

Proven Stability and Success

Financial Performance



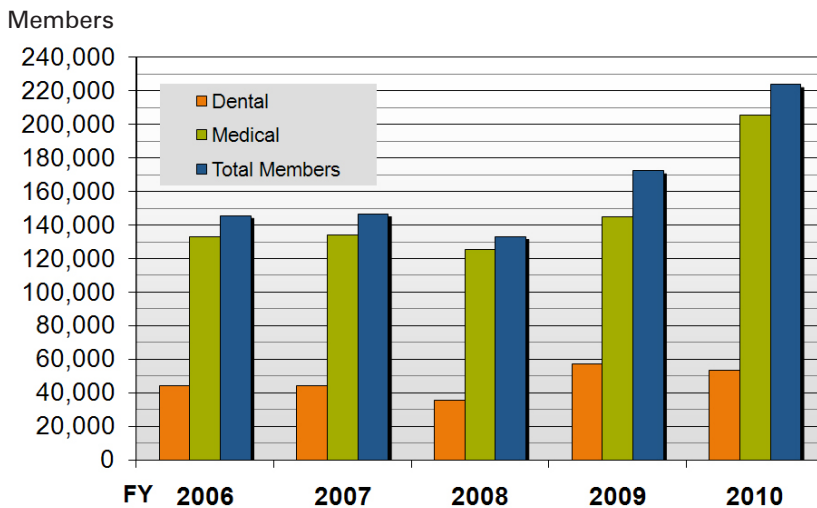
Our Record of Strong Financial Performance

Founded in 1933, PacificSource is an independent, not-for-profit health insurer that values partnership, service excellence, community, and personal relationships. Through the years, our dedicated staff, sound business practices, and vision for the future have all contributed to our record of success.

Performance for the Previous Five Years

Year-end Medical and Dental Enrollment

	Medical	Dental	Total Members
2006:	133,213	44,329	145,714
2007:	134,336	43,932	146,755
2008:	125,505	35,542	133,183
2009:	145,034	57,002	172,308
2010:	205,489	53,240	223,815



Note: All figures in this flier represent commercial lines of business. Enrollment figures do not include self-funded or third party administrator members. The employer total does not include Clear One Health Plans, self-funded, or third party administrator clients.

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We provide medical and dental benefits to more than 5,700 employers, and process \$40 million in claims each month.

In July 2009, we completed the acquisition of Advantage Dental Plan's commercial business. Through this transaction, we acquired Advantage Dental's 35,000 commercial plan members, and PacificSource dental members gained access to Advantage Dental's provider network.

In August 2009, we completed the acquisition of Primary Health, Inc. of Boise, Idaho. Through this transaction, Primary Health Network, Inc. and Riverside Benefit Administrators, Inc. became wholly owned subsidiaries of PacificSource Health Plans, and PacificSource acquired a majority interest in Idaho Physicians Network, Inc.

In May 2010, we completed the acquisition of Clear One Health Plans, Inc., making Clear One a wholly owned subsidiary of PacificSource. Included in the acquisition were Clear One's subsidiaries Central Oregon Individual Health Solutions, Inc. (COIHS) and Trusteed Plans Service Corporation (sold by PacificSource in November 2011). In June 2011, Clear One Health Plans, Inc. became PacificSource Community Health Plans, Inc., and its subsidiary, COIHS, became PacificSource Community Solutions, Inc.

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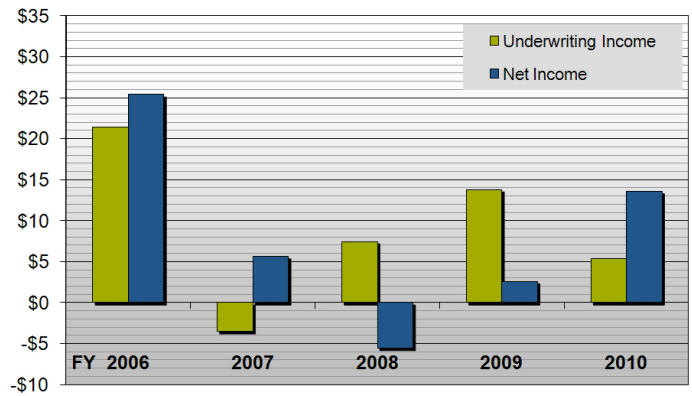
Income: Underwriting and Net

	Underwriting	Net
2006:	\$21,385,947	\$25,383,981
2007:	(\$3,538,506)	\$5,631,334
2008:	\$7,455,184	(\$5,560,563)*
2009:	\$13,800,526	\$2,578,486
2010:	\$5,392,277**	\$13,582,484

*Figures reflect changes to investments.

**Beginning with 2010, state premium taxes are included as an expense in calculating underwriting income. 2010 figures include Clear One Health Plans following its acquisition in May 2010.

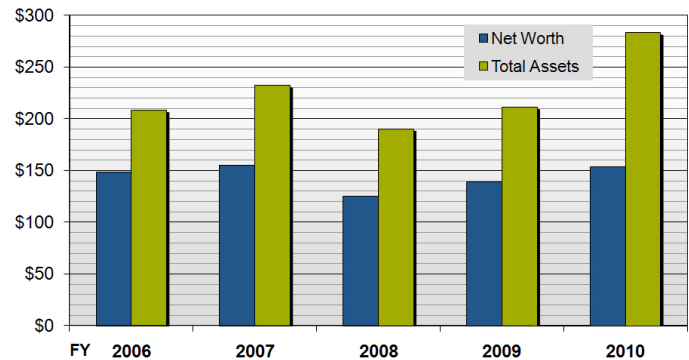
Millions



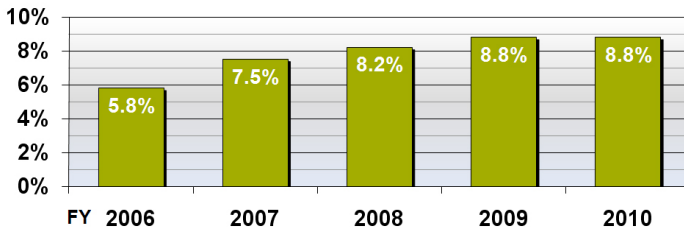
Net Worth and Total Assets

	Net Worth	Total Assets
2006:	\$148,786,565	\$208,492,447
2007:	\$154,811,291	\$232,264,379
2008:	\$124,931,449	\$190,441,545
2009:	\$139,151,670	\$211,353,614
2010:	\$153,641,907	\$283,362,132

Millions

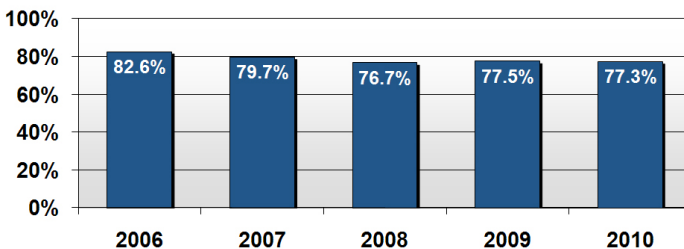


Administrative Overhead as Percentage of Premium



Due to the mid-year acquisition, the 2010 administrative overhead percentage represents PacificSource only. Totals do not include Oregon Medical Insurance Pool assessments or state premium taxes.

Client Retention Rate



Client Retention totals do not include Clear One Health Plans, self-funded, or third party administrator clients.

Questions? If you need more information about us or our financial performance, please contact us.



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