

We are pleased to announce a second give-back as part our 2 Percent Pledge commitment to customers and the community. This time we will return an estimated \$295 million based on our 2011 net earnings by the end of the year.

We announced the 2 Percent Pledge in June, as part of our commitment to affordability. We pledged to limit our annual net income to 2 percent of revenue, and any year that we earn more than 2 percent net income, to return the difference to our customers and the community. We started this commitment with our net income earned in 2010, and this month we returned \$180 million based on 2010 net earnings to your clients and our local communities.

For fiscal year 2011, the estimated \$295 million will be given back in the following ways:

- **Approximately \$283 million** will be credited back to customers on their December bills. The credit amounts will be determined based on a percentage of their August 2011 dues and/or premiums.
 - Individual (including Medicare Supplement) and fully-insured group customers will each get a 54 percent credit against one month of dues/premiums.
 - Customers with whom we share risk, such as CalPERS, will each get an 18 percent credit against one month of dues/premiums.

Customers with continuous fully-insured coverage in the same eligible product from August 1 through December 1, 2011 (other than certain government programs, like Medicare Advantage and Medicare Prescription Drug Plans, whose contracts do not provide a way to give such credits) are eligible for the credit. The average credit will vary depending on the monthly premiums.

- **\$10 million** in additional funds will be awarded to provider groups that applied for grants to help them participate in Accountable Care Organizations (ACOs) after our last pledge announcement.
- **\$2 million** will support a future community investment with more details to come.

Visit [Producer Connection](#) for more information and an updated FAQ. If you have additional questions, please contact your Blue Shield sales representative.