

Reserves ride the market

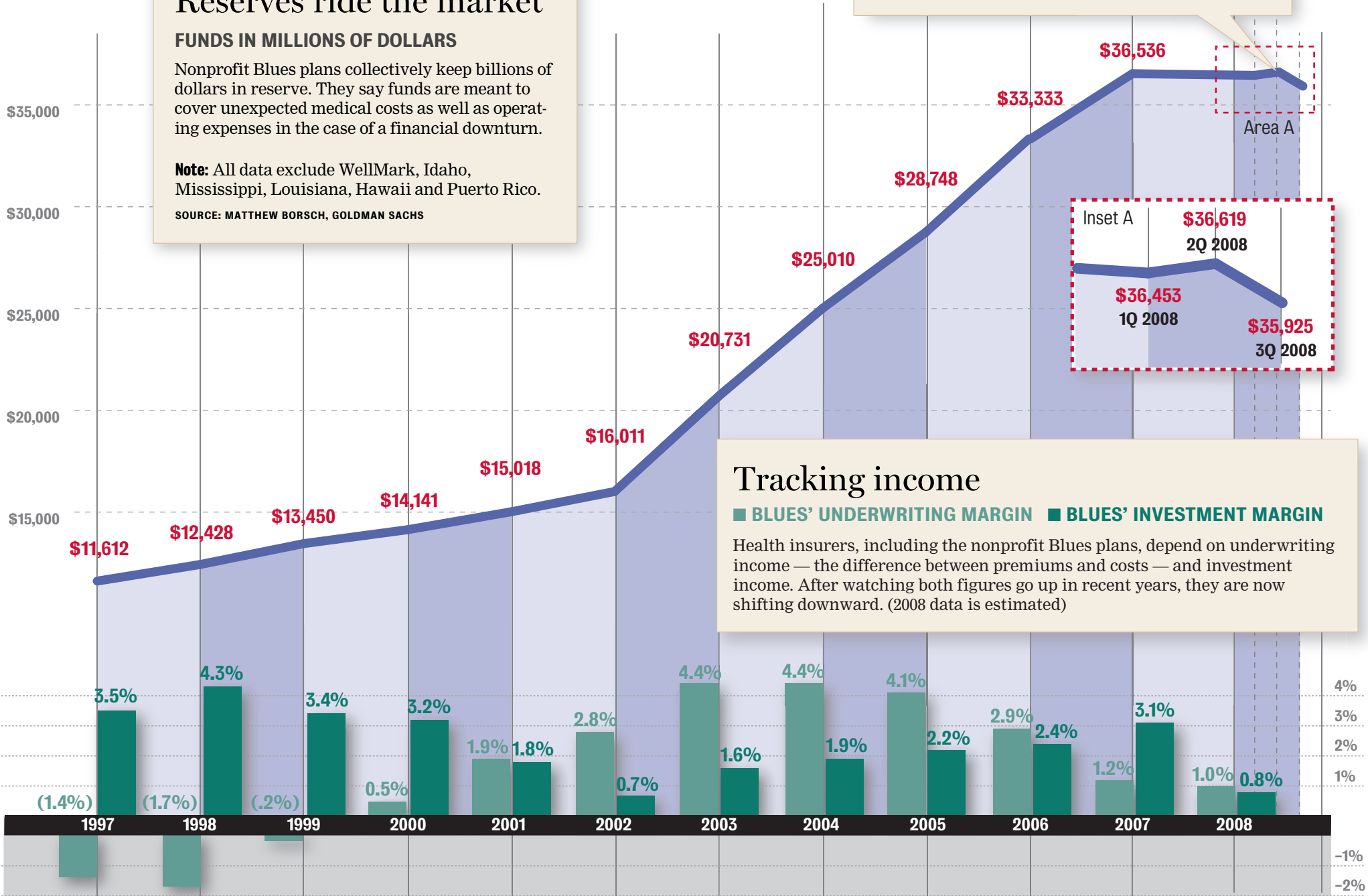
FUNDS IN MILLIONS OF DOLLARS

Nonprofit Blues plans collectively keep billions of dollars in reserve. They say funds are meant to cover unexpected medical costs as well as operating expenses in the case of a financial downturn.

Note: All data exclude WellMark, Idaho, Mississippi, Louisiana, Hawaii and Puerto Rico.

SOURCE: MATTHEW BORSCH, GOLDMAN SACHS

Hitting a dip: Reserves peaked in the second quarter of 2008 at \$36.6 billion. Funds began to fall in the third quarter even before the end-of-year stock market decline and employment collapse.



Tracking income

■ BLUES' UNDERWRITING MARGIN ■ BLUES' INVESTMENT MARGIN

Health insurers, including the nonprofit Blues plans, depend on underwriting income — the difference between premiums and costs — and investment income. After watching both figures go up in recent years, they are now shifting downward. (2008 data is estimated)