



BEST'S COMPANY REPORT



**Blue Cross
Blue Shield**
of Michigan

A nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association

BC/BS OF MICHIGAN GROUP

AMB #: 069165

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

BLUE CROSS BLUE SHIELD OF MICHIGAN MUTUAL INSURANCE COMPANY **A**

Domiciliary Address: 600 Lafayette East, Detroit, Michigan 48226 United States

Administrative Office: 600 Lafayette East, Detroit, Michigan 48226 United States

Mailing Address: 600 Lafayette East, Detroit, Michigan 48226 United States

AMB #: 060081

NAIC #: 54291

FEIN #: 38-2069753

Phone: +1-313-225-9000

Fax: +1-313-225-6777

Website: www.bcbsm.com



Best's Credit Rating Effective Date

December 03, 2024

Analytical Contacts

Jennifer Asamoah
Senior Financial Analyst
Jennifer.Asamoah@ambest.com
+1(908) 439-2200 Ext. 908-882-1637

Joseph R. Zazzera
Director
Joseph.Zazzera@ambest.com
+1(908) 439-2200 Ext. 908-882-2442

Information

- [Best's Credit Rating Methodology](#)
- [Guide to Best's Credit Ratings](#)
- [Market Segment Outlooks](#)

Financial Data Presented

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

BC/BS of Michigan Group

AMB #: 069165

Associated Ultimate Parent: AMB # 060081 - Blue Cross Blue Shield of Michigan Mutual Insurance Company

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A
Excellent
Outlook: Negative
Action: Affirmed

Issuer Credit Rating (ICR)

a
Excellent
Outlook: Negative
Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Adequate
Business Profile	Neutral
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: BC/BS of Michigan Group | **AMB #:** 069165

AMB # 068741 **Rating Unit Members** Blue Care Network of Michigan

AMB # 060081 **Rating Unit Members** Blue Cross Blue Shield MI Mut

Rating Rationale**Balance Sheet Strength: Very Strong**

- Blue Cross Blue Shield of Michigan Group's (BCBS MI) risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), is at the strongest confidence level at the 99.6% VaR level. However, the balance sheet strength assessment remains at the very strong level due to concerns that any further losses may place additional pressure on the current level of capitalization.
- The consolidated capital and surplus level improved in year-end 2023, but it deteriorated through the third quarter of 2024, driven by operating losses.
- The group benefits from a solid liquidity position supported by liquid investment holdings.
- BCBS MI's financial and operating leverage measures are considered low, and its access to over \$2.3 billion of borrowing capacity under the Federal Home Loan Bank of Indianapolis (FHLBI) enhances financial flexibility.
- Higher-risk asset allocation with Schedule BA exposure above peers. High equity exposure overall but in line with peers. Schedule BA exposure of over 21% and equity exposure of nearly 25% at year-end 2023.

Operating Performance: Adequate

- BCBS MI reported volatile revenue development over the past few years; however, growth in the commercial and Medicare Advantage segments has accelerated over the past three years. Revenue levels are due to enrollment growth, premium rate increases, and solid retention rates. Furthermore, on a statutory basis, the recent reinsurance agreement with HanoverRe has resulted in a revenue decline through 2024.
- Operating metrics have been volatile but remained positive on a five-year average through year-end 2023. However, additional pressure is expected in 2024 with some improvement in early 2025.
- In the most recent years, operating performance has been negatively impacted by continued pressure from higher medical and pharmacy cost trends. Therefore, underwriting margins have shown significant deterioration across all product lines through year-end 2023 and into the third quarter of 2024.
- Declines in underwriting were offset by a rise in net investment income and realized capital gains through 2024. In addition, strong performance in investment-grade fixed-income instruments and equities drove favorable returns.

Business Profile: Neutral

- BCBS MI maintains a strong market presence in the state of Michigan with good brand recognition.
- BCBS MI offers a diversified portfolio of health insurance products. While competition remains strong in all lines of business, the Blue Cross Blue Shield brand provides a significant competitive advantage.
- Although BCBS MI's business is concentrated in Michigan, its ownership in Accident Fund and investment in AmeriHealth Caritas provide geographic as well as product diversification.

Enterprise Risk Management: Appropriate

- BCBS MI employs a comprehensive enterprise risk management (ERM) strategy that covers the scope of its risks inherent in its balance sheet, operating performance and business profile. The ERM framework uses the three lines of defense model.
- Risk governance structure is managed by multiple committees and overseen by the board of directors.
- Risk appetite and tolerances have been established for various areas within the organization. Risk governance structure is managed by multiple committees and overseen by the board of directors. BCBS MI has embedded the thought process behind ERM throughout the organization.
- Risk identification and reporting are completed on a regular basis, and ERM is incorporated into corporate strategic planning. There is established oversight and monitoring of the ERM program.
- An economic capital model is used to perform multiple stress scenario testing to determine the impact on risk-adjusted capitalization, which is used both for ORSA filings as well as developing capital and underwriting targets.

Outlook

- The negative outlooks reflect the recent trend of deteriorating underwriting profitability. The negative outlooks also reflect AM Best's expectation that the group's underwriting results and net results will face a level of pressure over the near to medium term due to industry-wide headwinds.

Rating Drivers

- Negative rating movement could occur if Blue Cross Blue Shield of Michigan Group (BCBS MI) reports a material and sustained trend of operating losses.
- Negative rating movement could occur if BCBS MI reports a material deterioration of risk-adjusted capitalization that no longer supports the ratings.
- While it is thought to be unlikely in the near-term future, positive rating movement could occur with an upwards trajectory in operating performance.

Credit Analysis

Balance Sheet Strength

Blue Cross Blue Shield of Michigan Group's (BCBS MI) overall balance sheet strength assessment remains at the "very strong" level. This assessment is supported by strongest level risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), and good liquidity metrics through year-end 2024.

Capitalization

Risk-adjusted capitalization, as measured by BCAR supports the balance sheet assessment of very strong. The historical persistency of the strongest level BCAR is a function of strong earnings and unrealized asset appreciation versus only modest growth in premiums, also resulting in falling underwriting leverage. In the five-years through 2023 capital has grown at a compound annual rate of 5.3% which easily outpaced compound annual net premium written (NPW) growth of just 3.5%.

Capital and surplus did improve year-end 2023 due to portfolio gains. However, the group's risk-adjusted capital, as measured by Best's Capital Adequacy Ratio (BCAR), has deteriorated due to the recent losses, and AM Best is concerned that any further losses beyond expectations may place additional pressure on the current level of capitalization.

Financial leverage is considered low. However, BCBS MI's asset portfolio is considered higher risk due to elevated exposure to equities and Schedule BA assets, as well as a declined but high exposure to NAIC level 2 bonds. Equity and Schedule BA exposure are higher than peers.

BCBS MI exhibits strong liquidity measures and has remained consistently above 200% overall liquidity over the past five-years. Financial flexibility of BCBS MI is enhanced through access to Federal Home Loan Bank (FHLB) borrowings. The company is a member of the Federal Home Loan Bank of Indianapolis (FHLBI) and had no borrowings outstanding as of third quarter 2024 (Including borrowings at its PC subsidiary Accident Fund). This level is down significantly from 2020 when BCBS MI withdrew \$690 million in additional liquidity from FHLB to ensure liquidity position during the pandemic. It has since been systematically reducing this balance and expected to continue. The total current FHLBI borrowing capacity is \$2.4 billion. In addition to liquidity needs, the FHLBI borrowings have also been used for arbitrage. AM Best recognizes that BCBS MI's access to FHLBI borrowings allows the organization to support short term liquidity needs and line of credit borrowing privileges.

Asset Liability Management - Investments

Invested assets have grown year over the past four years but declined over the past couple of years through 2023. The mark-to-market and realized investment losses impacted any new money invested in the portfolio through 2023.

At year-end 2023, the investment portfolio was primarily comprised of bonds (approximately 40%), common stock (25%), cash and short-term securities (12%), schedule BA (approximately 22%) and a small amount of real estate. This aggressive portfolio serves a dual purpose of capital management and income enhancement, which has historically been quite successful.

The fixed income portfolio is generally high-quality with the majority of bonds being investment grade and has high liquidity as 90% of fixed income securities are publicly traded. The quality of the fixed income portfolio has improved slightly as allocations to below investment grade securities was 10%, but private placements increased to five-year highs, at approximately 14%. Within the investment grade portion of the portfolio credit quality improved in 2023 versus 2022 but remains lower than in past years. NAIC level 2 securities constituted under 30% of investment grade fixed income securities at year-ended 2023, lower than prior year-ended but up from the level in 2019.

Equities continue to be a sizable allocation within the asset portfolio, 25% as of year-end 2023. BCBS MI has historically deployed between 1/3 and 1/2 of its surplus to equities strategically to keep risk-adjusted capitalization from exceeding management tolerance levels and to provide additional investment returns to support underwriting results. This strategy has historically been quite successful.

Balance Sheet Strength (Continued...)

but exposes the company to additional equity market volatility, which had significantly impacted results through year-end 2022; however, market volatility improved through year-end 2023 and three-quarters of 2024.

Schedule BA assets are comprised of mostly joint venture and other service entities, such as strategic investments in AmeriHealth Caritas. All real estate holdings are company occupied properties. BCBS MI performs some investment management functions internally. In addition, the company also engages the services of multiple external advisers and consultants in the management of the invested assets.

Operating Performance

BCBSMI reported sharp deterioration in underwriting income and net operating income that began a few years ago and has worsened in the first nine months of 2024. The decline in underwriting performance was driven by higher claims utilization across all lines of businesses, including the commercial group and government programs, to levels higher than those before the pandemic. The losses were largely driven by significantly higher utilization levels driven by pent-up demands for surgeries, other health care services and high demand for GLP-1 medications and auto immune therapies medications. In addition, the government program lines of business have reported several years of sizeable losses in the Medicare Advantage business due to risk-adjustment shortfalls, increased benefit costs and worsening claims experience and acuity in Medicaid line, as well as following redeterminations. These unfavorable operating losses are expected to continue into 2025 as trends surrounding medical and pharmaceutical costs will result in rate increases lagging what is adequate. BCBS MI has taken numerous significant steps to improve its underwriting performance. Furthermore, the group has made significant investments in its systems and to right-size its workforce to reduce administrative costs and is making additional corrective actions on the benefit side to improve operating earnings going forward.

BCBS MI made a strategic decision to manage the COVID-19 pandemic over multiple periods. In 2022, the company made the strategic decision not to cut benefits on MA products despite losing the Centers for Medicare & Medicaid Services (CMS) bonus payment for maintaining 4.0+ Star plans. This resulted in significant underwriting pressure in 2022. Stars related underwriting pressure did subside as the company has secured 4.0+ Star ratings for its MA plans for the 2023 plan year.

BCBS MI's underwriting losses improved through 2023. Premium impacts from MA Stars, risk coding and favorable membership was offset by unfavorable claims experience and pharmacy trends in 2023. Also positively impacting earnings in 2023 is BCBS MI's sale of its Advantasure technology business. Advantasure was BCBS MI's MA service technology play which was intended to both support the companies MA business and provide service revenues from technology sales to other blue plans with significant MA blocks. However, the business never performed as intended and ultimately required consistent investment and capital support from the insurance entities. As such the business is being divested at considerable annual cost savings to the company. Advantasure will likely remain a vendor for the companies MA business, but without the added cost of ownership.

Further, investment results have supplemented underwriting losses as income generated on the portfolio has improved year to date 2024. However, combination of material deterioration in underwriting and realized loss resulted in overall operating losses through 2024.

BCBS MI reported volatile revenue development over the past few years; however, growth in the commercial and Medicare Advantage segments has accelerated over the past three years. Revenue levels are due to enrollment growth, premium rate increases, and solid retention rates. Furthermore, on a statutory basis, the recent reinsurance agreement with HanoverRe has resulted in a revenue decline through 2024. Over the last five-years period, BCBS MI's consolidated statutory premium growth has up with a CAGR of nearly 4%.

In 2020 premium relief, cost-share waivers, provider assistance, and community investment combined for more than \$1.2 billion and mostly offset what would have been bumper underwriting profits given the severe decline in utilization driven by the pandemic. In 2021 the company offered members relief on planned rate increases and continued to offer COVID-19 testing and treatment cost-share waivers which, when combined with higher-than-expected utilization due to the Delta COVID-19 variant and lower risk adjustment revenue on MA blocks, pressured underwriting results driving an underwriting loss.

Business Profile

Blue Cross and Blue Shield of Michigan Mutual Insurance Company (BCBSMIC or BCBS MI) is a non-for-profit mutual benefit organization primarily providing health insurance and health care services to individuals and employers in Michigan. For 2013 and prior years, BCBS MI was organized and governed under the statutes and regulations pertaining to Nonprofit Health Care Corporations as defined in Michigan Public Act 350 of 1980 (PA 350).

BCBS MI competes in all health care insurance segments: individual, small, mid-size and large groups with both underwritten and self-funded arrangements. The organization's core products include traditional indemnity and preferred provider organization (PPO) as well

Business Profile (Continued...)

as health maintenance organization (HMO) products offered through Blue Care Network of Michigan (BCN), a licensed HMO and a BCBS MI subsidiary. The company compete in government business directly in Medicare Advantage and Medicare supplement lines, and indirectly in Medicaid through its interest in AmeriHealth Caritas.

BCBS MI remains the largest insurer of individuals in the state of Michigan. BCBS MI in conjunction with its wholly owned subsidiary, BCN provides health care coverage and services to over one-half of Michigan's insurable population. These services are marketed to individuals and businesses by both group and independent agents. BCBS MI also processes claims and provides special utilization control and review programs for employer groups. The business environment within which BCBS MI operates includes a number of health insurers with national scale as well as local carriers with competitive cost structures and niche service capabilities.

During 2023, Blue Cross and Blue Shield of Vermont (BCBSVT) received regulatory approval for an affiliation with BCBS MI, which is expected to serve as the parent entity with oversight on structural, organizational and financial matters. Through the affiliation, BCBSVT is expected to access BCBS MI's scale and technology to deliver innovative and affordable products.

BCBS MI's consolidated membership had grown steadily prior to the pandemic. However, membership growth has been challenged since due to economic conditions in the state during the pandemic impacting ASO and large account in group membership, and a combination of increased competition and a strategic focus on increasing account profitability. Growth in government business has largely offset weakness in commercial enrollment. Commercial membership may remain challenged over the near term due to a range of both economic and insurance sector factors. The return of 4.0 Star rated MA plans in 2023 likely cause government business to continue to be the driver of membership growth over the near term.

The organization's consolidated operations are grouped broadly into Health Plan Business which includes all commercial health products, and Emerging Markets which includes its Senior Health Services business, its PC business through Accident Fund, its Medicaid Business, and its limited technology businesses.

Within the Health Plan segment BCBS MI has several key sub-segments; Autos, National and Key accounts, other Michigan based group business, and individual. The Autos segment is the company's business supporting the large Michigan based automotive industry. The National and Key accounts sub-segment is predominantly large ASO groups, while the Michigan business is mostly small and mid-sized groups. BCBS MI also has a contract with the UAW Retiree Medical Benefits Trust (URMBT) that continues through 2024.

The Auto, as well as Key and Large Group customer segments, mainly consists of large groups, which are generally self-funded relationships, and in the case of the Auto segment are concentrated in the automobile manufacturing industry. The Auto segment accounted for under 20% of the overall commercial enrollment in 2022 with limited growth driven by hiring favorability. The National and Key group segment currently accounts for almost half of the commercial membership.

The Michigan groups segments comprises both small and mid-sized groups. Groups with greater than 50 and less than 1000 eligible employees comprise the Middle Group portion of this segment. For the insured portion of these groups, BCBS MI sets rates based on a blend of group's actual experience and the pool's experience. The Small Group segment (groups with 50 or fewer eligible employees) follows the adjusted community rating methodology prescribed by the Patient Protection and Affordable Care Act (ACA). The overall rate level for this pool must be based off of the entire pool's experience and each member's rate in this pool can only vary based on the group's location, benefit design, family composition, member's age and smoker status. The Small Group rates are subject to Michigan Department of Insurance and Financial Services (DIFS) review and approval every year.

The Senior Health Services business consists of Medicare Supplemental (Medigap) and Medicare Advantage (MA) business. BCBS MI offers MA products to both individuals and employer groups (retirees).

Medigap enrollment has been showing modest declines in each of the last several years. Lower membership in Medigap is due to strategic pricing action leading to member migration into other products. Medigap along with MA are part of the organization's strategic product offerings in the senior market segment.

The MA product experienced rapid growth in both individual and group membership over the years. Growth was driven by new members as well as the transition of individuals from Medigap to MA. MA is projected to be one of the main sources of enrollment growth in the near term as the population ages. However, BCBS MI's MA products had lost their 4.0 Star ratings by the Centers for Medicare and Medicaid Services (CMS) for the 2022 plan year (2021 selling term) which is expected to moderate growth. This was temporary as the company regained 4.0+ Star ratings for the 2023 plan year. BCBS MI remains focused on a growth strategy that leverages on current capabilities to drive performance, enhance quality, and create efficiencies. BCBS MI's investment in ikaSystems and Tessellate Holdings, LLC supports its MA product offerings particularly as it pertains to back office capabilities and risk adjustment scoring.

The organization's sales and distribution channels consist of both an internal sales force and a network of agents that handle all health care products. Individual and Senior market products are sold through both an internal sales force and external distribution channels.

Business Profile (Continued...)

Additionally, the individual products external distribution channel includes the Federal Health Insurance Marketplace. BCBS MI sells to small groups exclusively through two managing agents and numerous producing agents. In addition, the company contracts with associations and chambers, which are exclusive arrangements. Large groups can enroll either directly or through an agent.

While BCBS MI's business is concentrated in Michigan, its operations are diversified through its subsidiaries and investments in BCBS MI's intermediate holding company, Emergent Holdings. Emergent Holdings offers property and casualty insurance in multiple states via Accident Fund and through Advantasure, NASCO and Tessellate, provides MA services to other insurers. Services offered include technology, quality, risk adjustment, provider engagement, compliance guidance and business process outsourcing services. Emergent, Inc, a subsidiary of Emergent Holdings, owns 51% ownership stake in Medicare Advantage plans with three other Blue Cross Blue Shield plans in other states, for which Emergent provides expertise, technology and service capabilities to other plans in the Medicare Advantage product.

Accident Fund Group specializes in underwriting workers' compensation insurance and manages its operations through four operating units, each with its own niche market: Accident Fund Companies, United Heartland, CompWest and Third Coast Underwriters. Collectively, the insurance companies within the group are licensed to provide workers compensation coverage in all 50 states and the District of Columbia in order to accommodate the needs of all clients. The Accident Fund Companies business unit focuses on small-to-mid-sized accounts in industries with low to medium hazard ratings and is the largest writer of workers' compensation in Michigan. Accident Fund has been writing workers compensation since 1912, and its risk appetite includes construction, health care, retail/wholesale, hospitality and manufacturing for small to medium sized businesses.

BCBS MI has minority ownership interest in AmeriHealth Caritas which provides Medicaid managed care coverage in numerous states.

Enterprise Risk Management

Oversight for BCBS MI's Enterprise Risk Management (ERM) process is performed by the Chief Risk Officer as well as the Risk Executive Committee (EOC). The Risk (EOC) is chaired by the Chief Risk Officer, and is governed by the Board's Enterprise Risk Committee. The EOC is comprised of a cross-functional team of BCBS MI vice presidents and is focused on the Own Risk and Solvency Assessment (ORSA), as well as to establish a risk aware corporate culture, ensure strategic decision making includes risk considerations and alignment with Enterprise Risk Appetite and for the timely and effective identification and management of Priority Enterprise Risks.

The group's risk statement framework holds a well-defined risk appetite statement that supports the effective selection of risks and provides a direction for managing those risks. In addition, the Board of Directors has reviewed and approved the Risk Appetite Statement, which articulates the risk appetite. Risk tolerances and limits are developed in line with the Risk Appetite Statement. Economic capital models are then used to test the risk appetite and risk tolerances. BCBS MI also performs stress and scenario testing annually which are included in its ORSA filings. The organization utilizes the Strategic Modeling software platform which includes economic capital, risk-based capital, cash flow, balance sheet and income statement impacts, as well as scenario modeling and stress testing. Modeling and enterprise risk reporting is performed in conjunction with capital and strategic planning which ensures consistent use of information across all capital and risk planning processes.

Environmental, Social & Governance

BCBS MI is exposed to ESG risks through its collection and maintenance of sensitive health data, stranded asset risk in its investment portfolio, and governance risk such that its brand is materially impaired, or it loses its non-profit status. BCBS MI plans to manage or mitigate these risks by following relevant regulations, developing ESG specific controls, and continuing to run the business according to the mission statement that in addition to serving the community, protects their brand and non-profit status.

Financial Statements

Year End - December 31

2023

2022

Balance Sheet	USD (000)	%	USD (000)	%
Cash and Short Term Investments	1,131,561	9.4	714,914	6.1
Bonds	3,906,705	32.4	4,403,070	37.6
Preferred and Common Stock	2,421,542	20.1	2,236,989	19.1
Other Invested Assets	2,269,381	18.8	2,702,626	23.1
Total Cash and Invested Assets	9,729,189	80.8	10,057,600	85.9
Premium Balances	538,318	0.9	416,189	0.9
Healthcare and Other Receivables	614,570	5.1	444,923	3.8
Other General Account Assets	1,163,328	9.7	787,981	6.7
Total General Account Assets	12,045,405	100.0	11,706,693	100.0
Total Assets	12,045,405	100.0	11,706,693	100.0
Policy and Claim Reserves	2,490,903	20.7	2,319,207	19.8
Asset Valuation Reserve	5,827	...	4,718	...
Accrued Expenses and Other General Account Liabilities	3,140,152	26.1	2,950,569	25.2
Total General Account Liabilities	5,636,882	46.8	5,274,493	45.1
Total Liabilities	5,636,882	46.8	5,274,493	45.1
Capital Stock	2,215	...	2,215	...
Paid-In and Contributed Surplus	191,503	1.6	109,085	0.9
Unassigned Surplus	6,214,805	51.6	6,320,900	54.0
Total Capital and Surplus	6,408,522	53.2	6,432,200	54.9
Total Liabilities, Capital and Surplus	12,045,405	100.0	11,706,693	100.0

Source: BestLink® - Best's Financial Suite

Last Update

December 03, 2024

Identifiers

AMB #: 069165

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Multi-Line business of AMB#: [060081 Blue Cross Blue Shield of Michigan Mutual Insurance Company](#).

AMB#: [060081 Blue Cross Blue Shield of Michigan Mutual Insurance Company](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

Financial Data Presented

See [LINK](#) for details of the entities represented by the data presented in this report.

BC/BS of Michigan Group

Operations

Domiciled: Michigan, United States

Business Type: Multi-Line - Blue Cross/Blue Shield

Organization Type: Mutual

Marketing Type: Independent Agency

Best's Credit Ratings

Rating Relationship

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

Best's Credit Rating Effective Date: December 03, 2024

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 069165 - BC/BS of Michigan Group](#).

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
068741	Blue Care Network of Michigan	A	a
060081	Blue Cross Blue Shield MI Mut	A	a

Last Update

December 03, 2024

Identifiers

AMB #: 060081

NAIC #: 54291

FEIN #: 38-2069753

LEI #: 254900ITOI19I4I7I707

Contact Information

Administrative Office:
600 Lafayette East, Detroit,
Michigan 48226
United States

Web: www.bcbsm.com

Phone: +1-313-225-9000

Fax: +1-313-225-6777

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Blue Cross Blue Shield of Michigan Mutual Insurance Company

Operations

Date Incorporated: February 01, 1975 | **Date Commenced:** January 01, 1975

Domiciled: Michigan, United States

Licensed: (Current since 01/14/2002). The company is licensed in Michigan.

Business Type: Health - Blue Cross/Blue Shield

Organization Type: Mutual

Marketing Type: Independent Agency

Best's Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion)

Best's Credit Ratings

Best's Credit Rating History

AM Best has assigned ratings on this company since 1999. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
Effective Date	Rating	Outlook	Action	Rating	Outlook	Action
Current -						
Dec 3, 2024	A	Negative	Affirmed	a	Negative	Affirmed
Nov 29, 2023	A	Stable	Affirmed	a	Stable	Affirmed
Dec 7, 2022	A	Stable	Affirmed	a	Stable	Affirmed
Nov 17, 2021	A	Stable	Affirmed	a	Stable	Affirmed
Nov 5, 2020	A	Stable	Affirmed	a	Stable	Affirmed

Management

Officers

President and CEO: Daniel J. Loopp

EVP and COO: Tricia A. Keith

EVP and CFO: Paul L. Mozak

EVP: Kenneth R. Dallafior

EVP: William M. Fandrich

EVP: Darrell E. Middleton

EVP: Lynda M. Rossi

EVP: Todd J. Van Tol

Officers (Continued...)

SVP and Treasurer: Waymond E. Harris
SVP and General Counsel: Laurine S. Parmely
SVP: Susan L. Barkell
SVP: Jeffrey L. Connolly
SVP: James D. Grant, M.D.
SVP: Michele A. Samuels
Vice President and Corporate Secretary: Elizabeth A. Irick

Directors

James G. Agee
Peter B. Ajluni, D.O.
Renee C. Axt
Ronald J. Bieber
William H. Black
Terry W. Burns
Rosalind R. Cooperman
Patrick J. Devlin
Sarah W. Doyle
Linda D. Forte
Joseph A. Garcia
Yousif B. Ghafari
Diane R. Goddeeris
Paula J. Herbart
Gerald Kariem
Kerry M. Kaysserian, D.D.S.
Melvin L. Larsen
Daniel J. Loepp
Christopher J. Maksym
Gary J. McInerney
Anne M. Mervenne
Susanne M. Mitchell
Brian E. Peters
Phillip Pierce
Dennis M. Ramus, M.D.
Shauna Ryder-Diggs, M.D.
Scott P. Serota
F. Remington Sprague, M.D.
Gregory A. Sudderth
Brad E. Thompson
Gary H. Torgow
Renee I. Turner-Bailey
Janice K. Uhlig

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- BRICKTOWN CAPITAL LLC (Affiliated Firm)

State Rate Filings

Summary of Approved Filings

BEST'S COMPANY REPORT

AMB #: 060081 - Blue Cross Blue Shield of MI Mut Ins Co

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 060081 - Blue Cross Blue Shield of Michigan Mutual Insurance Company](#)

Major Line	2024	2023	2022	2021	2020
Group Health - Dental	2	1	1	2	4
Group Health - Hearing	1	...	1	...	...
Group Health - Major Medical	24	14	10	15	13
Group Health - Prescription Drug	1	...	...	...	...
Group Health - Vision	4	3	2	3	4
Group Medicare Supplement - Pre-Standardized	...	1	1	...	...
Health - Other	4	3	2	2	1
Individual Health - Dental	2	1	...	2	2
Individual Health - Major Medical	1	...	...	1	1
Individual Health - Vision	1	2	2	2	2
Individual Medicare Supplement - Pre-Standardized	1	...	...	1	1
Individual Medicare Supplement - Standard Plans	4	4	4	5	5
Medicare Supplement - Other	17	24	15	24	11
Student Health Insurance	1	1	...	1	3
Total	63	54	38	58	47

Source: Best's State Rate Filings

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – Health, US.

Currency: US Dollars

	9-Months		Year End - December 31			
	2024		2023		2022	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	1,457,736	12.5	541,302	5.2	116,276	1.2
Bonds	1,930,147	16.5	1,856,299	17.9	2,348,943	23.3
Preferred and Common Stock	4,150,471	35.5	4,112,898	39.7	3,877,145	38.5
Other Invested Assets	2,349,183	20.1	1,953,503	18.8	2,409,112	23.9
Total Cash and Invested Assets	9,887,536	84.5	8,464,002	81.6	8,751,476	86.8
Premium Balances	282,944	2.4	444,485	4.3	341,045	3.4
Healthcare and Other Receivables	415,129	3.5	438,259	4.2	342,140	3.4
Other Assets	1,116,850	9.5	1,020,188	9.8	642,528	6.4
Total Assets	11,702,460	100.0	10,366,933	100.0	10,077,189	100.0
Unpaid Claims and Claim Adjustment Expenses	344,027	2.9	1,066,692	10.3	1,075,741	10.7
Health Policy and Claim Reserves	143,512	1.2	149,095	1.4	108,411	1.1
Advance Premiums	239,825	2.0	232,437	2.2	238,490	2.4
Amounts Held for Uninsured Plans	1,547,354	13.2	1,225,998	11.8	667,343	6.6
Taxes and General Expenses	768,381	6.6	603,079	5.8	504,744	5.0
Debt / Borrowings	759,788	6.5	49,943	0.5	225,167	2.2
Other Liabilities	1,604,051	13.7	677,831	6.5	854,863	8.5
Total Liabilities	5,406,937	46.2	4,005,075	38.6	3,674,759	36.5
Unassigned Surplus	6,295,523	53.8	6,361,858	61.4	6,402,430	63.5
Total Capital and Surplus	6,295,523	53.8	6,361,858	61.4	6,402,430	63.5
Total Liabilities, Capital and Surplus	11,702,460	100.0	10,366,933	100.0	10,077,189	100.0

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

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