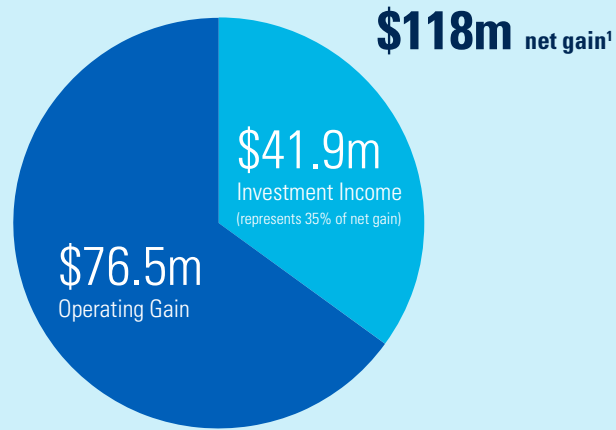
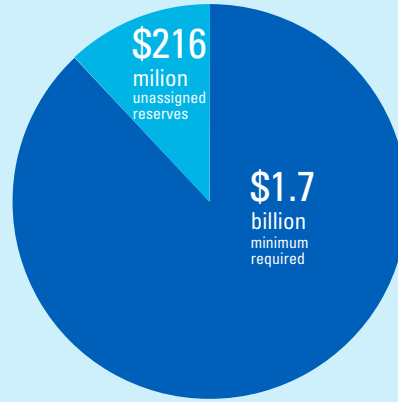


After Tax Net Income

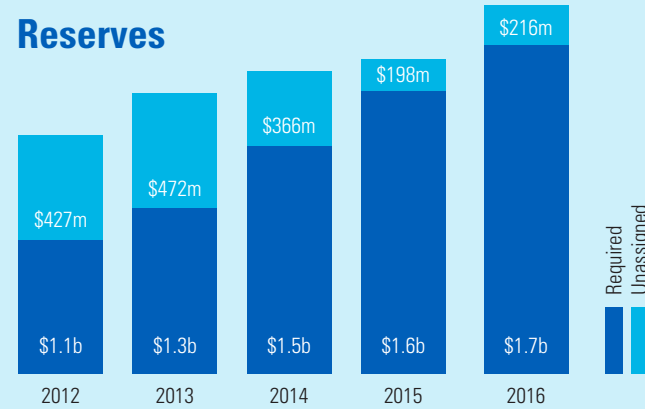


.9% gain² as a percentage of revenue

\$1.9 billion total 2016 statutory reserves



Reserves



\$1.7 billion

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

\$63

Amount per member held in unassigned reserves

65

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

58

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

\$216 million

Total amount of unassigned reserves in 2016 after the required amount is set aside. Reserves are available to meet a range of business needs related to serving our members, i.e., catastrophic events, technology investments and cyclical downturns in business.

Premium Dollar Spending³

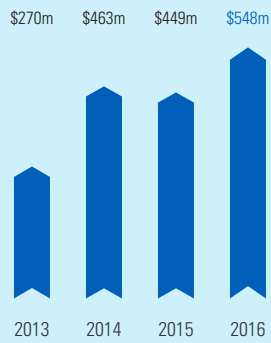
13%
Operational Costs

87%
Direct Medical Costs

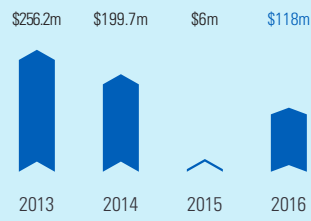


- 1¢ After-Tax Profit (from operations⁴)
- 4¢ Taxes
- 8¢ Administrative⁵
- 4¢ Other Medical Services
- 11¢ Prescriptions
- 21¢ Outpatient Facility Care
- 25¢ Inpatient Facility Care
- 26¢ Physician Services

Total Taxes



Net Gain



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