

## Blue Cross Blue Shield of Michigan Responds to Attorney General's Complaint, Says Transaction Was Legal

by PR-Newswire

DETROIT, July 2 /PRNewswire/ -- The Michigan Attorney General announced on July 2 he was filing a lawsuit against Blue Cross Blue Shield of Michigan challenging a capital transaction between BCBSM and Accident Fund.

The Attorney General has taken the position that BCBSM is not authorized by Public Act 350 to do the transaction. We strongly disagree and, in fact, Accident Fund obtained prior regulatory approval for the transaction. BCBSM will be litigating the civil matter in state circuit court.

BCBSM owns and operates subsidiaries, including Accident Fund. Our subsidiaries are a stabilizing influence on BCBSM health insurance rates for our more than 4.6 million members. Our subsidiaries help BCBSM operate on a financial margin of one-tenth of one percent on its health care business. Accident Fund's national growth has returned hundreds of new jobs and economic growth to Michigan. The reason why we are able to subsidize care for seniors, low income children and others in need of access is because of the strength of our subsidiaries.

The transaction was fully disclosed last year when Accident Fund filed a disclosure form with our regulator, the Office of Financial and Insurance Regulation. In addition to the regulatory approval, the Insurance Commissioner recently conveyed to the Michigan Legislature that the transaction was proper. The Attorney General's office also was notified in advance of the transaction last year and no concerns were expressed.

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Source: Blue Cross Blue Shield of Michigan

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