

FOR IMMEDIATE RELEASE

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Horizon Blue Cross Blue Shield of New Jersey

*Making Healthcare Work.*

## **Horizon Blue Cross Blue Shield of New Jersey Files An Application for Conversion to a For-Profit Insurer with State of New Jersey**

**(August 15, 2008)** - Horizon Blue Cross Blue Shield of New Jersey announced today that it has filed an application for conversion from a not-for-profit health service corporation to a for-profit company with the State of New Jersey in accordance with state law (N.J.S.A. 17:48E-49 et seq.). This is the first time Horizon BCBSNJ has filed an application for conversion since the law permitting a health service corporation to convert to a domestic stock insurer was enacted in 2001.

President and CEO of Horizon BCBSNJ, William J. Marino, issued the following statement:

**Today, Horizon Blue Cross Blue Shield of New Jersey has filed an application with the state as a necessary step in exploring conversion. Through the application process, we will be able to determine whether conversion is practical and whether it can be accomplished on satisfactory terms for our members and our company.**

**Our Board of Directors has decided to reconsider conversion at this time because our nation's health care system is undergoing a rapid transformation. Many reform proposals at the state and federal levels are calling for significant changes in health care in the near future. 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.**

**Horizon Blue Cross Blue Shield of New Jersey's conversion provides New Jersey residents with a unique opportunity to improve our state's health care system without raising taxes. Under the law governing conversion, an independent charitable foundation must be created to receive 100% of the value of Horizon Blue Cross Blue Shield of New Jersey upon conversion, which could be more than one billion dollars. This independent foundation is required by law to use this money "solely for the purposes of expanding access to quality, affordable health care."**

**Our members and New Jersey hospitals and health care providers can also benefit from Horizon Blue Cross Blue Shield of New Jersey's conversion. As a public company with access to the capital markets, Horizon Blue Cross Blue Shield of New Jersey 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.**

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**For more than 75 years, millions of New Jersey residents have trusted Horizon Blue Cross Blue Shield of New Jersey 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. For those reasons, we continue to explore changing our corporate form and, for the first time, have filed an application for conversion with the State of New Jersey.**

**State law requires a rigorous public process to evaluate our conversion. We look forward to those public deliberations as a unique opportunity to objectively consider what is best for our members, our health care system, and the people of New Jersey.**

Horizon BCBSNJ has set up a Web page ([www.HorizonBlue.com/conversion](http://www.HorizonBlue.com/conversion)) with information on conversion, including a copy of the company's application, company information, New Jersey's conversion statute, and facts about the conversion process. In addition, there is a video statement from William J. Marino about today's filing (the video is downloadable for editorial use by media).

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#### About Horizon Blue Cross Blue Shield of New Jersey

Horizon Blue Cross Blue Shield of New Jersey is the oldest and largest health insurer in the state serving over 3.6 million members. Horizon BCBSNJ is New Jersey's only not-for-profit, health service corporation and is headquartered in Newark with offices in Wall, Mt. Laurel, and West Trenton.

Horizon BCBSNJ provides a broad array of health and dental insurance products and services for individuals and small and large companies, including national companies headquartered in New Jersey. Horizon BCBSNJ is committed to improving the health care experience for all the communities we serve as well as helping our members become and stay healthy.

Horizon BCBSNJ's Web site is located at [www.HorizonBlue.com](http://www.HorizonBlue.com). Horizon BCBSNJ is an independent licensee of the Blue Cross Blue Shield Association.