

EXECUTIVE SUMMARY
ANNUAL MEETING OF MEMBERS
GOODLIFE PARTNERS, INC.
MARCH 29, 2021

At its meeting on Monday, March 29, 2021, the Members of Goodlife Partners, Inc. took the following actions:

1. Received the Annual Reports of the Board Chair, the President and Chief Executive Officer, and the Treasurer. Approved the actions taken by the Board of Directors since the last Annual Meeting of Members.
2. Established that no more than 14 Directors will serve in 2021.
3. Elected Ms. Karen B. Aman and Dr. Dan E. Ernst for three-year terms expiring in March 2024.
4. Approved the Minutes of the Annual Meeting of Members held on March 30, 2020 and approved an indemnification resolution.

MINUTES
ANNUAL MEETING OF MEMBERS
GOODLIFE PARTNERS, INC.
MARCH 29, 2021

The Annual Meeting of Members of Goodlife Partners, Inc. (GLP or the Company) was held on Monday, March 29, 2021, at 4:02 p.m., via conference call. Mr. George Beattie, Board Vice Chair, presided at the meeting. The Governance and Nominating Committee designated Mr. George Beattie to be its representative at the meeting.

Mr. Beattie welcomed participants to the annual meeting of members. Mr. Beattie stated due to precautionary measures Blue Cross and Blue Shield of Nebraska (BCBSNE) implemented in response to the Coronavirus global pandemic this year's meeting is being held via conference call.

Ms. Gretchen Twohig, Secretary, advised that the Company sent the Notice of Annual Meeting, which included the biographical information of those standing for election and proxy, to 77,001 Members: 6,648 Members returned written votes; and 6,070 Members voted for the slate of candidates for election to the Board of Directors. There was one additional proxy on file by a Member naming other person as proxy, and that person was present. There were 2 Members present at the meeting, in addition to Board Members: Mr. Beattie, Ms. Aman, Dr. Ernst, Dr. Mitchell, Mr. Jenkins, Mr. Goins and Mr. Grandfield, and Company Officers: Susan Courtney, Malorie Maddox, Michael Nelson, Gretchen Twohig, Chad Werner, and Joni Wheeler.

The meeting was called to order at 4:03 p.m., and Ms. Twohig confirmed a quorum was present. The following business was conducted:

1. Reports of the Board Chair, the President and Chief Executive Officer, and the Treasurer

Ms. Twohig reported that the Board Action Report is contained in the meeting materials and includes all significant actions taken by the Board of Directors at its 2020 meetings.

Ms. Aman stated that the Report of the Chair is contained in the meeting materials and waived the reading of this report.

Mr. Steven Grandfield, President and Chief Executive Officer (CEO) stated that the CEO report is contained in the meeting materials and waived the reading of this report.

Mr. Chad Werner, Treasurer, stated that the Treasurer's report is contained in the meeting materials and waived the reading of this report.

Each report is attached as Attachment 1, 2, and 3 respectively, and made a part of these Minutes.

There was no discussion. Whereupon,

It was moved and seconded that the Annual Reports of the Board Chair, President and CEO, and the Treasurer and the actions taken by the Board of Directors since the last Annual Meeting of Members are approved.

The motion passed unanimously.

2. Number of Directors to Serve in 2021 and Election of Directors

The Members of the Company are responsible for establishing the number of Directors to serve on the Board each year. Mr. Beattie reported that the Board of Directors recommends that the number of Directors to serve in 2021 be set at a maximum of no more than 14.

Ms. Twohig confirmed there were no additional nominations received in accordance with the procedures required by the Company's Bylaws.

Mr. Beattie, on behalf of the Governance and Nominating Committee, reported that following the Committee's review of potential Directors consistent with the policies and procedures set forth in the Company's Bylaws and the Committee's Charter, and with the approval of the Board of Directors, the following individuals are recommended for serve on the Board of Directors for terms ending in March 2024, subject to the limitations of the Bylaws: Ms. Karen B. Aman and Dr. Dan E. Ernst. This recommendation would set the number of Directors to serve in 2021 at no more than 14.

There was no discussion. Whereupon,

It was moved and seconded that the number of Directors to serve in 2021 be set at no more than 14, and to elect Ms. Karen B. Aman and Dr. Dan E. Ernst to serve as Directors, each for a three-year term expiring March 2024.

The motion passed unanimously.

3. Business Items

Ms. Twohig noted that the Minutes of the Annual Meeting of Members on March 30, 2020 have been reduced to writing, are on file and have been available for reading for the past 12 months.

Ms. Twohig stated that the resolution of indemnification of Directors, Officers, and Employees was provided in the meeting materials. This indemnification is provided to the fullest extent of the law and in accordance with the Company's Articles of Incorporation. Whereupon,

It was moved and seconded to approve the Minutes of the 2020 Annual Meeting of Members and to approve the indemnification resolution.

The motion passed unanimously.

There being no further business to come before the Members, the meeting was adjourned at 4:13 p.m.

Respectfully submitted,

Gretchen Twohig,
Corporate Secretary

REPORT OF THE BOARD CHAIR

AND

THE SIGNIFICANT ACTIONS OF THE 2020 BOARDS OF DIRECTORS

Thank you for your interest in the Annual Meeting of Members of GoodLife Partners, Inc., a mutual insurance holding company whose members have policies of insurance underwritten by Blue Cross and Blue Shield of Nebraska, Inc. (BCBSNE).

This is BCBSNE's 82nd year providing health care coverage to Nebraskans. I am happy to report that it continues to be an exceptional organization, with an extraordinary heritage and a promising future.

2020 in Review

2020 was an unprecedented year. BCBSNE was able to transition its nearly 1,200 employees to a remote workforce in March of 2020 due to the Covid-19 public health crisis. I appreciate the dedication of BCBSNE's employees, who continued to provide exceptional and uninterrupted service to members while working through a global pandemic.

Despite the Covid-19 pandemic, the company maintained a strong financial performance in 2020. Operating profit exceeded budget and BCBSNE remains financially stable. Chad Werner, BCBSNE's chief financial officer and treasurer, will share more about the company's financial performance in his report.

BCBSNE completed its transition to a new claims processing platform in 2020. This transition was a significant undertaking, and I am happy to report was completed successfully. The company is well positioned for evolving methodologies and future claim reimbursement and payment requirements.

Membership continues to be a focus. While overall total membership is down from 2019—largely due to below-target new sales in some segments—the company exceeded goal for retaining existing membership.

2020 Board of Directors

First, I want to thank and commend Mr. George Beattie, who is retiring from the BCBSNE board of directors. For the past several years, Mr. Beattie has selflessly given his time and talents and served the board and BCBSNE with honor and integrity.

I appreciate the work of the board during the past year. It takes considerable time and energy to prepare for and participate in the company's board and committee meetings. The directors demonstrated a focus on their duties and supported the continued success of BCBSNE.

In 2020, the board held four regularly scheduled meetings, and acted by written consent from time to time, as appropriate. In addition, the Board and management met twice during the year to consider the company's strategic plans. At each board meeting, time is reserved for directors to meet without the CEO present. BCBSNE's executive leadership team regularly attend board meetings to present information on the company's business operations and progress toward achieving strategic goals.

The board assigns responsibilities and delegates authority to its committees, and the committees regularly report on their activities and actions to the full board. In 2020 the board had five standing committees: Audit and Compliance; Compensation; Finance; Governance and Nominating; and Strategy and Operations. Each committee has a written charter approved by the board. Each committee may engage outside experts, advisors and counsel to assist them. The Committees of the board held a total of 19 meetings in 2020.

The board took the following significant actions during 2020:

- Supported BCBSNE through the Covid-19 pandemic and resulting global financial impacts and regulatory changes.
- Supported the company's strategic goals and initiatives.
- Oversaw the company's reaccreditation by URAC, as well as BCBSNE's impact assessment and response to the national Solarwinds cybersecurity Incident.

The board is presenting two individuals for re-election: myself and Mr. Dan Ernst.

Looking Ahead

Strong performance and financial results in 2020 could not have been accomplished without the outstanding leadership provided by BCBSNE's CEO, Steve Grandfield. In addition, special thanks to BCBSNE's executive leadership team, who have adapted to a "new normal" during the pandemic, through flexibility and resilience.

Today's health care industry and delivery system is complicated—and continues to rapidly change. Significant new federal laws passed at the end of 2020, followed by President Biden's commitments to improve and enhance the Affordable Care Act, create both challenges and opportunities for BCBSNE in the months ahead. Through all of this, the board will continue to focus on BCBSNE's members, who are at the core of the company's mission: To lead the way in supporting patient-focused care.

On behalf of the BCBSNE board, as well as the outstanding employees of the company, we thank you for your continued trust in Blue Cross and Blue Shield of Nebraska. We are honored to serve the company on your behalf.

Respectfully,

Karen Aman
Chair, Board of Directors

ANNUAL MEETING OF MEMBERS
MARCH 29, 2021

REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

As I began to write this year's report for the Annual Meeting of Members, I reviewed what I had submitted for last year's meeting. Twelve months ago, I wrote, "Since the identification of the first case of COVID-19 just a few short months ago, it has rapidly spread worldwide, and we now find ourselves living and working in uncharted territory, under truly extraordinary circumstances."

Extraordinary circumstances indeed.

Few of us would have predicted that one year later, we remain largely apart from one another. However, it is with great pride that I share with you today the extraordinary efforts of Blue Cross and Blue Shield of Nebraska leaders and employees, who have remained engaged in their work—and deeply committed to our members and our providers—throughout this unprecedented year.

As 2020 progressed and COVID-19 cases skyrocketed statewide, Blue Cross and Blue Shield of Nebraska and its employees stepped up to provide support for our most vulnerable citizens and frontline health care workers. This outreach took many forms, including:

- A \$20,000 donation to the Open Door Mission, to help them serve even more homeless families and children during the pandemic, as well as providing food to families in need.
- Providing meals to hospital and public health and first responders. We partnered with The Salvation Army to deliver meals to workers at Omaha hospitals and we also delivered lunches and dinners in Grand Island, Hastings and Columbus to the staffs at Mary Lanning, CHI St. Francis, the South Heartland and Central District Health Departments, the Army National Guard and Columbus Hospital. In total, BCBSNE provided more than 3,000 meals to health care workers and first responders in 2020.
- Distributing over 55,000 masks, in partnership with Metro Omaha Medical Society, Heartland United Way and others, to the most vulnerable citizens of Omaha and Grand Island.

- Providing school supplies for students in need, including sponsorship of the 2020 “Stuff the Bus” school supply drive that gathered nearly 500 book bags, 18,200 pencils, 2,200 crayons, 3,100 notebooks, 400+ sanitizing products and over \$1,000 for Omaha-area students.
- Creating and distributing 5,000 yard signs recognizing health care workers across the state, showing our gratitude and support for their work on the frontlines.

Additionally, in partnership with the Central District Health Department in Grand Island and YMCA locations across the state, in November BCBSNE helped Nebraskans prepare for flu season by offering no-cost vaccination clinics. Clinics were open to everyone between ages 9 and 64 at no cost to them, regardless of insurance coverage.

We were there for our members during the pandemic in other ways as well. The doctor-patient relationship is so important to maintain, especially for members with chronic conditions. During those early months of the pandemic when we were all asked to stay home, we wanted to make sure our members and their doctors could stay in touch and get the care they need during this difficult time. To facilitate this, from March 1 to July 1 of last year, we waived member cost shares for ALL in-network telehealth to help our providers and members remain connected during the height of the pandemic.

Not surprisingly, we saw an increase in the use of telehealth. In fact, the numbers are astonishing. In March of 2020, when COVID-19 cases first started to be diagnosed locally, telehealth usage shot up more than 1000% over February 2020. In April it was up nearly 4000% over February. It is worth noting that 57% of all telehealth claims during the height of the pandemic months was for behavioral health. Last year was a challenging time for so many, and we are glad we were able to make it easier for our members to get the care they need.

While telehealth numbers have gone down as clinics and medical offices have reopened in recent months, many of our members and providers have continued to embrace virtual visits when appropriate. In January and February of this year, telehealth searches on our website are still up 40% over the same period last year. And as of right now, member cost shares will continue to be waived for all in-network telehealth visits directly related to a COVID-19 diagnosis through April 20, 2021 for our fully insured group and individual plans.

Beyond our direct COVID-19 efforts, we also remained committed to our support of Nebraska's statewide economic development in 2020. We launched a pilot program in August to recruit work-from-home customer service reps in Norfolk and Columbus. Special thanks to BCBSNE board member and director of the Nebraska Department of Economic Development, Tony Goins, for his help with this initiative. As a result of our targeted recruiting efforts, we received more than 2,500 applications, and approximately 18 new employees living outside the Omaha area joined Team Blue in 2020.

I am proud to announce that this past 12 months of remote working has not impacted our ability to take care of our members. During the pandemic, we processed more than 7.5 million claims on our new HealthRules system, and we answered 375,000 customer calls and 215,000 provider calls in 2020.

We developed and kicked off an exciting new corporate strategy, with a renewed, laser focus on eliminating pain points for our customers. We are hard at work making meaningful changes to our processes that will make it easier for all our customer segments—individuals, employers, brokers and providers—to interact with us and do business with us.

We experienced our best Medicare Advantage Annual Enrollment Period (AEP) yet in 2020. We far surpassed our goal of 1,760 new members, attaining MA membership of 6,250 in January of 2021. On the group side, we sold 393 new group plans in 2020, for a total of approximately 7,920 new contracts. As far as retaining employer groups in 2020, significant renewals included Boys Town, Lindsay Corporation, Olsson Engineering and Bosselman.

These successes would not have been possible without the dedicated efforts of a united and collaborative workforce. Our rally cry, "One Team. In It for Our Members," says it all. One of many reasons Blue Cross and Blue Shield of Nebraska is such an incredible place to work is the inclusive and respectful way we treat one another. We appreciate and celebrate each other. We learn from one another. We rely on one another. We value the unique perspective every person brings.

What started as a grassroots initiative by employees several years ago has grown exponentially. Around 474 employees belong to at least one of our five Employee Resource Groups. This represents 40% of our workforce. More than 250 employees have participated in diversity and inclusion training in partnership with Inclusive Communities, and we are an active member of the Omaha Chamber's

Coalition for Opportunity, Diversity and Equity (CODE). Diversity, equity and inclusion are woven into every aspect of our work life.

Throughout this past year of separation and uncertainty, staying connected with one another has never been more important. We are thankful that technology has enabled us to be together—even when we can't *be together*. To celebrate the enduring power of human connection, late last year we launched a new campaign called "Your Story," sharing the often moving and always inspiring stories of our members. From Grant, the 10-year-old weightlifter—to Sharlet, Sydnea and Savana, rare identical triplets—to Joanna, the ICU nurse and expectant mother—our members have very powerful stories to tell, and we are very proud to play a part in them.

At Blue Cross and Blue Shield of Nebraska, our biggest role is to be there for our members when they need us most. That has taken on new meaning and increased significance as we have faced these challenging and historic times together. As we slowly begin to emerge from the COVID-19 pandemic, we know that there are other challenges, other obstacles ahead. I state with confidence that Blue Cross and Blue Shield of Nebraska stands ready to meet those challenges, continuing to be a part of our members' stories for many years to come.

ANNUAL MEETING OF MEMBERS
MARCH 29, 2021**2020 REPORT OF THE TREASURER****Blue Cross Blue Shield of Nebraska****(All financial information is unaudited and based on statutory accounting principles)**

As you know, 2020 was an unprecedented year due to the COVID-19 global pandemic. The company's focus was to maintain a strong financial position while providing high quality services to our members and successfully completing the transition to our new claims processing platform. I'm happy to report that, due to the efforts and dedication of our employees, we were successful. We grew our surplus from \$402 million to \$414 million. This increase was primarily driven by a gain from operations and investment income and was partially offset by spend related to our new claims processing platform and other strategic initiatives.

This strong surplus is a key driver of our risk-based capital (RBC) and months of claims in reserve ratios. RBC is a method of measuring the amount of capital appropriate to support our overall business operations. This ratio is monitored by state regulators. As you can see in the table below, we were able to increase both ratios in 2020.

Metric	Dec. 2020	Dec. 2019	Change
Surplus (in millions)	\$414	\$402	\$12
RBC	1047%	1025%	22%
Months of claims in reserve	3.8	3.7	0.1

From operations, the company achieved a 1.5% operating margin, before platform transformation and strategic initiative costs. This result, although down slightly from the prior year, is notable since we incurred the Health Insurer Tax of \$25 million in 2020. This tax was not charged to the health insurance industry in 2019 and is not expected to be charged in 2021. Income before taxes of \$36 million was strong in 2020, compared to \$6 million in 2019.

Overall gross margin decreased 3.4% from the prior year—from \$263 to \$254 million. This decrease was expected, due to pre-ACA policies being sunset as of Dec. 31, 2019. In 2020, we introduced a short-term product called Armor Health as an option for customers seeking an alternative to ACA coverage. The decrease from the individual business segment was partially offset by solid results from our large group fully insured business segment.

The company's 2020 net administrative expense ratio was 14.7%, compared with 13% in 2019. Our net administrative expenses increased to \$230 million from \$205 million. The primary driver of this increase was the \$25 million Health Insurer Tax. On an adjusted basis our administrative expenses would have been flat year over year.

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In 2020, the company used 83.7% of every premium dollar for the payment of medical and pharmacy claims. This is up slightly from 83.3% in 2019.

	2020	2019	Change
Loss Ratio	83.7%	83.3%	0.4%
Net Admin. Expense Ratio	14.7%	13.0%	1.7%
Operating Margin	1.5%	3.7%	-2.2%

The company's investment portfolio performed well in 2020. Investment income totaled \$44.6 million, which helped increase our surplus for future claim payments for our members.

In 2020, the company's direct customer base decreased by 7.9%. This decrease in membership was due to losses in the large group self-insured business segment, as well as the sunseting of our pre-ACA policies. These decreases were partially offset by growth in the large group fully insured and small group self-insured business segments.

We are proud of the company's operating results in 2020, and our members can be assured that BCBSNE is in stable and solid financial condition. BCBSNE will be there for our members when they need us for many years to come.

Respectfully,

Chad Werner
Treasurer and Chief Financial Officer
Blue Cross and Blue Shield of Nebraska