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OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
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**The State of Competition in the
Small Employer Carrier Health Insurance Market
In the State of Michigan**

**A Market Competition Study issued by
Commissioner Ken Ross**

May 2008

Office of Financial and Insurance Regulation

Historically, government regulated insurance, financial institutions (banking, consumer finance and credit unions), and securities separately, and a Depression-era federal law known as the Glass Steagall Act (adopted in response to the bank failures following the 1929 stock market crash) specifically prohibited a bank from offering securities and insurance products or engaging in commercial banking. The federal Financial Services Modernization Act of 1999, also known as the Graham Leach Bliley Act (GLBA) repealed the Glass Steagall Act barriers and allowed financial service holding companies to engage in any activity financial in nature so long as it did not cause a safety or soundness issue to the overall financial system.

With changing complexities in insurance, banking and securities companies, the old-fashioned regulatory model could not keep pace with the marketplace. Michigan became the first state to coordinate the regulation of insurance, financial institutions and securities into one governmental agency consistent with financial services modernization. Effective April 2000, the Office of Financial and Insurance Services (OFIS) was created by executive order to consolidate the Bureaus of Insurance and Financial Institutions, and the Securities Division of the former Corporations, Securities and Land Development Bureau. The creation of OFIS allowed Michigan regulators to become adept at interpreting and regulating complex financial service entities that did not exist a few years ago.

On February 1, 2008, Governor Granholm signed Executive Order 2008-02, which became effective April 6, 2008. The order changed the official name of OFIS to the Office of Financial and Insurance Regulation (OFIR) to reflect its regulatory and consumer protection focus.

Today, OFIR is responsible for the regulation of Blue Cross Blue Shield Michigan, 27 HMOS, 139 banks, 169 domestic insurance companies, 233 credit unions, 1,303 foreign insurance companies, 1,750 investment advisers, 2,100 securities broker-dealers, 7,772 consumer finance lenders, 146,419 insurance agents, and 115,000 securities agents. OFIR licenses or charters these entities, conducts safety, soundness, and compliance examinations, and protects and educates Michigan consumers of financial services. Through adaptability and consumer communication, the Commissioner and staff of the OFIR strive to be the preeminent financial regulators in the United States.

Overseeing OFIR is Commissioner Ken Ross who was appointed by Governor Jennifer M. Granholm effective February 22, 2008.

Executive Summary

On July 21, 2003, Governor Granholm signed into law Public Act 88, which added Chapter 37 to the Michigan Insurance Code of 1956, MCL 500.3701 et seq. The legislation had an effective date of January 23, 2004.

MCL 500.3721 requires the Commissioner to issue an annual report and certify whether a reasonable degree of competition exists in the small employer carrier health insurance market on a statewide basis in Michigan. This is the second annual report issued by the Commissioner in determination of the degree of competitiveness in the small employer carrier health market. The first report found that reasonable competition existed on a statewide basis.

For the calendar year ended December 31, 2007, OFIR collected data from different sources and analyzed the data for the purpose of conducting this study. As a result, the Commissioner concludes that there is a reasonable degree of competition in the small employer carrier health insurance market on a statewide basis in Michigan.

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Introduction

On July 21, 2003, Governor Granholm signed into law Public Act 88, which added Chapter 37 to the Michigan Insurance Code of 1956, MCL 500.3701 et seq. which became effective on January 23, 2004.

Pursuant to MCL 500.3721, the Commissioner of the Office of Financial and Insurance Regulation (OFIR) is required by May 15, 2007, and each May 15 thereafter, to issue an annual report and make a determination whether a reasonable degree of competition in the small employer carrier health insurance market exists on a statewide basis in Michigan.

Chapter 37 of the Michigan Insurance Code of 1956 provides the regulatory framework for small employer group health coverage. Among other things, it provides certain protections that already existed under the federal Health Insurance Portability and Accountability Act (HIPAA) for guaranteed issuance of health care coverage in the small employer market as well as rating rules for small employer groups. Small employers are defined under MCL 500.3701(p) as:

Any person, firm, corporation, partnership, limited liability company, or association actively engaged in business who, on at least 50% of its working days during the preceding and current calendar years, employed at least 2 but not more than 50 eligible employees. In determining the number of eligible employees, companies that are affiliated companies or that are eligible to file a combined tax return for state taxation purposes shall be considered 1 employer.

Public Hearing

In order to make the initial determination by May 15, 2007, the Commissioner was required under MCL 500.3721 to hold a public hearing on the state of competition in the small employer carrier health insurance market. The public hearing was announced on March 7, 2007 and held on March 20, 2007. In the public hearing announcement, a request for input was posted on the OFIS website, and mailings were submitted to organizations and individuals identified as "interested parties". Interested parties included physician, hospital, and pharmacy associations, and various Michigan chamber of commerce and small business associations. Of those parties from whom information was solicited, only the Small Business Association of Michigan (SBAM) and the Michigan Association of Health Plans (MAHP) responded.

Carriers and the public were encouraged to provide input on this matter. In addition, the Commissioner posed several specific questions for comment. Seven people other than the Commissioner's staff attended the hearing. Neither verbal nor written testimony was offered at the hearing.

The first report was issued by the Commissioner on May 15, 2007. She found that there was a reasonable degree of competition in the small employer carrier health market on a statewide basis.

Standards of Competition Applied in this Study

MCL 500.3721(3) states that all of the following factors shall be considered by the Commissioner for purpose of determining whether a reasonable degree of competition exists in the small employer carrier health market on a statewide basis.

- a) The extent to which any carrier controls all or a portion of the small employer carrier benefit plan insurance market.
- b) Whether the total number of carriers writing small employer health benefit plan coverage in Michigan is sufficient to provide multiple options to small employers.
- c) The disparities among small employer health benefit plan rates and classifications to the extent that such classifications result in rate differentials.
- d) The availability of small employer health benefit plan coverage to small employers in all geographic areas and all types of business.
- e) The overall rate level must not be excessive, inadequate, or unfairly discriminatory.
- f) Any other factors the Commissioner considers relevant.

Data Collection

Data was collected in a variety of formats from the carriers that write health insurance in Michigan.

Financial data was reviewed from the quarterly and annually financial statements that carriers are required to file with OFIR. The carriers are also required to annually submit OFIR Form FIS 322. The data collected on the Form FIS 322 provides the carriers' enrollment by member months, Michigan premiums written, average premium, member months, and market share. The summary of this data is included at the end of this report in Appendix A.

Data was also collected by the carriers responding to a Commissioner Inquiry letter issued March 11, 2008 pursuant to MCL 500.438(3) to select insurers authorized to write commercial health insurance under Chapter 34 and HMOs authorized under Chapter 35 of the Insurance Code of 1956. The Commissioner Inquiry was also issued Blue Cross Blue Shield of Michigan which is authorized pursuant to the Nonprofit Health Care Corporation Reform Act. The Inquiry required the carriers to respond to the following questions:

1. During calendar year 2007, how many different benefit plans did you offer in the small employer market? Are these the same benefit plans that were offered during 2006? If not, please describe the change that was made in the benefit plan offered.
2. During 2007, did your company offer/sell a benefit plan to one or more small employer groups that was not offered or made available to all small employer groups? If yes, please describe how the determination was made as to which small employer groups were eligible to purchase which products (example, based on group size, employer size, etc.).
3. How many small employer group geographic rating areas(s) in Michigan did you have in 2007? How did you define the rating areas? Did the rating areas change during 2007? If there was a change, please describe how it changed.
4. During 2007, what was the index rate, which is sometimes also called average premium, for each benefit plan offered in the small employer carrier market?

A survey question seeking suggestions on how to improve or increase competition in the small employer carrier health market was emailed to select interested parties. One comment was received and it suggested that the legislature consider additional measures to enhance the ability of commercial carriers to raise rates due to the health status. The comment also expressed that "Michigan has a vibrant and competitive market place at this time" in the small employer carrier health market.

Data Analysis

Consideration is given to each factor that is identified in MCL 500.3721(3) for the purpose of determining whether a reasonable degree of competition exists in the small employer carrier health market.

Factor (a) The extent to which any carrier controls all or a portion of the small employer carrier benefit plan health insurance market.

As of December 31, 2003, the five largest writers of small employer health coverage controlled 80.9% of that market, based on enrollment, as shown in Figure 1.

Figure 1

**Carriers Comprising 80% Market Share
As of December 31, 2003**

	Carrier	Member Months	Market Share
1.	BCBSM (1)	7,958,965	59.10%
2.	Priority Health	1,101,007	8.20%
3.	Blue Care Network of MI (BCN)	973,269	7.20%
4.	Health Alliance Plan (HAP)	464,915	3.50%
5.	<u>American Medical Security Life Ins. Co.</u>	<u>389,807</u>	<u>2.90%</u>
	Total		80.90%

Source: Data submitted to OFIR by carriers on Form FIS 322.

Of the five carriers comprising 80% market share in 2003, one was a nonprofit health care corporation, three were health maintenance organizations (HMOs), and one was a commercial insurance company.

The small employer carrier market has a relatively high concentration of carriers composing the top 80% of the market share. In high concentration markets, competition may still be maintained if new firms can enter and existing firms exit the market as aggressive newcomers unseat them. A market is competitive when the top concentration of businesses and the percentages of market share shifts up or down. This indicates that the carriers are competing away excess profits. It also indicates that price fixing is not occurring in the market.

Figure 2 shows the carriers that comprised 80% market share in the base year of 2003 and over the next four years.

1 Subsequent to capturing these numbers, it came to OFIR's attention that at least BCBSM and possibly other carriers reported 2003 data based on the number of groups with 50 or fewer employees, regardless of employer size, rather than by employer size of 50 or fewer. Therefore, the enrollment and market share for any carrier reporting incorrectly may have been overstated in the 2003 data. The methodology of providing this data in subsequent years was corrected so all carriers reported it uniformly in 2004 - 2007.

Figure 2

Carriers Comprising 80% Market Share by Year

Carrier	Calendar Year				
	2003	2004	2005	2006	2007
Aetna					2.7%
AMS	2.9%	3.1%	3.9%	2.9%	(2)
BCN	7.2%	6.3%	7.8%	8.0%	12.8%
BCBSM	59.1%	59.1%	52.2%	42.8%	46.4%
Care Choices				9.9%	
HAP	3.5%	3.1%			
Humana Ins. Co.			3.5%	2.8%	3.1%
Principal Life Ins. Co.			2.6%	3.3%	3.3%
<u>Priority Health</u>	<u>8.2%</u>	<u>9.3%</u>	<u>11.9%</u>	<u>11.5%</u>	<u>11.8%</u>
Totals	80.9%	80.9%	81.9%	81.2%	80.1%

Source: Data submitted to OFIR by carriers on Form FIS 322.

The composition of the top 80% market share changed over the next four years after implementation of Chapter 37.

Overall observations of the changes in market share from 2003 through 2007:

- One of the top carriers by market share in 2003, AMS, exited the Michigan market on April 1, 2007 and transitioned its Michigan small and large employer business to its affiliated carrier, United Health Care Insurance Co.
- Three carriers in the 80% market share in 2007 were not in the top market share in 2003 (Aetna, Humana and Principal).
- BCBSM has consistently been the number one writer across the years; however, its market share dropped from 59.1% in 2003 and 2004, to 52.2% in 2004. It dropped again in 2006 to a low of 42.8% and then rebounded to 46.4% in 2007.
- BCN has consistently appeared in the top 80% of the market share, but has varied its rank and market share within the five year period, from a high of 12.8% holding rank number two in 2007 to a low market share of 6.3% market share in rank number three in 2004.
- Priority Health HMO purchased Care Choices HMO in March 2007.

2 In December 2005, United Health Group Incorporated (UnitedHealth), parent company of United HealthCare Ins. Co. acquired PacificCare Health System, Inc. After Acquisition, UnitedHealth transitioned its Michigan small and large employer group health insurance business into United Health Care Ins. Co. and actively marketed group plans on a guaranteed issue basis effective April 1, 2007.

Observations at December 31, 2006

The distribution by type of the carriers that comprised the top 80% market share in 2006 was one nonprofit health care corporation, three HMOs, and three commercial carriers. From the top five writers noted in the 2003 report, AMS dropped from number five to number six, and HAP dropped from number four to number nine.

Changes noted in the composition of the carriers in the top 80% market share from 2003 (pre-enactment of Chapter 37) to 2004 – 2006 (post enactment of Chapter 37) were:

1. BCBSM's market share dropped from 59.1% to 42.8%.
2. Priority Health's market share increased from 8.2% in 2003 to 11.5% in 2006, and with the purchase of Care Choices HMO, Priority Health's market share essentially increased from 8.2% to 21.4% in 2006.
3. In 2003, 80% market share was reached in the top five carriers writing in the small employer health carriers compared to 2006 where 80% market share was shared by the top seven carriers.
4. The top three HMO writers of small employer health insurance made up 29.4% of the entire small employer health market, up from 18.8% in 2003.

Observations at December 31, 2007

The distribution by carrier type comprising the top 80% market share of the small employer carrier market during 2007 was one nonprofit health care corporation, two HMOs, and three commercial carriers.

Changes noted in the 80% market share at the end of 2007 were:

1. BCBSM's market share dropped from 59.1% in 2003 to 42.8% in 2006, and rebounded to 46.4% in 2007. BCBSM's market share at the end of 2006 and 2007 was less than it was before enactment of Chapter 37.
2. Priority Health's market share increased from 8.2% in 2003 to 11.5% in 2006, and with the purchase of Care Choices HMO, which made Priority Health's market share essentially increase from 8.2% to 21.4% in 2006. However, in 2007, Priority Health's market share was 11.8%. Priority Health gained .3% market share in 2007 after purchasing Care Choices HMO.
3. In 2003, 80% market share was reached by the top five carriers writing in the small employer health insurance market. In 2006, the top 80% market share was reached by the top seven carriers, and in 2007 the top 80% market share was reached by the top six carriers.

4. The top three HMO writers of small employer health coverage made up 29.4% of the entire small employer health market in 2006, up from 18.8% in 2003. However, the market shares of the top two HMOs in 2007 that were in the 80% market share dropped to 24.6%.
5. The market share of commercial carriers increased in 2007 to 9.1% from 3.3% in 2006 and 2.9% in 2003.

Factor (b) Whether the total number of carriers writing small employer health benefit plan coverage in this state is sufficient to provide multiple options to small employers:

Factor (d) The availability of small employer health benefit plan coverage to small employers in all geographic areas and all types of business.

For the purposes of this report, much overlap was found between the following two factors required to be considered in MCL 500.3721; therefore, they have been combined for this discussion.

In 2003, based on the member month data reported to OFIS on the FIS 322 reports, there were 43 carriers writing in the small employer health market. By 2006 that number had dropped slightly to 41. The 2007 data indicate that the market expanded to 54 carriers writing in the small employer health market which is an indicator of an increase in competition.

Data Summary from the 2007 Commissioner Inquiry

1. During calendar year 2007, how many different benefit plans did you offer in the small employer market? Are these the same benefit plans that were offered during 2006? If not, please describe the change that was made in the benefit plan offered.

Summary of responses to Question 1 by carriers who write in the small employer health market are shown in Figure 3, Benefit Plans Options.

2. During 2007, did your company offer/sell a benefit plan to one or more small employer groups that was not offered or made available to all small employer groups? If yes, please describe how the determination was made as to which small employer groups were eligible to purchase which products (example, based on group size, employer size, etc.).

Summary of responses to Question 2 by carriers who write in the small employer health market: It appears that all carriers that reported writing health insurance in the small employer carrier market are in compliance with the statutory

requirement that if it offers a plan to one small employer, it must that plan to all employers with a group size of 2 through 50.

3. How many small employer group geographic rating areas(s) in Michigan did you have in 2007? How did you define the rating areas? Did the rating areas change during 2007? If there was a change, please describe how it changed.

Summary of Responses to Question 3 by carriers who write in the small employer health market: The number of small employer group geographic rating areas in Michigan by carrier ranged from one to ten, which complies with the statutory requirement to not exceed 10 rating areas.

4. During 2007, what was the index rate, which is sometimes also called average premium, for each benefit plan offered in the small employer carrier market?

Summary of Responses to Question 4 by carriers who write in the small employer health market: There was a wide range of rates charged by the carriers and pricing options. The wide range indicates that there is competition in the small employer carrier market as there was no sign of price fixing occurring among the carriers.

Expansion of Benefit Plan Options

The Commissioner's Inquiry collected data on the benefit plan options being offered by carriers writing in the small employer health insurance market. Figure 3 shows the benefit plan options reported as available in 2003, 2006 and 2007 by the carriers surveyed. It shows the number of medical (basic hospital/medical plans) and prescription drug benefit options reported.

Several carrier surveyed expanded the benefit plan options offered during 2007 over those offered in 2006 which increased choices for consumers.

- American Community Mutual Ins. Co. offered an additional PPO in 2007 to a total of 3 PPOs and 2 HSAs.
- Humana Ins. Co. offered 5 medical plans in 2006 and expanded its offering to 287 medical plans in 2007.
- John Alden Life Ins. Co. offered 16 medical benefit plan options in 2006 and expanded to 858 options in 2007.
- McLaren Health Plan Inc. expanded its benefit plan offerings from one base medial plan in 2006 to six standard HMO packages and 6 standard POS options in 2007.

Figure 3 - Benefit Plan Options Chart

Carrier	Plans Offered Prior to Chapter 37 Which Was Effective January 23, 2004	Plans Offered During 2006	Plans Offered During 2007
Aetna Life Insurance Co.	(No data available)	14 medical	11 medical w/Rx/other options****
Alliance Health and Life Insurance Co.	(No data available)	34 combos w/Rx/other options	34 combos w/Rx/other options
American Community Mutual Insurance Co.	(No data available)	2 PPOs; 2 HSAs	3 PPOs; 2 HSAs
American Medical Security Life Ins. Co.	11 medical Rx **	(No data available)	Company exited market 4/1/07
Blue Cross Blue Shield of Michigan	20 medical 7 Rx	70 medical 11 Rx	70 medical 15 Rx
Blue Care Network	9 medical 5 Rx	approx 900 combos 9 Rx	approx 600 combos 15 Rx
Grand Valley Health Plan	(No data available)	5 Medical—hundreds of combos Rx/other riders	5 Medical—hundreds of combos w/Rx/other riders
Health Alliance Plan of MI	16 medical	55 medical	55 medical
HealthPlus of MI Inc.	11 medical 4 – 6 Rx	34 medical 9 Rx	34 medical 9 Rx
Humana Ins. Co.	4 medical Rx **	5 medical Rx **	287 Additional combination of optional riders and Rx plan designs--#s not provided
IBA Health & Life Assurance Co.	2 std, + options	2 std, + options	2 std, + options
John Alden Life Ins. Co.	15 medical Rx **	16 medical Rx **	858 Rx **

Carrier	Plans Offered Prior to Chapter 37 Which Was Effective January 23, 2004	Plans Offered During 2006	Plans Offered During 2007
Liberty Union Life Assurance Co.	(No data available)	(No data available)	165 different plans w/other options
M-CARE	All benefit options offered	6 medical 3 Rx	Merged with BCN effective 12-21-07
McLaren Health Plan Inc. ***	None None	1 base medical 26 Rx	6 standard HMO packages and 6 standard POS 26 Rx
Midwest Security Life Ins. Co.	88 medical Rx **	233 medical Rx **	233 medical Rx **
Paramount Care of MI Inc.	7 medical Rx **	8 medical Rx **	8 medical 3 Rx
Physician's Health Plan of Mid MI	+100 medical Rx **	+100 medical Rx **	72 Rx **
Physician's Health Plan of South MI	363 in 2002 447 in 2003	97	229 Rx **
Principal Life Ins. Co.	1 form, 150 variations	1 form, 190 variations	1 form, 190 variations
Priority Health	4 base medical 225-744 combos w/ Rx/other options	21 base medical 10,000 combos w/ Rx/other options	15 different plans w/Rx/other options
Total Health	10 medical Rx **	43 Rx **	43 Rx **
Trustmark Life Insurance Co.	(No data available)	1000+ plans via PPOs, Indemnity Plans, and HSAs	1000+ plans via PPOs, Indemnity Plans, and HSAs.
US Health & Life Ins. Co.	3 basic medical	3 basic medical w/ combos	58 plans

** No data available.

*** McLaren Health Plan Inc. began writing in the small employer health market in 2006.

Factor (c) The disparity among small employer health benefit plan rates and classification to the extent that such classifications result in rate differentials

Factor (e) The overall rate level must not be excessive, inadequate, or unfairly discriminatory.

For the purposes of this report, much overlap was found between the following two factors required to be considered in MCL 500.3721; therefore, they have been combined for this discussion.

Prior to the implementation of Chapter 37, BCBSM varied the rates it charged to small employers based on the employer's industry classification, geographic area, and the participation rate of employees within an employer group choosing BCBSM. HMOs could rate small employers based on the age, gender, industry, and geographic location of the group. Adjusting rates based on participation rates was not prohibited, but not used by HMOs.

Commercial carriers were allowed to rate based on any of the above-named criteria, plus they were allowed to rate based on the health status of persons within the small employer group. While all carriers guaranteed the issuance of coverage to all small employer carriers, as required under the Health Insurance Portability and Accountability Act (HIPAA), commercial carriers had no limits as to the additional premium they were allowed to charge based on the health status of even one sick person within a group.

Strict standards for rate adjustments were added for all carriers in Chapter 37. All carriers were allowed to continue the practice of adjusting rates based on geographic location, with no carrier being allowed more than 10 geographic areas within the State of Michigan. No geographic area could be smaller than an entire county.

The concepts of "rate bands" and "case characteristics" were introduced. Within a geographic area, a carrier could only vary the rate it charged for a given benefit plan by a certain percent. Within the band, rate variances could only be considered for specific case characteristics.

The standards applied to carriers pursuant to MCL 500.3705(2)(a) are:

For a nonprofit health care corporation, only industry and age may be used for determining the premiums within a geographic area for a small employer or sole proprietor located in that geographic area. For a health maintenance organization, only industry, age, and group size may be used for determining the premiums within a geographic area for a small employer or sole proprietor located in that geographic area. For a commercial carrier, only industry, age, group size, and health status may be used for determining the premiums within a geographic area for a small employer or sole proprietor located in that geographic area.

The rate bands established under MCL 500.3705 for BCBSM and HMOs was +/- 35% of the average, or index rate. Commercial carriers were allowed more flexibility, and could vary their rate by +/- 45% of the established index rate for a given benefit plan.

In order to verify that small employer health carriers were compliant with these requirements, MCL 500.3715(2) required each small employer carrier to file with the Commissioner an actuarial certification each March 1st stating that the carrier is in compliance and the rating methods used by the carrier are actuarially sound.

Rates charged to small employer groups increased each year from 2005 – 2007. The average rate, which appears in Appendix A by year, has grown at a faster pace than the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) for medical care. It is not possible to state with certainty what impact the implementation of Chapter 37 has had on the rate increasing.

Figure 4

**Small Employer Carrier Coverage Average Premium
Compared to Increase in Cost of Medical Care**

Year	Medical CPI	Average Premium	% Change in Average Premium
2003	3.70%	\$248.47	
2004	4.20%	\$205.11	-21.10%
2005	4.30%	\$243.42	15.70%
2006	3.60%	\$250.54	2.80%
2007	5.20%	\$287.45	12.80%

Source: Data submitted to OFIR by carriers on Form FIS 322 which appears in Appendix A.

Factor (f) Other factors the Commissioner considers relevant.

Throughout this period, the financial status of carriers has been relatively stable with carriers maintaining Risk Based Capital in an amount that reflects a healthy industry.

Conclusions

The Commissioner finds that:

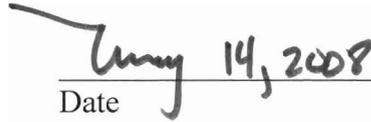
1. There were a sufficient number of carriers writing small employer group health benefit plan insurance in Michigan during 2007 to reasonably conclude that there was sufficient competition statewide in the Michigan marketplace.
2. The data indicate that no single carrier controls the Michigan small employer group health benefit plan insurance market and there appears to be no lack of carriers operating in the small employer group market, and many, many benefit options from which to choose.
3. In the four years that Chapter 37 has been in effect, both HMOs and commercial insurance companies have increased their market share in the small employer group health carrier market while overall BCBSM's market share has declined.
4. The small employer health insurance market has witnessed carriers entering and exiting each year which is an indicator of competition in a high concentration market.
5. Data collected and studied indicated that there was significant disparity among small employer health benefit plans offered and rates charged by the carriers.
6. The data collected indicated that there is broad disparity among classes and rate options in the small employer carrier health benefit plan market. The overall rate levels were not excessive, inadequate, or unfairly discriminatory.
7. Competition exists in the small employer health benefit plan market statewide.

Certification

Based on these conclusions as supported by the data found in this report, the Commissioner finds there is a reasonable degree of competition in the small employer health market on a statewide basis.



Ken Ross
Commissioner
Financial and Insurance Regulation



Date

	Member	MI Direct Prem	Average	% of Total	% of Total
2007 Carriers Writing Small Employer Groups	Months	Written	Premium	Premium	Member Months
BLUE CROSS BLUE SHIELD OF MICHIGAN	4,690,597	\$1,306,497,310	\$278.54	49.2%	46.4%
BLUE CARE NETWORK OF MICHIGAN	1,296,397	340,438,674	262.60	12.8%	12.8%
PRIORITY HEALTH	1,188,871	328,314,062	276.16	12.4%	11.8%
PRINCIPAL LIFE INSURANCE COMPANY	334,620	66,854,473	199.79	2.5%	3.3%
HUMANA INSURANCE COMPANY	312,874	58,198,428	186.01	2.2%	3.1%
AETNA LIFE INSURANCE COMPANY	272,089	58,822,806	216.19	2.2%	2.7%
MIDWEST SECURITY LIFE INSURANCE COMPANY	261,665	56,316,444	215.22	2.1%	2.6%
HEALTH ALLIANCE PLAN OF MICHIGAN	234,609	68,848,645	293.46	2.6%	2.3%
JOHN ALDEN LIFE INSURANCE COMPANY	166,229	36,099,668	217.17	1.4%	1.6%
AMERICAN MEDICAL SECURITY LIFE INSURANCE CO.	145,359	22,923,536	157.70	0.9%	1.4%
LIBERTY UNION LIFE ASSURANCE COMPANY	140,597	27,215,070	193.57	1.0%	1.4%
HEALTHPLUS OF MICHIGAN, INC	112,806	27,672,754	245.31	1.0%	1.1%
PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	112,700	40,113,034	355.93	1.5%	1.1%
IBA HEALTH AND LIFE ASSURANCE COMPANY	96,352	23,185,738	240.64	0.9%	1.0%
US HEALTH AND LIFE INSURANCE COMPANY	92,964	22,151,699	238.28	0.8%	0.9%
UNITED HEALTHCARE INSURANCE COMPANY	64,884	6,223,132	95.91	0.2%	0.6%
TIME INSURANCE COMPANY	61,109	13,499,939	220.92	0.5%	0.6%
ALLIANCE HEALTH AND LIFE INSURANCE COMPANY	60,336	14,774,278	244.87	0.6%	0.6%
PHYSICIANS HEALTH PLAN OF SOUTH MICHIGAN	58,904	20,949,929	355.66	0.8%	0.6%
FEDERATED MUTUAL INSURANCE COMPANY	57,342	12,962,910	226.06	0.5%	0.6%
PRIORITY HEALTH INSURANCE COMPANY	44,996	10,887,718	241.97	0.4%	0.4%
MICHIGAN HEALTH INSURANCE COMPANY	42,706	12,911,937	302.34	0.5%	0.4%
MICHIGAN HEALTH INSURANCE COMPANY	38,919	11,766,842	302.34	0.4%	0.4%
TOTAL HEALTH CARE USA, INC.	35,258	7,968,306	226.00	0.3%	0.3%
GRAND VALLEY HEALTH PLAN	28,010	9,604,363	342.89	0.4%	0.3%
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.	27,720	14,941,264	539.01	0.6%	0.3%
NIPPON LIFE INSURANCE COMPANY OF AMERICA	27,659	5,331,863	192.77	0.2%	0.3%
PARAMOUNT CARE OF MICHIGAN, INC.	25,534	7,077,494	277.18	0.3%	0.3%
UNION SECURITY INSURANCE COMPANY	24,173	4,122,831	170.56	0.2%	0.2%
TRUSTMARK LIFE INSURANCE COMPANY	16,611	0	0	0.0%	0.2%
MCLAREN HEALTH PLAN, INC.	14,885	3,178,160	213.51	0.1%	0.1%
HEALTHPLUS INSURANCE COMPANY	7,763	2,744,102	353.48	0.1%	0.1%

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2007 Carriers Writing Small Employer Groups					
STANDARD SECURITY LIFE INSURANCE C. OF NY	5,988	1,580,046	263.87	0.1%	0.1%
UNICARE LIFE & HEALTH INSURANCE COMPANY	3,179	492,605	154.96	0.0%	0.0%
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY	3,024	9,503,282	0	0.4%	0.0%
NATIONWIDE LIFE INSURANCE COMPANY	1,500	838	0.56	0.0%	0.0%
MEGA LIFE AND HEALTH INSURANCE COMPANY, THE	1,359	399,331	293.84	0.0%	0.0%
MEGA LIFE AND HEALTH INSURANCE COMPANY, THE	1,125	167,655	149.03	0.0%	0.0%
JOHN ALDEN LIFE INSURANCE COMPANY	1,083	349,279	322.51	0.0%	0.0%
NIPPON LIFE INSURANCE COMPANY OF AMERICA	1,020	136,804	134.12	0.0%	0.0%
AMERICAN MEDICAL SECURITY LIFE INSURANCE CO.	571	146,063	255.80	0.0%	0.0%
GUARANTEE TRUST LIFE INSURANCE COMPANY	480	38,727	80.68	0.0%	0.0%
TIME INSURANCE COMPANY	464	69,635	150.08	0.0%	0.0%
HUMANA INSURANCE COMPANY	432	80,357	186.01	0.0%	0.0%
AETNA LIFE INSURANCE COMPANY	396	19,744	49.86	0.0%	0.0%
PHPMM INSURANCE COMPANY	201	195,886	974.56	0.0%	0.0%
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY	163	143,185	878.44	0.0%	0.0%
CONSUMERS LIFE INSURANCE COMPANY	120	88,523	737.69	0.0%	0.0%
SUN LIFE AND HEALTH INS CO (US)	108	134,071	1,241.40	0.0%	0.0%
AETNA HEALTH INC.	62	14,623	235.85	0.0%	0.0%
CONSUMERS LIFE INSURANCE COMPANY	60	44,228	737.13	0.0%	0.0%
CHESAPEAKE LIFE INSURANCE COMPANY, THE	15	11,794	786.27	0.0%	0.0%
WILTON REASSURANCE LIFE COMPANY OF NEW YORK	12	90	7.50	0.0%	0.0%
CONTINENTAL GENERAL INSURANCE COMPANY		0		0.0%	0.0%
GOLDEN RULE INSURANCE COMPANY	-	0	-	0.0%	0.0%
PACIFIC LIFE & ANNUITY COMPANY		0	-	0.0%	0.0%
UNITED OF OMAHA LIFE INSURANCE COMPANY		1994	-	0.0%	0.0%
Totals	10,116,900	\$ 2,656,216,169	\$287.45		

2006 Small Employer Group Carrier	Member Months	MI Direct Prem Written	Average Premium	% by Premium	% by Member
Blue Cross and Blue Shield of Michigan	4,918,196	1,312,152,156	266.80	0.4522	0.424
PRIORITY HEALTH	1,322,361	308,301,789	233.14	0.1063	0.114
CARE CHOICES HMO	1,132,241	300,891,558	265.75	0.1037	0.097
BLUE CARE NETWORK OF MICHIGAN	916,745	237,761,086	259.35	0.0819	0.079
PRINCIPAL LIFE INSURANCE COMPANY	374,284	72,236,360	193.00	0.0249	0.032
AMERICAN MEDICAL SECURITY LIFE INSURANCE COMPANY	340,466	54,403,355	159.79	0.0187	0.029
HUMANA INSURANCE COMPANY	325,756	69,788,391	214.24	0.0241	0.028
IBA HEALTH AND LIFE ASSURANCE COMPANY	260,542	53,856,040	206.71	0.0186	0.022
HEALTH ALLIANCE PLAN OF MICHIGAN	246,732	64,947,136	263.23	0.0224	0.021
M-CARE	225,669	58,771,040	260.43	0.0203	0.019
MIDWEST SECURITY LIFE INSURANCE COMPANY	222,392	47,882,718	215.31	0.0165	0.019
JOHN ALDEN LIFE INSURANCE COMPANY	187,358	37,282,680	198.99	0.0128	0.016
US HEALTH AND LIFE INSURANCE COMPANY	173,652	36,004,158	207.34	0.0124	0.015
MICHIGAN HEALTH INSURANCE COMPANY	165,727	46,084,395	278.07	0.0159	0.014
PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	153,304	46,009,839	300.12	0.0159	0.013
PHYSICIANS HEALTH PLAN OF SOUTH MICHIGAN	101,251	28,697,849	283.43	0.0099	0.008
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY	94,913	12,277,345	129.35	0.0042	0.008
TIME INSURANCE COMPANY	85,848	16,936,471	197.28	0.0058	0.007
AETNA LIFE INSURANCE COMPANY	64,595	13,506,396	209.09	0.0047	0.005
FEDERATED MUTUAL INSURANCE COMPANY	62,421	13,212,841	211.67	0.0046	0.005
Grand Valley Health Plan	38,559	8,313,468	215.60	0.0029	0.003
UNION SECURITY INSURANCE COMPANY	38,398	7,972,095	207.62	0.0027	0.003
TOTAL HEALTH CARE USA, INC.	32,209	7,278,887	225.99	0.0025	0.002
PARAMOUNT CARE OF MICHIGAN, INC.	24,659	6,579,250	266.81	0.0023	0.002
ALLIANCE HEALTH AND LIFE INSURANCE COMPANY	20,140	5,095,752	253.02	0.0018	0.001
TRUSTMARK LIFE INSURANCE COMPANY	19,201	0	0.00	0.0000	0.001
NIPPON LIFE INSURANCE COMPANY OF AMERICA	17,873	3,862,944	216.13	0.0013	0.001
MEGA LIFE AND HEALTH INSURANCE COMPANY, THE	3,954	590,843	149.43	0.0002	0.000
CONTINENTAL GENERAL INSURANCE COMPANY	2,712	385,457	142.13	0.0001	0.000
UNITED HEALTHCARE INSURANCE COMPANY	1,932	349,991	181.15	0.0001	0.000
UNICARE LIFE & HEALTH INSURANCE COMPANY	1,799	339,501	188.72	0.0001	0.000
GENWORTH LIFE AND HEALTH INSURANCE COMPANY	1,758	36,674	20.86	0.0000	0.000
PHYSICIANS HEALTH PLAN OF SOUTHWEST MICHIGAN, INC.	1,151	439,369	381.73	0.0002	0.000

2006 Small Employer Group Carrier	Member Months	MI Direct Prem Written	Average Premium	% by Premium	% by Member
MCLAREN HEALTH PLAN, INC.	894	214,767	240.23	0.0001	0.00C
AETNA HEALTH INC.	714	212,335	297.39	0.0001	0.00C
GUARANTEE TRUST LIFE INSURANCE COMPANY	357	170,036	476.29	0.0001	0.00C
CONSUMERS LIFE INSURANCE COMPANY	232	132,582	571.47	0.0000	0.00C
PACIFIC LIFE & ANNUITY COMPANY	100	166,077	1,660.77	0.0001	0.00C
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.	96	18,769	195.51	0.0000	0.00C
WILTON REASSURANCE LIFE COMPANY OF NEW YORK	12	90	7.50	0.0000	0.00C
CHESAPEAKE LIFE INSURANCE COMPANY, THE	4	17,338	4,334.50	0.0000	0.00C
AVEMCO INSURANCE COMPANY	0	0	0	0.0000	0.00C
GOLDEN RULE INSURANCE COMPANY	0	189,694	0	0.0001	0.00C
LIBERTY UNION LIFE ASSURANCE COMPANY	0	27,526,492	0	0.0095	0.00C
METROPOLITAN LIFE INSURANCE COMPANY	0	705	0	0.0000	0.00C
NEW ENGLAND LIFE INSURANCE COMPANY	0	4,822	0	0.0000	0.00C
TOTAL HEALTH CARE, INC.	0	399,237	0	0.0001	0.00C
ULICO CASUALTY COMPANY	0	0	0	0.0000	0.00C
STANDARD SECURITY LIFE INSURANCE COMPANY OF NEW YORK		285,168	0	0.0001	0.00C
Grand Total	11,581,207	\$2,901,585,946	\$250.54		

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2005 Carriers Writing Small Employer Groups					
Blue Cross and Blue Shield of Michigan	6,076,552	1,572,768,782	258.83	0.5546	0.5216
PRIORITY HEALTH	1,390,171	306,936,269	220.79	0.1082	0.1193
BLUE CARE NETWORK OF MICHIGAN	909,087	237,008,086	260.71	0.0836	0.0780
AMERICAN MEDICAL SECURITY LIFE INSURANCE COMPANY	457,614	71,891,702	157.10	0.0254	0.0393
HUMANA INSURANCE COMPANY	402,438	81,138,247	201.62	0.0286	0.0345
PRINCIPAL LIFE INSURANCE COMPANY	303,816	55,710,826	183.37	0.0196	0.0261
HEALTH ALLIANCE PLAN OF MICHIGAN	283,805	71,994,629	253.68	0.0254	0.0244
MIDWEST SECURITY LIFE INSURANCE COMPANY	234,991	52,123,718	221.81	0.0184	0.0202
JOHN ALDEN LIFE INSURANCE COMPANY	207,533	38,022,874	183.21	0.0134	0.0178
CARE CHOICES HMO	150,512	36,066,884	239.63	0.0127	0.0129
M-CARE, INC.	134,000	32,778,402	244.61	0.0116	0.0115
HEALTHPLUS OF MICHIGAN, INC	132,236	34,082,147	257.74	0.0120	0.0114
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY	127,356	21,732,007	170.64	0.0077	0.0109
IBA HEALTH AND LIFE ASSURANCE COMPANY	118,596	24,009,300	202.45	0.0085	0.0102
PHYSICIANS HEALTH PLAN OF SOUTH MICHIGAN	102,237	26,167,444	255.95	0.0092	0.0088
PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	94,449	24,331,825	257.62	0.0086	0.0081
TIME INSURANCE COMPANY	86,162	15,639,550	181.51	0.0055	0.0074
US HEALTH AND LIFE INSURANCE COMPANY	81,413	32,320,063	396.99	0.0114	0.0070
PARAMOUNT CARE OF MICHIGAN, INC.	64,807	5,300,397	81.79	0.0019	0.0056
FEDERATED MUTUAL INSURANCE COMPANY	60,606	12,126,114	200.08	0.0043	0.0052
UNION SECURITY INSURANCE COMPANY	48,761	9,065,616	185.92	0.0032	0.0042
MICHIGAN HEALTH INSURANCE COMPANY	39,389	10,099,140	256.39	0.0036	0.0034
TRUSTMARK LIFE INSURANCE COMPANY	35,247	0	0.00	0.0000	0.0030
AETNA HEALTH INC.	26,185	6,485,014	247.66	0.0023	0.0022
TOTAL HEALTH CARE, INC.	24,576	5,573,822	226.80	0.0020	0.0021
NIPPON LIFE INSURANCE COMPANY OF AMERICA	13,274	2,853,173	214.94	0.0010	0.0011
ALLIANCE HEALTH AND LIFE INSURANCE COMPANY	6,521	3,198,297	490.46	0.0011	0.0006
AETNA LIFE INSURANCE COMPANY	6,502	1,842,302	283.34	0.0006	0.0006
TOTAL HEALTH CARE USA, INC.	5,580	1,004,978	180.10	0.0004	0.0005
CONTINENTAL GENERAL INSURANCE COMPANY	5,318	591,075	111.15	0.0002	0.0005
UNITED HEALTHCARE INSURANCE COMPANY	3,744	467,238	124.80	0.0002	0.0003
AVEMCO INSURANCE COMPANY	3,040	1,115,131	366.82	0.0004	0.0003

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2005 Carriers Writing Small Employer Groups					
Grand Valley Health Plan	2,672	15,712,305	5,880.35	0.0055	0.0002
PHYSICIANS HEALTH PLAN OF SOUTHWEST MICHIGAN, INC.	2,241	769,857	343.53	0.0003	0.0002
GOLDEN RULE INSURANCE COMPANY	2,133	366,341	171.75	0.0001	0.0002
MEGA LIFE AND HEALTH INSURANCE COMPANY, THE	1,874	308,517	164.63	0.0001	0.0002
UNICARE LIFE & HEALTH INSURANCE COMPANY	1,186	240,379	202.68	0.0001	0.0001
PACIFIC LIFE & ANNUITY COMPANY	1,023	248,946	243.35	0.0001	0.0001
GENWORTH LIFE AND HEALTH INSURANCE COMPANY	996	67,456	67.73	0.0000	0.0001
CONSUMERS LIFE INSURANCE COMPANY	445	189,831	426.59	0.0001	0.0000
GUARANTEE TRUST LIFE INSURANCE COMPANY	132	41,719	316.05	0.0000	0.0000
METROPOLITAN LIFE INSURANCE COMPANY	48	960	20.00	0.0000	0.0000
AMERICAN LIFE INSURANCE COMPANY OF NEW YORK, THE	12	171	14.25	0.0000	0.0000
NEW ENGLAND LIFE INSURANCE COMPANY	12	8,752	729.33	0.0000	0.0000
AMERICAN PHYSICIANS ASSURANCE CORPORATION	0	318,414	0	0.0001	0.0000
GOVERNMENT EMPLOYEES INSURANCE COMPANY	0	100	0	0.0000	0.0000
LIBERTY UNION LIFE ASSURANCE COMPANY	0	22,921,479	0	0.0081	0.0000
ULICO CASUALTY COMPANY	0	0	0	0.0000	0.0000
Grand Total	11,649,292	2,835,640,279	243.42		

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2004 Carriers Writing Small Employer Groups					
Blue Cross and Blue Shield of Michigan	8,667,494	1,703,389,437	196.53	0.5659	0.5907
PRIORITY HEALTH	1,369,240	278,840,680	203.65	0.0926	0.0933
BLUE CARE NETWORK OF MICHIGAN	919,820	229,027,286	248.99	0.0761	0.0627
HEALTH ALLIANCE PLAN OF MICHIGAN	454,321	109,700,794	241.46	0.0364	0.0310
AMERICAN MEDICAL SECURITY LIFE INSURANCE COMPANY	448,179	68,604,178	153.07	0.0228	0.0305
CARE CHOICES HMO	290,390	59,585,770	205.19	0.0198	0.0198
HUMANA INSURANCE COMPANY	283,233	44,687,102	157.78	0.0148	0.0193
PRINCIPAL LIFE INSURANCE COMPANY	257,531	44,475,186	172.70	0.0148	0.0175
MIDWEST SECURITY LIFE INSURANCE COMPANY	235,257	42,609,867	181.12	0.0142	0.0160
M-CARE, INC.	233,375	54,713,492	234.44	0.0182	0.0159
JOHN ALDEN LIFE INSURANCE COMPANY	197,004	34,228,330	173.74	0.0114	0.0134
PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	187,752	46,152,015	245.81	0.0153	0.0128
IBA HEALTH AND LIFE ASSURANCE COMPANY	180,702	34,821,430	192.70	0.0116	0.0123
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY	160,378	53,447,494	333.26	0.0178	0.0109
HEALTHPLUS OF MICHIGAN, INC	144,865	37,963,419	262.06	0.0126	0.0099
PHYSICIANS HEALTH PLAN OF SOUTH MICHIGAN	128,209	30,320,573	236.49	0.0101	0.0087
TIME INSURANCE COMPANY	103,711	17,599,203	169.69	0.0058	0.0071
UNION SECURITY INSURANCE COMPANY	57,833	9,048,712	156.46	0.0030	0.0039
FEDERATED MUTUAL INSURANCE COMPANY	56,698	10,466,455	184.60	0.0035	0.0039
US HEALTH AND LIFE INSURANCE COMPANY	56,067	21,485,307	383.21	0.0071	0.0038
TRUSTMARK LIFE INSURANCE COMPANY	41,492	0	0.00	0.0000	0.0028
TOTAL HEALTH CARE, INC.	27,905	5,183,164	185.74	0.0017	0.0019
THE WELLNESS PLAN	24,124	4,189,984	173.69	0.0014	0.0016
PARAMOUNT CARE OF MICHIGAN, INC.	23,471	5,523,780	235.34	0.0018	0.0016
MICHIGAN HEALTH INSURANCE COMPANY	21,915	5,105,291	232.96	0.0017	0.0015
AMERICAN PHYSICIANS ASSURANCE CORPORATION	18,630	4,101,646	220.16	0.0014	0.0013
TRUSTMARK INSURANCE COMPANY	11,143	3,289,985	295.25	0.0011	0.0008
NIPPON LIFE INSURANCE COMPANY OF AMERICA	10,036	2,336,310	232.79	0.0008	0.0007
ALLIANCE HEALTH AND LIFE INSURANCE COMPANY	9,869	4,563,709	462.43	0.0015	0.0007
CONTINENTAL GENERAL INSURANCE COMPANY	9,813	1,087,343	110.81	0.0004	0.0007
PHYSICIANS HEALTH PLAN OF SOUTHWEST MICHIGAN, INC.	9,028	2,570,883	284.77	0.0009	0.0006
AETNA HEALTH INC.	8,923	2,240,570	251.10	0.0007	0.0006

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2004 Carriers Writing Small Employer Groups					
UNITED HEALTHCARE INSURANCE COMPANY	5,760	768,948	133.50	0.0003	0.0004
AETNA LIFE INSURANCE COMPANY	5,158	1,519,548	294.60	0.0005	0.0004
AVEMCO INSURANCE COMPANY	4,157	255,480	61.46	0.0001	0.0003
PACIFIC LIFE & ANNUITY COMPANY	3,730	771,969	206.96	0.0003	0.0003
GOLDEN RULE INSURANCE COMPANY	3,598	584,372	162.42	0.0002	0.0002
MEGA LIFE AND HEALTH INSURANCE COMPANY, THE	1,910	57,262	29.98	0.0000	0.0001
GENWORTH LIFE AND HEALTH INSURANCE COMPANY	1,026	8,246	8.04	0.0000	0.0001
UNICARE LIFE & HEALTH INSURANCE COMPANY	439	41,201	93.85	0.0000	0.0000
GUARANTEE TRUST LIFE INSURANCE COMPANY	96	5,441	56.68	0.0000	0.0000
CONSUMERS LIFE INSURANCE COMPANY	36	15,098	419.39	0.0000	0.0000
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	8	831	103.88	0.0000	0.0000
LIBERTY UNION LIFE ASSURANCE COMPANY	0	23,231,544	0	0.0077	0.0000
Grand Valley Health Plan	0	11,169,672	0	0.0037	0.0000
GOVERNMENT EMPLOYEES INSURANCE COMPANY	0	163	0	0.0000	0.0000
ULICO CASUALTY COMPANY	0	0	0	0.0000	0.0000
Grand Total	14,674,326	3,009,789,170	\$205.11		

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2003 Carriers Writing Small Employer Groups					
Blue Cross and Blue Shield of Michigan	7,958,965	1,751,083,220	220.01	0.5996	0.5837
PRIORITY HEALTH	1,101,007	218,961,352	198.87	0.0750	0.0807
BLUE CARE NETWORK OF MICHIGAN	973,269	212,954,547	218.80	0.0729	0.0714
HEALTH ALLIANCE PLAN OF MICHIGAN	464,915	101,264,677	217.81	0.0347	0.0341
AMERICAN MEDICAL SECURITY LIFE INSURANCE COMPANY	389,807	58,620,715	150.38	0.0201	0.0286
HUMANA INSURANCE COMPANY	383,078	63,738,570	166.39	0.0218	0.0281
PRINCIPAL LIFE INSURANCE COMPANY	228,324	36,277,741	158.89	0.0124	0.0167
M-CARE	217,755	38,222,872	175.53	0.0131	0.0160
PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	216,784	49,149,084	226.72	0.0168	0.0159
MIDWEST SECURITY LIFE INSURANCE COMPANY	180,078	31,170,416	173.09	0.0107	0.0132
AMERICAN COMMUNITY MUTUAL INSURANCE COMPANY	175,032	53,165,020	303.74	0.0182	0.0128
JOHN ALDEN LIFE INSURANCE COMPANY	160,374	26,677,634	166.35	0.0091	0.0118
CARE CHOICES HMO	139,733	27,038,042	193.50	0.0093	0.0102
HEALTHPLUS OF MICHIGAN, INC	132,756	31,065,674	234.01	0.0106	0.0097
PHYSICIANS HEALTH PLAN OF SOUTH MICHIGAN	132,047	28,570,580	216.37	0.0098	0.0097
IBA HEALTH AND LIFE ASSURANCE COMPANY	113,590	20,865,539	183.69	0.0071	0.0083
TIME INSURANCE COMPANY	109,286	17,157,952	157.00	0.0059	0.0080
THE WELLNESS PLAN	106,216	19,504,230	183.63	0.0067	0.0078
AMERICAN PHYSICIANS ASSURANCE CORPORATION	77,700	8,255,096	106.24	0.0028	0.0057
UNION SECURITY INSURANCE COMPANY	65,757	20,977,188	319.01	0.0072	0.0048
AETNA HEALTH INC.	48,787	10,960,361	224.66	0.0038	0.0036
FEDERATED MUTUAL INSURANCE COMPANY	44,917	8,183,005	182.18	0.0028	0.0033
US HEALTH AND LIFE INSURANCE COMPANY	39,701	14,231,069	358.46	0.0049	0.0029
TRUSTMARK INSURANCE COMPANY	38,552	6,603,499	171.29	0.0023	0.0028
MICHIGAN HEALTH MAINTENANCE ORGANIZATION PLANS, INC.	25,778	4,999,012	193.93	0.0017	0.0019
ALLIANCE HEALTH AND LIFE INSURANCE COMPANY	24,449	5,198,742	212.64	0.0018	0.0018
PHYSICIANS HEALTH PLAN OF SOUTHWEST MICHIGAN, INC.	16,202	4,097,777	252.92	0.0014	0.0012
PARAMOUNT CARE OF MICHIGAN, INC.	14,712	3,145,303	213.79	0.0011	0.0011
CONTINENTAL GENERAL INSURANCE COMPANY	11,392	1,398,857	122.79	0.0005	0.0008
NIPPON LIFE INSURANCE COMPANY OF AMERICA	10,519	2,391,176	227.32	0.0008	0.0008
AVEMCO INSURANCE COMPANY	7,580	57,665	7.61	0.0000	0.0006
UNITED HEALTHCARE INSURANCE COMPANY	6,732	4,293,929	637.84	0.0015	0.0005

	Member	MI Direct Prem	Average	% of Total	% of Total
	Months	Written	Premium	Premium	Member
					Months
2003 Carriers Writing Small Employer Groups					
GOLDEN RULE INSURANCE COMPANY	5,563	836,833	150.43	0.0003	0.0004
PACIFIC LIFE & ANNUITY COMPANY	4,685	963,239	205.60	0.0003	0.0003
AETNA LIFE INSURANCE COMPANY	3,940	1,086,788	275.83	0.0004	0.0003
GENWORTH LIFE AND HEALTH INSURANCE COMPANY	2,364	52,794	22.33	0.0000	0.0002
TOTAL HEALTH CARE, INC.	2,227	402,189	180.60	0.0001	0.0002
MEGA LIFE AND HEALTH INSURANCE COMPANY, THE	1,073	209,499	195.25	0.0001	0.0001
UNICARE LIFE & HEALTH INSURANCE COMPANY	310	156,708	505.51	0.0001	0.0000
MUTUAL SERVICE LIFE INSURANCE COMPANY	184	48,794	265.18	0.0000	0.0000
METROPOLITAN LIFE INSURANCE COMPANY	84	91,951	1,094.65	0.0000	0.0000
NEW ENGLAND LIFE INSURANCE COMPANY	48	13,932	290.25	0.0000	0.0000
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY	24	5,433	226.38	0.0000	0.0000
GOVERNMENT EMPLOYEES INSURANCE COMPANY	0	163	0	0.0000	0.0000
Grand Valley Health Plan	0	14,389,875	0	0.0049	0.0000
GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, THE	0	0	0	0.0000	0.0000
LIBERTY UNION LIFE ASSURANCE COMPANY	0	22,068,058	0	0.0076	0.0000
LIFE INVESTORS INSURANCE COMPANY OF AMERICA	0	17,888	0	0.0000	0.0000
SELECTCARE HMO, INC.	0	0	0	0.0000	0.0000
TRUSTMARK LIFE INSURANCE COMPANY	0	0	0	0.0000	0.0000
ULICO CASUALTY COMPANY	0	0	0	0.0000	0.0000
UNITED OF OMAHA LIFE INSURANCE COMPANY	0	0	0	0.0000	0.0000
Grand Total	13,636,296	2,920,624,688	\$248.47		