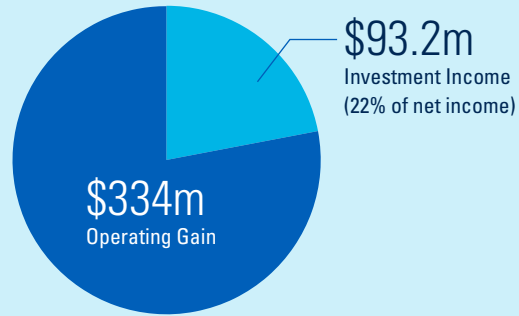
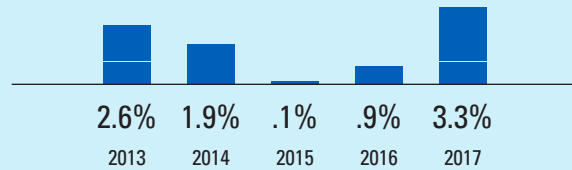


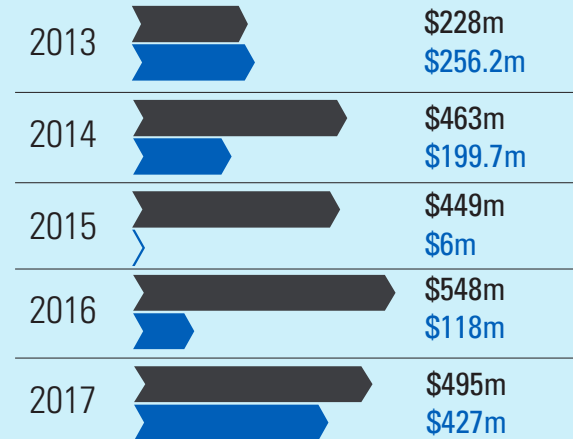
After Tax Net Income: \$427m¹ 3.3% of gross revenues²



5-Year Margin



Total Taxes Net Income



Premium Dollar Spending³ 2017

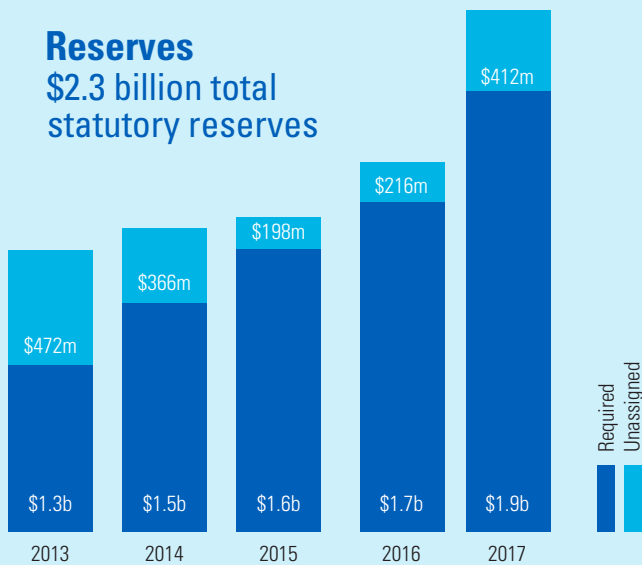
14%
Operational Costs

86%
Direct Medical Costs



- 3¢ After-Tax Profit (from operations⁴)
- 3¢ Taxes
- 8¢ Administrative⁵
- 4¢ Other Medical Services
- 10¢ Prescriptions
- 21¢ Outpatient Facility Care
- 25¢ Inpatient Facility Care
- 26¢ Physician Services

Reserves \$2.3 billion total statutory reserves



\$1.9 billion

Total amount of minimum reserves required by the Tennessee Department of Commerce and Insurance

This money ensures that BlueCross and its subsidiaries could pay all members' claims and sustain business, even in case of emergency, disaster or cyclical downturn in business.

\$122

Amount per member held in unassigned reserves

76

The number of days that BlueCross total statutory reserves could cover members' claims

63

The number of days that BlueCross minimum required statutory reserves alone could cover members' claims

\$412 million

Total amount of unassigned reserves in 2017 after the required amount is set aside. These reserves are available to meet a range of business needs, including investments in our technology and health management capabilities.

¹ Net gain reported under Generally Accepted Accounting Principles (GAAP)

² Based on gross premiums, including fees and premium equivalents

³ Based on gross premiums, including fees and premium equivalents. Excludes investment income.

⁴ Uses 35% income tax rate.

⁵ Including quality initiatives, broker fees and claims processing