



Horizon Blue Cross Blue Shield of New Jersey

*Making Healthcare Work*SM

Brief Notes

News for Brokers and Consultants

3 Penn Plaza East, Newark, NJ 07105-2200

Date: August 2, 2001

Vol. 10

No. 296

Applies to: All Markets

Standard & Poor's Upgrades Horizon Blue Cross Blue Shield of New Jersey's Credit Ratings to "A-"

Standard & Poor's, the nation's leading credit rating firm, has raised its credit and financial strength ratings on Horizon Blue Cross Blue Shield of New Jersey and our HMO subsidiary, Horizon Healthcare of New Jersey, Inc., to an "A-" with a "stable" outlook. The upgrade is a full two levels above last year's rating of "BBB" and represents the fifth consecutive year that we have received an upgrade from Standard & Poor's.

Our improved operating performance comes from a combination of continued member growth, premium yield increases and medical trends. Horizon BCBSNJ holds a leading market position statewide and continues to increase its membership at a stable rate. The plan covers about 2.4 million enrollees, up 5.7 percent from last year, which translates to about 30 percent of the total insured population of New Jersey. Our statewide networks, brand strength, strong service capabilities and investments in managed care have enabled us to establish a competitive edge in the marketplace.

Looking ahead, Standard & Poor's said it expects Horizon BCBSNJ's enrollment to grow approximately five percent to more than 2.5 million members by year-end. The "A-" rating reflects our financial strength, marked by a steady increase in both membership and reserves. Our financial stability allows us to continue delivering innovative health care solutions.

Our entire staff extends a sincere thank you to all our valued brokers for your dedicated contributions toward our success. Together, we are *Making Healthcare Work*.

Please let your current and prospective clients know about our strong performance. Feel free to contact your sales executive should you have any further questions.