

Code of Conduct

CMS009.0001

Revised October 2014



A Note from the Chairman of the Audit Committee of the Board of Trustees

Dear Blue Cross and Blue Shield of North Carolina Employees and Board Members:

The Blue Cross and Blue Shield of North Carolina Code of Conduct provides important guidelines for ethical and lawful conduct for every employee and member of our Board of Trustees. It puts our values into action. And it is more than a set of rules; it contains the principles we work by and is a guide to help us make the right decisions every day.

Each one of us has a personal responsibility to conduct Company business in an ethical and lawful manner. That means that all our actions must comply with the highest ethical standards and the principles set forth in our Code of Conduct. Pressures of the moment should never cause us to behave in any other manner.

We each also have a responsibility to report a known or suspected ethical or compliance concern to a supervisor or someone in the Office of Ethics and Compliance. If you are uncomfortable reporting a concern to your supervisor or you do not receive a satisfactory response, you may report your concern by calling the "Ethics Hotline" at 1-888-486-1554 or completing a Code of Conduct Inquiry and Reporting Form on the intranet. When you report your concern on the Hotline or the intranet, you may remain anonymous if you wish to do so. Retaliation against anyone who reports a concern or anyone who assists in an investigation of a concern will not be tolerated.

As chair of the Audit Committee of the Board of Trustees, I am proud to be associated with each of you. I encourage you to become familiar with the Code of Conduct and apply its principles in every act you undertake on behalf of our Company.

Sincerely,



C. Daryl Hollis
Chair, Audit Committee of the Board of Trustees

Message from Brad Wilson, President and CEO

For more than 75 years, Blue Cross and Blue Shield of North Carolina has made a difference in the health care and quality of life for our customers and all North Carolinians. Our customers have come to depend on us to deliver quality products, information and services. People trust us because of our commitment to them and to the standards to which we hold ourselves.

We are at an exciting juncture in our history. We have the opportunity to reshape the health care landscape in North Carolina — and we will! However, it is imperative that, as we do so, each of us must make the right decisions and take the right actions. We have to do the right thing — and we have to do it every day, in every interaction with each other, with our customers and with our business partners. You are expected to read and make a personal commitment to follow our Code of Conduct. Act on the ethical principles explained in our Code. It guides us in upholding our ethical standards and emphasizes our commitment to doing the right thing every day.

If you have a question or concern about what is the right thing to do, raise the issue with your manager or with the Ethics team. Do not allow anything — not “making the numbers” or even a direct order from a superior — to compromise your commitment to integrity.

We expect each of our leaders to lead with integrity. Leading with integrity includes creating an environment where good people can make good decisions. Under no circumstances will we tolerate retaliation against any employee who in good faith raises a concern about a violation of our Code of Conduct.

As we focus on transforming health care in North Carolina, we recognize that our commitment to doing the right thing has been — and will continue to be — the foundation of our great success. Thank you in advance for taking personal responsibility to make sure that we protect our company’s reputation for making a difference in our community and for our commitment to integrity and compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bradley Wilson". The signature is fluid and cursive, with a long horizontal stroke at the end.

J. Bradley Wilson
President and CEO
Blue Cross and Blue Shield of North Carolina

Our commitment to integrity

- Why does BCBSNC have a Code of Conduct?
- The Code applies to everyone at BCBSNC
- Your personal commitment to doing the right thing
- Violations of the Code will result in disciplinary action
- The duties of those who supervise others
- Asking questions and raising concerns
- Retaliation will not be tolerated
- The BCBSNC Ethics & Compliance Program

Our commitment to each other

- We hold ourselves accountable
- We provide a harassment-free workplace
- We provide fair treatment and equal employment opportunity
- We protect our co-worker's employee information
- We maintain a safe workplace
- Drugs and Alcohol

Our commitment to our customers and business partners

- We treat our customers fairly and protect their personal information
- We respect the free market and deal fairly with our business partners
- We give and accept gifts and entertainment responsibly
- We avoid even the appearance of a conflict of interest
 - Outside activities
 - Business relationships and financial interests with BCBSNC business partners
 - Personal relationships
 - Speaking engagements and third-party invitations
 - Reporting conflicts of interest

Our commitment to protect BCBSNC's financial integrity and company assets

We Accurately Record and Report Information

Records retention policies

Financial agreements must be in writing

Cooperate with auditors and government agencies

Disclose errors promptly

We Make Responsible Use of Assets

Company assets, including Company time

Confidential and proprietary BCBSNC information

BCBSNC systems and electronic communication

Business travel

Protected intellectual property

Only speak with the media if properly authorized

Get approval before using BCBSNC property for non-BCBSNC purposes

Our commitment to our government relationships

We Comply With Special Rules Affecting Government Programs

Employment of government personnel

Contracting with the government

Proposals, budgets and other reports and records

Charging of labor and other costs

Accepting gifts or business entertainment

Offering gifts or business entertainment to government employees

Protect against fraud, waste and abuse

A Final Note From the Ethics Team



We are Blue Cross and Blue Shield of North Carolina

What does it mean to work at Blue Cross and Blue Shield of North Carolina?

Our Mission: “Blue Cross and Blue Shield of North Carolina delivers value through quality products, information and services to help our customers improve their health and well-being.”

Our Vision: “To be a leader in improving the health care system in North Carolina.”

Our Culture.

At BCBSNC, we are committed to a culture where each employee makes good decisions that reinforce the trust invested in us by our customers, business partners and fellow employees.

Our culture is anchored in the belief that an ethical workplace is critical to achieving our Mission and Vision and to our long-term success as a company. We recognize that to fully achieve our Mission and Vision, each of us is responsible for building a culture that reflects the fact that we are Committed, Caring, Collaborative and Creative in the way we interact with others and represent ourselves in the community. It is not enough to merely avoid “breaking the rules;” each of us is expected to use our best efforts to act in ways that support a culture of trust and integrity.



Our Commitment to Integrity: Our Code of Conduct

Blue Cross and Blue Shield of North Carolina (BCBSNC) is committed to conducting our business dealings with honesty, integrity and fairness.

Why does BCBSNC have a Code of Conduct?

The Code of Conduct defines what BCBSNC expects of its employees and is a resource you can rely on to determine what is appropriate when it comes to acting ethically in the workplace. It is a statement of the principles and expectations that guide ethical business conduct at BCBSNC. Our Code of Conduct describes how you can align your goals and actions with the goals of the company.

The Code of Conduct applies to everyone at BCBSNC.

Our Code of Conduct sets out some of the most important policies that govern our business. All BCBSNC employees, subsidiaries and members of our Board of Trustees must follow the Code of Conduct. We also seek to do business with suppliers, providers and vendors who adhere to similar ethical standards. BCBSNC complies with all laws and regulations that apply to our business and will take necessary steps to prevent unethical or unlawful behavior. We will also take necessary corrective actions to prevent a repeat violation.

Committed:

This Code represents a commitment to doing what is right. By working for BCBSNC, you agree to uphold this commitment. Understand the requirements of the Code and the standards, instructions and processes that apply to your job — and always follow them. Those who fail to follow the Code put themselves, their co-workers and BCBSNC at risk.



Personal Commitment: You must read, understand and comply with the Code. If you have any questions, you are responsible for asking your leader for clarification.

If you believe that you or any other employee may have violated the Code or any applicable law or regulation, you must report your concerns so that the Company can take appropriate action. In many cases, a prompt report of a violation can substantially reduce any adverse consequences to you, to the Company or to third parties.

Remember, you are responsible for your own actions – you are responsible for choosing to act in ways that support our Code of Conduct. No one can make you violate the Code of Conduct. Your role is to do the right thing and ask questions if you're not sure what the right thing is. If you think that something is wrong or if you're not sure what to do, talk to someone who can help. A [decision tree](#) can help you think through the situation.

Disciplinary Action.

Violations of the Code of Conduct are taken seriously. If you fail to comply with the Code or any applicable law or regulation, you will be subject to disciplinary action that may include termination.

Disciplinary measures will depend on the circumstances of the violation and will be applied in a manner consistent with the Company's policies and applicable laws. Consideration will be given to whether or not a violation was intentional, as well as to the level of good faith shown by an employee in reporting the violation or in cooperating with any resulting investigation or plan of remediation.

Disciplinary action will be taken against any employee who:

- + Authorizes, directs, approves or participates in violations of the Code or applicable law or regulations.
- + Deliberately fails to report or conceals violations of the Code or applicable law or regulation, or deliberately withholds or misstates relevant information concerning a violation of the Code.
- + Retaliates, directly or indirectly, against any other employee because of a report by that employee of a suspected violation of the Code or applicable law or regulations.
- + Is a leader and who, under the circumstances, should have known about a violation by people under his or her supervision, or who did not act promptly to report and correct a violation.
- + Encourages others to do any of the above.



In addition, persons who violate the law during the course of their employment may be subject to criminal or civil penalties, as well as payment of civil damages to the Company or third parties.

BCBSNC employees have an obligation to cooperate with investigations into ethical misconduct. Failure to cooperate and provide honest and truthful answers or information could result in disciplinary action up to and including dismissal. Depending on the nature of a substantiated violation, the Ethics Team, the Legal Department, Internal Audit & Risk Management or another BCBSNC area will promptly address the concern. BCBSNC will seek to impose discipline in accordance with our Human Resources corrective action policies.

Leaders, by virtue of their positions of authority, have additional responsibilities.

An important part of a leader's responsibility is to set the standard for outstanding business practices. Leaders are expected to reflect BCBSNC's commitment to integrity in both words and actions. As a leader, you are expected to:

- + Create and maintain an environment where employees feel comfortable asking questions or reporting concerns without fear of retaliation.
- + Recognize and give credit to those who raise concerns.
- + Help employees understand how the Code of Conduct applies to their positions and everyday behavior.
- + Promote open and honest two-way communications and be a role model who shows respect and consideration for all of our employees.
- + Enforce BCBSNC's Code of Conduct and take appropriate action if violations occur.

What should I do?

I'm concerned that a disgruntled employee who reports to me might make false accusations that I have violated the Code. Will the Company take disciplinary action against the employee for doing this?

If an employee merely reports suspicions that prove to be unfounded, disciplinary action would not be appropriate. All employees are expected to identify and report any concerns they may have, without fear of retaliation. However, if someone knowingly or maliciously makes a false accusation concerning violations of the Code, that person may be subject to disciplinary action.



Asking questions and reporting concerns: You are expected to speak up.

Every employee has a responsibility to promptly address any issue or concern they believe, in good faith, may constitute a violation of the Code of Conduct, other BCBSNC policy or laws. You should also come forward if you encounter a situation that “just does not feel right.” We’ve all seen situations when people knew that something was wrong, but did not want to become involved. As a result, the situation was never fixed. In that case, the people behaving unethically were at fault, but those who observed the behavior failed to live up to their obligation to bring the situation to someone’s attention.

Speak up if you see or suspect activity that violates our Code of Conduct. You ensure the continued success of BCBSNC by making certain that your actions support our Culture and expecting the same of those around you.

Retaliation will not be tolerated.

We understand how important it is to provide an environment where people feel comfortable coming forward in good faith. We will take disciplinary action against any employee who takes negative action against any other employee who reports a potential violation of our Code of Conduct, applicable law or regulations, or who assists in the investigation of such a report.

The BCBSNC Compliance & Ethics Program.

The Compliance & Ethics team exists to support BCBSNC’s continued success while maintaining its commitment to the highest ethical standards. If you ever have a question about what to do, the Compliance & Ethics program is designed to ensure we all fulfill our commitment to doing the right thing.

Connecting with our Culture

Committed: At BCBSNC, we believe in personal accountability. Have the courage to address problems and create solutions — if you see something that is being done incorrectly or could be done better, speak up and provide constructive suggestions.

Collaborative: Others are more likely to come forward with concerns if they see you set the example — it’s up to you to build a trusting environment where everyone feels comfortable raising concerns, no matter how big or small. We know that strong teams develop through open discussion and consideration of others’ opinions and ideas.



Who should you talk to?

If you have a question about the Code of Conduct or if you have seen or suspect that someone has violated the Code of Conduct, who should you contact?

- + Start by talking with your manager; give him or her a chance to solve the problem. Since he or she may be your closest link to an issue, your manager can act as a good resource to resolve your issue. This person has a responsibility to listen to you, consider your concern and to help.
- + If your direct supervisor is unavailable to discuss the problem or concern, or if you are uncomfortable talking with him or her, you may present the problem or concern to your supervisor's manager or to another member of your department's leadership team.
- + You may contact your [Human Resources Business Consultant](#) at any point.
- + You may also call the [ethics hotline](#). The hotline is a confidential service that you can call 24 hours a day if you have questions or concerns about the Code of Conduct. You can also submit inquiries or make reports to the Ethics Team online by completing the [Code of Conduct Inquiry and Reporting Form](#).

Note: If you have concerns about the conduct of a member of the Office of Ethics and Compliance, you should report them to the Company's General Counsel.

If your report involves a financial, accounting or auditing concern, the Chief Compliance Officer will share your concern directly and confidentially with the Chairman of the Audit Committee of the Board of Trustees and with the CEO and CFO as appropriate.

However you choose to contact the Ethics Team, your concern will be promptly addressed. When you report a potential violation of the Code to the Ethics Team, the Chief Compliance Officer will ensure that an appropriate investigation is conducted.

Who should I talk to?

You're part of a team working on a project status report that will be used by senior management to make key strategic decisions. You think that the current draft of the report does not accurately reflect the status — you think the team is trying to make things look better than they are.

You have a responsibility to speak up. You should first talk to a member of your management team — good teamwork requires that we work with our colleagues to ensure quality outcomes. If that is not possible, our commitment to work with integrity still requires that we tell the truth and report concerns — talk to a member of the Ethics team or HR.



Can I make an anonymous report?

You always have the option to remain anonymous. One way to make an anonymous report is by calling the Ethics hotline at 1-888-486-1554. This number has no Caller ID associated with it and is truly anonymous. Another option for making an anonymous report would be to use the [Code of Conduct Inquiry and Reporting Form](#).

We understand that confidentiality is important and protect it whenever possible, but we cannot always guarantee your concern will be kept confidential. For example, if you report something that may be a violation of law or if someone may be in physical danger, we have an obligation to respond even if it is impossible to investigate your concern without identifying the person who reported it. However, we will inform only those who need to know to help investigate, resolve or oversee corrective action on these matters.

If you're thinking about not reporting a concern because you don't want to be identified, ask yourself what is worse — talking to someone who can help you or not saying anything and living with the problem? If you're trying to decide between those two, then it's time to talk to someone.

Who should I talk to?

I disagreed with my manager's assessment of my IPW. Who should I talk to?

If you don't think your work is evaluated fairly, you should talk with your manager about your review. If you can't reach a resolution with your manager, consider talking with your manager's manager or asking your HR Business Consultant for guidance. If you call the Ethics hotline, we will be happy to coach you, but the Ethics team is unlikely to be able to judge the merit of your concern. We are likely to encourage you to talk with your management group or HR.



What information should I provide?

If you contact the Ethics office with a concern, please be sure to provide enough information about the situation to allow us to investigate it. This is the type of information we might need:

- + Describe the situation and business area involved.
- + Identify dates when events or incidents occurred, where they happened, and how (e.g., Was a procedure followed or not? Did a supervisor or manager give an instruction? Did a coworker or group of employees decide on an action?).
- + Give the name(s) of the individual(s) involved.
- + Say whether you know about the situation from direct observations or whether someone told you about it.
- + List the name(s) of other individual(s) who know about this situation.
- + Describe relevant documents and identify their location.

If you make an anonymous report, you may remain anonymous, but please contact us again a few days after you make your report so we can ask any necessary follow-up questions.

What happens when I make a report?

The response to any report ultimately depends on the circumstances. However, there are some things that are common to how we respond to most reports. When you make a report we will listen to you and take you seriously.

A typical response includes:

- + Interviews with possible witnesses.
- + Reviews of relevant documents, files and printed material.
- + Interviews with possible witnesses.
- + A decision-making process to determine if the report is substantiated and if a violation of our Code of Conduct, other BCBSNC policy, or law has occurred.



Our Commitment to Each Other

At BCBSNC, we are proud to support a culture that is safe, professional and supportive of teamwork and trust. Diversity and inclusion are valued as fundamental pieces of our success.

We expect each employee to treat fellow employees, members and business partners professionally.

It is up to each of us to treat one another professionally and to hold ourselves — and each other — accountable for appropriate behavior.

You are free to do your job without fear of discriminatory harassment.

BCBSNC prohibits conduct that singles out an employee or group of employees in a negative way because of their race, color, religion, creed, gender, sexual orientation, gender identity, age, disability, national origin, qualified veteran status, marital status or any other protected characteristic.

Harassment can take many forms, including offensive remarks, unwelcome advances, requests for sexual favors, jokes and ethnic, racist or sexual slurs. Any form of harassment is a violation of BCBSNC's [anti-harassment policy](#).

Connecting with our Culture

Collaborative: Always listen respectfully to each other's opinions and ideas, and evaluate those ideas on their merits.

Collaborative: Seek out and appreciate diverse perspectives each of us contributes and each other's efforts.

Caring: Do your part to make BCBSNC a great place to work; by treating others with respect, you model the behavior you expect from your co-workers.



We do not discriminate.

BCBSNC is proud of its diversity and is committed to maintaining a diverse workforce. We seek and value diversity among our employees, recognizing that all must contribute to the success of our Company and the continued health of our community. It is our [policy](#) to make decisions in hiring, developing and promoting employees — all employment processes — without regard to race, color, religion, creed, gender, sexual orientation, gender identity, age, disability, national origin, qualified veteran status, marital status or any other protected characteristic.

We respect our co-workers by protecting their employee information.

We must treat each other with respect. If you have access to information about your fellow employees, don't reveal it to anyone except when necessary for legitimate business purposes. Confidential employee information includes information collected by BCBSNC as your employer.

Confidential employee information includes, but is not limited to:

- + Birth date
- + Home telephone number
- + Home address
- + Social Security number
- + Employment information
- + Financial/banking information

We are committed to providing a safe and non-threatening workplace.

It is up to each BCBSNC employee to ensure we meet our commitment to high standards of safety and employee protection. You should be familiar with

What should I do?

My manager seems to have a "favorite" employee. She gives my co-worker all the best projects that I'd really like the opportunity to work on. Who should I talk to?

Being committed to and passionate about our work requires us to have the courage to identify problems and to create solutions. If you feel your manager is engaging in favoritism, you should talk with her about the situation. If there are projects you'd like to work on, be sure that your manager knows about your interest. We each have a responsibility to improve ourselves professionally and identify opportunities for professional growth. Your manager has an obligation to encourage good teamwork by listening to your concerns and to helping you resolve them. If you're not sure how to begin the conversation, talk with your HR Business Consultant for some pointers.

If you believe your manager is discriminating against you due to your age, race, or any other personal characteristic protected by our **anti-discrimination policy** and by law, you should report the situation to your manager's manager, HR Business Consultant, or to a member of the Ethics team.



and follow all safety guidelines and report any unsafe conditions or accidents. You may not bring or have weapons on Company property. We do not tolerate abusive language, disorderly conduct or violence or threats of violence towards another person or Company property. If you have an immediate concern for your own safety or that of anyone else, please contact Security immediately. Click here for additional information about our [Safety and Security policy](#).

We maintain a workplace free of substance abuse.

Abuse of substances — whether alcohol or drugs — poses a serious threat to your health and safety, to the productivity of our organization and to the well-being of all outside stakeholders of BCBSNC. Our [substance-free workplace policy](#) prohibits:

- + The use, possession or distribution of any illegal substance, as well as the abuse of legal drugs or alcohol, on Company property.
- + Being under the influence of alcohol, illegal drugs, or any other controlled substance in the workplace or while on Company business.

BCBSNC management may approve the serving of alcoholic beverages at some Company-sponsored events. In these cases, we follow all appropriate liquor laws, including laws regarding the serving of alcohol to those under the legal drinking age. If the use of alcohol is permitted at Company functions or at any function where you are representing BCBSNC and you choose to partake, all BCBSNC employees are expected to drink and act responsibly at such events.

If you believe you have a problem with drugs or alcohol, click here for additional information about our [Employee Assistance Program](#) policies.

What should I do?

You're planning to invite everyone in your department to a baby shower for another co-worker. The shower will be outside the office on a Saturday, and you'd like to send invitations. Your department administrative assistant has a list of everyone's emergency contact addresses. Would it be OK to ask for that list to help you send invitations?

No, your co-workers have entrusted BCBSNC with that information for business purposes only. It would not be appropriate for your administrative assistant to share that information for personal use.

My co-worker often makes comments and jokes of a sexual nature that make me very uncomfortable. I've asked him to stop, but he continues this behavior. What should I do?

The Company's policy on harassment prohibits sexual harassment, whether against females or males. If you feel you are being harassed, you should report it to your manager immediately. If the situation is not resolved, you should report it to your HR Business Consultant or call the Ethics hotline.



Our Commitment to Our Customers and Business Partners

We deal fairly with each other and with others with whom we have a business relationship and respect the value of information shared with us. BCBSNC strongly supports vigorous but fair competition. We understand that anti-competitive, or antitrust, laws keep the marketplace thriving and competitive. We only make factual claims about our services.

Our Commitment to Our Customers

We seek to develop lifetime relationships with our customers and their families.

We treat our customers honestly, fairly and courteously, and attempt in good faith to determine and satisfy their needs. We accurately represent the benefits, price and quality of our products and do not misrepresent those characteristics of our competitors' products.

We access our customers' information only to the extent required by business needs.

As part of your job, you may have access to our customers' personal information. It's important that each of us lives up to the trust that our customers place in us. You may only access the minimum necessary personal information to do your job and

Connecting with our Culture

Caring: We build our customers' trust in BCBSNC when we actively listen to their concerns and meet their needs.

Committed: We tell our customers and business partners what we are going to do and then do what we say. Our customers and business partners judge us on our actions; we build lasting and valuable business relationships when we live up to our standards.

Caring: We provide our customers with peace of mind when we respect and protect their confidential information.



must not share confidential information with anyone — even a co-worker — who does not need to know that information. Our customers' personal information must not be accessed, used or disclosed except as permitted by the [BCBSNC Corporate Privacy Policy](#).

Examples of customer personal information include, but are not limited to:

- + Name
- + Health status
- + Birth date
- + Medical history
- + Address
- + Provider/facility information
- + Telephone number
- + Diagnosis codes
- + Social Security number
- + Medical claim information
- + Financial/banking information
- + Individually identifiable information

What should I do?

One of my co-workers is working on a claim for a well-known member of our community. At lunch, my co-worker shared some of the details of the customer's file with our lunch group. Is this acceptable?

No. Customer information is confidential and you must never access or use it for anything other than business reasons. You should talk with your manager about what happened so that he can take appropriate steps to address the situation.

Our commitment to the free market and fair dealing with our business partners

We partner with vendors who offer us the best value in terms of quality and price.

We seek out vendors that share our values and ethical standards and treat them honestly, fairly and courteously. We weigh all the facts impartially and objectively when selecting among competing suppliers. We select the vendor that will best serve our company's needs and interests, without regard to any personal relationships or personal interests. For more information, refer to the Conflicts of Interest section of our Code of Conduct.

We deal fairly with vendors who purchase health insurance coverage from us.

We hope that our vendors will purchase health care coverage from us, and it's okay for BCBSNC to purchase from vendors who also buy health care coverage from us provided



their prices or bids are competitive with vendors who do not purchase our products. We will not require a vendor to buy our products as a condition to becoming or continuing to be a BCBSNC vendor.

We respect fair and free markets.

We will not take any actions that may constitute unlawful competition, including working with (or attempting to work with) competitors to set prices for products or services and agreements, which artificially raise the price of our services, divide customers or territories, or boycott another party.

We are aware of how our dealings with competitors might be perceived.

When preparing for and attending any meeting at which competitors will be present, you must be careful not to share confidential information or create the perception that you are participating in collusion. Before any such meeting, consider the following:

- + Review the agenda in advance of the meeting, with an eye toward topics with anti-competitive implications such as “marketing practices” or “pricing.”
- + Consider anti-competitive risks in attending informal meetings at or around the time of the regular meeting.
- + Encourage participants to stick to the business on the agenda and avoid discussions of sensitive topics not on the agenda.
- + When discussing insurance industry matters, avoid discussing Company-specific information.
- + Review the minutes after the meeting to ensure they accurately report the actions taken at the meeting.

If you need guidance regarding exchanging information with competitors, contact a member of the [Legal](#) or [Ethics](#) Teams.

What should I do?

Over the years I have established good relationships with the account executives and senior management of many of our competitors. We often socialize together at conferences and social events and catch up regarding trends in the market. Should I be concerned about these interactions?

Yes, you should be concerned. The risk of discussing prohibited topics with competitors typically arises at trade or professional meetings or seminars. Regardless of whether you’re in a business or social setting, you should not discuss prices, pricing policies, costs, financial data, other terms or conditions of our transactions with customers and providers, or any other competitive information with a competitor.

If a competitor begins to discuss these prohibited topics, excuse yourself and leave the meeting immediately. If the discussion occurs during a formal meeting in which minutes are being taken, ask that the minutes reflect your objection to the discussion and the fact that you left the meeting before such discussion proceeded. Immediately notify the Chief Compliance Officer about the incident.



We will not pay or accept any improper payments.

You may not pay or accept a bribe, kickback or any other improper payment to any person or entity.

We respect the value of corporate information.

During your employment with BCBSNC, you may become aware of confidential or proprietary information about other companies (such as our vendors) that has not been made public. If you receive any information that is designated (either verbally or in writing) as confidential or proprietary, you may not use that information in any way.

We hold our agents and consultants to a high standard.

When representing BCBSNC, our agents and consultants must adhere to the standards set forth in our Code of Conduct. Agreements with agents, brokers and consultants must be in writing on the Company's standard forms or other forms approved by our Legal department and must clearly and accurately set forth the services to be performed, the basis for earning any commission or fee, and the applicable rate or fee. BCBSNC commissioned agents, consultants and other third parties are prohibited from making any payment on behalf of the Company that would be improper when made by a Company employee.



Our commitment to giving and accepting gifts and entertainment responsibly

Offering or accepting business favors, gifts and entertainment can build goodwill, but they can also create the perception of a conflict of interest that can undermine the integrity of these business relationships. BCBSNC is committed to ensuring that all gifts and business courtesies, given and received, are appropriate, customary business practice and within the limits of the law.

“Favors, gifts and entertainment” means anything of value.

It can include meals, lodging, discounts, loans, cash, services, equipment, prizes, products, transportation, use of vehicles or vacation facilities, home improvements, tickets, gift cards or certificates and favorable terms on a product or service. It might also include shirts, hats, door prizes and small promotional items such as coffee mugs, pens, etc. These are just examples — the list of potential favors, gifts and entertainments of value is impossible to specify in advance.

Never accept a gift if it might influence your business decisions at BCBSNC.

No matter what the value of the gift, if it might influence your decision-making or otherwise compromise your ability to act in the best interest of BCBSNC, you may not accept a gift for yourself, a family member or anyone else.

Connecting with our Culture

Committed: Dealing fairly with our business partners means we make business decisions based on the merits of their products and services. We promote successful working relationships and goodwill but avoid situations where giving or accepting gifts can suggest a conflict of interest or improper attempt to influence business decisions.



Acceptance of gifts.

You may accept gifts, entertainment or other business courtesies provided **ALL** of the following criteria are met:

1. The gift or courtesy is of nominal value, reasonable and appropriate to the occasion and given on an infrequent basis. (See the special considerations that apply to our government business.)
2. The gift is not cash or a cash equivalent, such as shares of stock, honorariums, coupons, vouchers, etc. Gift certificates and gift cards received from third parties are not considered cash equivalents for the purpose of this Code, but are subject to the other limitations on receiving gifts, including the special considerations that apply to our government business.
3. The gift is not given as part of a business negotiation.

Note also that special rules apply to external funding and support of health care improvement activities, which is not governed by these rules. Such support is permissible if, among other requirements, it enhances the quality or decreases the cost of health care for our customers.

When giving gifts, we avoid the perception that we are trying to inappropriately influence another party.

In general, you must never offer or give a gift or other item of value with the intent to influence unlawfully the objective business judgment of the external party. You may give gifts, entertainment or other business courtesies provided **ALL** of the following criteria are met:

1. The gift or business courtesy is reasonable, appropriate to the occasion and a customary business practice.
2. The gift or business courtesy is of nominal value.
3. The gift or business courtesy does not violate any law, regulation or known policy of the recipient.

What should I do?

I received a basket of fruit and candies from a provider. Do I have to send it back?

If you receive perishable items, such as gift baskets containing food, that are valued at more than nominal value, tell your supervisor about the gift and share it with others in your business area.

One of our vendors has asked to take a group of employees out to lunch. Can we go?

Provided the lunch is reasonably priced (typically less than \$20 per employee), you may accept the lunch offer.

A vendor has offered me tickets to a Carolina Panthers game. Can I accept the tickets?

You may accept the tickets and any reasonable refreshments offered at the event. However, you must pay for your own transportation and lodging. (See the special considerations that apply to our government business.)



4. The gift or business courtesy is not given with the intent to gain unfair business advantage and does not involve improper activity.
5. The gift is appropriate under Company policies, approved by your supervisor and properly reflected in the books and records of the Company.
6. The gift is not cash or a cash equivalent, such as shares of stock, honorariums, coupons, vouchers, etc. Gift certificates and gift cards are not considered cash equivalents for the purpose of this Code, but are subject to the other limitations on giving gifts, including the special consideration that apply to our government business.
7. You are not an employee involved in the administration of a government contract, unless at an on-site activity. (See the special considerations that apply to our government business.)



What should I do?

How can I determine when a gift or offer of business entertainment is “customary” and not excessive?

Your instincts will usually tell you if a gift is “too much.” You should ask yourself both whether the gift is significant to you personally and whether it would appear significant to others. The following are some examples of both reasonable and excessive gifts:

Reasonable and customary	Excessive
A holiday gift of a bottle of wine from a supplier, vendor or customer	A case of fine champagne
Tickets to a local sporting or cultural event. Attendance at a gold outing hosted by a vendor. (Such outings provide opportunities for networking.)	Tickets to a distant sporting event, plus airfare and/or hotel accommodation for employee and guest.
A paperweight with the provider’s logo stamped on it.	Cash or monetary equivalents, loans, stock, stock options. (Such gifts are too similar to cash and should be returned.)
A small, inexpensive picture frame	A lavish personal gift such as a piece of fine jewelry.

Our commitment to avoiding conflicts of interest.

We avoid even the appearance of a conflict of interest. BCBSNC respects the rights of its employees to manage their affairs and investments and recognizes that you may take part in financial, business and other activities outside your job. However, all employees have a duty of loyalty to make decisions and conduct themselves in a manner that is in the Company’s best interest as a responsible corporate citizen.

A conflict of interest occurs when you have a personal interest that interferes with your BCBSNC responsibilities or affects your ability to act in the best interest of BCBSNC and its customers. Because conflicts of interest can undermine our Company’s success and its reputation, we manage our business relationships with our responsibility toward BCBSNC in mind, avoiding even the appearance of a conflict of interest.

Members of the Board of Trustees, Company officers and all employees must disclose conflicts of interest in writing at least annually. All employees are expected to report



potential conflicts of interest, which may arise from time to time. However, it is not always easy to determine whether a situation could create a conflict of interest. Some of the more common situations that could lead to problems are listed on this and the following pages.

Outside Activities

Avoid activities or relationships that might affect your objectivity or your ability to perform your job.

BCBSNC is proud of our many employees who are active within the communities we serve. However, a conflict of interest may exist when you or a member of your family is involved in an activity that could affect your objectivity in making decisions as a BCBSNC employee, interfere with your ability to do your job or harm BCBSNC's reputation. Such activities may include directive, supervisory consultative services, outside employment or civic or charitable affairs, and must be disclosed. In addition, you may not distribute non-BCBSNC materials in the workplace.

Engage in political activities on personal time.

While the Company encourages us all to vote and be active in the political process, you may do so only during non-work time and as individuals, not as representatives of BCBSNC unless your job responsibilities specifically require you to engage in the political process (for example, you are a member of the Government Affairs team). It is against Company policy and may be illegal to:

- + Include, directly or indirectly, any personal political contributions on your expense account or in any other way cause the Company to reimburse you for that expense.
- + Use Company property or facilities or the work time of Company employees for any political activity, unless your job responsibilities specifically involve such activity (e.g., Government Affairs).
- + Use Company funds to make political contributions.

Connecting with our Culture

Caring: When engaged in activities outside of work, look for opportunities to be an ambassador to help others understand how to improve their health.

Committed: When engaged in outside activities, good business practice requires you to avoid even the perception that your activities compromise your ability to do your job or impact BCBSNC's reputation or standing in the community. Ask yourself: Am I doing what is right for the company?

What should I do?

I've been invited to serve on the board of directors of a non-profit to which BCBSNC donates money. Is that OK?

It depends. If BCBSNC donates 5% of the non-profit's gross revenues or more than \$100,000, you must disclose the relationship to the Ethics Team. We will work with you to ensure your work for the non-profit does not create an actual conflict of interest.



The Company does have an employee political action committee (BluePac). It is the only Company-sponsored means by which employees may make voluntary contributions to candidate campaign committees.

Financial Interests

Working for a BCBSNC business partner.

You must disclose, in writing, if you enter into any kind of employment, business or consulting relationship with any company that has (or is reasonably likely to have) a business relationship with BCBSNC. If a member of your immediate family enters into any such relationship and you are in a position to influence decision-making on behalf of BCBSNC regarding that organization, you must disclose this relationship to the Ethics Team. This does not mean that family members cannot work for one of BCBSNC's vendors or competitors; rather, we want to ensure that BCBSNC employees avoid conducting BCBSNC business with their families — or others with whom they have a significant personal relationship — unless they have properly disclosed that relationship.

Financial interests in BCBSNC's business partners.

You or an immediate family member may find yourself in a position to take a financial interest in a company that is (or is reasonably likely to be) a BCBSNC vendor or competitor. You and your immediate family members must avoid any situation in which your personal financial interest would be in conflict with your responsibilities to BCBSNC. Examples of financial interests are:

- + Stock ownership
- + Partnership participation
- + Management or employment
- + Consulting agreements
- + Other contractual arrangements

When considering whether your personal financial interests might create a conflict of interest, consider how BCBSNC decisions might affect the value of your financial interest or how your interest in the other entity might affect your decisions at BCBSNC.

What should I do?

I'd like to pick up a part-time job to make a little extra money for the holidays. What should I think about when accepting work outside BCBSNC?

First, you cannot accept any outside employment that would conflict with the hours you are expected to be at work for BCBSNC.

You may not use BCBSNC assets (including communication systems) to conduct your part-time work.

If you are thinking about taking a position with a BCBSNC competitor or anyone else with whom BCBSNC has a business relationship, you must disclose that relationship to the Ethics Team. We will work with you to ensure your outside employment does not conflict with your BCBSNC responsibilities.



Examples of potential conflicts include:

- + Direct or indirect financial interest (including employment or consultant agreements) in any outside concern doing business with or competing against BCBSNC
- + Direct or indirect competition with BCBSNC in buying or selling property or property rights
- + Representing BCBSNC in any transaction in which you have a material financial interest
- + Using your knowledge of BCBSNC business for your personal profit or advantage
- + Taking personal advantage of an opportunity learned through your employment with BCBSNC, such as acquiring property or leases in which BCBSNC might be interested.

Obtain a written exception from management and the Ethics Team to serve as a supplier to BCBSNC.

Generally, you may not be a supplier to BCBSNC. "Supplier" includes persons or companies who represent a BCBSNC supplier, work for or provide services to a BCBSNC supplier or who have a significant financial interest in a BCBSNC supplier. Management may, in consultation with the Ethics Team, approve exceptions to this policy when it is in BCBSNC's best interest to procure goods or services from you or from a supplier with whom you are closely connected, such as a close friend or family member. However, you cannot be your own approving authority under any circumstances or participate in decisions to use a close friend or family member as a vendor. As with any vendor selection, BCBSNC will select vendors objectively and fairly in the best interests of the Company.

What should I do?

I have the opportunity to purchase a 20% ownership share in one of our vendors. Is this a problem?

It could be a problem. If you (or an immediate family member) will have 1% or greater financial ownership interest in an organization that is (or is likely to become) a BCBSNC vendor or competitor *and* you are in a position to influence decision-making on behalf of BCBSNC regarding that organization, you must disclose the conflict to the Ethics team.

My advisor has suggested that I buy a small amount of stock in a large insurance company that competes with BCBSNC. Can I purchase the stock?

Provided the stock represents less than a 1% ownership interest and does not otherwise compromise your ability to make objective business decisions, purchasing the stock is probably not a problem. Contact the Ethics Team if you still have questions.



Family and Other Personal Relationships

Be sensitive to confidentiality concerns if a family member works in the health care industry.

If a business partner or competitor of the Company employs your spouse or someone with whom you have a close relationship, such as a close friend or family member, you must be sensitive to confidentiality concerns. The closeness of the relationship might lead you to compromise the Company's interests, such as by accidentally disclosing sensitive company information. Such situations call for extra sensitivity to security, confidentiality and conflicts of interest.

There are several things to consider in assessing a situation in which someone close to you works for a business partner, or competitor. Among them:

- + The relationship between BCBSNC and the other company,
- + The nature of your responsibilities as a BCBSNC employee and those of the person close to you to his or her company, and
- + The access each of you has to your respective employer's confidential and proprietary information.

If in doubt, discuss your specific situation with your management and a member of the Ethics Team to assess the nature and extent of any conflict of interest and how it can be resolved. You must disclose any instances in which a member of your immediate family or household or someone close to you works for a business partner or competitor in the annual Conflict of Interest Disclosure Statement.

What should I do?

I am working on a contract with a publicly-traded vendor, which will double the vendor's revenue. Negotiations have been "top-secret" and not released to the public. I'd like to buy stock in this company, as I'm sure the value will go up once we sign the contract. Is this a problem?

Yes, that is a problem. You must not use such material, non-public information for your personal benefit or as a factor in determining whether or not to trade in a company's stock. In fact, it may violate the law to use inside information when trading in stocks or other securities or to provide inside information to someone else that may use it to make decisions about buying or selling stock. No BCBSNC employee may buy or sell stock, bonds, options or other securities based on inside information.



Keep family relationships separate from work relationships.

Family, romantic or close personal relationships may create a conflict of interest with your BCBSNC responsibilities or compromise other Company interests. Even if you are careful and work to remain objective, your relationship with this individual can suggest the appearance of a conflict of interest. In particular, employees must avoid a direct or indirect reporting relationship with any member of their immediate or extended family (or others with whom they have a romantic or close personal relationship). If such a relationship exists or occurs, you must report it, in writing, to your Human Resources Business Consultant.

Speaking engagements and other third-party invitations

Decline compensation for participating in third-party events on behalf of BCBSNC.

Upon occasion, a third party may invite you to make a presentation, participate on a panel or focus group, complete a survey, attend a seminar or presentation or participate in other activities related to the work you do for BCBSNC. Such a third party may offer to compensate you and/or reimburse you for your time or expenses, such as meals, travel and lodging. You may not personally accept this type of compensation. However, your manager may decide that it is in BCBSNC's best interests for you to participate at BCBSNC's expense or approve reimbursement of your travel expenses by the third party in accordance with BCBSNC Employee Expense Policies.

If your request to participate in a Company-related business activity has been denied, it would not be appropriate for you to engage in that activity on your own personal time if you will or could be perceived to be representing BCBSNC. This policy does not apply to occasions when you are asked to speak or participate in activities that are not related to BCBSNC business and occur on your own personal time.

What should I do?

A vendor has offered to pay for my airfare, hotel and registration fee for an upcoming conference. The same offer has been made to other attendees. Is it OK for me to accept the offer?

You should consider whether the event is: Of a business benefit to BCBSNC; a reasonable extension of a business relationship; and not intended to "purchase influence" over you. In addition, the expenses paid for by the vendor must be a reasonable amount, not lavish, and such vendor-paid trips must not occur frequently.

If you are not sure whether a particular activity satisfies these criteria, consult with a member of the Ethics Team before participating in the activity.



If you or your manager are not sure whether an invitation or offer would be considered a conflict of interest, ask yourself the following questions:

- + Was I asked to participate in the activity because of my position with BCBSNC?
- + Is the subject matter of the activity related to my job responsibilities with BCBSNC?
- + Does the activity interfere (or give the appearance of interfering) with the duties that you perform at, or owe to, BCBSNC?
- + Will my participation in the activity create the appearance of a conflict of interest or impropriety because of my position with BCBSNC?

If you answered “yes” to any of these questions, or if you are not sure whether a particular activity would be considered “related to the work you do for BCBSNC,” you should consult with a member of the Ethics Team before participating in the activity.

If a Conflict of Interest (or appearance of one) develops, report it immediately. If you’re not sure, ask for guidance.

Unfortunately, it is not possible to list all of the circumstances that might signal potential conflicts of interest. One of the best ways to gauge whether the activity creates a conflict of interest is to ask yourself some questions:

- + Does the activity interfere with your ability to exercise objective judgment when making business decisions on behalf of BCBSNC?
- + Will I use BCBSNC assets (e.g., information, time, computer systems, etc.) when preparing for or performing the activity?
- + Are you or a member of your family receiving personal benefits through the activity because of your position at BCBSNC?
- + Does the activity compete against the interests of BCBSNC?

If you answer “yes” to any of these questions, the activity may indeed create a conflict of interest and must be disclosed. If you are not sure, contact the Ethics Team for assistance.

What should I do?

I have also been asked to speak at a conference. May I accept an honorarium or other fee for my participation?

No, you may not accept compensation for such participation. You must either decline the award or ask the vendor to pay it directly to Be Active North Carolina. If an honorarium is paid directly to you, you must return it to the sender promptly with a letter declining the award. You must also send a copy of the letter declining the award to the Chief Compliance Officer.



If you believe you are facing a potential conflict of interest, report it to your supervisor and complete a Conflict of Interest Disclosure Form as soon as you become aware of the potential conflict. If a member of the Board of Trustees believes he or she is facing a potential conflict of interest, he or she must complete and submit an Independence and Conflict of Interest Questionnaire. If you are unsure whether a particular activity or situation is a potential conflict, contact the Ethics Team to discuss the matter. Once a potential conflict is reported, the Ethics Team will determine whether a conflict of interest exists and help you to resolve it.

What should I do?

A broker has given me some documents related to one of our competitors. Although not marked "Confidential," the documents contain information that I know has not been made public. For example, the documents state our competitor's earnings estimates and describe products they are about to take to market. I could definitely use this information to help me when selling our own products. What should I do?

Dealing fairly with our competitors means you MAY NOT use the materials given to you by the broker unless you know for a fact that the material has been publicly released. If you receive competitor information that is designated as confidential or proprietary, or which you reasonably know to be confidential or proprietary, do not continue to read or review the material. You must return or destroy the document immediately. You must document your taking these steps and report this matter to the Chief Compliance Officer. If you were to use the information offered by the broker, BCBSNC and you could be liable for the broker's violation of its fiduciary duty to its customer and/or violating the antitrust laws.



Our commitment to protect company assets and financial integrity

We have the responsibility to protect the financial, physical and intellectual property of BCBSNC. We will record, prepare and report information completely, accurately and honestly, and comply with all applicable laws and regulations (including GAAP).

We ensure that accounting and financial records meet the highest standards of accuracy and completeness.

Accurate and timely records provide the core information critical to the effective management of our business and the fulfillment of our obligations to our members, government bodies and the public. BCBSNC relies on all employees to make sure that Company records are true, accurate and complete based on our policies and any applicable contractual, legal and accounting standards.

You must make only truthful and accurate reports, including the time you have worked, your business expenses, your own production or performance data (including records) and the production and performance data of the Company, and any other business-related activities on which you record and/or report data. We provide reports that are understandable, and do so in a timely manner.

You must record all transactions appropriately to facilitate full accounting of all assets and liabilities of the Company and to supply the data needed for the preparation of financial statements. You should only charge an expense to the account, project or budget category for which it was incurred. You may not maintain unrecorded or “off the books” funds or assets. If you are involved in the preparation of the Company’s financial statements, you must apply all applicable accepted accounting principles and other accounting standards, so that the statements fairly and completely reflect the operations and financial condition of the Company.

Connecting with our Culture

Caring: Our customers expect us to pay their claims accurately the first time. We achieve this goal and make it easier for our customers and business partners to work with us when we maintain accurate records.

Committed: We deal with important information every day. We must pay the strictest attention to accurately recording and preserving that information in order to deal fairly and truthfully with our customers and business partners.



We create, retain and dispose of Company records in compliance with our Records Retention Policy.

You must retain all documents (including electronic records) in your custody or control in accordance with the Records Retention Policy and must take special care to retain all documents that relate to any imminent or ongoing investigation, lawsuit, audit or examination involving the Company. The destruction, shredding or other alteration of documents or records in order to impede a governmental investigation, lawsuit, audit or examination may lead to criminal liability.

We record financial agreements with business partners in writing.

All agreements with business partners must be in writing on forms approved by the Legal Team and must clearly and accurately set forth the services to be performed and amount of compensation. Payments under these agreements must be reasonable and in an amount that is appropriate for the value of the services rendered.

We cooperate fully with auditors and government agencies.

Audits are a necessary part of doing business in today's health care environment. You must cooperate and respond fully and truthfully to all reasonable requests for information made by BCBSNC employees, outside auditors or any regulatory agency in connection with an audit or review of BCBSNC records. If any person who identifies himself or herself as a government investigator contacts you, or if you receive a subpoena or other written request for information, notify a member of the [Legal Team](#) immediately before you provide any requested information. The Legal Team will assist in verifying the credentials of the investigator and ensure that you follow proper procedures for cooperating with the investigation.

What should I do?

My supervisor asked me to shred documents or delete emails related to a project handled by my department. Is this proper?

Documents and emails may be destroyed in the ordinary course of business as long as it is done in accordance with the BCBSNC Records Retention Policy and provided there is no knowledge of any ongoing or imminent lawsuit, investigation, audit or examination to which the documents may relate.

My manager asked me to delay sending invoices to one of our vendors until next quarter. What should I do?

All goods purchased or services rendered should be expensed, capitalized or accrued for in the period incurred. If you believe these goods or services are not being accounted for in the proper period, first talk with your manager. Working with integrity requires us to assume good intentions of our co-workers. If your manager knows of your concerns or you believe he will not take the concern seriously, contact a member of the Ethics Team to discuss the matter.



We promptly disclose errors.

If you discover clerical, accounting or reporting errors, you must correct them promptly. You must also report the error to your supervisor so that appropriate remedial steps may be taken. If the error might require disclosure to a customer, supplier or external authority, you must report it to a member of the [Legal Team](#) for appropriate action.

What should I do?

The Chief Financial Officer (CFO) has to sign a certification for a financial report to a regulatory agency. I provided some information for this report, and I discovered an error after it had been filed. What should I do?

You should immediately discuss your mistake with the CFO so that the error can be corrected. Employees involved in the preparation of information covered by a government certification are responsible for the accuracy and completeness of that information. The CFO, as well as you and the Company, may have direct liability for any false statements made, including civil and criminal sanctions.

We have a lot of open positions in our department and have been late in responding to customer inquiries. We are required to report our processing times and inventories on a monthly basis. My manager has instructed me to exclude from my report any inquiries over 45 days. This is contrary to Company policy. What should I do?

No one, regardless of position or status in the Company, has the authority to direct you to submit a false or misleading report or otherwise violate the law or company policies. You should immediately report this incident to your manager's supervisor or the Office of Ethics and Compliance.

We use BCBSNC assets responsibly, as if we were paying for them ourselves.

You have a responsibility to use our assets for Company purposes, maintain them with care and guard against waste, misuse and theft. Our assets include not only the physical space in which we work, but also our office equipment, supplies and information systems, intellectual property, and securities and cash. Concepts, business strategies and plans, and financial data are also BCBSNC assets. Misuse of these resources can disrupt the vital flow of information or tie up resources on which our members depend.



Acts of dishonesty against the Company or its customers involving theft, destruction or misappropriation of money, property, office equipment, supplies or any other items of value are, of course, prohibited. Falsification, alteration or substitution of records for the purpose of concealing or aiding such acts is also prohibited.

Company time is a BCBSNC asset, and we use it wisely.

Our employees, and the work they produce, are our greatest asset. Your time on the job should be used for BCBSNC business in accordance with our policies.

What should I do?

I operate a small side business from home. Both my manager and the Ethics Team have determined that the business does not represent a conflict of interest with my BCBSNC work. Is it okay for me to use BCBSNC email to communicate with my customers?

No. Even though there is no conflict of interest, you have an obligation to use BCBSNC assets (including the email and voicemail systems) only for BCBSNC business. You may not use these assets to support a second job, self-employment venture or consulting effort.



We protect the value of confidential and proprietary business information.

You are entrusted with protecting the company's confidential and proprietary information. You must access or use BCBSNC's confidential and proprietary non-public information only as necessary to conduct BCBSNC's business and not for your personal advantage or for non-BCBSNC business use. This standard also applies to accepting, using or sharing confidential and proprietary information belonging to another party, unless you have specific authorization from that party, as confirmed by our Legal department, to do so.

You may use this information only for legitimate company purposes. Examples of proprietary business information might include:

- + Member and group information
- + Financial data and projected earnings
- + Trends and experience data
- + Business forecasts/strategies
- + Sales figures
- + Planned new projects
- + Planned advertising programs
- + Planned geographical expansion
- + Lists of suppliers
- + Wage and salary data
- + Capital investment plans
- + Provider contracts
- + Marketing plans/strategies
- + Planned changes in management
- + Planned changes in company policies
- + Testing data
- + Processing methods
- + Pricing information
- + Product design and development

Basic guidelines for protecting the company's confidential and proprietary information include:

- + If you have access to confidential and proprietary information, discuss it with others in the company only on a need-to-know basis.
- + Do not disclose confidential and proprietary information to an outside person or entity, unless you have the authority to do so.
- + Do not disclose proprietary information in social conversations or in normal business dealings with individuals outside of the company.
- + Make sure that you don't discuss confidential and proprietary information in a place where you might be overheard.

Connecting with our Culture

Committed: Proprietary information is information owned by BCBSNC. We respect the hard work that is required to produce that information and use our best efforts to protect its value.



Use our systems in accordance with security policies.

In order to protect our corporate information, the Company has very detailed [security policies](#) and procedures that every employee must follow, including, but not limited to, the following key rule: BCBSNC employees are prohibited from disabling or circumventing any Company security controls protecting our computer systems, such as passwords, firewalls, encryption and screen-blanking mechanisms. Any effort to avoid this rule is a violation of our Code of Conduct.

Use email, computer and other communications systems lawfully and professionally.

- + You may make reasonable occasional use of Company assets for personal reasons, provided it does not interfere with business use, consume system resources, compromise BCBSNC's interests or negatively affect your job performance or that of your co-workers, or violate any BCBSNC policy.
- + Be responsible — do not access, distribute, download or upload material that is prohibited by law or contains sexual content, offensive language, anything that would negatively reflect on BCBSNC or derogatory comments about race, gender, sexual orientation or religion.
- + Know the [policies](#) related to management and retention of email and other Company records.

Use good judgment when traveling for BCBSNC business.

When traveling for BCBSNC business, you will be reimbursed for actual, reasonable, prudent, and necessary meal and entertainment expenses. All business-related expenses must be reported accurately in accordance with our [employee expense policies](#).

What should I do?

I found some great graphics online that I'd like to incorporate into a report I'm preparing for an upcoming BCBSA conference. Is this a problem?

It could be a problem. Remember that it may not always be apparent on the surface whether property is protected. If you're not sure whether the material is copyrighted, you should talk to a member of the **Legal Team** before incorporating it into your report.



Use protected material in accordance with copyrights and licenses.

Laws and regulations govern the rights to and protection of our own and others' copyrights, trademarks, patents, trade secrets and other forms of intellectual property. Consult with the Legal department before accepting, using or sharing property that might possibly fall into this category. For example, don't make or use copies of non-licensed copyrighted material, including software, documentation, graphics, photographs, clip art, animation, movie/video clips, sound and/or music, unless the software is specifically approved or appropriately licensed by BCBSNC. You must use third-party software and related information only as permitted by software licenses.

Only speak to the media on behalf of BCBSNC if properly authorized.

From time to time, members of the media may contact employees for information about the Company, our employees or those with whom we do business. Do not provide Company information in response to these requests. Report the inquiry to your supervisor and refer the media representative to the BCBSNC Corporate Communications Department. Employees should never represent that they are speaking for the Company in any capacity, unless specifically authorized by the Corporate Communications Department to do so.

Get written approval when you use Company assets for non-Company purposes.

You must obtain proper authorization before you borrow or remove any BCBSNC assets, including copies of Company documents, from Company premises. Do not use Company assets to support a personal business or consulting effort, outside fundraising activity, political activity or lobbying without appropriate approval.



Our commitment to our government relationships

We follow the rules about gratuities, compliance and other business relationships that affect the government programs we administer.

Here are some things you need to know about our responsibilities when interacting with government officials and when administering government programs such as FEP, Medicare, Medicaid and the State Health Plan:

We follow the rules regarding employment of government personnel.

There are laws and regulations that govern recruiting and hiring government personnel. These rules apply to personnel hired by the Company, as well as BCBSNC's agents, contractors and consultants. We do not hire, or contract with, an individual or entity excluded by the government from participating in government programs, unless there is a limited exception to the government's rules. Before discussing possible employment of a government employee with BCBSNC, consult with Human Resources.

We are careful with confidential information when seeking to contract with the government.

We ensure the integrity of the contracting process by avoiding discussions of bids or proposals with competitors or potential competitors. You must not seek to obtain from government contractors, and may not use, any proprietary or confidential information regarding the contract process before the award of the contract. You must also not use information prepared for internal use by the government when evaluating a bid or proposal to enter into a contract.

You may never pay a contingent fee to any person or company to solicit or obtain government contracts, or for the purpose of influencing or attempting to influence a government employee in connection with the award or modification of any government contract.

Connecting with our Culture

Committed: Working with the government demands close attention to accurate record keeping. We recognize that we are entrusted with the oversight of taxpayers' money and our obligation to ensure BCBSNC truthfully represents all aspects of its involvement in government programs.



We follow applicable regulations when submitting proposals, budgets and other reports and records to the government.

Proposals, budgets and other important reports and records that BCBSNC furnishes to the government must meet significant record keeping and other obligations. You must prepare complete and accurate records when submitting documentation to the government.

If you work on, process claims for or file reports for government programs, you need to be aware of the federal [False Claims Act \(FCA\)](#). The FCA enables the federal government to seek significant damages and penalties against health care providers (including insurers and third-party payers) who knowingly submit false or fraudulent claims to Medicare, Medicaid or other federal health care program.

We are careful when reporting costs to the government.

We report costs and enter time reports that are timely, accurate and complete. For direct-charge work, only work that is actually performed on that government contract may be charged to that contract. Similarly, indirect charges must be proper and accurate. In addition, no cost may be charged or allocated to a government contract if it is unallowable or inapplicable by law, regulation or contract provision or if it is otherwise improperly claimed. Employees' and managers' signatures or electronic authentication of time sheets are examples of reports that are used by the company to bill its services to the government and must be completed honestly and accurately.

We do not accept gifts or business entertainment from government representatives.

If you work on government programs, you may not accept gifts, monetary or non-monetary, from government officials, vendors, suppliers or members of the programs. To avoid potential violations of federal or state anti-kickback statutes, you must never request or receive anything of value from a vendor, supplier, provider, member or beneficiary in return for payment under a government program or preferred treatment by the government.

If you are working on a federal government contract, you should not accept any business courtesies (coffee, soft drinks, etc.) worth more than \$20 per person per occasion or more than \$50 from one source per year. Click [here](#) for more information about the policies regarding accepting gifts from government employees.



Generally, we do not offer gifts or business entertainment to government employees.

There are specific laws and regulations that apply to offering gifts to government officials or employees. When working with employees of a North Carolina state governmental agency, you may not give any gifts or favors to that employee. However, if working with a federal government employee or prime contractor, you may offer on-site nominal business courtesies. Examples are coffee, soft drinks or other light refreshments. Such courtesies may not exceed \$20 per person per occasion, and the annual value of items offered may not exceed \$50 per person. Click [here](#) for more information about the policies regarding gifts which may be offered to government employees.

We protect against fraud, waste and abuse.

If you suspect or discover, fraud, waste or abuse by employees, contractors, agents, providers or members, report it to the Special Investigations Unit (SIU) by telephone, email, BCBSNC customer services systems, the Fraud Hotline at 1-800-324-4963, the online Fraud and Abuse Reporting Form, mail (Special Investigations Unit, Blue Cross and Blue Shield of North Carolina, P.O. Box 2291, Durham, North Carolina 27702) and fax (919-765-7753).

Fraud occurs when a person or entity intentionally makes, or causes to be made, any false statement or misrepresentation on a claim, billing, receipt or any other associated materials with intent of causing, or causing to be made, unwarranted payment in whole or in part. Examples of fraud include: billing for services not furnished; incorrect reporting of diagnoses or procedures to maximize payments; misrepresentation of dates, descriptions of services, or identities of subscribers or providers; or billing for non-covered services as covered items.

Waste is the duplication or excessive provision of services or supplies provided to a patient. Examples of waste may include: the seeking of payment for unused or contaminated portions of medical supplies, provider practice or operational error.

Abuse describes incidents or practices, which are not usually fraudulent but that are inconsistent with accepted and sound medical, business or fiscal practices.

For more information on BCBSNC's program to prevent and detect fraud, waste and abuse, visit the BCBSNC [Fraud, Waste and Abuse policy](#) and visit the [SIU intranet website](#).

A Final Note From the Ethics Team

We believe that if each of us acts in ways that support our Culture, we will earn our members' loyalty, maintain our leadership position in our industry, and attract and retain a highly talented and engaged workforce. Aligning our actions with our Culture will better enable BCBSNC to achieve its Mission and Vision. This Code of Conduct is intended to be user-friendly and to provide a clear explanation of how you can support BCBSNC's commitment to integrity and a strong business culture. However, we also recognize that one document cannot address every situation that might arise in the course of your workday. If at any time, you're not sure what's the right thing to do, the Ethics Team can be a resource to help you make the decision.