





About the Company

Blue Cross and Blue Shield of North Carolina® is a not-for-profit, fully taxed company with major operations centers in Durham, Fayetteville, Winston-Salem, and an office in Charlotte. Blue Cross 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 4,900 employees¹ serving more than 3.74 million customers² in all 100 counties of North Carolina.

Community Involvement³

Employees of Blue Cross contributed more than \$901,870 to our 2016 annual charitable giving campaign. Matching contributions from the company resulted in a total of \$1.25 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. Blue Cross employees have contributed nearly 400,000 volunteer hours since 1997 – with a dollar value of \$7.16 million.

Over the course of 2016, our employees constructed a playground in Durham, packaged more than 400,000 meals for Sort-a-Rama and more than 100,000 diapers for the Diaper Bank of NC and volunteered for a range of causes including Backpack Buddies, Habitat for Humanity, Ronald McDonald House, Special Olympics and the Senior Games.

The Blue Cross and Blue Shield of North Carolina Foundation⁴

The Blue Cross and Blue Shield of North Carolina Foundation was founded in November 2000 and is a 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 885 grants totaling more than \$113 million to North Carolina organizations since the year 2000.

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.

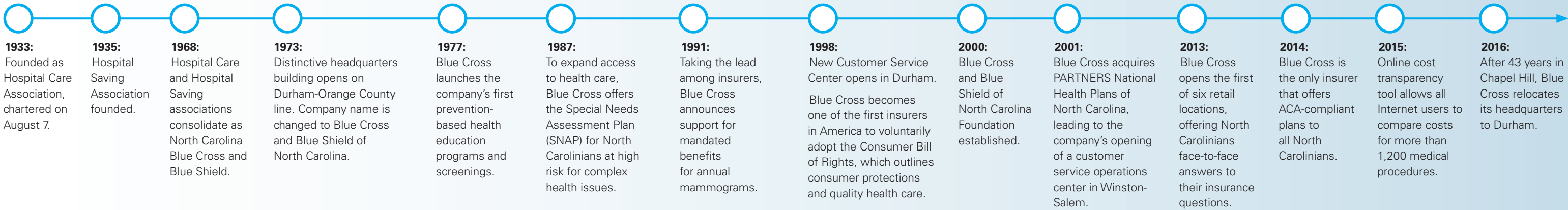
We also provide a range of services for self-insured plans, commonly referred to as administrative service only, or ASO, including stop-loss insurance, actuarial and reporting services, network access, medical cost management, claims processing and other administrative services. Finally, we offer a full 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

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 (2010–16)
- + **Chief Learning Officer**–Learning in Proactive Award
- + **DiversityInc**–Top 10 Company for Diversity in the South
- + **Ethisphere Institute**–World’s Most Ethical Companies (2012–16)
- + **Great Place to Work** (2016)
- + **Human Rights Campaign**–Best Places to Work for LGBT Equality (2015-16)
- + **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 (2007–16)
- + **Working Mother**–Best Companies for Multicultural Women (2015)
- + **World at Work Alliance for Work-Life Progress** – 2015 Seal of Distinction

Company Milestones¹⁶



Senior Leadership Team

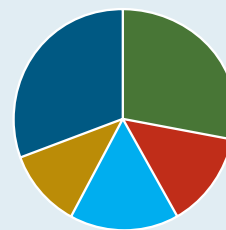
Brad Wilson	President, Chief Executive Officer
Fara Palumbo	SVP, Chief Human Resources Officer
J. Michael Parkerson	SVP, Chief Strategy Officer
Mitch Perry	SVP, Chief Financial Officer
Gerald Petkau	SVP, Chief Operating Officer
N. King Prather	SVP, General Counsel
John T. Roos	SVP, Chief Sales, Marketing and Communications Officer
Dr. Brian Caveney	Chief Medical Officer
Patrick Getzen	Chief Actuary



Membership⁵

2016 Total Membership: 3,738,813*

Group – 1,049,913
Under 65/Small Group – 517,928
State – 589,460
Federal – 431,685
BlueCard** – 1,149,827



*Medical Membership as of 12/31/2016
**Covered on behalf of other Blue plans

Provider Network⁶

Our PPO⁷ network of health care providers includes 96% of medical doctors⁸ and 99% of all general acute care hospitals.

	HMO	PPO
Primary Care	5,871	5,877
Specialists ⁹	34,622	37,732
Hospitals* ¹⁰	118	123

*Count is by physical location

Employees¹¹

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

2016 Financial Results²

Revenue	\$788 billion
Consolidated Net Income (Loss)	\$185.0 million
Net Income Ratio	2.4%
Taxes Paid (Federal, State, Local)	\$478.1 million
Claims and Medical Expenses	\$5.8 billion
Medical Care Ratio	81%
Months in Reserve (Claims and Operating Expenses)	3.8 months

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- 1 Employment numbers as of 3/1/2017.
- 2 "Blue Cross 2016 Financials: Blue Cross Posts Positive 2016 Net Income Despite Continued ACA Losses", Blue Cross press release, 3/1/2017.
- 3 Blue Cross community relations data, 3/1/2017.
- 4 Blue Cross Foundation data, 3/1/2017.
- 5 Blue Cross Medical Membership Summary as of 12/31/2016.
- 6 Blue Cross statewide PPO vendor count, accessed 3/7/16 (excludes mental health and dental providers).
- 7 Preferred Provider Organization (PPO) includes State PPO, Federal Employee Program PPO, ACS Services and National Carolinas Program.
- 8 The percentage of medical doctors is based upon the number of providers that applied for a Blue Cross provider number and then contracted with us versus the total number of providers who applied.
- 9 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.
- 10 Includes general acute care only.
- 11 Blue Cross human resources data, 3/2/2016.
- 12 Blue Cross historical data.

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