. | Alabama AL | | | | | | 0 |
| 2. | Alaska AK | | | | | | 0 |
| 3. | Arizona AZ | | | | | | 0 |
| 4. | Arkansas AR | | | | | | 0 |
| 5. | California CA | | | | | | 0 |
| 6. | Colorado CO | | | | | | 0 |
| 7. | Connecticut CT | | | | | | 0 |
| 8. | Delaware DE | | | | | | 0 |
| 9. | District of Columbia DC | | | | | | 0 |
| 10. | Florida FL | | | | | | 0 |
| 11. | Georgia GA | | | | | | 0 |
| 12. | Hawaii HI | | | | | | 0 |
| 13. | Idaho ID | | | | | | 0 |
| 14. | Illinois IL | | | | | | 0 |
| 15. | Indiana IN | | | | | | 0 |
| 16. | Iowa IA | | | | | | 0 |
| 17. | Kansas KS | | | | | | 0 |
| 18. | Kentucky KY | | | | | | 0 |
| 19. | Louisiana LA | | | | | | 0 |
| 20. | Maine ME | | | | | | 0 |
| 21. | Maryland MD | | | | | | 0 |
| 22. | Massachusetts MA | | | | | | 0 |
| 23. | Michigan MI | | | | | | 0 |
| 24. | Minnesota MN | | | | | | 0 |
| 25. | Mississippi MS | | | | | | 0 |
| 26. | Missouri MO | | | | | | 0 |
| 27. | Montana MT | NONE | | | | | 0 |
| 28. | Nebraska NE | | | | | | 0 |
| 29. | Nevada NV | | | | | | 0 |
| 30. | New Hampshire NH | | | | | | 0 |
| 31. | New Jersey NJ | | | | | | 0 |
| 32. | New Mexico NM | | | | | | 0 |
| 33. | New York NY | | | | | | 0 |
| 34. | North Carolina NC | | | | | | 0 |
| 35. | North Dakota ND | | | | | | 0 |
| 36. | Ohio OH | | | | | | 0 |
| 37. | Oklahoma OK | | | | | | 0 |
| 38. | Oregon OR | | | | | | 0 |
| 39. | Pennsylvania PA | | | | | | 0 |
| 40. | Rhode Island RI | | | | | | 0 |
| 41. | South Carolina SC | | | | | | 0 |
| 42. | South Dakota SD | | | | | | 0 |
| 43. | Tennessee TN | | | | | | 0 |
| 44. | Texas TX | | | | | | 0 |
| 45. | Utah UT | | | | | | 0 |
| 46. | Vermont VT | | | | | | 0 |
| 47. | Virginia VA | | | | | | 0 |
| 48. | Washington WA | | | | | | 0 |
| 49. | West Virginia WV | | | | | | 0 |
| 50. | Wisconsin WI | | | | | | 0 |
| 51. | Wyoming WY | | | | | | 0 |
| 52. | American Samoa AS | | | | | | 0 |
| 53. | Guam GU | | | | | | 0 |
| 54. | Puerto Rico PR | | | | | | 0 |
| 55. | US Virgin Islands VI | | | | | | 0 |
| 56. | Northern Mariana Islands MP | | | | | | 0 |
| 57. | Canada CN | | | | | | 0 |
| 58. | Aggregate Other Alien OT | | | | | | 0 |
| 59. | Totals | 0 | 0 | 0 | 0 | 0 | 0 |

# SCHEDULE Y

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

| 1<br>NAIC Company Code | 2<br>Federal ID Number | 3<br>Names of Insurers and Parent, Subsidiaries or Affiliates | 4<br>Shareholder Dividends | 5<br>Capital Contributions | 6<br>Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments | 7<br>Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s) | 8<br>Management Agreements and Service Contracts | 9<br>Income/ (Disbursements) Incurred under Reinsurance Agreements | 10<br>* | 11<br>Any Other Material Activity Not in the Ordinary Course of the Insurer's Business | 12<br>Totals | 13<br>Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Affiliated Transactions** | | | | | | | | | | | | |
| 54291 | 38-2069753 | Blue Cross Blue Shield of Michigan | 2,000,000 | (417) | | | 894,857,212 | | | | 896,856,795 | |
| 95610 | 38-2359234 | Blue Care Network of Michigan | | | | | (717,228,933) | 716,544 | | | (716,512,389) | 5,034,598 |
| 52037 | 38-2536979 | Blue Care of Michigan, Inc. | | | | | (4,966,361) | (1,000) | | | (4,967,361) | |
| 10166 | 38-3207001 | Accident Fund Insurance Company of America | | | | | (21,724,806) | | | | (21,724,806) | (52,439,344) |
| 12304 | 20-3058200 | Accident Fund General Insurance Company | | | | | (8,318,945) | | | | (8,318,945) | (20,565,000) |
| 12305 | 20-3058291 | Accident Fund National Insurance Company | | | | | (20,502,676) | | | | (20,502,676) | 36,400,000 |
| 29157 | 39-0941450 | United Wisconsin Insurance Company | | | | | (3,972,237) | | | | (3,972,237) | 99,295,000 |
| | 38-6561861 | Blue Care Network Medical Malpractice Self-Insurance Trust. | | | | | (139,087) | | | | (139,087) | |
| | 38-6561862 | Blue Care Network Stop-Loss and Casualty Self-Insurance Tr | | | | | (76,329) | (1,013,152) | | | (1,089,481) | (5,412,685) |
| | 38-3134881 | BCN Service Company | | | | | (104,471,002) | (1,000) | | | (104,472,002) | |
| | 38-2612298 | DenteMax | (2,000,000) | | | | (6,106,041) | | | | (8,106,041) | |
| 11557 | 38-0026448 | BlueCaid of Michigan | | | | | (5,528,426) | 298,608 | | | (5,229,818) | 378,087 |
| 11946 | 20-0547500 | Michigan Health Insurance Company | | | | | 904,778 | | | | 904,778 | |
| | 38-2338506 | Blue Cross Blue Shield of Michigan Foundation | | | | | (879,811) | | | | (879,811) | |
| 12177 | 20-1117107 | CompWest Insurance Company | | | | | (1,193,421) | | | | (1,193,421) | (62,690,656) |
| | 20-1420821 | LifeSecure Holdings Corporation | | 417 | | | | | | | 417 | |
| 77720 | 75-0956156 | LifeSecure Insurance Company | | | | | (653,915) | | | | (653,915) | |
| 9999999. | Control Totals | | 0 | 0 | 0 | 0 | 0 | 0 | XXX | 0 | 0 | 0 |

**Pooling Information**

| | | |
|---|---|---|
| 10166 | Accident Fund Insurance Company of America | 80.00% |
| 29157 | United Wisconsin Insurance Company | 10.00% |
| 12305 | Accident Fund National Insurance Company | 6.00% |
| 12304 | Accident Fund General Insurance Company | 4.00% |

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

| | | Responses |
|---|---|---|
| | **MARCH FILING** | |
| 1. | Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | YES |
| 2. | Will an actuarial opinion be filed by March 1? | YES |
| 3. | Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1? | YES |
| 4. | Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1? | YES |
| | **APRIL FILING** | |
| 5. | Will the Management's Discussion and Analysis be filed by April 1? | YES |
| 6. | Will the Supplemental Investment Risk Interrogatories be filed by April 1? | YES |
| 7. | Will the Accident and Health Policy Experience Exhibit be filed by April 1? | YES |
| | **JUNE FILING** | |
| 8. | Will an audited financial report be filed by June 1? | YES |

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

| | | |
|---|---|---|
| | **MARCH FILING** | |
| 9. | Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | YES |
| 10. | Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | NO |
| 11. | Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? | NO |
| 12. | Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | NO |
| 13. | Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronicaly with the NAIC by March 1? | NO |
| 14. | Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed wtih the state of domicile and electronically with the NAIC by March 1? | NO |
| 15. | Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | YES |
| | **APRIL FILING** | |
| 16. | Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | NO |
| 17. | Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | NO |
| 18. | Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | NO |

**EXPLANATIONS:**

1.

2.

3.

4.

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6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

18.

**BAR CODE:**

*5429120082050000*

*5429120082070000*

*5429120084200000*

*5429120083710000*

*5429120083700000*

*5429120083300000*

*5429120082110000*

*5429120082130000*

# Overflow Page for Write-Ins

## Additional Write-ins for Assets:

| | Current Statement Date | | | 4 |
|---|---|---|---|---|
| | 1<br>Assets | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets (Cols. 1 - 2) | December 31, Prior Year Net Admitted Assets |
| 2304. Company Owned Automobile | 329,924 | 329,924 | 0 | |
| 2305. Prepaid Pension Fund | 97,052,329 | 97,052,329 | 0 | |
| 2397. Summary of remaining write-ins for Line 23 | 97,382,253 | 97,382,253 | 0 | 0 |

## Additional Write-ins for Liabilities:

| | Current Period | | | Prior Year |
|---|---|---|---|---|
| | 1<br>Covered | 2<br>Uncovered | 3<br>Total | 4<br>Total |
| 2104. Accounts Payable to Health Care Vendors | 26,496,838 | | 26,496,838 | 106,071,266 |
| 2105. Account payable to other plans | 12,203,723 | | 12,203,723 | 17,483,184 |
| 2197. Summary of remaining write-ins for Line 21 | 38,700,561 | 0 | 38,700,561 | 123,554,450 |

## Additional Write-ins for Nonadmitted Assets:

| | 1<br>Current Year Total Nonadmitted Assets | 2<br>Prior Year Total Nonadmitted Assets | 3<br>Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|---|---|---|---|
| 2304. Prepaid Pension Fund | 97,052,329 | 91,358,651 | (5,693,678) |
| 2305. Advances to Providers | 90,260,794 | 54,867,280 | (35,393,514) |
| 2397. Summary of remaining write-ins for Line 23 | 187,313,123 | 146,225,931 | (41,087,192) |

# Overflow Page for Write-Ins

NONE

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

# MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2008
(To Be Filed by March 1)
FOR THE STATE OF.....Michigan

NAIC Group Code.....572
Address (City, State and Zip Code).....
Person Completing This Exhibit.....
Title.....

NAIC Company Code.....54291

Telephone Number.....

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Policies Issued Through 2005 | | | | Policies Issued in 2006, 2007 & 2008 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | Incurred Claims | | 14 | 15 | Incurred Claims | | 18 |
| | | | | | | | | | | | 12 | 13 | | | 16 | 17 | |
| Compliance with OBRA | Policy Form Number | Standardized Medicare Supplement Benefit Plan | Medicare Select | Plan Characteristics | Date Approved | Date Approval Withdrawn | Date Last Amended | Date Closed | Policy Marketing Trade Name | Premiums Earned | Amount | Percent of Premiums Earned | Number of Covered Lives | Premiums Earned | Amount | Percent of Premiums Earned | Number of Covered Lives |
| **Individual Policies** | | | | | | | | | | | | | | | | | |
| N/A | 4744/4745/4851 | P | NO | 256 | 12/29/1980 | N/A | 01/21/2001 | N/A | Medigap Low Option | | | 0.0 | | 1,740,112 | 3,866,480 | 222.2 | 2,771 |
| N/A | 4744/4745 | P | NO | 256 | 12/29/1980 | N/A | 01/21/2001 | N/A | Medigap High Option | | | 0.0 | | 42,148,465 | 72,225,747 | 171.4 | 30,912 |
| Yes | 4290 | A | NO | 256 | 08/21/1992 | N/A | 01/21/2001 | N/A | Medigap Plan A | | | 0.0 | | 4,179,659 | 11,781,622 | 281.9 | 9,793 |
| Yes | 4291 | C | NO | 256 | 08/21/1992 | N/A | 01/21/2001 | N/A | Medigap Plan C | | | 0.0 | | 205,015,577 | 308,019,311 | 150.2 | 160,751 |
| Yes | 9802 | A | NO | 1256 | 04/29/1999 | N/A | 01/21/2001 | N/A | Medigap Blue Plan | | | 0.0 | | 2,452,546 | 3,843,522 | 156.7 | 2,840 |
| 0199999. | Total Policy Experience on Individual Policies | | | | | | | | | 0 | 0 | 0.0 | 0 | 255,536,359 | 399,736,682 | 156.4 | 207,067 |

360.MI

**GENERAL INTERROGATORIES**

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

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... 27000 W. Eleven Mile Road
   2.2 Contact person and phone number..... Robin Mynhier
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... 27000 W. Eleven Mile Road
   3.2 Contact person and phone number..... Craig Gladden
4. Explain any policies identified as policy type "O".

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

# MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....572 (To Be Filed By March 1) NAIC Company Code.....54291

| | Individual Coverage | | Group Coverage | | 5 |
|---|---|---|---|---|---|
| | 1 Insured | 2 Uninsured | 3 Insured | 4 Uninsured | Total Cash |
| 1. Premiums Collected: | | | | | |
| 1.1 Standard Coverage: | | | | | |
| 1.11 With Reinsurance Coverage | 63,073,980 | XXX | | XXX | 63,073,980 |
| 1.12 Without Reinsurance Coverage | | XXX | | XXX | 0 |
| 1.13 Risk-Corridor Payment Adjustments | 1,430,772 | XXX | | XXX | 1,430,772 |
| 1.2 Supplemental Benefits | | XXX | | XXX | 0 |
| 2. Premiums Due and Uncollected-Change: | | | | | |
| 2.1 Standard Coverage: | | | | | |
| 2.11 With Reinsurance Coverage | 519,653 | XXX | | XXX | XXX |
| 2.12 Without Reinsurance Coverage | | XXX | | XXX | XXX |
| 2.2 Supplemental Benefits | | XXX | | XXX | XXX |
| 3. Unearned Premium and Advance Premium-Change: | | | | | |
| 3.1 Standard Coverage: | | | | | |
| 3.11 With Reinsurance Coverage | | XXX | | XXX | XXX |
| 3.12 Without Reinsurance Coverage | | XXX | | XXX | XXX |
| 3.2 Supplemental Benefits | | XXX | | XXX | XXX |
| 4. Risk-Corridor Payment Adjustments-Change: | | | | | |
| 4.1 Receivable | | XXX | | XXX | XXX |
| 4.2 Payable | | XXX | | XXX | XXX |
| 5. Earned Premiums: | | | | | |
| 5.1 Standard Coverage: | | | | | |
| 5.11 With Reinsurance Coverage | 63,593,633 | XXX | 0 | XXX | XXX |
| 5.12 Without Reinsurance Coverage | 0 | XXX | 0 | XXX | XXX |
| 5.13 Risk-Corridor Payment Adjustments | 1,430,772 | XXX | 0 | XXX | XXX |
| 5.2 Supplemental Benefits | 0 | XXX | 0 | XXX | XXX |
| 6. Total Premiums | 65,024,405 | XXX | 0 | XXX | 64,504,752 |
| 7. Claims Paid: | | | | | |
| 7.1 Standard Coverage: | | | | | |
| 7.11 With Reinsurance Coverage | 53,187,011 | XXX | | XXX | 53,187,011 |
| 7.12 Without Reinsurance Coverage | | XXX | | XXX | 0 |
| 7.2 Supplemental Benefits | | XXX | | XXX | 0 |
| 8. Claim Reserves and Liabilities-Change: | | | | | |
| 8.1 Standard Coverage: | | | | | |
| 8.11 With Reinsurance Coverage | (489,652) | XXX | | XXX | XXX |
| 8.12 Without Reinsurance Coverage | | XXX | | XXX | XXX |
| 8.2 Supplemental Benefits | | XXX | | XXX | XXX |
| 9. Health Care Receivables-Change: | | | | | |
| 9.1 Standard Coverage: | | | | | |
| 9.11 With Reinsurance Coverage | | XXX | | XXX | XXX |
| 9.12 Without Reinsurance Coverage | | XXX | | XXX | XXX |
| 9.2 Supplemental Benefits | | XXX | | XXX | XXX |
| 10. Claims Incurred: | | | | | |
| 10.1 Standard Coverage: | | | | | |
| 10.11 With Reinsurance Coverage | 52,697,359 | XXX | 0 | XXX | XXX |
| 10.12 Without Reinsurance Coverage | 0 | XXX | 0 | XXX | XXX |
| 10.2 Supplemental Benefits | 0 | XXX | 0 | XXX | XXX |
| 11. Total Claims | 52,697,359 | XXX | 0 | XXX | 53,187,011 |
| 12. Reinsurance Coverage and Low Income Cost Sharing: | | | | | |
| 12.1 Claims Paid - Net of Reimbursements Applied | XXX | | XXX | | 0 |
| 12.2 Reimbursements Received but Not Applied-Change | XXX | (5,083,871) | XXX | | (5,083,871) |
| 12.3 Reimbursements Receivable-Change | XXX | | XXX | | XXX |
| 12.4 Health Care Receivables-Change | XXX | | XXX | | XXX |
| 13. Aggregate Policy Reserves-Change | | | | | XXX |
| 14. Expenses Paid | 12,535,364 | XXX | | XXX | 12,535,364 |
| 15. Expenses Incurred | 13,526,000 | XXX | | XXX | XXX |
| 16. Underwriting Gain/Loss | (1,198,954) | XXX | 0 | XXX | XXX |
| 17. Cash Flow Result | XXX | XXX | XXX | XXX | (6,301,494) |

*54291200820700000*

# PROPERTY/CASUALTY SUPPLEMENTS

**NONE**

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2008

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

ADDRESS .....Detroit MI 48226

NAIC Group Code.....572 NAIC Company Code.....54291 Employer's ID Number.....38-2069753

## Sch. F-Pt. 1
NONE

## Sch. F-Pt. 3
NONE

## Sch. P-Pt. 1-Summary
NONE

## Sch. P-Pt. 1A
NONE

## Sch. P-Pt. 1B
NONE

## Sch. P-Pt. 1C
NONE

## Sch. P-Pt. 1D
NONE

## Sch. P-Pt. 1E
NONE

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

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

## Sch. P-Pt. 1G
NONE

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

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

## Sch. P-Pt. 1I
NONE

## Sch. P-Pt. 1J
NONE

## Sch. P-Pt. 1K
NONE

## Sch. P-Pt. 1L
NONE

## Sch. P-Pt. 1M
NONE

## Sch. P-Pt. 1N
NONE

## Sch. P-Pt. 1O
NONE

## Sch. P-Pt. 1P
NONE

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

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

## Sch. P-Pt. 1S
NONE

## Sch. P-Pt. 1T
NONE

## Sch. P-Pt. 2-Summary
NONE

## Sch. P-Pt. 2A
NONE

## Sch. P-Pt. 2B
NONE

## Sch. P-Pt. 2C
NONE

## Sch. P-Pt. 2D
NONE

## Sch. P-Pt. 2E
NONE

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

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

## Sch. P-Pt. 2G
NONE

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

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

## Sch. P-Pt. 2I
NONE

## Sch. P-Pt. 2J
NONE

## Sch. P-Pt. 2K
NONE

## Sch. P-Pt. 2L
NONE

## Sch. P-Pt. 2M
NONE

## Sch. P-Pt. 2N
NONE

## Sch. P-Pt. 2O
NONE

## Sch. P-Pt. 2P
NONE

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

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

## Sch. P-Pt. 2S
NONE

## Sch. P-Pt. 2T
NONE

Supplement for the year 2008 of the **BLUE CROSS BLUE SHIELD OF MICHIGAN**

# EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)

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

NAIC Group Code.....572 NAIC Company Code....54291

BUSINESS IN GRAND TOTAL DURING THE YEAR

| Line of Business | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1<br>Direct Premiums Written | 2<br>Direct Premiums Earned | Dividends Paid or Credited to Policyholders on Direct Business | Direct Unearned Premium Reserves | Direct Losses Paid (deducting salvage) | Direct Losses Incurred | Direct Losses Unpaid | Direct Defense and Cost Containment Expense Paid | Direct Defense and Cost Containment Expense Incurred | Direct Defense and Cost Containment Expense Unpaid | Commissions and Brokerage Expenses | Taxes, Licenses and Fees |
| 1. Fire | | | | | | | | | | | | |
| 2.1 Allied lines | | | | | | | | | | | | |
| 2.2 Multiple peril crop | | | | | | | | | | | | |
| 2.3 Federal flood | | | | | | | | | | | | |
| 3. Farmowners multiple peril | | | | | | | | | | | | |
| 4. Homeowners multiple peril | | | | | | | | | | | | |
| 5.1 Commercial multiple peril (non-liability portion) | | | | | | | | | | | | |
| 5.2 Commercial multiple peril (liability portion) | | | | | | | | | | | | |
| 6. Mortgage guaranty | | | | | | | | | | | | |
| 8. Ocean marine | | | | | | | | | | | | |
| 9. Inland marine | | | | | | | | | | | | |
| 10. Financial guaranty | | | | | | | | | | | | |
| 11. Medical malpractice | | | | | | | | | | | | |
| 12. Earthquake | | | | | | | | | | | | |
| 13. Group accident and health (b) | | | | | | | | | | | | |
| 14. Credit A & H (group and individual) | | | | | | | | | | | | |
| 15.1 Collectively renewable A&H (b) | | | | | | | | | | | | |
| 15.2 Non-cancelable A & H (b) | | | | | | | | | | | | |
| 15.3 Guaranteed renewable A & H (b) | | | | | | | | | | | | |
| 15.4 Non-renewable for stated reasons only (b) | | | | | | | | | | | | |
| 15.5 Other accident only | | | | | | | | | | | | |
| 15.6 Medicare Title XVIII exempt from state taxes or fees | | | | | | | | | | | | |
| 15.7 All other A & H (b) | | | | | | | | | | | | |
| 15.8 Federal employees health benefits program premium (b) | | | | | | | | | | | | |
| 16. Workers' compensation | | | | | | | | | | | | |
| 17.1 Other liability | | | | | | | | | | | | |
| 17.3 Excess workers' compensation | | | | | | | | | | | | |
| 18. Products liability | | | | | | | | | | | | |
| 19.1 Private passenger auto no-fault (personal injury protection) | | | | | | | | | | | | |
| 19.2 Other private passenger auto liability | | | | | | | | | | | | |
| 19.3 Commercial auto no-fault (personal injury protection) | | | | | | | | | | | | |
| 19.4 Other commercial auto liability | | | | | | | | | | | | |
| 21.1 Private passenger auto physical damage | | | | | | | | | | | | |
| 21.2 Commercial auto physical damage | | | | | | | | | | | | |
| 22. Aircraft (all perils) | | | | | | | | | | | | |
| 23. Fidelity | | | | | | | | | | | | |
| 24. Surety | | | | | | | | | | | | |
| 26. Burglary and theft | | | | | | | | | | | | |
| 27. Boiler and machinery | | | | | | | | | | | | |
| 28. Credit | | | | | | | | | | | | |
| 30. Warranty | | | | | | | | | | | | |
| 34. Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35. TOTALS (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

NONE

PS33.GT

**DETAILS OF WRITE-INS**

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3401. | | | | | | | | | | | | |
| 3402. | | | | | | | | | | | | |
| 3403. | | | | | | | | | | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3499. TOTALS (Lines 3401 thru 3403 plus 3498) (Line 34 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Finance and service charges not included in Lines 1 to 35 $.....0.

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

# Overflow Page for Write-Ins

NONE

# 2008 ALPHABETICAL INDEX
# HEALTH ANNUAL STATEMENT BLANK


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