

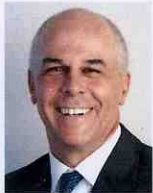
# E X C H A N G E

## THE EVOLUTION OF BCS FINANCIAL



Since our last issue, BCS Financial has reached many strategic milestones. Our recent achievements are a result of our collective 212 EVERYDAY culture. At 211 degrees, water is hot. At 212 degrees, water boils. With the addition of one extra degree we are engaging in ambitious and powerful change. Beginning with this issue, we are excited to position BCS through a wave of changes embodying 212 EVERYDAY. — **Scott Beacham**

## BCS WELCOMES THREE NEW BOARD MEMBERS



**Patrick J. Geraghty**, President and Chief Executive Officer of Blue Cross and Blue Shield of Minnesota, has been elected to the BCS Board of Directors. Prior to joining Blue Cross and Blue Shield of Minnesota, he served as Senior Vice President of the Service Division for Horizon Blue Cross and Blue Shield of New Jersey. He also held several senior leadership positions with Prudential Insurance Company. With a special interest in health disparities, Patrick has chaired the American Conference on Diversity board and actively works to seek quality and cost solutions to health care issues through his involvement on the Deloitte Center for Health Care Solutions advisory panel and on a national Blue Cross and Blue Shield Association committee that reviewed emerging issues in health care. Patrick is a graduate of Colgate University and is a sought-after speaker on a wide range of health care topics.



**Terry Kellogg**, recently promoted to President and Chief Executive Officer of Blue Cross and Blue Shield of Alabama, has also joined the BCS Board of Directors. Terry has served Blue Cross and Blue Shield of Alabama since 1982, most recently as President and Chief Operating Officer. In addition to his present duties, he currently is chairman of the finance committee for United Way of Central Alabama. He also serves on the boards of the Birmingham Chapter of the American Red Cross, Business Council of Alabama, Greater Alabama Council Boy Scouts of America and Innovation Depot. Terry is a University of Kansas graduate, a Fellow of the Society of Actuaries, and a member of the American Academy of Actuaries.



**J. Bradley Wilson**, President and Chief Executive Officer of Blue Cross and Blue Shield of North Carolina, has also become a Director on the BCS Board. A North Carolina native, Brad brings a diverse and prestigious list of accomplishments to our board including extensive business experience and public policy expertise. Brad has served in the senior leadership at Blue Cross and Blue Shield of North Carolina since 1995. Prior to that, he practiced law for 14 years and served as general counsel to North Carolina's Governor Hunt. His integral involvement in legal affairs in his state is highlighted by his experience as Secretary of the Department of Crime Control and Public Safety, as well as his memberships on the North Carolina Board of Transportation, the North Carolina Aeronautics Council, and University of North Carolina Board of Governors. Brad holds a Bachelor's Degree from Appalachian State University, a Juris Doctor from Wake Forest University School of Law (Winston-Salem) and a Master's Degree from Duke University (Durham).

CONTINUED ON REVERSE

## BCS FINANCIAL CORPORATION | BOARD OF DIRECTORS

**STEVEN S. MARTIN**, BCS CHAIRMAN  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF NEBRASKA

**TOM BOWSER**, BCS VICE CHAIRMAN  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF KANSAS CITY

**SCOTT BEACHAM**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BCS FINANCIAL CORPORATION

**PATRICK J. GERAGHTY**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF MINNESOTA

**PATRICIA HEMINGWAY HALL**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
HEALTH CARE SERVICE CORPORATION

**TERRY KELLOGG**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF ALABAMA

**WILLIS T. KING, JR.**  
CHAIRMAN  
FIRST PROTECTIVE INSURANCE COMPANY

**DANIEL J. LOEPP**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF MICHIGAN

**WILLIAM R. MILNES, JR.**  
RETIRED PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF VERMONT

**ROBERT F. ORLICH**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
TRANSATLANTIC REINSURANCE COMPANY

**JAMES E. PURCELL**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF RHODE ISLAND

**SCOTT P. SEROTA**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD ASSOCIATION

**MARK L. WAGAR**  
PRESIDENT  
EMPIRE BLUE CROSS AND BLUE SHIELD

**P. MARK WHITE**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
ARKANSAS BLUE CROSS AND BLUE SHIELD

**J. BRADLEY WILSON**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA

## BCS FINANCIAL CORPORATION | OFFICERS

**SCOTT BEACHAM**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

**MATTHEW T. BRANNIGAN**  
SENIOR VICE PRESIDENT, SALES AND MARKETING

**HENRY A. CARPENTER**  
SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY

**DAVID J. JACOBS**  
SENIOR VICE PRESIDENT, ACTUARIAL AND UNDERWRITING

**DALE E. PALKA**  
SENIOR VICE PRESIDENT, FINANCIAL SERVICES

**SUSAN A. PICKAR**  
SENIOR VICE PRESIDENT, FINANCE AND TREASURER



**STEVE MARTIN ASSUMES BCS BOARD CHAIRMANSHIP**



**Steven S. Martin**, the President and Chief Executive Officer of Blue Cross and Blue Shield of Nebraska, was elected the new Chairman of the BCS Board of Directors. Steve joined Blue Cross and Blue Shield of Nebraska in 2002 and currently serves on the Blue Cross and Blue Shield Association Board of Directors and as the Chairman of the Federal Employee Program Board of Managers. He also serves as Board Director for Prime Therapeutics LLC, Travel and Transport, College of Saint Mary and as a Vice Chair and Board Director of the Wellness Councils of America among numerous other organizations. He holds a Bachelor's Degree from Washburn University and a Master's Degree from the University of Nebraska.



**G. Phillip Pope**, retired President and Chief Executive Officer of Blue Cross and Blue Shield of Alabama, preceded Steve Martin as Chairman of the BCS Board of Directors. An employee of Blue Cross and Blue Shield of Alabama since 1971, Philip served on the BCS Board of Directors for seven years until his retirement. On behalf of BCS, we wish to acknowledge and thank Phillip for his dedication, hard work and strong leadership.

**DON'T MISS THIS YEAR'S PROFESSIONAL LIABILITY CONFERENCE**



**BCS is looking forward** to hosting our Annual Professional Liability Conference. The meeting will be held September 15-18, 2010 at The Broadmoor, Colorado Springs, CO. This year we will focus on two important issues: the impact of health care reform and cyber risk liability. In respect to health care reform, meeting attendees will discuss the role of BCS in this changing environment.

BCS will also be introducing its cyber risk liability coverage, available by year's end. The policy will address information security and privacy coverage, privacy breach response services and regulatory defense costs. This is a timely issue in today's business world in light of increasing press coverage dedicated to corporate security breaches.

Two of our most popular speakers are returning this year: Kirk Nahra of Wiley Rein, LLC will present his latest findings and advice on compliance issues, and Sherry Travers from Littler Mendelson PC will update attendees on forthcoming employment law issues in 2011.

Your organization does not want to miss out on these sessions. Please encourage your Risk Managers to attend this year's conference. All attendees may register with Sharon Dold, Vice President of Property and Casualty Sales, at 630.472.7729 or at sdold@bscigroup.com.

**BCS A.M. BEST RATINGS REAFFIRMED**

**We are pleased to announce** A.M. Best has reaffirmed its ratings of the BCS Insurance Company and BCS Life Insurance Company for 2010. BCS Insurance Company, a multiple-line property and casualty insurance company licensed in all 50 states, is rated as A- (Excellent) with a stable outlook. BCS Life Insurance Company, primarily a health and life insurer in all 50 states, was also affirmed with a stable outlook and an A- (Excellent) financial strength rating.

Founded in 1899, A.M. Best Company is a full-service credit rating organization dedicated to serving the financial services industries, including the banking and insurance sectors. Policyholders and depositors refer to Best's ratings and analysis as a means of assessing the financial strength and creditworthiness of risk-bearing entities and investment vehicles.