

2015 CORPORATE fact sheet

About the Company

Blue Cross and Blue Shield of North Carolina® (BCBSNC) is a not-for-profit, fully taxed company with major operations centers in Durham, Fayetteville, Winston-Salem, and an office in Charlotte. BCBSNC improves the health and well-being of our customers and communities by providing innovative health care products, services and information. We are the largest health insurer in the state, with more than 4,700 employees¹ serving more than 3.89 million customers.² In 2015, salaries and benefits provided to BCBSNC employees represented an economic impact of \$492.2 million.³

Community Involvement⁴

In 2015, BCBSNC employees contributed more than \$832,700 in our annual employee giving campaign, GivingWORKS. Matching contributions from the company resulted in a total of \$1.15 million invested in our communities. Since 2000, our employees have donated more than \$15 million.

In addition to financial contributions, our employees donate their time and talents to a number of community causes. Additionally, 85 percent of our corporate officers serve on a board or volunteer in the community. Since 1997, BCBSNC employees have volunteered more than 399,178 hours, with a dollar value of \$7.16 million.

Over the course of 2015, our employees helped construct KaBOOM! playgrounds in Asheville and Goldsboro, packaged more than 200,000 meals in the annual Sort-a-Rama hunger relief effort, and volunteered for a range of causes including Backpack Buddies, Habitat for Humanity, Ronald McDonald House, Special Olympics and the Senior Games.

The BCBSNC Foundation⁵

The Blue Cross and Blue Shield of North Carolina Foundation was founded in November 2000 and is a separate, independent, private, charitable foundation with the mission of improving the health and well-being of North Carolinians.

Priority Areas—Health Care: Supporting safety net organizations and their partners in achieving measurable results to increase the quality, supply of and access to health care. **Healthy Living:** Increasing access to safe, inviting places to play and be active, as well as access to healthy local food. **Nonprofit Leadership:** Increasing the effectiveness of North Carolina nonprofit organizations and their leaders.

Signature Programs—Be Active Kids® and the Nonprofit Leadership Academy.

Total Grants—More than 850 grants totaling more than \$107 million to North Carolina organizations since the year 2000.

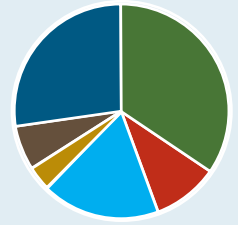
Executive Leadership Team

| | |
|--------------------------|---|
| J. Bradley (Brad) Wilson | President, Chief Executive Officer |
| Maureen K. O'Connor | Executive V. P. of Diversified Businesses, President, Mosaic Health Solutions |
| Gerald Petkau | Senior V. P., Chief Operating Officer |
| Fara M. Palumbo | Senior V. P., Chief Human Resources Officer |
| Mitch Perry | Senior V. P., Chief Financial Officer |
| John T. Roos | Senior V. P. and Chief Sales, Marketing and Communications Officer |
| N. King Prather | Senior V. P., General Counsel, Corporate Secretary |
| J. Michael Parkerson | Chief Strategy Officer |
| Dr. Brian Caveney | Chief Medical Officer |
| Patrick Getzen | Chief Actuary |

Membership⁶

2015 Total Membership: 3,891,255*

| |
|----------------------------------|
| Group—1,256,729 |
| Individual—511,085 |
| State—580,871 |
| Federal Employee Program—164,543 |
| Seniors - 287,349 |
| BlueCard**—1,090,678 |



*Medical Membership as of 12/31/2015
**Covered on behalf of other Blue plans

Customer Service

| | |
|--------------------------------------|-----------------------------|
| 2015 Number of claims paid: | 38.87 million ⁷ |
| 2015 Value of claims paid: | \$7.61 billion ⁸ |
| 2015 Customer Service calls received | 6.8 million ⁹ |

Provider Network¹⁰

Our PPO¹¹ network of health care providers includes 96% of medical doctors¹² and 99% of all general acute care hospitals.

| | HMO | PPO |
|---------------------------|--------|--------|
| Primary Care | 5,871 | 5,877 |
| Specialists ¹³ | 34,622 | 37,732 |
| Hospitals* ¹⁴ | 118 | 123 |

*Count is by physical location

Employees¹⁵

| | |
|-----------------|----------------------|
| Women: 76% | Ages 25 & under: 2% |
| Men: 24% | Ages 26–44: 51% |
| Minorities: 52% | Ages 45 & older: 47% |

2015 Financial Results²

| | |
|--|-----------------|
| Revenue | \$8.2 billion |
| Consolidated Net Income | \$0.5 million |
| Net Income Ratio | 0.0% |
| Taxes Incurred (Federal, State, Local) | \$372.0 million |
| Claims and Medical Expenses | \$6.5 billion |
| Medical Care Ratio | 87.2% |
| Months in Reserve | 3.2 months |

Main Campus

Location: Durham, NC
Mailing: P.O. Box 2291, Durham, NC 27702-2291
(919) 489-7431
bcbsnc.com

Media Contacts

Media Line for reporters and analysts:
(919) 765-3005, media.inquiry@bcbsnc.com
Newsroom: <http://mediacenter.bcbsnc.com>

Awards and Recognition

American Heart Association—Platinum Fit-Friendly Award (2010–15)
AARP—Top 50 Employer for Employees Over 50 (5th time recognized)
Carolina Parent—Top 50 for Working Parents (2000–14)
CEO Roundtable on Cancer—Gold Standard Award (2010–15)
Chief Learning Officer—Learning in Proactive Award
DiversityInc—Top 10 Company for Diversity in the South
Ethisphere Institute—World’s Most Ethical Companies (2012–15)
Human Rights Campaign—Best Places to Work for LGBT Equality (2015)
National Association for Female Executives—Top 50 Companies for Executive Women (2015)
The American Society for Training and Development (ASTD)—Top 25 Global Corporate Universities
Training Magazine—Top 125 Award
Triangle Business Journal—Healthiest Employer Award (2012–15)
Triangle Business Journal—Diversity Leader Award
WELCOA—Well Workplace Award, Gold Level (2015)
Workforce Magazine—Top 100
Working Mother—100 Best Companies (2007–15)
Working Mother—Best Companies for Multicultural Women (2015)
World at Work Alliance for Work-Life Progress—2015 Seal of Distinction
World’s Most Ethical Company (2012–2015)

Health Care Coverage Solutions

We offer a comprehensive portfolio of health insurance products for individuals and groups, including:

- + Preferred Provider Organizations (PPO)
- + Point of Service (POS)
- + High Deductible Health Plans (HDHP) paired with a Health Savings Account (HSA) or Health Reimbursement Account (HRA)
- + Medicare Options

Our products provide a broad range of options and financial incentives for members.

We also provide a range of services for self-insured plans, commonly referred to as administrative service only, or ASO, including stop-loss insurance, actuarial and reporting services, network access, medical cost management, claims processing and other administrative services. Finally, we offer a full range of benefits, either on a stand-alone basis or as a complement to our core health insurance offerings, including:

- + Dental options
- + Individual term life
- + Group and voluntary life
- + Group short- and long-term disability
- + Voluntary short- and long-term disability
- + Group accidental death and dismemberment
- + Group and voluntary vision
- + Employee assistance plan
- + Accident coverage
- + Hospital confinement
- + Critical illness
- + Minimal Essential Coverage (MEC)
- + Medical Gap

©. SM Marks 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. U8700, 3/16

Company Milestones¹⁶

- 1933:** Founded as Hospital Care Association, chartered on August 7.
- 1935:** Hospital Saving Association founded.
- 1968:** Hospital Care and Hospital Saving associations consolidate as North Carolina Blue Cross and Blue Shield.
- 1973:** Distinctive headquarters building opens on Durham-Orange County line, known as the Service Center. Company name is changed to Blue Cross and Blue Shield of North Carolina.
- 1998:** New Customer Service Center opens in Durham, building on Durham-Orange County line is now known as Corporate Headquarters.
- 2000:** Blue Cross and Blue Shield of North Carolina Foundation established.
- 2001:** Major operations center in Winston-Salem established.
- 2005:** BCBSNC becomes the first health insurer in the nation to cover obesity as a primary condition.
- 2011:** BCBSNC collaborates with health care providers to open Carolina Advanced Health, a new primary-care physician practice specializing in the treatment of chronic conditions, and three accountable care organizations (ACO) that provide high-quality, coordinated and efficient care for customers, while reining in costs.
- 2013:** BCBSNC is the only insurer that offers ACA-compliant plans to all North Carolinians, regardless of income or where they live.
- 2014:** BCBSNC opened new regional service center in Fayetteville.
- 2015:** Launched online tool allowing consumers to compare costs for more than 1,000 medical procedures.

- 1 Employment numbers as of 3/2/2016.
- 2 "Blue Cross 2015 Financials: ACA Losses Grow; Improvements in Other Lines of Business, Strong Investments Create Small Profit", BCBSNC press release, 2/26/2016.
- 3 BCBSNC human resources data, 3/2/2016 (includes related payroll taxes, employee welfare and acquisition costs).
- 4 BCBSNC community relations data, 2/8/2016.
- 5 BCBSNC Foundation data, 3/7/2016.
- 6 BCBSNC Medical Membership Summary as of 12/31/2015.
- 7 BCBSNC claims data, 4/2016.
- 8 BCBSNC claims data, 4/2016.
- 9 BCBSNC customer service data (2015 Phone Report), 1/5/2016.
- 10 BCBSNC statewide PPO vendor count, accessed 3/7/16 (excludes mental health and dental providers).
- 11 Preferred Provider Organization (PPO) includes State PPO, Federal Employee Program PPO, ACS Services and National Carolinas Program.
- 12 The percentage of medical doctors is based upon the number of providers that applied for a BCBSNC provider number and then contracted with us versus the total number of providers who applied.
- 13 Includes all providers, medical doctors, non-medical doctors and specialties of family practice, general practice, internal medicine and pediatrics not counted as a primary-care provider.
- 14 Includes general acute care only.
- 15 BCBSNC human resources data, 3/2/2016.
- 16 BCBSNC historical data.