



2010 ANNUAL REPORT

embracing change | enhancing your health



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In a year of challenges, we drew on the passion of our employees, the spirit of innovation, and the momentum of reform to move forward on our mission of enhancing the health and wellness of those we serve. Working closely with physicians, hospitals, and our customers and their brokers and consultants, we continued to adapt and grow — offering new, cost-effective plans that fit no matter where you are in life, technology that simplifies your care, and products designed to serve you better and keep you well.

Embracing **CHANGE.**

Enhancing your **HEALTH.**

It's why we're **HERE FOR YOU.**



Change brings opportunity and a renewed commitment to excellence

Dear Customers, Colleagues, and Community Members:

From health care reform to new leadership here at Independence Blue Cross (IBC), 2010 was a year of change that brought unique and exciting opportunities to serve our customers and enhance their health in innovative ways. In 2010, we seized these opportunities with ingenuity, resolve, and the entrepreneurial spirit for which we are known throughout our region and are becoming known across our nation.

At right, you will see our mission, vision, value proposition, and core values — our road map for ensuring that we have a clear understanding of who we are, where we are going, and how we are going to continue to exceed your expectations. As we work diligently to meet your needs every day, we also keep an eye on the horizon, anticipating and preparing for the future. Our commitment to excellence and customer service begins with each and every one of our associates, making IBC an outstanding employer and insurer for the Philadelphia area and beyond.

◀ M. Walter D'Alessio, chairman of the board (seated), and Daniel J. Hilferty, president and CEO

This annual report, *Embracing change. Enhancing your health*, presents exciting initiatives that illustrate this theme. You'll find out about the health plans we introduced this year to fit the changing needs of individuals, small businesses, and large corporations. You'll see how social networking is making it easier to do business with IBC, how our IBX Healthy Steps program can get you started on a delicious and nutritious path, and how healthy

MISSION

Enhancing the health and wellness of the people and communities we serve

VISION

The best-performing Blue by 2016...admired for our people, growth, and innovative leadership

VALUE PROPOSITION

Exceeding customers' expectations...through innovative health and wellness solutions

CORE VALUES

Integrity	Accountability
Customer commitment	Courage
Excellence	Teamwork

decisions can earn you valuable discounts through the Blue 365® member program.

In 2010, with total revenues of \$9.7 billion, we saw a modest profit margin of 2.2 percent, or \$211 million. This positive performance reflects a true achievement in a challenging year. We adjusted to the still unsettled economy with decisive and thoughtful actions: we took advantage of the opportunity to sell our subsidiary FutureScripts, and continued to lower administrative

costs. As a result, we remain financially stable and continue to serve our customers at the highest level. We are excited about this positive momentum.

As a tribute to the remarkable leader who led our company for the past six years, guiding IBC successfully into the post-reform environment, we have named our new conference and training center for our friend and former CEO, Joe Frick. With our change in leadership, we have refreshed our focus on our goals and revitalized our commitment to our customers.

For decades before the recent health care legislation, we advocated comprehensive reform of our health care system, based on our belief that everyone deserves the peace of mind that comes with access to quality health care. Federal reform presents fresh ways to serve our customers and to partner more closely with area physicians and hospitals to improve the quality and lower the cost of care.



◀ As a tribute to the remarkable leader who had led IBC since 2005, we named our new conference and training center for our friend and former CEO, Joseph A. Frick, now vice chairman of our board.

Our pay-for-performance programs and our ongoing commitment to the patient-centered medical home model are just two examples of innovative, effective approaches to care that we introduced in our market.

In our 73-year history, we have always kept a steady focus on improving the health of our community. In 2010, our board of directors approved and funded with \$10 million the new Independence Blue Cross Foundation, which is charged with identifying and developing new ways to deliver health care in this region. We also continued funding 36 community health clinics, which provide more than 118,000 uninsured people in our region with free or subsidized high-quality health care. We supported about 450 nursing scholarships this year, helping to fight the nursing shortage by educating motivated, qualified nurses. And our three annual fitness events — National Walk@Lunch Day, the Blue Cross Broad Street Run, and Step Out: Walk to Fight Diabetes — drew nearly 40,000 people, more than ever before.

In a year of positive progress, we are thankful for the dedication of our hard-working and talented associates, the expertise of our brokers and consultants, and the strong collaboration with area physicians and hospitals, our partners in your care. In 2011, we will continue to strive to become a national leader of our industry through our unwavering pursuit of excellence.

As we move forward, with accountability for the present and responsibility for the future, we will continue to embrace change and enhance your health.



M. Walter D'Alessio
Chairman



Daniel J. Hilferty
President and Chief Executive Officer



embracing

CHANGE

Change is a part of life. At Independence Blue Cross, we're here for you through all kinds of changes: in your health and lifestyle, in your business and the economy, in laws and in medicine. At every turn, we've responded to your changing needs with products and programs that serve you better, lower costs, and offer access to the excellent care you count on.



CHANGE





No matter where you are in life, we have plans that fit

As your lifestyle or your business evolves, our health coverage will adapt to changes in your health care needs and budget. Our expanding portfolio of new, customized plans invites you to choose the one that makes the most sense for you, your family, or your employees.

If you are a small business owner in our region, providing health care for your employees is now simpler and more affordable, thanks to our **Blue Solutions**[®] portfolio, a group of 25 new, cost-effective health care plans created just for small businesses with two to 50 employees. This flexible portfolio of plans offers solutions tailored to the needs of your small business while fully meeting the requirements of the new federal health care reform law, including full coverage for designated preventive care services. We offer Blue Solutions plans with copay, deductible, and Health Savings Account-qualified options, and prescription drug and vision coverage, creating a comprehensive program for small business customers. Best of all, your employees will have access to our expansive network of doctors and hospitals. For more details on Blue Solutions plans, contact your broker, or visit www.ibx.com/bluesolutions.

Are you responsible for health care coverage at a large national company? If so, we are ready to help you maximize your health care dollar and save money while providing excellent coverage to hundreds of your employees working in many different states. This year, we became a member of the Consortium Health Plan, which is composed of 21 independent Blue Cross and Blue Shield health insurance organizations across the country that have worked together to strengthen the Blues' capability to offer access to quality, cost-competitive health care nationwide to valued customers like you.

◀ Through Blue Solutions health plans for small businesses, John Millard (center) and Amy Edelman (right), owners of the Night Kitchen Bakery in Philadelphia's Chestnut Hill neighborhood, found a plan that fit their budget to cover their 18-employee business, including their executive pastry chef, Jennifer Low (left).

We offer a variety of health insurance plans tailored to fit our customers' needs:

INDIVIDUAL

For families and individuals under 65

SENIOR

For Medicare-eligible individuals, providing Medicare Advantage, a managed care Medicare program, and Medicare supplemental benefits coverage

LOCAL GROUP

For locally owned businesses with two to 20,000 employees

NATIONAL

For employer groups headquartered in our five-county southeastern Pennsylvania region with employees working in other states

LOW-INCOME

For low-income children and adults, providing Medicaid and state Children's Health Insurance Programs

FEDERAL EMPLOYEE PROGRAM

For U.S. government employees and their dependents in southeastern Pennsylvania

PRESCRIPTION DRUG AND VISION

Pharmacy benefits coverage for employers and health plans administered by FutureScripts®, an independent company, and vision coverage administered by Davis Vision

Like many of our members, you may buy your own health insurance for yourself or your family. To serve you better, we introduced a range of new **individual plans** for single adults and families. Like our small business plans, our new individual plans offer a variety of options, meet all of the recent federal health care requirements, include primary and specialist care as well as emergency care and prescription drug benefits, and offer access to our extensive network of doctors and hospitals. Once again, you can select a plan that fits your budget and lifestyle. For complete information on our individual plans, visit www.ibx4you.com.





3.1 million members

including 20 percent more individuals and families who purchased their own health plans in 2010



3,707,403

phone calls and emails

from our customers, physicians, and hospitals who contacted us for help in 2010. In addition, **378,908** customers used [ibxpress.com](#), our member website, to check claim payments, find physicians, or improve their health with new WebMD® tools.

Changes in health care mean opportunities to serve you better

We believe reform presents possibilities for improving customer service and for creating innovative health and wellness solutions for our members.

The nation's new **health care reform** law, formally titled the 2010 Patient Protection and Affordable Care Act, is the most far-reaching health care legislation since Medicare was introduced nearly 50 years ago. When reform was enacted in March, Independence Blue Cross responded quickly, seamlessly incorporating newly required provisions into our health plans for you. We also developed new tools to help our customers understand the impact of reform, such as our online tax calculator, created by H&R Block, which helps small businesses determine if they qualify for a tax credit under the health care reform law.

We have long believed that every American deserves the peace of mind that comes with having health care coverage. So it's no surprise that our health plans already included some of the significant elements required by the new law; for example, we already offered coverage to anyone, regardless of their health. In the coming years, we will continue to combine our experience, ingenuity, and resources with the spirit of reform to bring you programs and services that meet your health care and financial needs. Find out more about reform on our interactive health care reform website, www.AskBlueReform.com.

8 states

including

Pennsylvania, were chosen to participate in a groundbreaking national pilot for patient-centered medical homes beginning in 2011



A compelling goal of federal health care reform is higher-quality, more cost-effective primary care, an idea that has long been a cornerstone of our mission. We demonstrate this commitment to better primary care through our leadership in Pennsylvania's groundbreaking pilot program for the **patient-centered medical home**. This new model of care is supported by the medical community, leading employers, and policy experts, and gives primary care physicians the resources they need to make care more personal and coordinated. More than 150 primary care physicians and 100,000 of our members participate in this pilot in southeastern Pennsylvania. Thanks to its success, Pennsylvania was one of only eight states chosen in 2010 for a national patient-centered medical home pilot for Medicare patients, funded by federal reform. Building on the experience from our three-year-old local pilot, the new federal initiative will explore better ways to improve the quality of care while lowering costs through the patient-centered medical home.

In primary care practices that have transformed into patient-centered medical homes, patients can be evaluated as soon as a problem develops, and care managers and health educators help make sure chronically ill patients receive key tests, take medication as directed, and stay well. The results of our pilot are clear: chronically ill participants took more responsibility for their care and showed marked improvement. Of the participants in the program, 50 percent more people had well-controlled diabetes, 70 percent more had well-controlled cholesterol, and 38 percent more had well-controlled blood pressure. In addition, two-thirds more children with asthma established personalized asthma action plans with their physicians and are more prepared to prevent a serious asthma attack. To learn more about patient-centered medical homes, visit www.ibx.com/advancedprimarycare.

Thanks to Pennsylvania's groundbreaking patient-centered medical home pilot, a new generation of primary care doctors is being trained to provide better-coordinated, more personal care through three local residency programs. Pictured left to right are residents and faculty members Kris Bosse, M.D., Anna Tierney, M.D., and Jyoti Kandlikar, M.D., of the Children's Hospital of Philadelphia; William J. Warning, M.D., Kate Story, D.O., and Kevin DuPrey, D.O., of Crozer-Keystone; and Beth Careyva, M.D., George Valko, M.D., and Matthew Kusher, M.D., of Jefferson Medical College.



enhancing
your





Our commitment to the health of our members and our community has never been stronger. We continued to use technology to simplify your care. We introduced and strengthened programs to keep you well while keeping costs down. And, to encourage more and more people to be active, we continued to sponsor our three very popular annual events that promote fitness and exercise in our community.



WELL



We're using social media to connect you to a healthier life

From engaging our customers and our community through social networks to providing a convenient and entertaining online resource that answers everyday questions, we're putting technology to work to enhance your health.

Social networking has become an important part of the way Americans communicate with the key people in their lives. We feel strongly that staying connected with you, our customers and members, can keep you healthier and help us serve you better. That's why in 2010 we set — and met — a goal of creating dynamic dialogues with more members than ever before through Facebook and Twitter, as well as LinkedIn, Flickr, and YouTube. Through our Facebook page, we engage members with health tips and wellness information, and encourage them to take advantage of special programs like IBX Healthy Steps (see next page). Our fans interact with us and each other by sharing their own health experiences and passing on meaningful health information to family and friends. We also send health messages and updates to our fans through Twitter, and post pictures and videos of our community events like the Blue Cross Broad Street Run on Flickr and YouTube. In addition, our customers and members come to our sites to ask questions about their health plans, prescribed medications, and finding a physician. Whatever the question or concern, the immediate nature of social networking allows us to address it quickly and directly. Connect with us at www.ibx.com/connect.



◀ While in Mexico to marry his fiancée, Carmen, Mark Winkelspecht broke his leg. He was without phone service but was able to contact us through Facebook. “Thanks to Independence Blue Cross,” Mark says, “I got the care I needed for my leg and was married less than three weeks later.”

75%

increase in the number
of our Facebook fans
in 2010

Celebrity chef and registered dietitian Katie Cavuto Boyle, M.S., R.D., is the culinary force behind IBX Healthy Steps, the interactive, web-based health and wellness program Independence Blue Cross members can access through Facebook and Twitter.



Once you've connected with us online, take a few moments to explore our world of simple and delicious recipes, expert advice, and practical everyday nutrition and health tips through IBX Healthy Steps, an interactive resource on our Facebook page. You'll find a whole new approach to making healthy lifestyle changes, one step at a time, including insights from registered dietitian and chef Katie Cavuto Boyle, M.S., R.D., a Philadelphia-area native who works as the nutritionist for the Philadelphia Phillies and has appeared on the Food Network and the *Rachael Ray* show. Katie will show you how to make some of her favorite healthy meals and share her secrets to healthy eating with entertaining, easy-to-follow cooking videos. You can also connect with others who want to share recipes and tips for losing weight or lowering cholesterol, or you can connect with our Ask IBX Team. Fans and followers of IBX Healthy Steps may also get nutrition counseling information, a free benefit for our members. Join the thousands of other health-minded fans on IBX Healthy Steps; visit www.ibx.com/facebook.




healthy
steps



1.5 million health messages

delivered in 2010 to our friends and followers through social media





Through our pay-for-performance incentive programs, we encourage higher-quality, more cost-effective care from thousands of physicians in our network, including Dr. Vera L. Frumin of Meadowbrook Pediatrics in Meadowbrook, Pa.



Keeping you well is our priority

We offer incentives to the physicians and hospitals in our network for providing you with excellent care, and we reward you, your family, and your employees for making healthy behavior a part of your life.

We encourage hospitals and doctors to provide the best-quality care for the most value by rewarding them for achievements such as successfully managing chronic conditions like diabetes and high blood pressure and reducing the number of dangerous and costly surgical complications. That's the idea behind our **pay-for-performance programs**, which reward doctors and hospitals for high-quality, efficient care. This year, we introduced a new program that allows thousands of primary care physicians to double their incentive earnings potential for providing higher-quality, more cost-effective care. We also launched a program for hospitals and the physicians they employ that encourages collaboration to reduce infections and readmissions and ensures that evidence-based guidelines are followed for surgical care and the treatment of heart attacks, heart failure, and pneumonia. Responsibly motivating doctors and hospitals to deliver the highest-quality care each day helps lower costs by avoiding complications and helps their patients see life-changing results — like better control of blood sugar, lower blood pressure, and fewer days spent in the hospital. It just makes sense.

We believe wellness is a three-way partnership among Independence Blue Cross, the physicians in our network, and our members. By making healthy choices throughout your life, you can play a critical role in your own well-being — and now, through **Blue365**[®], you can receive valuable discounts as you do. Blue365 is a new discount program that provides Independence Blue Cross members with generous savings and special offers on fitness, nutrition, and travel products and services. These discounts on nationally respected health and fitness brands, such as Reebok[®], Nutrisystem[®], and Jenny Craig[®], and on laser vision surgery, motivate members to adopt lifelong behaviors that will help keep them well and keep their health care costs down.

Blue365 is one of several **Healthy Lifestyles**SM programs we offer free to our members. Our other Healthy Lifestyles programs encourage healthy behaviors through incentives and active participation, such as offering monetary reimbursements for weight loss, fitness, and smoking cessation. In the last 3 months of 2010, nearly 5,500 of our members used Blue365, and more than 105,000 members took advantage of our Healthy Lifestyles programs over the course of the year. To find out more about these programs, visit www.ibx.com/healthy_lifestyles.

We're building the health of our communities, one step at a time

Whether we are providing care for the uninsured, scholarships for much-needed nurses, or a chance for people to get fit, we are invested in the future health of our region.

At Independence Blue Cross, promoting wellness in the neighborhoods where our members live and work is not only a decades-old tradition, it's at the heart of our mission to enhance the health and well-being of the people and communities we serve. From funding clinics — 36 in all throughout Greater Philadelphia — where 118,000 uninsured and underinsured residents receive high-quality preventive care to sponsoring nursing scholarships to build the ranks of qualified nurses in our region, we are involved and invested in the community around us. Our three annual signature events have become anticipated local traditions that celebrate fitness, fun, and community spirit. The people of our region love to get out and get moving, and at Independence Blue Cross, we love to make it happen.

The 31st annual **Blue Cross Broad Street Run**, now the nation's largest ten-miler, was held on May 2, 2010, with more than 26,000 runners completing the course down Broad Street. In the past 10 years, the race has raised more than half a million dollars for the American Cancer Society, all of which has gone directly to research and patient care. More than 9,200 of our members finished the race in 2010, and more than 60 volunteer groups provided drinks, snacks, and pats on the back to our hard-working athletes during and after the run. To learn more, visit www.ibx.com/run10.

The Blue Cross Broad Street Run has become the nation's largest ten-miler, with more than 26,000 runners in 2010, 35 percent of them Independence Blue Cross members. ►



BLUE CROSS
15904
BROAD STREET RUN
11TH ANNIVERSARY 2011

BLUE CROSS
15903
BROAD STREET RUN
11TH ANNIVERSARY 2011

THE CAPITAL GRILL

THE CAPITAL GRILL

18312

19805

20232

20000

89

On April 28, 2010, nearly 10,000 employees from Independence Blue Cross and almost 70 employers in the five-county area turned out for our region's third annual **National Walk@Lunch Day**. We joined Blue Cross and Blue Shield companies in all 50 states in sponsoring a local walk and encouraging employees to start a healthy lunchtime walking routine. About 20 companies joined Independence Blue Cross in our centralized walk around City Hall, while other companies took to the streets of neighborhoods throughout Bucks, Chester, Delaware, and Montgomery counties. To learn more, visit www.ibx.com/news_events/events/walk_at_lunch.

More than 3,600 Philadelphia-area residents, including 400 walkers on Team IBC, raised \$545,000 on October 2, 2010, at the **American Diabetes Association's Step Out: Walk to Fight Diabetes**, an event we sponsored for three years. All of the money raised went to research on preventing and treating diabetes, a disease that affects one in nine Philadelphians and 26 million Americans. Step Out Philadelphia is currently ranked second in fundraising among all cities and states nationwide that hold ADA Step Out walks. Find out more; visit www.ibx.com/news_events/events/ada_step_out.html.



◀ At our third annual National Walk@Lunch Day, the employees of about 70 local companies took a healthy lunchtime stroll, in Center City and throughout the suburbs, with a total of more than 10,000 walkers.

With more than 3,600 walkers, Philadelphia's American Diabetes Association Step Out: Walk to Fight Diabetes is now the largest in the country. ▶

286,470

**miles walked and run in our three
annual fitness events — about 11½
trips around the earth**





Independence
Blue Cross

**\$4.8
million**

reimbursed to
our members
for going to
the gym, lowering
weight, quitting
smoking, and making
other healthy choices
through our Healthy
LifestylesSM programs

Independence Blue Cross at a glance

Based in Philadelphia, Independence Blue Cross covers 3.1 million people through our health plans. The only insurer in our region that offers coverage for people regardless of their health status, we are committed to building the health and wellness of our customers and the communities we serve.

3.1 million

members nationwide, including **2.2 million** in our region

\$9.7 billion

in total revenue

\$8.3 billion

paid annually to physicians, hospitals, and other health care providers for our members' care

\$168.7 million

paid in federal, state, and local nonpayroll taxes

4,742

people employed

14,830

inquiries received by our associates each business day — online and by phone — from members and health care providers

22,180,468

members' claims processed

41,242

employer groups served, **99.5 percent** with fewer than 100 employees

**155 hospitals and
39,552 physicians**

and other health care professionals in our network, offering our members the widest consumer choice for quality care

\$83.6 million

invested in the health and well-being of our community, including tens of millions to help hold down the cost of providing health insurance

◀ Melvin Moore, senior research analyst, is one of the many Independence Blue Cross associates who makes healthy behavior a priority every day.

Financial resilience and stability in a changing environment

At Independence Blue Cross, our mission is enhancing the health and wellness of the people and communities we serve. To keep our customers healthy, our company needs to be healthy, too.

Financial performance

Like businesses everywhere, our company has been affected by the difficult economic environment since 2008. Over that three-year period, we earned \$68 million, which represents less than a 0.22 percent net income margin.

In 2009, we posted an operating loss for the first time in more than ten years and an overall after-tax loss of \$64 million, but given our solid surplus level, we remained financially stable during this difficult time and took steps to ensure that we would return to profitability.

We strengthened performance in our core health insurance business in southeastern Pennsylvania and in our subsidiaries. In addition, we used innovation and technology to streamline administrative work, allowing us to continue to offer our customers quality and value.

As a result, in 2010 we earned a modest profit margin of 2.2 percent, or \$211 million, that we will use to invest in better serving our customers and to prepare for business changes required under the new health care reform law.

CONSOLIDATED BALANCE SHEET		
December 31, 2010, and December 31, 2009		
(\$ in thousands)		
	2010	2009
Cash and investments	\$2,657,093	\$2,119,957
Premiums and other receivables	1,162,959	1,107,801
Intangible and other assets	<u>675,923</u>	<u>759,190</u>
Total assets	\$4,495,975	\$3,986,948
Claim liabilities	\$1,166,069	\$1,204,687
Unearned income	584,580	323,936
Accrued expenses	380,857	351,471
Other liabilities	<u>544,627</u>	<u>539,948</u>
Total liabilities	\$2,676,133	\$2,420,042
Surplus	<u>1,819,842</u>	<u>1,566,906</u>
Total liabilities and surplus	<u>\$4,495,975</u>	<u>\$3,986,948</u>

CONSOLIDATED STATEMENT OF OPERATIONS		
December 31, 2010, and December 31, 2009		
(\$ in thousands)		
	2010	2009
Premium revenue	\$9,337,784	\$10,159,907
Management services & other revenue	<u>325,275</u>	<u>306,224</u>
Total revenue	\$9,663,059	\$10,466,131
Claims incurred	8,266,724	9,368,512
Operating expenses	<u>1,126,606</u>	<u>1,221,779</u>
Total expenses	\$9,393,330	\$10,590,291
Net operating income (loss)	\$269,729	\$(124,160)
Investment and other income, net	127,361	111,301
Restructuring and other expenses	(109,247)	(152,398)
Net income (loss) before taxes	\$287,843	\$(165,257)
Income tax benefit (expense)	(77,038)	134,443
Discontinued operations, net of tax	<u>372</u>	<u>(32,923)</u>
Net income/(loss)	<u>\$211,177</u>	<u>\$(63,737)</u>

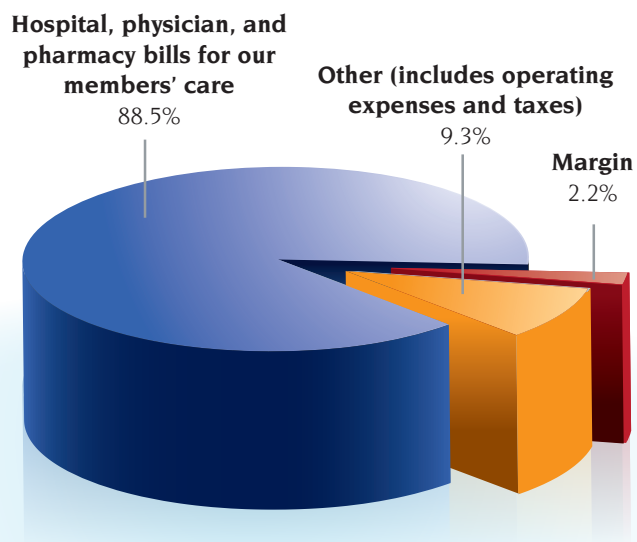
A financially stable nonprofit organization

Independence Blue Cross (IBC) is a nonprofit organization, which means that the income we earn is used to support and improve our products and services, rather than to reward stockholders.

The financial stability of an insurance company is measured by its level of surplus. A surplus represents the difference between an insurer's total assets and its total liabilities — in other words, its “net worth.” All insurers need to maintain adequate surplus in order to maintain their solvency and meet obligations to pay physicians and hospitals for their customers' care. As a nonprofit company, IBC does not have flexibility to raise capital in the investment markets. Therefore, a strong surplus level is critical to ensure the long-term viability of our company.

As one of the few insurers in Pennsylvania that offers coverage for everyone, IBC must have adequate surplus so that we may weather serious financial downturns, such as the 2008 collapse in the financial markets, or pay an unusual spike in physician and hospital bills, which could be caused by a health epidemic. In addition, surplus also provides plans with capital for competitive, service, and regulatory response purposes.

In 2010, our surplus was \$1.8 billion. Under the Pennsylvania Insurance Department's guidelines, this level of surplus is in the “sufficient” range. That means that we maintain a surplus level that is appropriate to ensure our long-term stability, but is not excessive.



◀ In 2010, we spent 88.5 percent of our customers' premiums on their medical care.

The companies of Independence Blue Cross

Founded in 1938, Independence Blue Cross is the region's leading provider of health care benefits. We provide health insurance and a range of supplemental health specialty products through our affiliates and subsidiaries, which include:



QCC Insurance Company. This wholly owned subsidiary offers quality, cost-effective preferred provider plans, including Personal Choice® PPO and Personal Choice 65SM PPO. QCC also offers the Medicare Part D Plan, Select Option® PDP.



Keystone Health Plan East. This wholly owned subsidiary health maintenance organization offers a flexible suite of products, which includes Keystone Health Plan East, Keystone Point of Service, and Keystone 65.



Independence Administrators. Serving self-funded health plans for groups of 100 or more in the five-county southeastern Pennsylvania region, this wholly owned subsidiary is a third-party administrator that offers tailored, cost-effective benefits management services, including claims payment, health management, and consumer-directed health plan options.



AmeriHealth. The AmeriHealth companies operate outside the five-county southeastern Pennsylvania region and in two adjacent states, and they provide AmeriHealth HMO, AmeriHealth POS, AmeriHealth PPO, traditional coverage, and AmeriHealth 65® products.



AmeriHealth Administrators. Serving self-funded health plans for groups of 100 or more outside the five-county southeastern Pennsylvania region, this wholly owned subsidiary is a national third-party administrator that provides comprehensive benefits management services, such as claims payment, health management, and consumer-directed health plan options.



AmeriHealth Casualty Services. This wholly owned insurance agency offers workers' compensation insurance, life and disability insurance, third-party claims administration, and integrated disability management in Pennsylvania, New Jersey, Delaware, and Maryland.



AmeriHealth Mercy Family of Companies. A partnership between IBC and Mercy Health System, these companies offer Medicaid managed care plans and related services in Pennsylvania, Indiana, and South Carolina. The company delivers quality health care to low-income populations covered by Medicare, Medicaid, and state Children's Health Insurance Programs.



Comp Services, Inc. Operating in Pennsylvania, New Jersey, and Delaware, this wholly owned subsidiary offers administrative services for self-insured workers' compensation programs, such as case management and claims administration.

Board of directors and senior leadership team*

BOARD OF DIRECTORS

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Vice Chairman

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Senior Vice President, Marketing Services

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Senior Vice President and Chief Information Officer

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Senior Vice President, Operations

Richard L. Snyder, M.D.
Senior Vice President and Chief Medical Officer

Linda M. Taylor
Senior Vice President and Chief Sales and Marketing Executive

Paul N. Urick
Senior Vice President, Pharmacy Services

Elizabeth A. Williams
Senior Vice President and Chief Communications Officer

*As of March 1, 2011



We're here for you every step of the way.

www.ibx.com



Independence Blue Cross offers products directly, through its subsidiaries Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield. Independence Blue Cross is an independent licensee of the Blue Cross and Blue Shield Association.

2010-0457 4/11



The Independence Blue Cross 2010 Annual Report is printed on recycled paper with 100% post-consumer fiber

