

DISCLAIMER

- The following materials have been prepared in connection with the proposed Reorganization (as defined in the application on the Florida Office of Insurance Regulation's website: <http://www.floir.com/Sections/LandH/BCBSHearing.aspx>, the "Application") of Blue Cross and Blue Shield of Florida, Inc. ("Florida Blue", "BCBSF" or the "Company"). These materials do not constitute a recommendation to any member of BCBSF as to how such member should vote in connection with the proposed Reorganization. These materials are based on the Application as of the date of these materials, as well as other conditions in effect as of that date, and these materials will not be updated if the Application or any other relevant conditions change. No representation or warranty, express or implied, is made as to the matters contained herein. These materials were prepared solely for the use of the Florida Office of Insurance Regulation and not with a view toward public dissemination, therefore any member entitled to vote on the Reorganization should rely on his or her own review and evaluation of the proposed Reorganization in deciding how to vote.

SECTION ONE

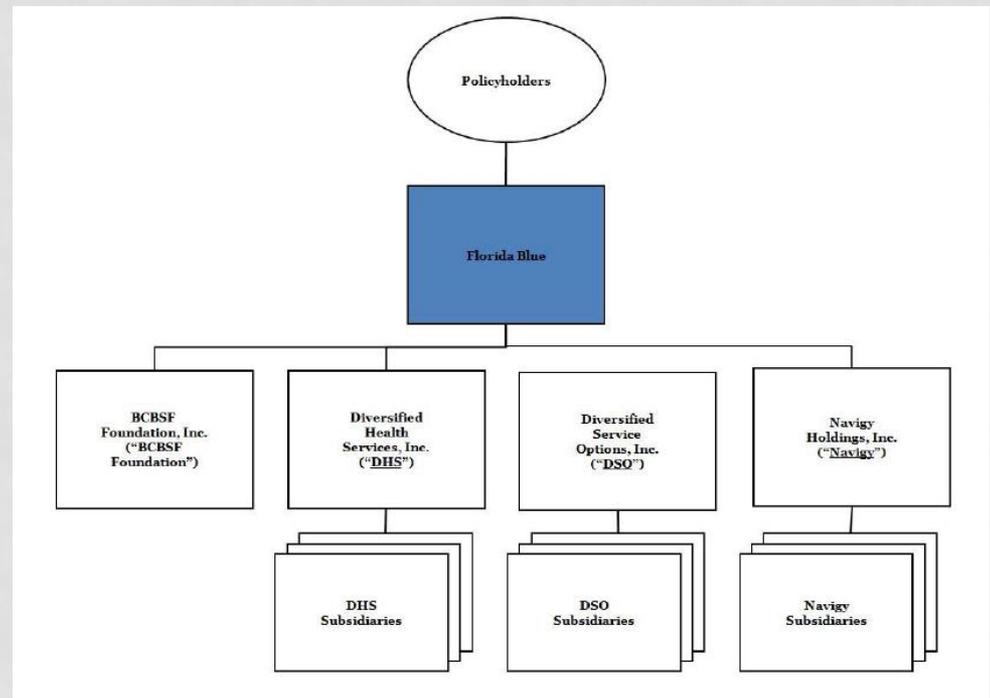
WHO IS REORGANIZING?

OVERVIEW

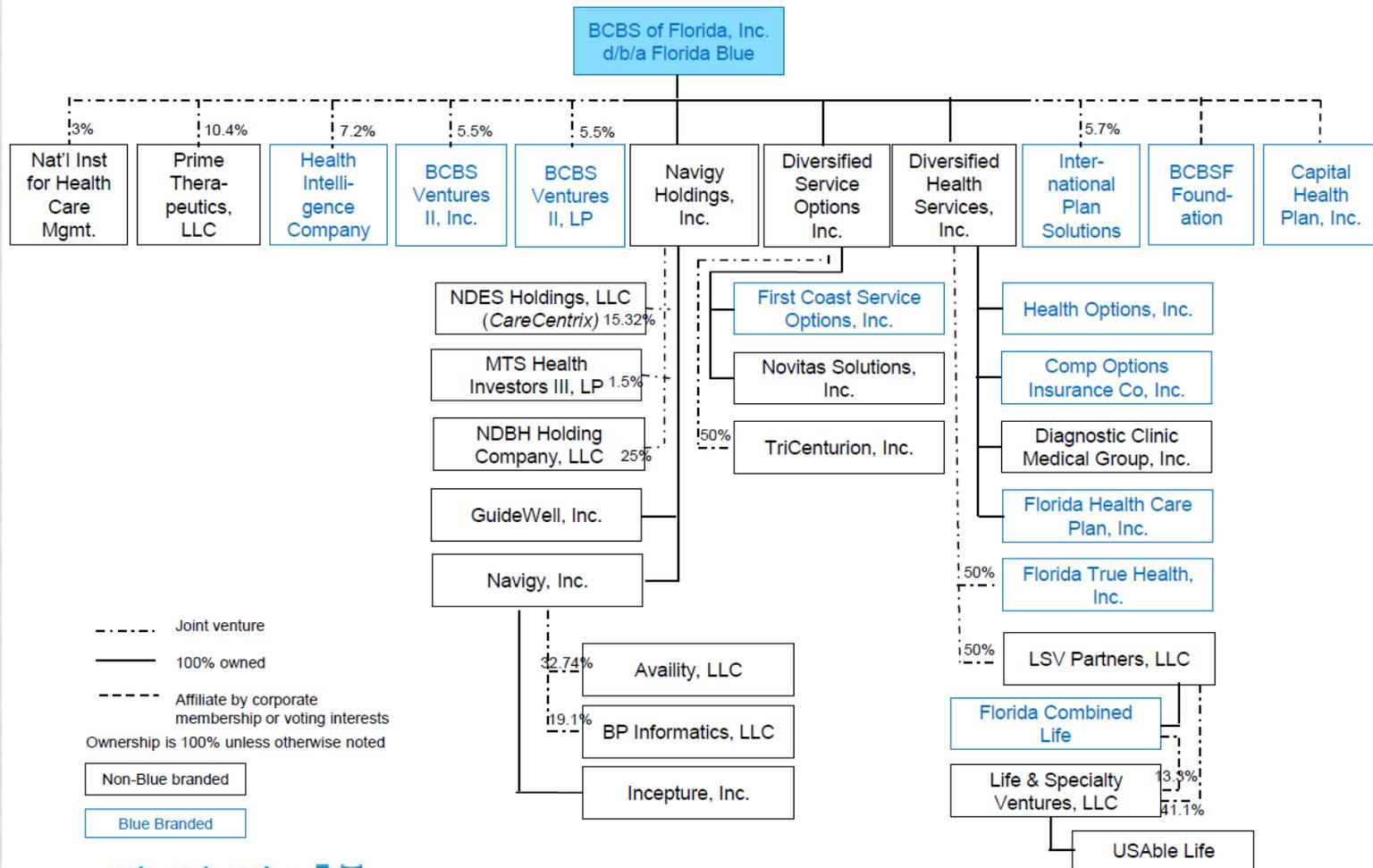
- Headquartered in Jacksonville, Florida, the Company is an independent licensee of the Blue Cross and Blue Shield Association and is a not-for-profit, policyholder-controlled, tax-paying mutual life and health insurance company. The Company has been operating under this structure since October 1, 1982.
- The Company and its affiliates offer a wide range of health care products, which include, among others, traditional health care insurance, Preferred Provider Organization (PPO) products, Health Maintenance Organization (HMO) products, commercial medical products, health savings and related accounts, a flexible portfolio of health care products (BlueOptions), limited benefit products, and a wide range of ancillary products such as life, disability, dental, workers' compensation, long term care, vision and wellness programs.
- Florida Blue operates in three main lines of business: (1) Health; (2) Diversified; and (3) Government
 - Included in Health Business are BlueOptions Group, PPO Group, HMO Group, Medicare Advantage, Medicare Supplement, Individual BlueOptions, PPO and HMO, the federal employees health benefit program (FEHBP), and the National Blue Card Program
 - Included in Diversified Business are life and disability, dental, long-term care, workers' compensation and pre-tax products
 - Included in Government Business is Florida Medicare Part A & B administration under First Coast Service Options (a subsidiary of BCBSF)
- BCBSF's primary Health Business serves approximately 4.2 million Floridians, while maintaining approximately 30% market share.
- For the year ending December 31, 2012, Florida Blue had total assets of \$7.2 billion, total revenue of \$9.1 billion, and total surplus of \$3.8 billion
- The products and services listed above are provided by BCBSF and its affiliates. BCBSF is rated A+ by A.M. Best. Additional detail regarding the Company's subsidiaries and its affiliates can be found on the following page.

PRE-REORGANIZATION

- Florida Blue – Non-HMO Health Products
 - Navigy Holdings, Inc.
 - GuideWell, Inc. – External website and promotion of personal wellness
 - Navigy, Inc. – Established to leverage company assets through business arrangements, partnerships and alliances
 - Additional Joint Ventures
 - Diversified Service Options, Inc.
 - First Coast Service Options, Inc. – Traditional Medicare Program (FL, Puerto Rico, Virgin Islands)
 - Novitas Solutions, Inc. – Administration of Medicare contracts
 - Additional Joint Ventures
 - Diversified Health Services, Inc.
 - Health Options, Inc. – HMO Health Products
 - Comp Options Insurance Co, Inc. – Workers' Compensation benefits
 - Diagnostic Clinic Medical Group, Inc.
 - Florida Health Care Plan, Inc. – HMO Health Products
 - LSV Partners, LLC (50% Stake) – Specialty products (primarily dental) in several states
 - Additional Joint Ventures
 - BCBSF Foundation, Inc.
 - Not-for-profit established to improve the health and well-being of Floridians and their communities through strategic grant-making



PRE-REORGANIZATION (CONT.)



SECTION TWO

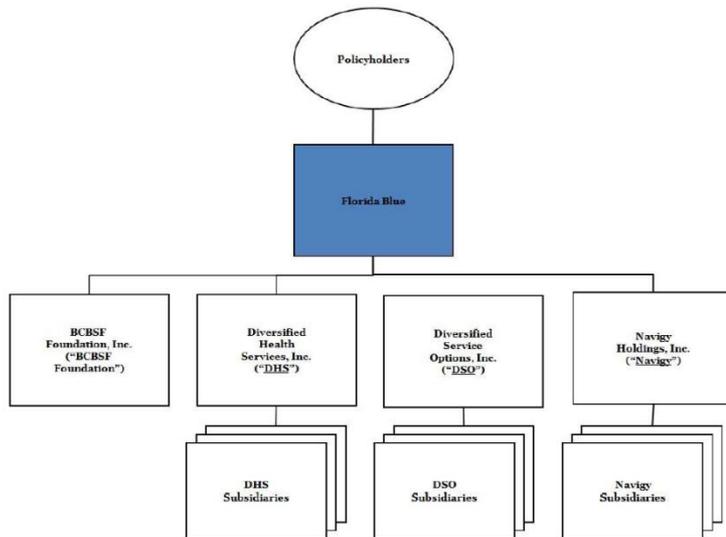
WHAT IS HAPPENING IN THE REORGANIZATION?

STEPS IN THE REORGANIZATION

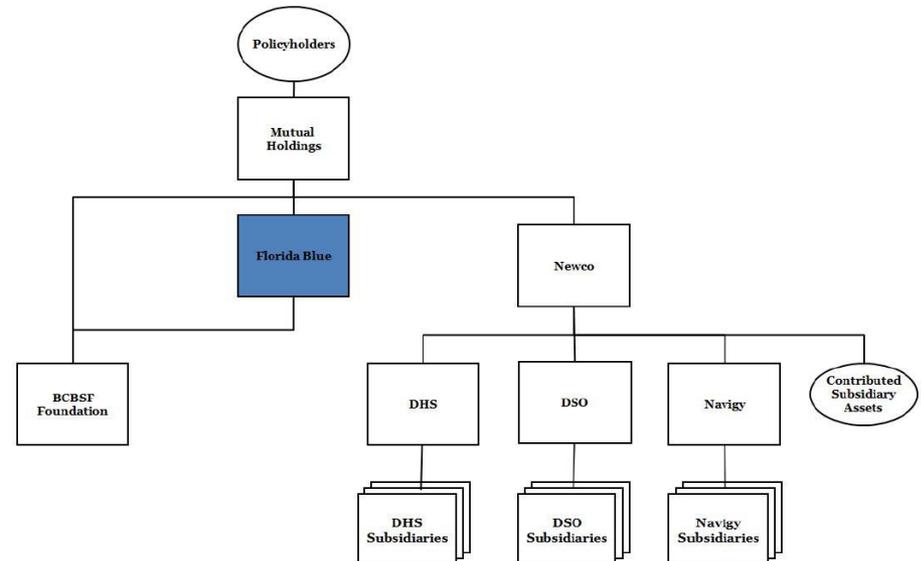
- Florida Blue is a mutual insurance company, and its policyholders are members granted certain membership interests including rights to:
 - Vote at annual and special member meetings (including the ability to elect the Board of Directors)
 - Receive distributions of any assets remaining after liabilities are satisfied in the event of a liquidation of Florida Blue
 - Participate under Florida law in the event of a demutualization of the Company
- On May 28, 2013, BCBSF's Board of Directors received a written opinion from J.P. Morgan regarding the fairness to the policyholders who are members, taken as a group, of the Reorganization (please see the opinion as provided in the Application for greater detail)
- In its Proxy distributed to members in connection with the annual meeting of members to be held on Tuesday, September 10, 2013 (the "Annual Meeting"), the Board of Directors stated its belief that the Reorganization is fair and equitable to the policyholders of Florida Blue and unanimously recommended that policyholders vote "FOR" approval of the Plan (as defined in the Proxy).
- Subject to approval by the Office, the Reorganization will occur through a series of simultaneous steps:
 - Formation of both a mutual insurance holding company to be named GuideWell Mutual Holding Company and a new stock company, to be named GuideWell Health Group, Inc.
 - Florida Blue will be reorganized into a stock insurance company of the same name, under a mutual insurance holding company system, and will issue shares of its common stock to GuideWell Mutual in an amount constituting 100% of the total number of issued and outstanding shares of common stock of Florida Blue
 - Florida Blue shall capitalize GuideWell Health and contribute all of its shares in Diversified Service Options, Inc., Navigy Holdings, Inc., and Diversified Health Services, Inc. (the three entities collectively, the "Subsidiaries"), constituting 100% of the total number of issued and outstanding shares of each of them, and certain real estate, property and equipment, stock and bonds of Florida Blue. GuideWell Health shall assume the liabilities and obligations associated therewith. Florida Blue will distribute 100% of the stock in GuideWell Health to GuideWell Mutual
 - The membership interests of the Members of Florida Blue shall become membership interests in GuideWell Mutual
 - Florida Blue will transfer its rights to use the trademark "Blue Cross and Blue Shield", along with all obligations related to use of the trademark, to GuideWell Mutual
 - GuideWell Mutual shall be admitted as a new member of the Blue Cross and Blue Shield of Florida Foundation, Inc. (the "Foundation"). The Foundation was formed under chapter 617 in the Florida Statutes as a Florida Not for Profit Corporation in 2001 to improve the health and well-being of Floridians and their communities through strategic grant-making. Members of the Foundation have the right to elect the Board of Directors of the Foundation

PRE-REORGANIZATION VS. POST-REORGANIZATION

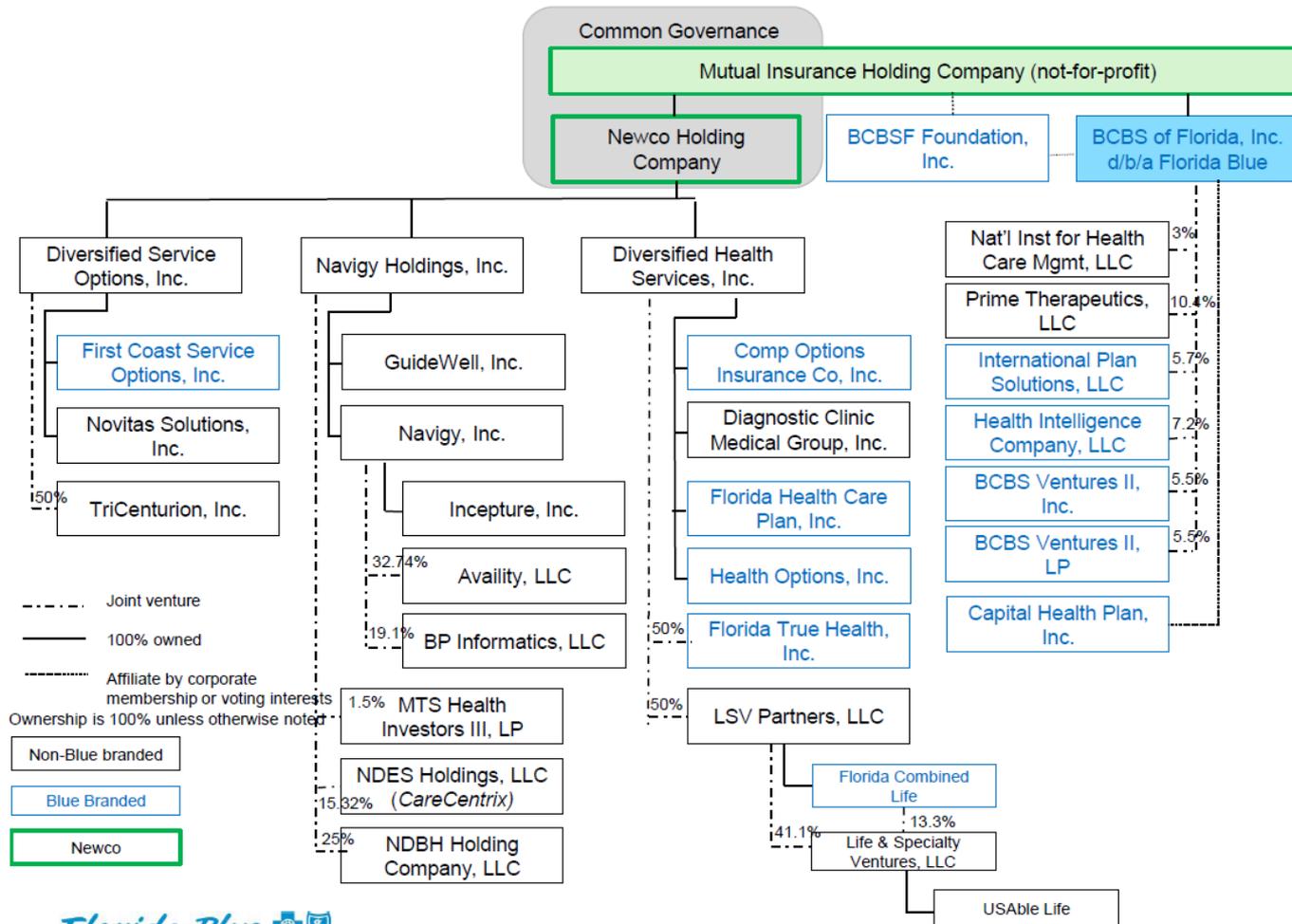
Pre-Reorganization



Post-Reorganization



POST-REORGANIZATION



- - - - - Joint venture
 ——— 100% owned
 - - - - - Affiliate by corporate membership or voting interests
 Ownership is 100% unless otherwise noted

Non-Blue branded
 Blue Branded
 Newco



TRANSFER OF ASSETS

- Florida Blue shall capitalize GuideWell Health and contribute all of its shares in the Subsidiaries, constituting 100% of the total number of issued and outstanding shares of each of them, and certain real estate, property and equipment, stock and bonds of Florida Blue. GuideWell Health shall assume the liabilities and obligations associated therewith. Florida Blue will distribute 100% of the stock in GuideWell Health to GuideWell Mutual
- Florida Blue will transfer its rights to use the trademark "Blue Cross and Blue Shield", along with all obligations related to use of the trademark, to GuideWell Mutual
- Florida Blue will contribute net assets with \$1.6 billion in statutory value to GuideWell Health. The table to the right demonstrates the value associated with those net assets
- After the transfer of net assets and statutory surplus, Florida Blue expects to be capitalized with \$1.2 billion in statutory surplus and a risk-based capital ("RBC") ratio of approximately 709% following the Reorganization. In the Plan of Reorganization Public Hearing conducted by the Office on July 25, 2013, Florida Blue stated that this RBC ratio would be comparable to that of its Florida peers.

	Assets and Liabilities Transfer from FB to Newco		Statutory Admitted Balances	
	GAAP Values	Statutory Value	FB Pre-transaction	FB Post Transaction
			12/31/13	1/1/14
Bonds:			\$ 2,552	\$ 1,938
U.S. State, U.S. Political & Special Revenue & Special Assessment - Issuer Obligations				
Class 01	\$ 438	\$ 412		
Class 02	\$ 22	\$ 21		
Class 03	\$ -	\$ -		
Class 04	\$ -	\$ -		
Class 05	\$ -	\$ -		
Class 06	\$ -	\$ -		
	<u>\$ 461</u>	<u>\$ 433</u>		
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations				
Class 01	\$ 145	\$ 146		
Class 02	\$ 34	\$ 34		
Class 03	\$ -	\$ -		
Class 04	\$ -	\$ -		
Class 05	\$ -	\$ -		
Class 06	\$ -	\$ -		
	<u>\$ 179</u>	<u>\$ 180</u>		
Stocks			\$ 748	\$ 335
iShares S&P 500 Index Fund - ETF	\$ 252	\$ 252		
Vanguard FTSE International Equity ETF	\$ 162	\$ 162		
	<u>\$ 413</u>	<u>\$ 413</u>		
Affiliated Investments			\$ 588	\$ -
DHS	\$ 416	\$ 415		
DSO	\$ 45	\$ 50		
Navigy Holdings	\$ 183	\$ 173		
	<u>\$ 644</u>	<u>\$ 588</u>		
Real Estate			\$ 212	\$ 192
Data Center	\$ 19	\$ 19		
Retail Centers	\$ 2	\$ 1		
	<u>\$ 21</u>	<u>\$ 20</u>		
Cash, Cash Equivalents & Short term Investments			\$ 88	\$ 88
	<u>\$ -</u>	<u>\$ -</u>		
Other Assets			\$ 1,877	\$ 1,850
Electronic data processing equipment and software	\$ 48	\$ 4		
Furniture and equipment	\$ 10	\$ -		
Prepaid & other expenses	\$ 67	\$ -		
Forwards & other assets	\$ 31	\$ 23		
Leashold improvements	\$ 9	\$ -		
	<u>\$ 165</u>	<u>\$ 27</u>		
Liabilities			\$ 3,220	\$ 3,169
Trade Creditors	\$ 30	\$ 30		
Year End Accruals	\$ 21	\$ 21		
	<u>\$ 52</u>	<u>\$ 52</u>		
Total net assets	<u>\$ 1,831</u>	<u>\$ 1,610</u>	<u>\$ 2,845</u>	<u>\$ 1,235</u>

MEMBERSHIP RIGHTS

- Under the terms of the Reorganization, GuideWell Mutual at all times, as required by law for Florida Blue and as provided by the Articles of Incorporation of GuideWell Health, must own a majority of the shares of the common stock of Florida Blue and GuideWell Health either directly or indirectly through the majority ownership of any intermediate holding companies interposed between GuideWell Mutual and Florida Blue or GuideWell Health, until a demutualization of GuideWell Mutual or other plan approved by policyholder members
- Through the Reorganization, existing Florida Blue membership interests are exchanged for membership interests in GuideWell Mutual and remain similar to those currently enjoyed by BCBSF members, including:
 - The right to vote at annual and special member meetings of GuideWell Mutual (including the ability to elect the Board of Directors)
 - The right to receive distributions of assets from GuideWell Mutual in the event of the ultimate dissolution or liquidation of GuideWell Mutual after liabilities have been satisfied
 - The right to participate under Florida law in the event that GuideWell Mutual later demutualizes
- Initial membership interests in GuideWell Mutual will be assigned consistent with existing Florida Blue membership at the effective time of the Reorganization
 - Following the Reorganization, the then-current policyholders of the Company will have membership interests in GuideWell Mutual
 - Consistent with existing Florida Blue membership, new Florida Blue policyholders receive membership interests, while non-renewing policyholders lose membership interests
- Following the Reorganization, policyholder contractual insurance coverage rights remain unchanged
 - Guaranteed benefits and rights specified in policies will not be reduced
 - Premiums will not increase solely as a result of the Reorganization
- After the Reorganization, any person who becomes the owner of a policy issued by Florida Blue shall simultaneously become a member of GuideWell Mutual. A person's membership in GuideWell Mutual shall continue so long as that person owns an in-force policy issued by Florida Blue

OTHER BENEFITS OF THE REORGANIZATION

- Under the terms of the Reorganization, GuideWell Mutual at all times, as required by law for Florida Blue and as provided by the Articles of Incorporation of GuideWell Health, must own a majority of the shares of the common stock of Florida Blue and GuideWell Health either directly or indirectly through the majority ownership of any intermediate holding companies interposed between GuideWell Mutual and Florida Blue or GuideWell Health, until a demutualization of GuideWell Mutual or other plan approved by policyholder members
- The Reorganization maintains a not-for-profit status, at the GuideWell Mutual level, while providing additional flexibility to compete with for-profit entities
- The Reorganization allows the Company to effectively adjust to the new regulation being affected by the Patient Protection and Affordable Care Act (PPACA)
- The Reorganization is also expected to:
 - Preserve the Members' membership interests at the GuideWell Mutual level
 - Allow for the declaration and payment of dividends from subsidiaries for capital deployment within GuideWell Mutual
 - Permit GuideWell Mutual to make investments that may otherwise be limited under the current structure
 - Enhance the Company's structural flexibility and support for its current and future business opportunities, including potential mergers and acquisitions
 - Enable access to capital and debt markets if required by future business developments
- No director, office, agent or employee of Florida Blue will receive compensation, other than regular compensation, for helping to complete the Reorganization
- There are currently no plans to establish equity incentive plans for management
- There are currently no plans to issue additional shares in GuideWell Health, which will be 100% owned by GuideWell Mutual, to third-party investors

VOTING RIGHTS

- Each member of record on July 15, 2013 (the "Record Date") is entitled to a number of votes equal to the monthly premium dollars attributed to such Member as determined in the month immediately preceding the Record Date
- Members currently maintain 100% of the collective voting rights of Florida Blue. Following the Reorganization, the collective voting rights of the Members will not change, and will represent 100% of the voting rights of GuideWell Mutual.

OTHER STEPS IN THE TRANSACTION

- Florida Blue obtained approval from the Blue Cross and Blue Shield Association on June 20, 2013 to transfer its license from Florida Blue to GuideWell Mutual
- The Office held a public hearing on July 25, 2013 as required under the Florida insurance code
- The Florida Statutes and Reorganization require that the Plan (as defined in the Application) be approved by the Office. Subject to approval by the Office, the Plan of Reorganization will be submitted to Florida Blue members along with a policyholder information statement for consideration and approval at the Annual Meeting
- At the Annual Meeting, policyholders will vote on approval of the Reorganization
- Required policyholder votes:
 - Approval of the Reorganization and the transactions contemplated thereby by at least a majority of the votes to be cast by eligible members
- Obtain a private letter ruling indication from the IRS or one or more tax opinions from its independent tax adviser with regard to any of the federal income tax consequences of the Reorganization
 - Florida Blue policyholders will not recognize taxable gain or loss solely as a result of the Reorganization
 - GuideWell Mutual, GuideWell Health, or Florida Blue will not recognize gain or loss solely as a result of the Reorganization
 - GuideWell Mutual, GuideWell Health, or Florida Blue will not recognize a change in tax basis as a result of the Reorganization
- Obtain a no-action letter from the Securities and Exchange Commission or an opinion of legal counsel regarding certain federal securities laws matters

SECTION THREE

WHAT EFFECTS DOES THIS HAVE ON MEMBERS?

ADDITIONAL INSIGHT

- In examining the consideration received and membership rights relinquished through the Reorganization, please note note:
 - GuideWell Mutual must own a majority of the shares of the common stock of Florida Blue and GuideWell Health
 - GuideWell Mutual membership interest provides members the rights to capital and surplus of GuideWell Mutual upon liquidation
 - Policyholders/members continue to elect GuideWell Mutual's Board of Directors
 - BCBSF and GuideWell Health management are under the control of GuideWell Mutual's Board, which is elected by members of GuideWell Mutual
 - Policyholders/members retain rights as defined by Florida statutes similar to those of current Florida Blue members in the event GuideWell Mutual is demutualized or liquidated
 - Policyholders/members have the right to receive distributions or payments of income, dividends or profits, if allowed for a nonprofit corporation, only if expressly approved by the Office
 - The contractual terms and provisions of the existing policies held by Members will not be changed as a result of the Reorganization. In addition, the guaranteed benefits and the rights of Members specified in their existing policies will not be reduced or altered in any way, and the premiums required to be paid as specified in those policies will not be altered as a result of the Reorganization
 - Insurance regulators continue to retain oversight of all insurance assets for the benefit of policyholders

MEMBER RIGHTS BEFORE AND AFTER THE REORGANIZATION

Pre-Reorganization

1. No contingent assessment liability
2. Policy benefits which consist of health insurance coverage under Florida Blue
3. Right to vote in election of directors and other matters of Florida Blue
4. Rights to distribution of Florida Blue surplus in liquidation
5. Policyholder dividends may be restricted due to formation as a nonprofit corporation in accordance with the Plan of Mutualization adopted in 1982
6. Policyholder contract rights

Post-Reorganization

1. No contingent assessment liability
2. Policy benefits consisting of health insurance coverage continue unchanged for members, who continue to be policyholders of Florida Blue
3. Right to vote in election of directors and other matters of GuideWell Mutual
4. Rights to distribution of GuideWell Mutual surplus in liquidation
5. Any right to receive distributions or payments of income, dividends or profits, if allowed for a nonprofit corporation, only if expressly approved by the Office
6. Policyholder contract rights unchanged

SECTION FOUR

WHAT ARE THE FINANCIAL RESULTS?

CONSOLIDATED GAAP BALANCE SHEET

MIHC GAAP Consolidated	<u>31-Dec-12</u> (Pre-Transaction)	<u>31-Dec-13</u> (Pre-Transaction)	<u>1-Jan-14</u> (Post-Transaction)	<u>31-Dec-14</u>	<u>31-Dec-15</u>	<u>31-Dec-16</u>
Invested Assets	\$ 4,425	\$ 4,630	\$ 4,630	\$ 4,726	\$ 4,947	\$ 5,360
Other Assets	\$ 2,785	\$ 3,041	\$ 3,041	\$ 3,111	\$ 3,193	\$ 3,352
Total Assets	\$ 7,210	\$ 7,671	\$ 7,671	\$ 7,837	\$ 8,140	\$ 8,712
Current Liabilities	\$ 3,307	\$ 3,599	\$ 3,599	\$ 3,532	\$ 3,614	\$ 3,903
Non-Current Liabilities	\$ 150	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Total Liabilities	\$ 3,457	\$ 3,799	\$ 3,799	\$ 3,732	\$ 3,814	\$ 4,103
Equity	\$ 3,753	\$ 3,872	\$ 3,872	\$ 4,105	\$ 4,326	\$ 4,609
Total Liabilities and Equity	\$ 7,210	\$ 7,671	\$ 7,671	\$ 7,837	\$ 8,140	\$ 8,712
Note: 2012 and 2013 represent the current consolidated Florida Blue entity						

CONSOLIDATED GAAP INCOME STATEMENT

MIHC - CONSOLIDATED GAAP	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenue	\$8,885	\$9,536	\$10,309	\$11,673	\$12,697
Medical	<u>6,960</u>	<u>7,353</u>	<u>7,952</u>	<u>9,287</u>	<u>10,103</u>
Gross Margin	\$ 1,925	\$ 2,183	\$ 2,357	\$ 2,386	\$ 2,594
Administrative Expense	<u>1,813</u>	<u>2,141</u>	<u>2,088</u>	<u>2,148</u>	<u>2,257</u>
Operating Income	112	42	269	238	337
Investment Income	198	161	177	213	229
Income Tax	93	83	213	230	283
Net Income	<u>\$ 217</u>	<u>\$ 120</u>	<u>\$ 233</u>	<u>\$ 221</u>	<u>\$ 283</u>
Key Metrics:					
Admin Ratio	20%	22%	20%	18%	18%
Operating Income Margin	1%	0%	3%	2%	3%
Return on Revenue	2%	1%	2%	2%	2%
Note: 2012 and 2013 represent the current consolidated Florida Blue entity.					

BLUE CROSS AND BLUE SHIELD OF FL. STATUTORY BALANCE SHEET

Reorganized - Florida Blue (Statutory)	31-Dec-12	31-Dec-13	1-Jan-14	31-Dec-14	31-Dec-15	31-Dec-16
Invested Assets	\$ 3,817	\$ 4,017	\$ 2,402	\$ 2,377	\$ 2,393	\$ 2,591
Other Assets	\$ 1,766	\$ 2,049	\$ 2,002	\$ 2,280	\$ 2,410	\$ 2,668
Total Assets	\$ 5,583	\$ 6,066	\$ 4,404	\$ 4,657	\$ 4,803	\$ 5,259
Current Liabilities	\$ 2,643	\$ 3,020	\$ 2,969	\$ 3,201	\$ 3,305	\$ 3,775
Non-Current Liabilities	\$ 150	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Total Liabilities	\$ 2,793	\$ 3,220	\$ 3,169	\$ 3,401	\$ 3,505	\$ 3,975
Surplus	\$ 2,790	\$ 2,845	\$ 1,235	\$ 1,257	\$ 1,298	\$ 1,284
Total Liabilities and Equity	\$ 5,583	\$ 6,066	\$ 4,404	\$ 4,657	\$ 4,803	\$ 5,259
RBC %	1214%	1086%	709%	658%	606%	556%