



**Q&A - General information to share with customers regarding Blue Cross Blue Shield of Michigan as a mutual nonprofit company.**

**So what is this 'mutual' all about?**

First, some background. The governor recently signed a bill that regulates all health insurers in Michigan under the same set of rules. It also allows the Blue Cross board of directors to transition the company to a nonprofit insurer.

**What is a mutual insurance company?**

A mutual is just a common governance structure for an organization and is characterized by member ownership. Some of the most well-known insurance organizations in Michigan are organized as a mutual.

**Does the law allow Blue Cross Blue Shield of Michigan to become a for-profit company?** No. Our nonprofit status and our commitment to Michigan stay the same. The law has specific language that prevents the Blues from converting to a for-profit company or the sale of the company.

**How does this affect my current health care benefits?**

Your current health care benefits do not change because of our transition to a mutual. There will be changes in health care products in 2013 and 2014 because of national health reform, not by our transition to a mutual insurance company.

**Will my doctor and hospital still be in the provider network?**

Doctors will remain in their Blue Cross and Blue Care Network provider networks.

**Will my Medigap premium change?**

Under the legislation, Blue Cross Medigap premiums will stay the same until 2016.

**Does BCBSM become a mutual company immediately?**

No. The process to become a mutual company occurs over the coming months and is expected to be completed by January 2014. Steps include establishing the new company, merging the existing company into the new structure, and making changes to conform to regulations under the Michigan Insurance Code.



**Do you have a timeframe when the Blues will become a mutual insurer?**

We anticipate receiving approval from our board of directors on our transition activities in the summer months, and completing full transition to a mutual by year-end.

**Does the change mean that BCBSM will be subject to new state taxes?**

Yes. BCBSM will remain a nonprofit but will be subject to state property and a state premium tax like many other health plans in our state. The state taxes go into effect in Jan. 2014. BCBSM already pays federal taxes and a state claims tax. We will provide additional information later this year about the state tax.