

**Department of Managed Health Care/Department of Insurance  
Medical Loss Ratio Reporting Form  
Dental Coverage**

|           |   |  |
|-----------|---|--|
| <b>1.</b> | <b>MLR Reporting Year</b>   | <b>2014</b>  |
| <b>2.</b> | <b>Enter DMHC Health Plan ID. Insurers may leave this field blank</b> |  |
| <b>3.</b> | <b>Legal Name</b>   | <b>Blue Shield of California Life &amp; Health Insurance Co.</b> |
| <b>4.</b> | <b>DBA</b>  |  |
| <b>5.</b> | <b>Federal Tax Exempt Status? Please enter Yes or No</b>              | <b>No</b>  |

**Cell Key:**

**Blank cells require input from Health plan or Health insurer**

Version 4.22.15

Revised Version 5.26.15



Health Plan ID  
 0  
 Least Name  
 Blue Shield of California Life & Health Insurance Co.  
 dBA  
 0  
 MLR Reporting Year  
 2014

# Part 2

| Part 2<br>NOTE: REFER TO MLR INSTRUCTIONS FOR IMPORTANT INFORMATION ABOUT  | Health Insurance Coverage<br>Dental Products |                     |                      |                     |                      |                     | Health Insurance Coverage<br>Dental & Indemnity Products |                     |                      |                     |                      |                     |
|--|--|---------------------|----------------------|---------------------|----------------------|---------------------|--|---------------------|----------------------|---------------------|----------------------|---------------------|
|  | Individual                                   |                     | Small Group          |                     | Large Group          |                     | Individual   |                     | Small Group          |                     | Large Group          |                     |
|  | Total as of 12/31/14                         | Total as of 3/31/15 | Total as of 12/31/14 | Total as of 3/31/15 | Total as of 12/31/14 | Total as of 3/31/15 | Total as of 12/31/14                                     | Total as of 3/31/15 | Total as of 12/31/14 | Total as of 3/31/15 | Total as of 12/31/14 | Total as of 3/31/15 |
|  | 1  | 2                   | 3                    | 4                   | 5                    | 6                   | 7  | 8                   | 9                    | 10                  | 11                   | 12                  |
| 1. Premium:  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 1.1 Direct premium written   |  |                     |                      |                     |                      |                     | \$ 8,686,967   | \$ 8,686,967        | \$ 398,718           | \$ 398,718          |                      |                     |
| 1.2 Unearned premium prior year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 1.3 Unearned premium MLR Reporting year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 1.4 Premium balances written off   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2. Claims:   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.1 Claims Paid:   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.1a Claims paid during the MLR reporting year regardless of incurred date   |  |                     |                      |                     |                      |                     | \$ 3,556,797   | \$ 3,556,797        | \$ 166,320           | \$ 166,320          |                      |                     |
| 2.1b Claims incurred only during the MLR reporting year, paid through 3/31 of the following year                                     |  |                     |                      |                     |                      |                     | \$ 3,499,228   | \$ 3,499,228        | \$ 165,705           | \$ 165,705          |                      |                     |
| 2.2 Direct claim liability:  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.2a Liability as of 12/31 of MLR reporting year for all claims regardless of incurred date  |  |                     |                      |                     |                      |                     | \$ 563,982   | \$ 563,982          | \$ 24,424            | \$ 24,424           |                      |                     |
| 2.2b Liability for claims incurred only during the MLR reporting year, calculated as of 3/31 of the following year                   |  |                     |                      |                     |                      |                     | \$ -   | \$ -                | \$ -                 | \$ -                |                      |                     |
| 2.3 Direct claim liability prior year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.4 Direct claim reserves:   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.4a Reserves as of 12/31 of MLR reporting year for all claims regardless of incurred date   |  |                     |                      |                     |                      |                     | \$ 407,958   | \$ 407,958          | \$ 25,038            | \$ 25,038           |                      |                     |
| 2.4b Reserves for claims incurred only during the MLR reporting year, calculated as of 3/31 of the following year                    |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.5 Direct claim reserves prior year   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.6 Experience rating refunds (rate credits) paid:   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.6a Experience rating refunds, with all incurred dates, paid in the MLR reporting year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.6b Experience rating refunds associated with premium earned only in the reporting year and paid through 3/31 of the following year |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.7 Reserve for experience rating refunds (rate credits):  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.7a Reserved in MLR reporting year regardless of incurred date  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.7b Reserves specific to the MLR reporting year through 3/31 of the following year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.8 Reserve for experience rating refunds (rate credits) prior year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.9 Incurred dental incentive pool and bonuses:  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.9a Paid dental incentive pools and bonuses MLR Reporting year  |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.9b Accrued dental incentive pools and bonuses MLR Reporting year   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.9c Accrued dental incentive pools and bonuses prior year   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.10 Contingent benefit and lawsuit reserves   |  |                     |                      |                     |                      |                     |  |                     |                      |                     |                      |                     |
| 2.11 Total incurred claims   | \$ -   | \$ -                | \$ -                 | \$ -                | \$ -                 | \$ -                | \$ 3,752,821   | \$ 3,499,228        | \$ 165,706           | \$ 165,706          | \$ -                 | \$ -                |

Cell Keys:  
 Blank cells require input from Health plan or Health insurer  
 Green cells require no data input  
 Pink cells require no data input - locked down  
 Blue cells: computed cell (formula cell)

### Part 3

| Description of Expense Element (By Type)                           | NLR | Detailed Description of Expense Allocation Methods  |
|--|-----|---|
| 1  | 2   | 3   |
| <b>1. Insured Claims</b>   |     | Claims are specifically identified by member and each member associated with a respective group in our system. Groups are assigned benefit type codes. Benefit type codes are cross-referenced to product codes which determine market segment.   |
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| <b>2. Federal and State Taxes and Licensing or Regulatory Fees</b> |     |   |
| 2.a Federal taxes and assessments                                  |     | Income taxes are calculated based on the enacted 35% rate of underwriting gain or loss. The combined company method takes the position that each line of business shares in the total company tax proportionately. If a line of business is operating at a loss, a tax benefit (negative tax) is allocated to the line of business.   |
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| 2.b State insurance, premium and other taxes                       |     | Expenses are allocated from department cost centers to products which are assigned product codes. Each cost center is assigned a single allocation driver (e.g., membership, claims, headcount, etc.) based on the activities performed by the cost center. Each cost center allocates to an agreed upon list of products that drives the cost center's activities and costs. On a monthly basis, if the activities or functions of a cost center change, the finance team reviews and approves allocation logic changes. The approved logic changes are implemented in the allocation system monthly. Cost centers are categorized to the expense category (e.g., cost containment expenses not included in quality improvement expenses, quality improvement expenses, etc.) where the majority of the activity is focused. |
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| 2.c Community benefit expenditures                                 |     | Community benefit expenditures are allocated based on premium.  |
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| 2.d Regulatory authority licenses and fees                         |     | Regulatory authority licenses and fees are allocated based on premium.  |
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| <b>3. Non-Claims costs</b>   |     |   |
| 3.a Direct sales salaries and benefits                             |     | Expenses are allocated from department cost centers to products which are assigned product codes. Each cost center is assigned a single allocation driver (e.g., membership, claims, headcount, etc.) based on the activities performed by the cost center. Each cost center allocates to an agreed upon list of products that drives the cost center's activities and costs. On a monthly basis, if the activities or functions of a cost center change, the finance team reviews and approves allocation logic changes. The approved logic changes are implemented in the allocation system monthly. Cost centers are categorized to the expense category (e.g., cost containment expenses not included in quality improvement expenses, quality improvement expenses, etc.) where the majority of the activity is focused. |
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| 3.b Agents and brokers fees and commission                         |     | Expenses are allocated from department cost centers to products which are assigned product codes. Each cost center is assigned a single allocation driver (e.g., membership, claims, headcount, etc.) based on the activities performed by the cost center. Each cost center allocates to an agreed upon list of products that drives the cost center's activities and costs. On a monthly basis, if the activities or functions of a cost center change, the finance team reviews and approves allocation logic changes. The approved logic changes are implemented in the allocation system monthly. Cost centers are categorized to the expense category (e.g., cost containment expenses not included in quality improvement expenses, quality improvement expenses, etc.) where the majority of the activity is focused. |
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| 3.c Other sales  |     | Expenses are allocated from department cost centers to products which are assigned product codes. Each cost center is assigned a single allocation driver (e.g., membership, claims, headcount, etc.) based on the activities performed by the cost center. Each cost center allocates to an agreed upon list of products that drives the cost center's activities and costs. On a monthly basis, if the activities or functions of a cost center change, the finance team reviews and approves allocation logic changes. The approved logic changes are implemented in the allocation system monthly. Cost centers are categorized to the expense category (e.g., cost containment expenses not included in quality improvement expenses, quality improvement expenses, etc.) where the majority of the activity is focused. |
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| 3.d Other general and administrative expenses                      |     | Expenses are allocated from department cost centers to products which are assigned product codes. Each cost center is assigned a single allocation driver (e.g., membership, claims, headcount, etc.) based on the activities performed by the cost center. Each cost center allocates to an agreed upon list of products that drives the cost center's activities and costs. On a monthly basis, if the activities or functions of a cost center change, the finance team reviews and approves allocation logic changes. The approved logic changes are implemented in the allocation system monthly. Cost centers are categorized to the expense category (e.g., cost containment expenses not included in quality improvement expenses, quality improvement expenses, etc.) where the majority of the activity is focused. |
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Cell Keys:  
 Blank cells require input from Health plan or Health Insurer  
 Gray cells require no data input  
 Pink cells require no data input - locked down  
 Blue cells: computed cell formulae only

Health Plan ID  
 0  
 Legal Name  
 Blue Shield of California Life & Health Insurance Co.  
 dBA  
 0  
 MLR Reporting Year  
 2014

# Part 4

|   |  | Health Insurance Coverage |     |      |       |                 |     |      |       |                 |     |      |       | Health Insurance Coverage  |     |              |              |                 |     |            |            |                 |     |         |         |
|---|--|---------------------------|-----|------|-------|-----------------|-----|------|-------|-----------------|-----|------|-------|----------------------------|-----|--------------|--------------|-----------------|-----|------------|------------|-----------------|-----|---------|---------|
|   |  | DHMO Products             |     |      |       |                 |     |      |       |                 |     |      |       | DPPPO & Indemnity Products |     |              |              |                 |     |            |            |                 |     |         |         |
|   |  | Individual                |     |      |       | Small Group     |     |      |       | Large Group     |     |      |       | Individual                 |     |              |              | Small Group     |     |            |            | Large Group     |     |         |         |
|   |  | PY2                       | PY1 | CY   | Total | PY2             | PY1 | CY   | Total | PY2             | PY1 | CY   | Total | PY2                        | PY1 | CY           | Total        | PY2             | PY1 | CY         | Total      | PY2             | PY1 | CY      | Total   |
|   |  | 1                         | 2   | 3    | 4     | 5               | 6   | 7    | 8     | 9               | 10  | 11   | 12    | 13                         | 14  | 15           | 16           | 17              | 18  | 19         | 20         | 21              | 22  | 23      | 24      |
| <b>Part 4</b><br><b>NOTE: REFER TO MLR INSTRUCTIONS FOR IMPORTANT INFORMATION ABOUT COMPLETING EACH COLUMN AND ROW.</b> |  |                           |     |      |       |                 |     |      |       |                 |     |      |       |                            |     |              |              |                 |     |            |            |                 |     |         |         |
| 1.  | Medical Loss Ratio Numerator   |                           |     |      |       |                 |     |      |       |                 |     |      |       |                            |     |              |              |                 |     |            |            |                 |     |         |         |
| 1.1   | Adjusted incurred claims as reported on MLR Form for prior year(s)   |                           |     |      |       |                 |     |      |       |                 |     |      |       |                            |     |              |              |                 |     |            |            |                 |     |         |         |
| 1.2   | Adjusted incurred claims as of 3/31 of the year following the MLR reporting year (Part 1 Line 2.1)                   |                           |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                            |     | \$ 3,499,228 | \$ 3,499,228 |                 |     | \$ 165,705 | \$ 165,705 |                 |     | \$ -    | \$ -    |
| 1.3   | MLR numerator (Line 1.2)   |                           |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                            |     | \$ 3,499,228 | \$ 3,499,228 |                 |     | \$ 165,705 | \$ 165,705 |                 |     | \$ -    | \$ -    |
| 2.  | Medical Loss Ratio Denominator   |                           |     |      |       |                 |     |      |       |                 |     |      |       |                            |     |              |              |                 |     |            |            |                 |     |         |         |
| 2.1   | Premium earned (Part 1 Line 1.1)   |                           |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                            |     | \$ 8,686,967 | \$ 8,686,967 |                 |     | \$ 398,718 | \$ 398,718 |                 |     | \$ -    | \$ -    |
| 2.2   | Federal and State taxes and licensing or regulatory fees (Part 1 Line 3.4)   |                           |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                            |     | \$ 1,425,003 | \$ 1,425,003 |                 |     | \$ 84,271  | \$ 84,271  |                 |     | \$ (35) | \$ (35) |
| 2.3   | MLR Denominator (Line 2.1 - Line 2.2)  |                           |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                 |     | \$ - | \$ -  |                            |     | \$ 7,261,964 | \$ 7,261,964 |                 |     | \$ 314,447 | \$ 314,447 |                 |     | \$ 35   | \$ 35   |
| 3.  | 3.1 Life-years (Part 1 Line 5.3)   |                           |     | 0    | 0     |                 |     | 0    | 0     |                 |     | 0    | 0     |                            |     | 18,422       | 18,422       |                 |     | 323        | 323        |                 |     | 0       | 0       |
| 4.  | MLR Calculation (for Health plans or health insurers with at least 1,000 life years in the Total column of Line 3.1) |                           |     |      |       |                 |     |      |       |                 |     |      |       |                            |     |              |              |                 |     |            |            |                 |     |         |         |
| 4.1   | MLR  | Met Requirement           |     |      |       | Met Requirement |     |      |       | Met Requirement |     |      |       | 48.19%                     |     |              |              | Met Requirement |     |            |            | Met Requirement |     |         |         |

Cell Keys:  
 Blank cells require input from Health plan or Health insurer  
 Grey cells require no data input  
 Pink cells require no data input - locked down  
 Blue cells: computed cell (formula cell)



**Department of Managed Health Care  
Medical Loss Ratio Reporting Form: Dental Coverage  
Attestation**

**Health Plan ID**

0

**Legal Name**

Blue Shield of California Life & Health Insurance Co.

**dBA**

0

**MLR Reporting Year**

2014

## Attestation

*Attestation Statement*

The officers of this reporting Health plan being duly sworn, each attest that he/she is the described officer of the reporting Health plan, and that this MLR Reporting Form, the Company/Health plan Associations, and any supplemental submission that the Health plan includes are full and true statements of all the elements included therein for the MLR reporting year stated above, and that the MLR Reporting Form has been completed in accordance with the Department of Managed Health Care's guidance and reporting instructions, according to the best of his/her information, knowledge and belief. Furthermore, the scope of this attestation by the described officer includes any related electronic filings and postings for the MLR reporting year stated above and which are required by Department of Managed Health Care.

Chief Executive Officer/President

\_\_\_\_\_  
Chief Financial Officer