



**BlueCross BlueShield
of North Carolina**

Corporate Overview Report 2010

A look at the state's most trusted health insurer¹



Our company

For 77 years, Blue Cross and Blue Shield of North Carolina (BCBSNC) has served its customers by offering high quality health insurance at a competitive price and supporting community initiatives that promote good health. BCBSNC is a fully taxed, not-for-profit North Carolina company with headquarters in Chapel Hill and major operations centers in Durham and Winston-Salem. As the state's leading health insurer, and one of the 25 largest health insurers in the nation, we employ more than 4,000 North Carolinians² and serve more than 3.7 million customers.³

World-Class service: The heart of our business

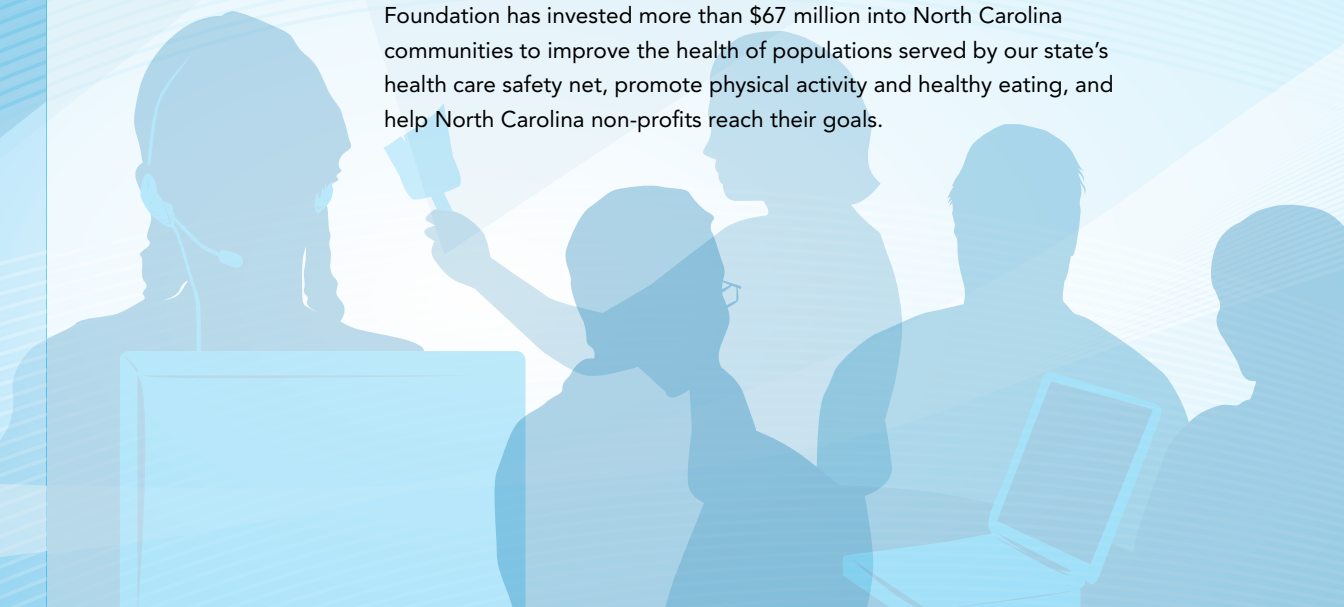
The BCBSNC ID card is our members' passport to the state's largest network of providers⁴ and world-class customer service. Our members have access to more than 93 percent of medical doctors and 99 percent of hospitals in North Carolina.⁵ With the BlueCard[®] program, our members have coverage with doctors and hospitals in all 50 states and in more than 200 countries and territories around the world.⁶

Our customers can arrange to have a trained service professional return their call when it is convenient for them, during regular business hours. We have also placed claims professionals on-site at hospitals and in physician offices to expedite claims processing and take our customers out of the middle. We process more than 99.5 percent of our customers' claims correctly the first time.⁷

A True Blue Neighbor

BCBSNC employees work hard not only for our customers, but for communities where they work and live. Since 1997, our employees have logged more than 307,000 volunteer hours at a value of over \$5.3 million dollars in donated time.⁸ From building homes for deserving families to building playgrounds for local school children, our employees embrace the positive impact they can have on our state's health, communities and environment.

In addition, the independent Blue Cross and Blue Shield of North Carolina Foundation has invested more than \$67 million into North Carolina communities to improve the health of populations served by our state's health care safety net, promote physical activity and healthy eating, and help North Carolina non-profits reach their goals.



So, where does the premium dollar go?

In 2010, 86 percent of every premium dollar went to pay our customers' medical expenses.⁹ The remainder of that dollar goes toward the cost of running our business and to the financial reserves we are required by law to maintain.⁹

We're serious about taking steps to reduce medical costs. It's the only way to make health insurance affordable over the long term. We're working with physicians and hospitals to implement payment models that reward quality outcomes and hold down costs. And we're giving consumers more tools and information than ever to help them make smarter health care decisions.



* Includes prevention, disease management, care coordination, investments in health information technology and health support.

Based on a PricewaterhouseCoopers LLP analysis *Factors Fueling Rising Health Care Costs*, 2008, commissioned by America's Health Insurance Plans. Draws on data from multiple health insurance companies.

Financial stability for us; Peace of mind for customers

Through conservative financial management and a focus on reducing costs, we remain a financially strong company. That's good news for the more than 3.7 million North Carolinians who depend on us to be there when they need us.

Our Weiss Ratings financial strength rating is A+ as of October 29, 2010.¹⁰

Financial Metrics ⁹	2010	2009	2008	2007	2006
Revenue	\$5.2 B	\$5.2 B	\$5.2 B	\$4.9 B	\$4.4 B
Consolidated Net Income	167.7 M	\$107.3 M	\$186.4 M	\$209.1 M	\$189.4 M
Net Income Ratio	3.2%	2.1%	3.6%	4.3%	4.3%
Taxes Paid	\$159.9 M	\$134.0 M	\$162.4 M	\$173.8 M	\$139.8 M
Claims and Medical Expenses Paid	\$4.0 B	\$4.0 B	\$4.0B	\$3.7 B	\$3.3 B
Percentage of Premium Dollar Spent on Claims and Medical Expenses	86%	87%	85%	84%	82%
Months in Reserves (Claims and Operating Expenses)	4.5 months	3.6 months	3.5 months	4.0 months	3.7 months



How to reach us

Headquarters

Chapel Hill, NC
(919) 489-7431

Mailing address

P.O. Box 2291
Durham, NC 27702-2291

Website address

Visit us online at bcbsnc.com

Customer Service

Call the toll-free phone number
on your BCBSNC ID card.

Sales

Call 1-800-324-4973

Media Inquiries:

Call (919) 765-3005 or
e-mail at media.inquiry@bcbsnc.com

1 FrederickPolls; November 2010

2 Employment numbers as of 12/31/2010

3 BCBSNC Membership Detail Report - 12/31/2010

4 Consortium Health Plans Inc., MarketQuest network compare; April 2009.

5 Network participation as of 12/31/2010

6 Blue Cross and Blue Shield Association Internal Data, 2010: www.bcbs.com/about/ and www.bcbs.com/coverage/bluecard/ (Accessed March 2010)

7 BCBSNC Internal Data, 2010.

8 BCBSNC human resources data

9 "BCBSNC 2010 Financial Results Show Stable Finances, Customer Base," BCBSNC press release, March 1, 2011

10 Weiss Ratings represent a private, independent opinion of an insurance company's financial strength. The ratings are derived, for the most part, from annual and quarterly financial statements obtained from state insurance commissioners and supplemented by information requested from the insurance companies. For more information, visit: <http://www.weissratings.com>.

© Mark of the Blue Cross and Blue Shield Association. **Blue Cross and Blue Shield of North Carolina and the Blue Cross and Blue Shield of North Carolina Foundation are independent licensees of the Blue Cross and Blue Shield Association.** U7447, 3/11



**BlueCross BlueShield
of North Carolina**