

Brief Notes

News for
Brokers and Consultants

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Application for Conversion Filed

Horizon Blue Cross Blue Shield of New Jersey is exploring the possibility of converting to a for-profit, public company. As part of our exploration process, the company filed an application for conversion with the State of New Jersey on August 15, 2008.

Our nation's health care system is facing many challenges. There are numerous health care reform proposals, at the state and federal levels, which could significantly change our industry. As the state's oldest and largest health insurer, we have an obligation to our more than 3.6 million members to be prepared to meet their needs as our health care system changes. For these reasons, we felt it was appropriate to reconsider conversion at this time.

A unique opportunity to improve our state's health care system.

Conversion of Horizon BCBSNJ could potentially generate more than \$1 billion to fund an independent charitable foundation, which under the conversion law must be dedicated to improving New Jersey's health care system. The people of New Jersey have a unique opportunity to raise over \$1 billion to improve our health care system without the need to raise state taxes.

State law requires a rigorous public process to evaluate our conversion. We anticipate that the public deliberations will focus on an objective consideration of what is best for our members and the people of New Jersey.

We also believe our members and New Jersey health care providers can benefit from our conversion. As a public company with access to the capital markets, we will have greater flexibility to invest in and acquire new capabilities and technologies to better serve the changing needs of our members and network physicians and hospitals.

For more than 75 years, millions of New Jersey residents have trusted Horizon BCBSNJ to be there when they needed us most. We feel a special obligation to maintain that trust and to continue to be there when we're needed. To do so, our corporate structure needs to be as effective and efficient as possible to help us stay competitive in a rapidly changing health care environment.

Please visit our dedicated web page www.HorizonBlue.com/conversion for information about the conversion process, including a copy of our application for conversion and other information.



Horizon Blue Cross Blue Shield of New Jersey



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