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ANNUAL STATEMENT

For the Year Ended December 31, 2008

of the Condition and Affairs of the

Blue Care Network of Michigan

NAIC Group Code.....572, 572 (Current Period) (Prior Period) NAIC Company Code..... 95610 Employer's ID Number..... 38-2359234

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

Licensed as Business Type.....Health Maintenance Organization Is HMO Federally Qualified? Yes [X] No [ ]

Incorporated/Organized..... May 6, 1981 Commenced Business..... May 13, 1981

Statutory Home Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	248-799-6400 *(Area Code) (Telephone Number)*
Mail Address	20500 Civic Center Drive MC C455….. Southfield ..... MI ..... 48076 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	20500 Civic Center Drive….. Southfield ..... MI ..... 48076 *(Street and Number) (City or Town, State and Zip Code)*	248-455-3630 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.mibcn.com	
Statutory Statement Contact	Penny Jean Wall *(Name)*	248-455-3630 *(Area Code) (Telephone Number) (Extension)*
	PWall@bcbsm.com *(E-Mail Address)*	248-455-3639 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Jeanne Helen Carlson	President & Chief Executive Officer	2. Julie Concetta Swantek	Secretary
3. Susan Anne Kluge	Chief Financial Officer & Treasurer	4. Douglas Robert Woll MD	Chief Medical Officer

OTHER

Laurie Lowe Westfall Chief Operating Officer

DIRECTORS OR TRUSTEES

Kedrick David Adkins #	Julie Anne Angott	Mark Robert Bartlett	William Harrison Black
Jeanne Helen Carlson	James Robert Dietz	Shauna Ryder Diggs MD	Janet Louise Harden
DeMerritte Bonta Hiscoe MD	Valeriah Ann Holmon	Robert Paul Kelch MD	Karen Marie Knapp
Donald Glenn Oetman	Calvin Thomas Rapson	Kevin Lewis Seitz	Gregory Alan Sudderth
Diana Lynn Watson			

State of..... Michigan
County of..... Oakland

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

(Signature)	(Signature)	(Signature)
Jeanne Helen Carlson	Julie Concetta Swantek	Susan Anne Kluge
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	Secretary	Chief Financial Officer & 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 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
0199999. Total individuals	349,040	82,738	71,862	453,411	453,411	503,640
Federal Employees Health Benefit Plan	3,036,126					3,036,126
State of Michigan	1,181,594	56,384				1,237,978
City of Detroit	1,206,000					1,206,000
0299997. Group subscribers subtotal	5,423,720	56,384	0	0	0	5,480,104
0299998. Premiums due and unpaid not individually listed	1,980,041	483,717	15,589	46,626	46,626	2,479,347
0299999. Total group	7,403,761	540,101	15,589	46,626	46,626	7,959,451
0399999. Premiums due and unpaid from Medicare entities	4,179,598					4,179,598
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	11,932,399	622,839	87,451	500,037	500,037	12,642,689

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
0199998. Pharmaceutical Rebate Receivables Not Listed Individually	3,724,155	2,709,907				6,434,062
0199999. Total Pharmaceutical Rebate Receivables	3,724,155	2,709,907	0	0	0	6,434,062
Capitation Arrangement Receivables						
Value Options				932,216	932,216	0
0499998. Capitation Arrangement Receivables Not Listed Individually	217,993				217,993	0
0499999. Total Capital Arrangement Receivables	217,993	0	0	932,216	1,150,209	0
Risk Sharing Receivables						
University of Michigan Health System	3,000,000					3,000,000
0599999. Total Risk Sharing Receivables	3,000,000	0	0	0	0	3,000,000
Other Receivables						
Medicare	6,865	1,688	2,244	16,896		27,693
Medicaid	5,100	1,254	1,667	12,551		20,572
0699998. Other Receivables Not Listed Individually	38,371	43,140	39,197	528,713	649,421	0
0699999. Total Other Receivables	50,336	46,082	43,108	558,160	649,421	48,265
0799999. Total Health Care Receivables	6,992,484	2,755,989	43,108	1,490,376	1,799,630	9,482,327

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate accounts not individually listed - covered	26,433,474	4,281,928	622,201	31,305	1,101,303	32,470,211
0499999. Subtotals	26,433,474	4,281,928	622,201	31,305	1,101,303	32,470,211
0599999. Unreported claim and other claim reserves						246,305,052
0699999. Total amounts withheld						11,832,246
0799999. Total claims unpaid						290,607,509
0899999. Accrued medical incentive pool and bonus amounts						45,355,558

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 Cross Blue Shield of Michigan	5,394,543	1,495	1,988	14,965	14,965	5,398,026	
BCN Service Company	1,179,525					1,179,525	
BlueCaid of Michigan	343,521					343,521	
Michigan Health Insurance Company	106,072					106,072	
Blue Care of Michigan, Inc.	56,657					56,657	
0199999. Individually listed receivables	7,080,318	1,495	1,988	14,965	14,965	7,083,801	0
0299999. Receivables not individually listed	28,565					28,565	
0399999. Total gross amounts receivable	7,108,883	1,495	1,988	14,965	14,965	7,112,366	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
Blue Cross Blue Shield of Michigan	Administrative Services	18,665,520	18,665,520	
BCN Service Company	Administrative Services	90,458	90,458	
Blue Care of Michigan, Inc.	Net Personal Plus Premium	45,943	45,943	
Michigan Health Insurance Company	Cash receipts	23,266	23,266	
0199999. Individually listed payables		18,825,187	18,825,187	0
0299999. Payables not individually listed		5,529	5,529	
0399999. Total gross payables		18,830,716	18,830,716	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	209,900,673	11.1	545,830	98.4		209,900,673
2. Intermediaries	0	0.0				
3. All other providers	54,764,778	2.9	554,666	100.0		54,764,778
4. Total capitation payments	264,665,451	14.0	1,100,496	198.4	0	264,665,451
Other Payments:						
5. Fee-for-service	190,206,363	10.1	XXX	XXX		190,206,363
6. Contractual fee payments	1,314,824,205	69.7	XXX	XXX		1,314,824,205
7. Bonus/withhold arrangements - fee-for-service	4,056,781	0.2	XXX	XXX		4,056,781
8. Bonus/withhold arrangements - contractual fee payments	102,612,552	5.4	XXX	XXX		102,612,552
9. Non-contingent salaries	9,942,446	0.5	XXX	XXX		9,942,446
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	1,621,642,347	86.0	XXX	XXX	0	1,621,642,347
13. Total (Line 4 plus Line 12)	1,886,307,798	100.0	XXX	XXX	0	1,886,307,798

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	3,761,543		2,928,892	832,651	832,651	0
2. Medical furniture, equipment and fixtures	937,266		822,152	115,114	46,046	69,068
3. Pharmaceuticals and surgical supplies	528,460			528,460		528,460
4. Durable medical equipment						0
5. Other property and equipment	10,006,798		7,367,850	2,638,948	2,638,948	0
6. Total	15,234,067	0	11,118,894	4,115,173	3,517,645	597,528

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Care Network of Michigan 2. Southfield, MI

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

NAIC Group Code.....572

NAIC Company Code.....95610

	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	626,403	3,422	572,965	18,621			20,393	11,002		
2. First quarter	561,645	2,002	508,416	8,566			19,428	23,233		
3. Second quarter	563,390	1,919	509,055	8,639			19,761	24,016		
4. Third quarter	561,957	1,808	506,568	8,827			20,048	24,706		
5. Current year	554,666	1,737	498,446	8,836			20,244	25,403		
6. Current year member months	6,700,008	22,777	6,050,270	104,317			236,411	286,233		
Total Member Ambulatory Encounters for Year:										
7. Physician	3,935,311	31,026	3,276,039	166,325			131,678	330,243		
8. Non-physician	706,186	5,392	595,670	41,066			27,283	36,775		
9. Totals	4,641,497	36,418	3,871,709	207,391	0	0	158,961	367,018	0	0
10. Hospital patient days incurred	192,946	496	131,831	17,845			5,151	37,623		
11. Number of inpatient admissions	43,966	122	32,391	3,582			1,266	6,605		
12. Health premiums written (b)	2,150,159,964	8,572,922	1,773,012,720	40,648,723			68,742,624	259,182,975		
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	2,152,395,659	8,572,922	1,773,224,856	42,371,049			68,541,091	259,685,741		
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	1,886,307,798	11,733,873	1,549,499,220	39,375,632			62,881,927	222,784,203		32,943
18. Amount incurred for provision of health care services	1,860,601,546	11,733,873	1,503,045,432	34,258,947			62,754,111	248,776,240		32,943

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

(b) For heatlh premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....259,182,975

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Care Network of Michigan 2. Michigan

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

NAIC Group Code.....572

NAIC Company Code.....95610

	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	626,403	3,422	572,965	18,621			20,393	11,002		
2. First quarter	561,645	2,002	508,416	8,566			19,428	23,233		
3. Second quarter	563,390	1,919	509,055	8,639			19,761	24,016		
4. Third quarter	561,957	1,808	506,568	8,827			20,048	24,706		
5. Current year	554,666	1,737	498,446	8,836			20,244	25,403		
6. Current year member months	6,700,008	22,777	6,050,270	104,317			236,411	286,233		
Total Member Ambulatory Encounters for Year:										
7. Physician	3,935,311	31,026	3,276,039	166,325			131,678	330,243		
8. Non-physician	706,186	5,392	595,670	41,066			27,283	36,775		
9. Totals	4,641,497	36,418	3,871,709	207,391	0	0	158,961	367,018	0	0
10. Hospital patient days incurred	192,946	496	131,831	17,845			5,151	37,623		
11. Number of inpatient admissions	43,966	122	32,391	3,582			1,266	6,605		
12. Health premiums written (b)	2,150,159,964	8,572,922	1,773,012,720	40,648,723			68,742,624	259,182,975		
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	2,152,395,659	8,572,922	1,773,224,856	42,371,049			68,541,091	259,685,741		
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	1,886,307,798	11,733,873	1,549,499,220	39,375,632			62,881,927	222,784,203		32,943
18. Amount incurred for provision of health care services	1,860,601,546	11,733,873	1,503,045,432	34,258,947			62,754,111	248,776,240		32,943

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

(b) For heatlh premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....259,182,975

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
Accident and Health - Affiliates						
00000	38-6561862	01/01/2008	Blue Care Network Stop-Loss & Casualty Self-Insurance Trust	Southfield, Mi		5,034,598
0499999.	Total - Affiliates				0	5,034,598
0699999.	Total - Accident and Health				0	5,034,598
0799999.	Totals - Life, Annuity and Accident and Health				0	5,034,598

SCHEDULE S - PART 3 - SECTION 2

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

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Authorized General Account - Affiliates												
00000	38-6561862	01/01/2008	Blue Care Network Stop-Loss & Casualty Self-Insurance Trust	Southfield, Mi	SSL/L/I	12,104,004						
0199999.	Total - Authorized General Account - Affiliates					12,104,004	0	0	0	0	0	0
0399999.	Total - Authorized General Account					12,104,004	0	0	0	0	0	0
0799999.	Total - Authorized and Unauthorized General Account					12,104,004	0	0	0	0	0	0
1599999.	Totals					12,104,004	0	0	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5 + 6 + 7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 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 2008	2 2007	3 2006	4 2005	5 2004
A. OPERATIONS ITEMS					
1. Premiums	10,864	12,109	7,885	3,437	
2. Title XVIII - Medicare	1,240	254	138		
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses	12,821	13,035	5,913	2,528	
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable	5,035	9,520	7,857	10,768	
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 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	799,158,645	(3,938,954)	795,219,691
2.	Accident and health premiums due and unpaid (Line 13)	12,642,689		12,642,689
3.	Amounts recoverable from reinsurers (Line 14.1)			0
4.	Net credit for ceded reinsurance	XXX	8,092,671	8,092,671
5.	All other admitted assets (balance)	29,261,289		29,261,289
6.	Totals assets (Line 26)	841,062,623	4,153,717	845,216,340
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	285,572,911	5,034,598	290,607,509
8.	Accrued medical incentive pool and bonus payments (Line 2)	45,355,558		45,355,558
9.	Premiums received in advance (Line 8)	28,353,493		28,353,493
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)	145,040,838	(880,881)	144,159,957
13.	Total liabilities (Line 22)	504,322,800	4,153,717	508,476,517
14.	Total capital and surplus (Line 31)	336,739,823	XXX	336,739,823
15.	Total liabilities, capital and surplus (Line 32)	841,062,623	4,153,717	845,216,340
	NET CREDIT FOR CEDED REINSURANCE			
16.	Claims unpaid	5,034,598		
17.	Accrued medical incentive pool	0		
18.	Premiums received in advance	0		
19.	Reinsurance recoverable on paid losses	0		
20.	Other ceded reinsurance recoverables	3,938,954		
21.	Total ceded reinsurance recoverables	8,973,552		
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	880,881		
26.	Total ceded reinsurance payables/offsets	880,881		
27.	Total net credit for ceded reinsurance	8,092,671		

SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		Direct Business Only					
	States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 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						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

NONE

SCHEDULE Y

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

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
54291	38-2069753	Blue Cross Blue Shield of Michigan	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 Trust					(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 Ins. Co. of America	80.00%
29157	United Wisconsin Ins. Co.	10.00%
12305	Accident Fund National Ins. Co.	6.00%
12304	Accident Fund General Ins. Co.	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?	NO
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?	NO
	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:

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18.

BAR CODE:

9561020083600000

9561020082050000

9561020082070000

9561020084200000

9561020083710000

9561020083700000

9561020083650000

9561020083300000

9561020082110000

9561020082130000

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2104. Escheats	774,215		774,215	407,898
2105. Other Payables			0	3,000
2197. Summary of remaining write-ins for Line 21	774,215	0	774,215	410,898

Overflow Page for Write-Ins

NONE

95610200820700000

PROPERTY/CASUALTY SUPPLEMENTS

NONE

TO BE FILED ON OR BEFORE MARCH 1

For the Year Ended December 31, 2008

Of the.....Blue Care Network of Michigan

ADDRESS .....Southfield MI 48076

NAIC Group Code.....572 NAIC Company Code.....95610 Employer's ID Number.....38-2359234

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 Care Network of Michigan**

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)

NAIC Group Code.....572 NAIC Company Code....95610

BUSINESS IN GRAND TOTAL DURING THE YEAR

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A&H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 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

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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