



**This letter contains IMPORTANT information for our individual policy holders about the NEW MICHIGAN LAW taxing health insurance claims.**

November 2011

Dear Valued Member:

I'm writing to let you know about a new Michigan health insurance claims tax that will go into effect for you on January 1, 2012. On September 20, 2011, the Health Insurance Claims Assessment Act was signed into law. This law requires all health insurance carriers operating in Michigan to start collecting dollars to fund the Michigan Medicaid program.

In January you will see a flat tax of 0.75 percent of your premium as a line item on your billing statement. This separate line item will read: "MI Claims Tax Assessment." It's helpful for you to understand that whether you've had a claim or not we are required to collect the funds in this way.

The amount you pay for your health insurance isn't affected, but we are obligated by the state of Michigan to collect this tax. You can determine the claims tax amount by multiplying your premium by .0075. For example, if your premium is \$300 then your tax will be \$2.25.

You may have already received a bill for a portion of your 2012 premium, which did not include the Michigan Claims Tax. Since we are required to collect the tax beginning January 1<sup>st</sup>, the tax on the previously billed 2012 premium will be added to your next bill.

We appreciate your business and look forward to providing you with quality medical coverage for years to come.

Sincerely,

A handwritten signature in black ink that reads "Terry Burke". The signature is written in a cursive style with a large, stylized "T" and "B".

Terry Burke  
Vice President  
Individual Business Unit

**To learn more about the Michigan claims tax please visit [bcbsm.com/myblue](http://bcbsm.com/myblue) or call one of my Customer Service representatives at the number on the back of your Blues ID card.**