

**Follow-Up Information Requested of GHMSI by the
D.C. Department of Insurance, Securities and Banking
at the September 10 – 11, 2009 Hearing**

1) Request from Mr. Rector, page 182, lines 2 to 12 Re: Data on Policies

- *GHMSI Response:*
 - GHMSI had a total of 36,752 individual policies as of the close of 2008: 12,905 issued in DC, in Maryland 9,816, and 14,031 in Virginia.
 - GHMSI had a total of 16,510 group policies as of the close of 2008: 3,712 issued in DC, 9,263 issued in Maryland and 3,535 issued in Virginia.
 - GHMSI had a total of 77 self-insured ASO contracts at the close of 2008: 25 accounts were based in DC, 43 accounts based in Maryland and 9 accounts based in Virginia.

2) Request from Mr. Rector, page 182, lines 2 to 12 Re: Numbers of Providers

- *GHMSI Response:*
 - GHMSI's provider network is made up of 4,423 providers located in DC with 30,900 located outside of DC. CareFirst BlueChoice's provider network, of which GHMSI owns 40%, has 3,671 providers in DC and 26,870 located outside of DC.
 - Only individual providers (practitioners) are reported. The provider "group" is not counted in this report.
 - If a practitioner is affiliated with multiple providers, multiple office locations, or multiple jurisdictions, then the provider is counted one time in each jurisdiction (county) where they have an office location. Two offices in the same jurisdiction count only as one practitioner.

3) Request from Mr. Rector, page 191, lines 11 to 21 Re: Data on the Correlation between Claims vs. Residence

- *GHMSI Response:* Based on claims data, nearly 70% (67% to be exact) of GHMSI's care costs are incurred in the jurisdiction where members live.

4) Request from Mr. Rector, page 215, lines 14 to 18, Re: Request a copy of GHMSI Charter

- *GHMSI Response:* Attached hereto as Exhibit A.

5) Request from Ms. Schroeder, page 219, line 13 to line 18, Re: Community Reinvestment for 2008 and Projected for 2009

- *GHMSI Response*¹:
 - In 2008, GHMSI reinvested a total of \$31.3 million in its service area: \$5.2 million in grants, \$9.9 million in subsidies and \$16.2 million in premium taxes.

¹ The implementation of cross-jurisdictional accounting rules in 2008 complicated the calculation of subsidies and premium taxes allocated to GHMSI vs. CFMI. We have presented a conservative community reinvestment number for GHMSI in 2008 (with any additional contributions being captured in CFMI) and a reasonable estimate for giving, subsidies, and taxes for GHMSI in 2009.

More detailed information about the grants is available on the DISB website under the heading CareFirst Community Giving. When reviewing this information, please refer to the items labeled NCA (National Capital Area) which is synonymous with GHMSI's service area.

- In 2009, GHMSI expects to reinvest a total of \$45 million in its service area. As of September 30, 2009 a total of \$33.6 million has already been reinvested in the community. Of this amount, \$4.3 million is in the form of grants, \$14.5 million in subsidies, and \$14.8 million in premium taxes. Please note that the subsidy and premium tax numbers are estimated.

6) Request from Mr. Toole, page 246, line 7 to page 247 line 12, concerning other surplus studies GHMSI's expert (Milliman) has performed for other insurers and when the surplus was outside of Milliman's recommended optimal range:

- *Response of Robert H. Dobson of Milliman:* We have performed ten other such studies in recent years where we recommended a range. One of the insurers was inside of the range at the time of the study. The others were all outside of the range, both above and below.

7) Request from Rector and Associates received via e-mail on October 21, 2009 inquiring as to the effect of a change in assumption in the Milliman model. What would the RBC range for GHMSI be if the goal was to assure that it was a "virtual certainty" that GHMSI's RBC range would remain above 200%?

GHMSI Response: 750% - 900%

8) Request from Mr. Toole, page 246, line 7 to page 247 line 12, concerning other surplus studies GHMSI's expert (Lewin) has performed:

- *Lewin Response:* The Lewin Group has performed surplus/reserves and community benefits analyses on behalf of six different BCBS plans. Our analysis often includes many activities, including market and competitive assessments, community benefit obligations, and calculations of surplus ranges. Not all plans have requested target surplus ranges, as the surplus ranges are just one component of a larger effort.
 - The following four ranges have been calculated on behalf of Blue Cross Blue Shield plans. These projects were all proprietary, so no names are given and the ranges have been rounded to the nearest 50th percentile. The four ranges are: 550% – 750%, 550% – 800%, 600% – 850%, and 650% – 900%. These ranges were developed using Lewin's historical RBC model, which relied solely upon publicly available financial filings as reported to the NAIC, and models potential losses based on the historical variation of surplus as a percent of revenue experienced by similar, comparable Blue plans. Of these four projects, one of the plans was above the range suggested by Lewin's model.
 - In addition to working for various Blue plans, Lewin has also recently worked with three states, Pennsylvania, Washington and Rhode Island, on surplus issues. Some of our work was focused more on policies for regulating surplus. For two states, Pennsylvania and Rhode Island, we calculated surplus ranges. The appropriate range for Rhode Island's Blue Cross plan was determined to be 650% – 900%. In Pennsylvania, Lewin did not individually assess each plan.

Rather, we used our model to assess the reasonableness of the ranges set forth by the Pennsylvania Insurance Department. This analysis led us to conclude that surplus levels that produce RBC ratios in the range of 500% to 900% can be justified to protect against underwriting swings that could jeopardize a Blue plan's standing with state insurance regulators and the Blue Cross Blue Shield Association.

NOTE: A review of the transcript identified the following additional commitments made by GHMSI during the hearing.

9) Request from Mr. Rector, page 185, beginning on line 22 Re: Who pays what portion of premium?

- *GHMSI Response:* Detailed information is available on the slide attached hereto as Exhibit B.

10) Request from Mr. Toole, page 239, line 6 to page 240, line 9, related to management interventions during the loss cycle.

- *Response of Robert H. Dobson of Milliman:* The answer given in testimony was not as complete as it might have been. Actually, the use of the 2- and 2½-year rating cycle approach is based on management intervening quite rapidly to address the under-rating that is assumed to be occurring during the loss cycle. It is true that we do not assume that management increases margins, but we do assume that management reacts quickly to restore margins to the assumed level.

11) Request from Mr. Rector to Ms. Chollet and GHMSI, page 353, lines 10 to 17, regarding where GHMSI falls relative to the Pennsylvania Plans

Response of Robert H. Dobson of Milliman: In our opinion, GHMSI falls much closer to Capital Blue Cross (Capital) than it does to either Highmark or Independence Blue Cross (IBC). See the attached comparison of premiums. We have reviewed the opinion of the Pennsylvania Insurance Commissioner. It appears that the two primary drivers of her classification of the Pennsylvania Blue Plans into size categories were premium level and diversification. With regard to diversification, we believe that GHMSI is more like Capital than Highmark and IBC as well, based both on the number of subsidiaries and the types of business in which the subsidiaries are engaged. The subsidiaries are also identified in the tables attached hereto as Exhibit C.

CareFirst, Inc.
Summary of Premium from 2003 and 2008 Statutory Financial Statements⁽¹⁾
(\$ millions)

Company	Premium				2008 Net Premium for Parent Only	Surplus Ratio - 2008			Pennsylvania Determination: Sufficient Operating Surplus Range ⁽²⁾
	Direct		Net			Surplus	ACL-RBC	Ratio	
	2003	2008	2003	2008					
Highmark	\$7,724.0	\$11,217.5	\$7,643.7	\$11,201.1	\$5,770.4	\$3,063.1	\$479.6	639%	550% - 750%
Independence Blue Cross	7,992.8	10,112.4	8,049.4	10,192.2	343.0	1106.8	329.3	336%	550% - 750%
Capital Blue Cross	1,776.2	1,980.4	1,773.7	1,979.9	197.5	624.8	73.4	851%	750% - 950%
GHMSI ⁽³⁾	2,248.2	3,825.1	2,247.9	3,513.4	2,815.2	686.8	81.3	845%	

Notes:

(1) Includes premiums for subsidiaries.

(2) As measured by the lower of Health RBC ratio or consolidated risk factor ratio.

(3) GHMSI includes 40% of CFBC.

12) Request from Commissioner Barlow, page 357, line 1 to line 7, Re: request for legal analysis.

Hogan & Hartson Response: Please refer to the post-hearing brief submitted by Hogan & Hartson which is included in the package of materials delivered to DISB on November 2, 2009.

Exhibit A
GHMSI Charter

Maintenance in separate fund of designated sums transferred; uses.

SEC. 2. (a) From the fund authorized to be transferred by section 1 hereof, the Secretary of Agriculture is authorized to transfer to the Secretary of the Interior sums as follows to be maintained in a separate fund, \$75,000, which shall be used by the Secretary of the Interior to promote the free flow of domestically produced fishery products in commerce by conducting a fishery educational service; and \$100,000, which shall be used by the Secretary of the Interior to develop and increase markets for fishery products of domestic origin.

Approved, August 11, 1939.

[CHAPTER 697]

AN ACT

To authorize the addition of certain lands to the Wenatchee National Forest.

August 11, 1939
[H. R. 5747]
[Public, No. 394]

Wenatchee National Forest, Wash.
Addition of certain lands authorized.

42 Stat. 465; 43 Stat. 1090.
16 U. S. C. §§ 485, 486.

Inclusion of public lands.

Prior rights not affected.

Mineral locations, etc.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any of the following-described lands which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes may be exchanged under the provisions of the Act entitled "An Act to consolidate national forest lands", approved March 20, 1922, as amended, and upon acceptance of title therefor shall become parts of the Wenatchee National Forest: Township 25 north, range 21 east, Willamette meridian, section 5; section 6, north half. Township 26 north, range 21 east, Willamette meridian, sections 1 to 8, inclusive; section 17, west half; sections 18 and 19; section 20, west half; section 29, west half; sections 30 and 31. Township 27 north, range 21 east, Willamette meridian, sections 19 to 36, inclusive.

SEC. 2. All public lands within the areas described in section 1 are hereby added to the Wenatchee National Forest and shall hereafter become subject to all laws and regulations applicable to national forests. The addition of such lands shall not affect any entry or vested right under the public land laws initiated prior to the passage of this Act. Lands received in exchange or purchased under the provisions of this Act shall be open to mineral locations, mineral development, and patent, in accordance with the mining laws of the United States.

Approved, August 11, 1939.

[CHAPTER 698]

AN ACT

Providing for the incorporation of certain persons as Group Hospitalization, Inc.

August 11, 1939
[H. R. 6206]
[Public, No. 395]

Group Hospitalization, Inc.
Incorporators.

Corporate name.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Arthur C. Christie, doctor of medicine; Major General Charles R. Reynolds; Mrs. Joshua Evans, Junior; Joseph H. Himes; General Frank T. Hines; Frank R. Jelleff; Howard W. Kacy; Mark Lansburgh; Admiral Ross T. McIntire; George H. O'Connor; Sidney F. Taliaferro; Charles S. White, doctor of medicine; Roger J. Whiteford; Thomas W. Brahany; and E. Barrett Prettyman, and their successors to be selected in the manner hereinafter declared, be, and they hereby are, incorporated and made a body politic and corporate, by the name of "Group Hospitalization, Inc.", and by that name may contract and be contracted with, sue and be sued, plead and be impleaded in any court of law or equity of competent jurisdiction, and may have and use a common seal.

SEC. 2. Said corporation is hereby authorized and empowered (a) to enter into contracts with individuals or groups of individuals to provide for hospitalization of such individuals, upon payment of specified rates or premiums, and to issue to such individuals appropriate certificates evidencing such contracts; (b) to enter into contracts with hospitals for the care and treatment of such individuals, in accordance with the terms of such certificates; and (c) to cooperate, consolidate, or contract with groups or organizations interested in promoting and safeguarding the public health.

Powers.

SEC. 3. Said corporation shall not be conducted for profit, but shall be conducted for the benefit of the aforesaid certificate holders. The business and affairs of this corporation shall be conducted by its board of trustees, who shall have full power and authority in the premises, including authority to provide for all expenses incident to the conduct and management of its business and affairs. The number of trustees shall be fixed by the bylaws, but shall be at least fifteen, and shall be maintained so as to be divisible into three equal classes. The incorporators are hereby declared to be the first board of trustees of this corporation, and their respective terms of office shall be as follows: General Frank T. Hines, Sidney F. Taliaferro, and Frank R. Jelleff, five years; Howard W. Kacy, Admiral Ross T. McIntire, and Arthur C. Christie, four years; Major General Charles R. Reynolds, Joseph H. Himes, and Charles S. White, three years; Mrs. Joshua Evans, Junior, Mark Lansburgh, and George H. O'Connor, two years; Roger J. Whiteford, Thomas W. Brahany, and E. Barrett Prettyman, one year. Upon the expiration of the respective terms of said trustees, their successors shall be appointed as follows: One by the Commissioners of the District of Columbia, one by the Medical Society of the District of Columbia, and one by a group consisting of the president or chairman of the boards of trustees or other designated individual of each hospital with which the corporation shall have contracts for hospitalization, at a meeting called thirty days in advance by the president of Group Hospitalization, Inc. If either of the other two groups aforesaid shall fail to name their respective quotas of trustees at any time, then such trustees shall be selected by the Commissioners of the District of Columbia. If the number of trustees shall be increased, each of the appointing authorities heretofore designated shall increase, proportionately, the number of trustees to be appointed by such appointing authority. Each of the trustees to be appointed as aforesaid shall serve for five years.

Nonprofit business, conducted for benefit of certificate holders.

Trustees.

Incorporators declared first board of trustees; terms of office.

Appointment of successors.

SEC. 4. The first board of trustees shall meet within ten days after the approval of this Act and elect a president, vice president, secretary and treasurer, and from time to time such additional officers as the bylaws may provide, and also transact such other business as may properly come before them, including the preparation for approval, from time to time, of the necessary bylaws for the proper conduct of the corporation. The treasurer shall give bond to the corporation with sufficient surety, in such penalty as the trustees determine, for the faithful discharge of his duty. Thereafter the meetings of the trustees shall be held at such time and place as provided in the bylaws. In case of vacancy in the board of trustees caused otherwise than by expiration of term of office, such vacancy shall be filled by the remaining trustees for the unexpired term of such former trustee.

Meetings, officers, etc.

SEC. 5. The corporation shall file with the superintendent of insurance of the District of Columbia a certified copy of this charter, of its bylaws, and copies of the forms of contracts to be offered to the certificate holders, whereupon the company may commence operations under this charter. The corporation shall also file annually with said superintendent of insurance a statement disclosing the operations of

Certified copy of charter to be filed with superintendent of insurance, D. C.

Report.

Improper conduct.	the corporation for the preceding year, and its financial position. If said superintendent shall have reason to believe that this corporation is not complying with the provisions of this charter, or is being operated for profit, or fraudulently conducted, he shall cause to be instituted the necessary proceedings to enjoin such improper conduct, or to dissolve this corporation.
Investments.	SEC. 6. The funds of this company may be invested only in securities in which the funds of insurance companies may be invested, as provided by the laws of the District of Columbia.
Application of D. C. laws.	SEC. 7. This corporation shall not be subject to the provisions of statutes regulating the business of insurance in the District of Columbia, but shall be exempt therefrom unless specifically designated therein.
Purposes declared; property tax-exempt; exception.	SEC. 8. This corporation is hereby declared to be a charitable and benevolent institution, and all of its funds and property shall be exempt from taxation other than taxes on real estate.
Corporate authority.	SEC. 9. The corporation is hereby authorized and empowered to take over, carry out, and assume all contracts, obligations, assets, and liabilities of a corporation heretofore organized and now doing business in the District of Columbia under the name of Group Hospitalization, Inc.
Right to amend or repeal reserved.	SEC. 10. This Act may be altered, amended, or repealed at the pleasure of the Congress of the United States of America.

Approved, August 11, 1939.

[CHAPTER 699]

AN ACT

August 11, 1939 [H. R. 6634] [Public, No. 396]	Amending previous flood-control Acts, and authorizing certain preliminary examinations and surveys for flood control, and for other purposes.
Flood control. 50 Stat. 877. 33 U. S. C., Supp. IV, § 701g. Removal of debris, etc.	<i>Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,</i> That section 2 of the Flood Control Act of August 28, 1937, is hereby amended to read as follows: "That the Secretary of War is hereby authorized to allot not to exceed \$300,000 from any appropriations heretofore or hereafter made for any one fiscal year for flood control, for removing accumulated snags and other debris and clearing channels in navigable streams and tributaries thereof when in the opinion of the Chief of Engineers such work is advisable in the interest of flood control: <i>Provided</i> , That not more than \$25,000 shall be allotted for this purpose for any single tributary from the appropriations for any one fiscal year."
Preciso. Restriction.	SEC. 2. Funds heretofore or hereafter appropriated for construction and maintenance of flood-control works by the War Department shall be available for expenditure by the War Department in making examinations and surveys for flood control heretofore or hereafter authorized, or in preparing reports in review thereof as authorized by law, in addition to funds heretofore authorized to be expended for such purposes by the War Department.
Funds made available for surveys, preparing reports, etc.	SEC. 3. That section 2 of the River and Harbor Act of June 20, 1938, is hereby made applicable to authorized works of flood control.
52 Stat. 804. 33 U. S. C., Supp. IV, § 558b. Exchange of land or other property. Buffalo Bayou and tributaries, Tex. 52 Stat. 802.	SEC. 3a. Buffalo Bayou and its tributaries, Texas; the project set forth in House Document Numbered 456, Seventy-fifth Congress, and authorized by Public Law Numbered 685, Seventy-fifth Congress, is hereby modified in accordance with the provisions of section 2 of Public Law Numbered 761, Seventy-fifth Congress, and all requirements of local cooperation inconsistent with said section 2 are hereby eliminated.
52 Stat. 1215. 33 U. S. C., Supp. IV, § 701c (note). Ohio River Basin. 52 Stat. 1217.	SEC. 4. The flood-control plan for the Ohio River Basin authorized in section 4 of the Act of Congress June 28, 1938 (Public, Numbered

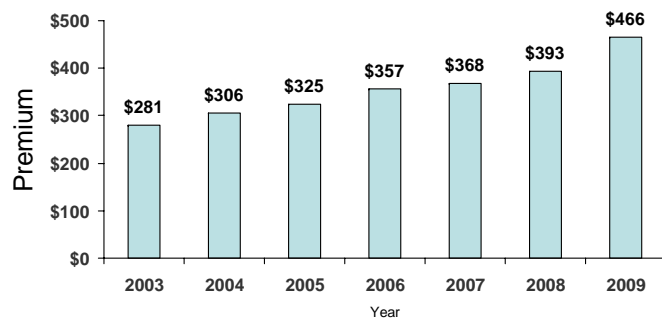
Exhibit B

Data on Employer / Employee Share of Premium

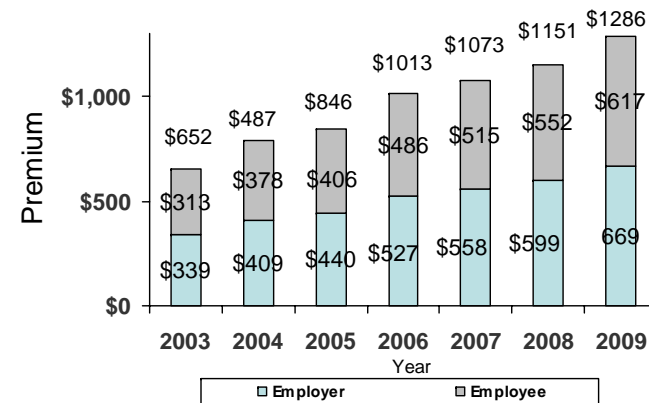
Premium History - <65 and Small Group (2-50)

- Since 2003, the premium for the most popular Individual Under 65 product has increased 66%.
- The premium for one of the most popular MSGR product (HMO) has increased 97% since 2003 and Non-MSGR (PPO) increased 50% in VA and 31% in DC.

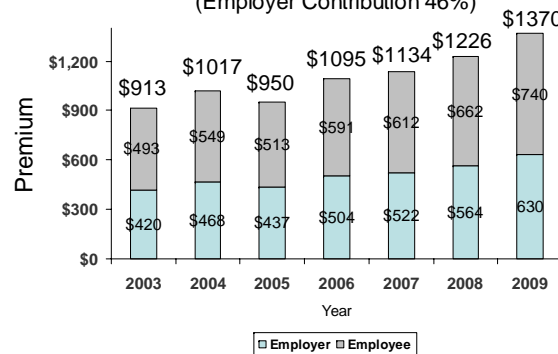
Individual Under 65 Premium Changes Over Time:
Personal Comp Family Rate for Average Age 41



MSGR (2-50) Premium Changes HMO Family Rate for
Average Age 37 (Employer Contribution 52%)



Non-MSGR VA (2-50) Premium Changes PPO Family
Rate for Average Age 37
(Employer Contribution 46%)



Non-MSGR DC (2-50) Premium Changes PPO
Family Rate for Average Age 37
(Employer Contribution 58%)

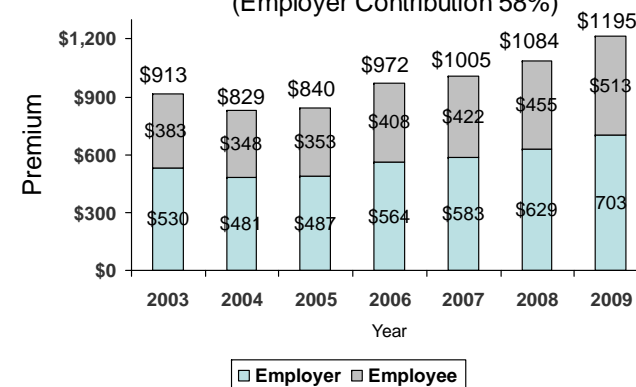


Exhibit C

Spreadsheets Comparing Pennsylvania Blue Plan Subsidiaries vs. GHMSI

CareFirst, Inc.

Summary of Premium from 2003 and 2008 Statutory Financial Statements ⁽¹⁾
(\$ millions)

Company	Premium				2008 Net Premium for Parent Only	Surplus Ratio - 2008			Pennsylvania Determination: Sufficient Operating Surplus Range ⁽²⁾
	Direct		Net			Surplus	ACL-RBC	Ratio	
	2003	2008	2003	2008					
Highmark	\$7,724.0	\$11,217.5	\$7,643.7	\$11,201.1	\$5,770.4	\$3,063.1	\$479.6	639%	550% - 750%
Independence Blue Cross	7,992.8	10,112.4	8,049.4	10,192.2	343.0	1106.8	329.3	336%	550% - 750%
Capital Blue Cross	1,776.2	1,980.4	1,773.7	1,979.9	197.5	624.8	73.4	851%	750% - 950%
GHMSI ⁽³⁾	2,248.2	3,825.1	2,247.9	3,513.4	2,815.2	686.8	81.3	845%	

Notes:

- (1) Includes premiums for subsidiaries.
(2) As measured by the lower of Health RBC ratio or consolidated risk factor ratio.
(3) GHMSI includes 40% of CFBC.

GHMSI

Row	Ownership Percentage	2003				2008			
		Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income	Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income
Parent									
1 GHMSI	-	1,891,205,238	283,440	293,993	1,891,194,685	3,126,829,036	75,097,709	386,712,596	2,815,214,149
Health Company Subsidiaries									
2 Capital Care Inc	40.0%	6,528,846	-	734,983	5,793,863	2,279,273	-	63,520	2,215,753
3 Carefirst Bluechoice Inc	40.0%	818,942,533	-	-	818,942,533	1,735,310,487	8,028,065	25,000	1,743,313,552
4 Delmarva Health Plan Inc	40.0%	277,150	-	-	277,150	-	-	-	-
5 Denial Network Inc (The)	40.0%	13,036,473	-	-	13,036,473	-	-	-	-
6 PHN HMO Inc	40.0%	53,650,045	-	-	53,650,045	-	-	-	-
7 The Dental Network Inc	40.0%	-	-	-	-	8,028,065	-	8,028,065	-
Total (Reflects Ownership Percentage)		2,248,179,257	283,440	587,986	2,247,874,711	3,825,076,166	78,308,935	389,959,230	3,513,425,871

Capital Blue Cross

Row	Ownership Percentage	2003				2008			
		Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income	Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income
Parent									
1 Capital Blue Cross	-	379,078,078	-	586,815	378,491,263	197,937,711	-	459,364	197,478,347
Health Company Subsidiaries									
2 Avalon Health Ltd	100.0%	-	-	-	-	-	-	-	-
3 Avalon Ins Co	100.0%	-	-	-	-	27,339,874	-	-	27,339,874
4 Capital Advantage Insurance Company	100.0%	933,345,916	-	-	933,345,916	1,319,413,859	1,584,498	-	1,320,998,357
5 Dominion Dental Services Inc	100.0%	12,889,156	-	-	12,889,156	10,874,708	-	-	10,874,708
6 Keystone Health Plan Central Inc	100.0%	450,914,882	-	1,917,059	448,997,823	424,791,058	-	1,584,498	423,206,560
Total (Reflects Ownership Percentage)		1,776,228,032	-	2,503,874	1,773,724,158	1,980,357,210	1,584,498	2,043,862	1,979,897,846

Independence Blue Cross

Row	Ownership Percentage	2003				2008			
		Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income	Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income
Parent									
1 Independence Blue Cross	-	362,984,950	77,548,403	8,926,022	431,607,331	289,437,367	58,085,440	4,538,552	342,984,255
Health Company Subsidiaries									
2 AmeriHealth HMO of Texas Inc	100.0%	-	-	-	-	-	-	-	-
3 AmeriHealth Hmo Inc	100.0%	698,329,365	-	9,671,863	688,657,502	413,539,872	-	3,740,051	409,799,821
4 AmeriHealth Insurance Co of NJ	100.0%	213,337,569	7,658,726	769,147	220,227,148	279,283,121	3,261,715	-	282,544,836
5 AmeriHealth of FL Inc	100.0%	-	-	-	-	-	-	-	-
6 Healthcare Delaware Inc	100.0%	-	-	-	-	-	-	-	-
7 Inter County Health Plan Inc	50.0%	41,053,584	-	41,053,584	-	25,527,137	-	25,527,137	-
8 Inter Cty Hospitalization Plan Inc	50.0%	77,548,403	-	77,548,403	-	59,185,739	-	59,185,739	-
9 Keystone Health Plan East Inc	100.0%	4,067,317,710	-	-	4,067,317,710	3,983,662,585	-	-	3,983,662,585
10 QCC Insurance Company	100.0%	2,470,915,061	22,227,419	3,428,909	2,489,713,571	2,933,210,230	4,127,075	-	2,937,337,305
11 Region 6 Rx Corp	100.0%	-	-	-	-	-	-	-	-
12 Select Health of SC	50.0%	-	-	-	-	274,935,492	-	437,889	274,497,603
13 Vista Health Plan Inc	100.0%	-	-	-	-	1,945,000,000	-	-	1,945,000,000
Life Company Subsidiaries									
14 Independence Ins Inc	100.0%	-	-	-	-	-	-	-	-
15 LA Cruz Azul DE Puerto Rico Inc	100.0%	115,404,070	-	527,000	114,877,070	74,140,776	-	172,397	73,968,380
Casualty Company Subsidiaries									
16 AmeriHealth Casualty Company	100.0%	5,217,289	49,868,433	18,087,020	36,998,702	14,251,971	69,223,085	3,868,247	79,606,809
Total (Reflects Ownership Percentage)		7,992,807,008	157,302,981	100,710,955	8,049,399,034	10,112,350,106	134,697,315	54,894,630	10,192,152,792

Highmark

	Row	Ownership Percentage	2003			2008				
			Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income	Direct business	Reinsurance assumed	Reinsurance ceded	Net premium income
Parent										
1	Highmark Inc	-	3,970,938,547	40,398,361	80,399,727	3,930,937,181	5,748,622,546	25,805,605	4,013,310	5,770,414,841
Health Company Subsidiaries										
2	Davis Vision of MI Inc	100.0%	5,424,698	-	-	5,424,698	-	-	-	-
3	First Priority Life Insurance Co	40.0%	-	-	-	-	387,883,743	-	-	387,883,743
4	Gateway Health Plan Inc	50.0%	715,394,507	-	397,985	714,996,522	1,263,678,207	-	799,274	1,262,878,933
5	Gateway Health Plan of OH Inc	50.0%	-	-	-	-	346,531	-	38,951	307,580
6	HM Health Insurance Company	100.0%	1,477	-	-	1,477	69,911,569	-	-	69,911,569
7	HMO of Northeastern PA	40.0%	-	-	-	-	284,804,722	-	-	284,804,722
8	Healthguard of Lancaster Inc	100.0%	150,927,220	-	2,407,222	148,519,998	127,694,569	-	-	127,694,569
9	Highmark Senior Resources Inc	100.0%	-	-	-	-	-	-	-	-
10	Inter County Health Plan Inc	50.0%	41,053,584	-	41,053,584	-	-	-	-	-
11	Inter City Hospitalization Plan Inc	50.0%	77,548,403	-	77,548,403	-	-	-	-	-
12	Jusdental of Delmarva Inc	100.0%	64,643	-	-	64,643	-	-	-	-
13	Keystone Health Plan West Inc	100.0%	1,973,542,264	-	-	1,973,542,264	2,456,589,409	-	-	2,456,589,409
14	Mountain State BCBS Inc	0.0%	448,929,072	-	2,430,510	446,498,562	719,500,211	-	2,641,460	716,858,751
15	Superblue HMO	100.0%	-	-	-	-	-	-	-	-
16	Unid Concordia Dntl Plans of FL Inc	100.0%	131,118	-	-	131,118	5,795	-	-	5,795
17	Unid Concordia Dntl Plans of IL Inc	100.0%	103,741	-	-	103,741	-	-	-	-
18	Unid Concordia Companies Inc	100.0%	365,439,420	-	-	365,439,420	505,411,670	-	-	505,411,670
19	United Concordia Dental Plan PA Inc	100.0%	32,802,732	-	-	32,802,732	32,884,415	-	-	32,884,415
20	United Concordia Dental Plans	100.0%	32,569,336	-	-	32,569,336	17,343,606	-	-	17,343,606
21	United Concordia Dental Plans CA Inc	100.0%	-	-	-	-	-	-	-	-
22	United Concordia Dental Plans DE Inc	100.0%	1,056,900	-	-	1,056,900	-	-	-	-
23	United Concordia Dental Plans TX Inc	100.0%	441,229	-	-	441,229	827,550	-	-	827,550
24	United Concordia Dental Plans of AZ	100.0%	143,220	-	-	143,220	-	-	-	-
25	United Concordia Dental Plans of CO	100.0%	-	-	-	-	-	-	-	-
26	United Concordia Dental Plans of Cal	100.0%	-	-	-	-	35,955,895	-	-	35,955,895
27	United Concordia Dental Plans of KY	100.0%	949,517	-	-	949,517	571,884	-	-	571,884
28	United Concordia Dental Plans of WA	100.0%	-	-	-	-	-	-	-	-
29	United Concordia Dental Plins of MW	100.0%	19,944,044	-	-	19,944,044	14,127,492	-	-	14,127,492
30	United Concordia Insurance Co of NY	100.0%	4,534,623	-	-	4,534,623	9,822,467	-	-	9,822,467
31	United Concordia Insurance Company	100.0%	156,655,337	758	78,327,669	78,328,426	269,009,761	-	134,345,644	134,664,117
32	United Concordia Life & Health Ins	100.0%	232,432,443	156,864,293	-	389,296,736	509,504,190	134,345,643	-	643,849,833
Life Company Subsidiaries										
33	Hm Life Ins Co	100.0%	244,718,485	24,152,406	51,238,439	217,632,455	387,105,274	85,029,948	88,188,577	383,946,645
34	Hm Life Ins Co of NY	100.0%	33,990,237	-	2,865,777	31,124,461	58,999,109	63,185	5,773,478	53,288,816
Casualty Company Subsidiaries										
35	HM Casualty Insurance Company	100.0%	-	-	-	-	9,145,383	-	9,145,383	-
36	Highmark Casualty Company	100.0%	80,149,575	2,004,783	28,918,794	53,235,564	98,860,083	9,411,215	29,194,839	79,076,459
Total (Reflects Ownership Percentage)			7,723,959,053	223,420,601	303,657,614	7,643,722,040	11,217,524,527	254,655,596	271,080,344	11,201,099,780