

## The Blue Brand

# blue

Through Empire Blue Cross Blue Shield, our primary operating subsidiary, WellChoice has the exclusive right to use the Blue Cross and Blue Shield names and marks for all health benefits products in the ten downstate New York counties and in six counties in upstate New York, as well as the non-exclusive right to use these names and marks in one upstate New York county. WellChoice also has the exclusive right to use the Blue Cross name and mark in seven upstate New York counties and the non-exclusive right to only the Blue Cross name in four upstate New York counties.

The Blue Cross and Blue Shield brands provide our Company with a significant competitive advantage. The Blue Cross and Blue Shield names and marks represent meaningful symbols of **trust** and quality care in the marketplace. Almost one in three Americans, or 29.6%, receives health insurance through a Blue Cross and/or Blue Shield plan. And, in our service area, 99% of group business administrators (GBAs) and 95% of consumers recognize the name Empire Blue Cross Blue Shield, providing a clear brand distinction.

The Blue brand also provides other, more tangible competitive advantages. As a licensee of the Blue Cross and Blue Shield Association, we are able to provide our PPO, EPO and indemnity members in-network access to a national network of providers through the BlueCard® program. The BlueCard network has approximately 680,000 physicians and 8,500 hospitals nationally, as well as access to benefits in over 200 foreign countries and territories, making it the largest network in the health insurance industry. The combination of these large networks and the low unit medical costs associated with them, has resulted in continued **growth** for the Company in our national accounts business.

In addition, large numbers of members from other Blue Cross Blue Shield plans seek care in the Company's New York service area, which has a significant number of teaching hospitals and other nationally acclaimed specialized medical institutions and physician groups. This creates an additional source of revenue for the Company under the BlueCard program as we receive a fee from other Blue plans for each of their members who receive medical care through the Empire PPO provider network.

# brand