

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	OMB Nos. 1210-0110 1210-0089  <div style="text-align: center; font-size: 24pt; font-weight: bold;">2011</div>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input checked="" type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information										
<b>1a</b> Name of plan <u>TAX FAVORED SAVINGS PROGRAM</u>  <b>2a</b> Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)  <u>BLUE CROSS AND BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE COMPANY</u>  <u>3545 LAKELAND DRIVE EAST</u> <u>FLOWOOD, MS 39232-8839</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan <u>08/01/1985</u></td> </tr> <tr> <td colspan="2"><b>2b</b> Employer Identification Number (EIN) <u>64-0295748</u></td> </tr> <tr> <td colspan="2"><b>2c</b> Sponsor's telephone number <u>601-932-3704</u></td> </tr> <tr> <td colspan="2"><b>2d</b> Business code (see instructions) <u>524140</u></td> </tr> </table>	<b>1b</b> Three-digit plan number (PN) ▶	<u>003</u>	<b>1c</b> Effective date of plan <u>08/01/1985</u>		<b>2b</b> Employer Identification Number (EIN) <u>64-0295748</u>		<b>2c</b> Sponsor's telephone number <u>601-932-3704</u>		<b>2d</b> Business code (see instructions) <u>524140</u>	
<b>1b</b> Three-digit plan number (PN) ▶	<u>003</u>										
<b>1c</b> Effective date of plan <u>08/01/1985</u>											
<b>2b</b> Employer Identification Number (EIN) <u>64-0295748</u>											
<b>2c</b> Sponsor's telephone number <u>601-932-3704</u>											
<b>2d</b> Business code (see instructions) <u>524140</u>											

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	12/21/2012	DAVID MANUSZAK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)  
v.012611

<b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same") NATIONAL EMPLOYEE BENEFITS COMMITTEE  225 N. MICHIGAN AVENUE CHICAGO, IL 60601	<b>3b</b> Administrator's EIN 36-3025560  <b>3c</b> Administrator's telephone number 312-297-5722
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<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:  <b>a</b> Sponsor's name	<b>4b</b> EIN  <b>4c</b> PN
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<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	743
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<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....	<b>6a</b>	622
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	0
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	188
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b>	810
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	0
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	<b>6f</b>	810
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	794
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	4

<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	
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**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	(1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

<b>SCHEDULE C</b> <b>(Form 5500)</b> Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	<b>Service Provider Information</b> This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2011</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

<b>A</b> Name of plan <u>TAX FAVORED SAVINGS PROGRAM</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>003</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>BLUE CROSS AND BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE</u>	<b>D</b> Employer Identification Number (EIN) <u>64-0295748</u>

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation  
FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

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04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 65 37 60 25	RECORDKEEPER	10054	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>(d)</b> Enter name and EIN (address) of source of indirect compensation   DODGE &amp; COX INCOME - BOSTON FINANCI    P.O. BOX 8480  BOSTON, MA 02266 </div> <div style="width: 40%;"> <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.   0.08% </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>(a)</b> Enter service provider name as it appears on line 2   FIDELITY INVESTMENTS INSTITUTIONAL </div> <div style="width: 20%; text-align: center;"> <b>(b)</b> Service Codes (see instructions)   60 </div> <div style="width: 20%; text-align: center;"> <b>(c)</b> Enter amount of indirect compensation   0 </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>(d)</b> Enter name and EIN (address) of source of indirect compensation   PERIMETER SC GRTH I - BNY MELLON IN    P.O. BOX 9793  PROVIDENCE, RI 02940 </div> <div style="width: 40%;"> <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.   0.15% </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>(a)</b> Enter service provider name as it appears on line 2   </div> <div style="width: 20%; text-align: center;"> <b>(b)</b> Service Codes (see instructions)   </div> <div style="width: 20%; text-align: center;"> <b>(c)</b> Enter amount of indirect compensation   </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>(d)</b> Enter name and EIN (address) of source of indirect compensation   </div> <div style="width: 40%;"> <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.   </div> </div>		

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide



**Part III** **Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE D</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>	<b>DFE/Participating Plan Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

<b>A</b> Name of plan <u>TAX FAVORED SAVINGS PROGRAM</u>	<b>B</b> Three-digit plan number (PN)	<u>003</u>
<b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>BLUE CROSS AND BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE</u>	<b>D</b> Employer Identification Number (EIN) <u>64-0295748</u>	

Part I	<b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b> (Complete as many entries as needed to report all interests in DFEs)
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**a** Name of MTIA, CCT, PSA, or 103-12 IE: FID MIP II CL 3

**b** Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

<b>c</b> EIN-PN <u>04-3022712-025</u>	<b>d</b> Entity code <u>C</u>	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2383714</u>
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**a** Name of MTIA, CCT, PSA, or 103-12 IE: PYR LARGE CAP VALUE COMMINGLED

**b** Name of sponsor of entity listed in (a): PYRAMIS GLOBAL ADVISORS TRUST COMPANY

<b>c</b> EIN-PN <u>20-4659714-023</u>	<b>d</b> Entity code <u>C</u>	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>744340</u>
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**a** Name of MTIA, CCT, PSA, or 103-12 IE: FID US EQUITY INDEX POOL CL 2

**b** Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

<b>c</b> EIN-PN <u>04-3022712-011</u>	<b>d</b> Entity code <u>C</u>	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3677314</u>
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**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

<b>c</b> EIN-PN	<b>d</b> Entity code	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

<b>SCHEDULE H</b> <b>(Form 5500)</b> Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	<b>Financial Information</b> This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2011</b>
		<b>This Form is Open to Public Inspection</b>

For calendar plan year 2011 or fiscal plan year beginning <b>01/01/2011</b> and ending <b>12/31/2011</b>		
<b>A</b> Name of plan <b>TAX FAVORED SAVINGS PROGRAM</b>	<b>B</b> Three-digit plan number (PN) ►	<b>003</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>BLUE CROSS AND BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE</b>	<b>D</b> Employer Identification Number (EIN) <b>64-0295748</b>	

<b>Part I</b>	<b>Asset and Liability Statement</b>
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**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	2934620	2667372
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	928582	880812
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>	7009788	6805368
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	30898164	29260958
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

<b>1d</b> Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	41771154	39614510

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>		
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>		

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	41771154	39614510
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**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	1598137	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	2292876	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>	116451	
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		4007464
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	307	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	42131	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
(G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		42438
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	1309660	
(D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		1309660
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>		
(B) Other .....	<b>2b(5)(B)</b>		
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		87471
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		-1924035
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		3522998

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	5669041	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		5669041
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Investment advisory and management fees .....	<b>2i(3)</b>		
(4) Other .....	<b>2i(4)</b>	10601	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		10601
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		5679642

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		-2156644
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):  
 (1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:  
 (1) Name: CARR, RIGGS & INGRAM, LLC (2) EIN: 72-1396621

**d** The opinion of an independent qualified public accountant is **not attached** because:  
 (1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		500000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....			
<b>4n</b>			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)



<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2011</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

<b>A</b> Name of plan <u>TAX FAVORED SAVINGS PROGRAM</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>003</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>BLUE CROSS AND BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE</u>	<b>D</b> Employer Identification Number (EIN) <u>64-0295748</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
<b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<b>6c</b>		
If you completed line 6c, skip lines 8 and 9.			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....	<b>16b</b>	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**Blue Cross & Blue Shield  
of Mississippi (A Mutual  
Insurance Company)  
Tax-Favored Savings Program**

**Financial Statements**

December 31, 2011 and 2010

**Blue Cross & Blue Shield of Mississippi  
(A Mutual Insurance Company)  
Tax-Favored Savings Program**

**Table of Contents  
December 31, 2011 and 2010**

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<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of Net Assets Available for Program Benefits	2
Statements of Changes in Net Assets Available for Program Benefits	3
Notes to Financial Statements	4 – 10
<b>Schedule For The Year Ended December 31, 2011</b>	
Assets Held for Investment Purposes at End of Year	11

All other supplemental schedules are omitted because they are not applicable.



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Blue Cross & Blue Shield of Mississippi,  
A Mutual Insurance Company  
Jackson, Mississippi

We were engaged to audit the financial statements and supplemental schedule of Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program ("the Program") as of December 31, 2011 and 2010 and for the years then ended as listed in the table of contents. These financial statements and schedule are the responsibility of the Program's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Program administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified to by Fidelity Management Trust Company, the trustee of the Program, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Program administrator that the trustee holds the Program's investment assets and executes investment transactions. The Program administrator has obtained certifications from the trustee as of and for the years ended December 31, 2011 and 2010 that the information provided to the Program administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in these financial statements and supplemental schedule, other than that derived from the information certified to by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Carr, Riggs & Ingram, LLC*

Ridgeland, Mississippi  
September 28, 2012

**Blue Cross & Blue Shield of Mississippi**  
**(A Mutual Insurance Company)**  
**Tax-Favored Savings Program**

**Statements of Net Assets Available for Program Benefits**

<i>December 31,</i>	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,667,372	\$ 2,934,620
Notes receivable from participants	880,812	928,582
Interest in common/collective trusts, at fair value (inclusive of a nominal amount of wrapper contracts as disclosed in Note 4)	6,805,368	7,009,788
Mutual fund investments, at fair value	29,260,959	30,898,164
Net assets available for program benefits, at fair value	39,614,511	41,771,154
Adjustment from fair value to contract value for benefit responsive interest in common/collective trusts	(57,916)	(22,600)
Net assets available for program benefits	\$ 39,556,595	\$ 41,748,554

See notes to financial statements.

**Blue Cross & Blue Shield of Mississippi**  
**(A Mutual Insurance Company)**  
**Tax-Favored Savings Program**

**Statements of Changes in Net Assets Available for Program Benefits**

<i>Years ending December 31,</i>	<b>2011</b>	<b>2010</b>
Contributions		
Employees	\$ 2,409,327	\$ 2,425,161
Employer, net of forfeitures	1,598,137	1,673,490
<b>Total contributions</b>	<b>4,007,464</b>	<b>4,098,651</b>
Investment income		
Interest and dividends	1,347,871	640,856
Interest income on participant loans	42,131	48,387
Net appreciation (depreciation) in fair value of investments	(1,909,783)	3,742,059
<b>Net investment gain (loss)</b>	<b>(519,781)</b>	<b>4,431,302</b>
Expenses		
Participant benefits	(5,669,041)	(4,017,102)
Trustee fees	(10,601)	(12,276)
<b>Total expenses</b>	<b>(5,679,642)</b>	<b>(4,029,378)</b>
<b>NET INCREASE (DECREASE)</b>	<b>(2,191,959)</b>	<b>4,500,575</b>
<b>Net assets available for program benefits</b>		
Beginning of year	41,748,554	37,247,979
<b>End of year</b>	<b>\$ 39,556,595</b>	<b>\$ 41,748,554</b>

See notes to financial statements.



# **Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program**

## **Notes to Financial Statements**

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### **NOTE 1 – DESCRIPTION OF THE PROGRAM**

The following brief description of the Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program (the "Program") is provided for general information purposes only. Participants should refer to the Program agreement for more complete information.

#### ***General***

The Program is a defined contribution plan which covers substantially all employees of Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) and subsidiaries (the "Sponsor"). Any employee 21 years of age and older is generally eligible to participate upon employment. Participation ceases upon termination of employment. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### ***Contributions***

Employees elect participation in the Program by making contributions in an amount not less than one percent of total compensation. Employee contributions are limited to 25% of compensation, subject to a ceiling. The Sponsor matches each employee's contribution up to 3% of compensation and matches 50% of contributions between 3% and 5% of compensation. During any Program year, the Sponsor may also contribute a discretionary amount from its net earnings. Certain employees who were hired or rehired on or after January 1, 2007, are eligible for an additional 4% non-elective employer contribution based on their eligible earnings for the year (subject to the \$245,000 maximum compensation limit in 2011) if they have one year of service, work 1,000 hours during the year, and were an employee on the last business day of the year.

#### ***Participant Accounts***

Each participant's account is credited with the participant's contributions and allocations of (a) the Sponsor contribution and (b) Program earnings, and charged with an allocation of administrative expenses and Program losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### ***Vesting***

Participants become 100% vested in non-elective employer contributions upon completion of 3 years of service. Participants are fully vested at all times in the portions of their accounts which are attributable to their individual contributions. Matching and discretionary contributions by the Sponsor, including allocated earnings thereon, are 100% vested when they are made for participants of the Program.

#### ***Benefits***

The Program provides benefits based solely upon the amount contributed to a participant's account by the employee and the Sponsor and any allocated income, expense, gains, and losses from investments. Benefits are generally payable on termination, retirement or because of disability.

#### ***Notes Receivable from Participants***

Notes receivable from participants are stated at unpaid principal balances, which approximate fair value. A participant may borrow from the Program for any reasonable purpose. The minimum loan amount is \$1,000, and loans are subject to certain limitations based on the participant's account balance. The maximum term for a general purpose loan is five years. A principal residence loan is available only for the purchase of a home as a principal residence for a maximum term of 30 years. Only two loans may be outstanding at any given time, and only one loan may be taken out in any 12-month period.

# Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program

## Notes to Financial Statements

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### NOTE 1 – DESCRIPTION OF THE PROGRAM (Continued)

#### ***Forfeitures***

Forfeitures, which result from employees withdrawing from the Program prior to fully vesting, are applied to reduce the Sponsor's contributions to the Program. Forfeited nonvested accounts totaled approximately \$35,500 in 2011 and \$56,200 in 2010.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Basis of Presentation***

The accounting records of the Program are maintained on the accrual basis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from these estimates.

In connection with the preparation of the financial statements, management of the Program evaluated subsequent events through September 28, 2012, which is the date the financial statements were available to be issued.

#### ***Investments and Investment Income***

Under the terms of trust agreements between Fidelity Management Trust Company (Fidelity) and the Program, the trustee has been granted discretionary authority over purchases and sales of investments within each fund. Contributions are invested in various investment funds, in such proportions as the participant directs.

Cash and equivalents are stated at cost, which approximates fair value. Common collective trust investments are stated at fair value and then a portion is adjusted to contract value. Contract value is the relevant measurement attribute for that portion of the net assets available for Program benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Program. The statements of net assets available for program benefits presents the fair value of the common collective trust investments as well as the adjustment of the benefit-responsive investment contracts (which are only held in the Fidelity Managed Income Portfolio II Fund) from fair value to contract value. Other investments of the Program consist of mutual fund investments and are stated at fair value. All such fair values of mutual funds were derived using quoted closing prices in active markets.

Investments in common collective trusts partially consist of investments with wrap contracts that are comprised of both investment and contractual components. The contractual components provide for benefit responsive withdrawals at contract value when underlying investment securities are sold to fund normal benefit payments prior to the maturity of such contracts. The investment component consists of securities, shares or units of a pooled portfolio of fixed-income securities, referred to as the underlying investment. The investment component is wrapped by contracts issued by third party financial institutions. A wrap contract is an agreement by another party, such as a bank or insurer, to make payments to the portfolio in certain circumstances. Wrap contracts are designed to allow stable value products to maintain a constant net asset value. Wrap contracts accrue interest using a formula called the crediting rate. The crediting rate is based on the return of the underlying assets, but also includes adjustments for differences between the market value and the book value of the underlying assets. Wrap contracts use the crediting rate to convert market value changes in the underlying assets into income distributions in order to minimize the difference between the market and book value of the underlying assets over time. Using the

# Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program

## Notes to Financial Statements

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

crediting rate formula, an estimated future market value is calculated by compounding a portfolio's current market value at a portfolio's current yield to maturity for a period equal to a portfolio's duration. The crediting rate is the discount rate that equates that estimated future market value with a portfolio's current contract value. Crediting rates are reset quarterly. The wrap contracts provide a guarantee that the crediting rate will not fall below 0%. If the market value of underlying assets is higher than their contract value, the crediting rate will ordinarily be higher than the yield of the underlying assets. Conversely, if the market value of underlying assets is lower than their book value, the crediting rate will ordinarily be lower than the yield of the underlying assets. A wrap issuer may terminate a wrap contract for cause at any time. In the event that the market value of the portfolio's underlying assets is below contract value at the time of such termination, the trustee, Fidelity, may elect to keep the wrap contract in place until such time as the market value of the portfolio's underlying assets is equal to contract value. A wrap issuer may also terminate a wrap contract if Fidelity's investment management authority over the portfolio is limited or terminated as well as if all of the terms of the wrap contract fail to be met. In the event that the market value of the portfolio's underlying assets is below contract value at the time of such termination, the terminating wrap provider would not be required to make a payment to the portfolio.

#### ***Fair Value Measurements of Financial Instruments***

The Program utilizes a fair value hierarchy which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs that are used to measure fair value are as follows:

- |                |   |
|----------------|---|
| <b>Level 1</b> | Valuations based on unadjusted quoted prices for identical assets in active markets accessible at the measurement date.   |
| <b>Level 2</b> | Valuations derived for similar assets in active markets, or other inputs that are observable or can be corroborated by market data.   |
| <b>Level 3</b> | Valuations derived from unobservable (supported by little or no market activity) inputs that reflect an entity's best estimate of what hypothetical market participants would use to determine a transaction price at the reporting date. |

When quoted market prices in active markets are unavailable, the Program determines fair values using various valuation techniques and models based on a range of observable market inputs including pricing models, quoted market price of publicly traded securities with similar duration and yield, time value, yield curve, prepayment speeds, default rates and discounted cash flow. In most cases, these estimates are determined based on independent third party valuation information, and the amounts are disclosed in the Level 2 of the fair value hierarchy. If quoted market prices and independent third party valuation information are unavailable, the Program produces an estimate of fair value based on internally developed valuation techniques, which, depending on the level of observable market inputs, will render the fair value estimate as Level 2 or Level 3. On occasions when pricing service data is unavailable, the Program may rely on bid/ask spreads from dealers in determining fair value.

The Program generally obtains one quoted market price or dealer quote per instrument. The quotes obtained from dealers or brokers are generally non-binding. When dealer quotations are used, the Program uses the mid-mark as fair value. As part of the price verification process, valuations based on quotes are corroborated by comparison both to other quotes and to recent trading activity in the same or similar instruments.

#### ***Income Taxes***

The Program obtained its latest determination letter on February 27, 2012, in which the Internal Revenue Service stated that the Program, as then designed, was in compliance with the applicable requirements of

# Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program

## Notes to Financial Statements

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Internal Revenue Code. The Program administrator and Program counsel believe that the Program is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code.

#### **Administrative Expenses**

Certain administrative expenses are paid directly by the Sponsor. The Program is responsible for any administrative expenses not paid by the Sponsor.

#### **Distributions**

Distributions of participant benefits are recognized when such benefits are disbursed by Fidelity.

#### **New Accounting Standard**

In May 2011, the FASB issued a standard which clarifies existing fair value measurements and disclosure requirements, amends certain fair value measurement principles and requires additional disclosure about fair value measurements. The requirements are effective for fiscal years beginning after December 15, 2011. The Program's management does not expect the provisions of this standard to have a material impact on the Program's financial statements.

### NOTE 3 – INVESTMENT SECURITIES

The following presents the fair value of investments that represent five percent or more of the Program's net assets.

<i>December 31,</i>	<b>2011</b>	<b>2010</b>
Fidelity Growth Company	\$ 4,240,115	\$ 4,568,131
Fidelity Freedom K 2010 Fund ®	3,843,216	5,417,727
Fidelity Freedom K 2015 Fund ®	2,530,097	2,088,505
Fidelity Freedom K 2020 Fund ®	3,149,412	3,313,040
Fidelity Freedom K 2030 Fund ®	2,159,186	150,291
Fidelity Freedom K 2040 Fund ®	2,180,689	256,916
Fidelity Retirement Money Market	2,667,372	2,934,620
Fidelity U.S. Equity Index Commingled Pool	3,677,314	3,862,105
Fidelity Managed Income Portfolio II, CL3	2,383,714	2,288,731

The Program's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) depreciated by \$1,909,783 in 2011 and appreciated by \$3,742,059 in 2010.

### NOTE 4 – INTEREST IN COLLECTIVE FUNDS

A portion of the Program's investments are in collective funds which were established for the investment of assets of the Program and several other Fidelity-sponsored retirement plans. The assets of the collective funds are held by the trustee, Fidelity Management Trust Company. At September 30, 2011 (the date of the latest information available) and 2010, the Program's interest in the net assets of the Pyramis Large Cap Value II Commingled Pool for Blue Cross and Blue Shield Plans was approximately 1.9% and 1.8%, respectively. At September 30, 2011 and 2010, the Program's interest in the net assets of the Fidelity U. S. Equity Index Commingled Pool was approximately 0.11% and 0.09%, respectively. At

# Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program

## Notes to Financial Statements

### NOTE 4 – INTEREST IN COLLECTIVE FUNDS (Continued)

both September 30, 2011 and 2010, the Program's interest in the net assets of the Fidelity Managed Income Portfolio II was approximately 0.011%. Investment income relating to the collective funds is allocated to the individual plans based on units of ownership in the collective funds. At September 30, 2011 and 2010, the average yield earned from investments with wrap contracts was 2.01% and 2.36%, respectively, and the average yield on wrap contracts credited to participants was 1.58% and 1.70%, respectively.

The Program's interest in collective funds is comprised of the following investments.

<i>December 31,</i>	<b>2011</b>	<b>2010</b>
Fidelity Managed Income Portfolio II, at contract value	\$ 2,325,798	\$ 2,266,131
Fidelity U.S. Equity Index Commingled Pool, at fair value	3,677,314	3,862,105
Pyramis Large Cap Value II Commingled Pool, at fair value	744,340	858,952
	<b>\$ 6,747,452</b>	<b>\$ 6,987,188</b>

Investments of the Fidelity Managed Income Portfolio II, which are primarily invested in wrap contracts, are comprised of the following:

<i>September 30, 2011</i>	Rating	Underlying Portfolio at Fair Value	Wrap Contracts at Fair Value	Adjustment from Fair Value to Contract Value	Total Underlying Portfolio and Wrap Contracts at Contract Value
AIG Financial Products Corporation	AA	\$ 2,549,698,391	\$ -	\$ (57,233,558)	\$ 2,492,464,833
JP Morgan Chase	AA	5,351,718,417	28,880,505	(149,011,532)	5,231,587,390
Monumental Life Insurance Co	AA	4,216,347,206	-	(94,645,137)	4,121,702,069
State Street Bank & Trust	AA	3,945,233,940	5,559,907	(94,119,314)	3,856,674,533
Rabobank Nederland	AAA	3,940,208,216	17,992,883	(106,439,477)	3,851,761,622
Total wrap contracts		\$ 20,003,206,170	\$ 52,433,295	\$ (501,449,018)	19,554,190,447
Short-term investments					818,160,843
Total					<b>\$ 20,372,351,290</b>

#### *September 30, 2010*

AIG Financial Products Corporation	AA	\$ 2,487,760,718	\$ 11,191,441	\$ (62,543,356)	\$ 2,436,408,803
JP Morgan Chase	AA	5,221,684,292	-	(107,785,080)	5,113,899,212
Monumental Life Insurance Co	AA	4,113,901,965	9,022,636	(93,941,069)	4,028,983,532
State Street Bank & Trust	AA	3,849,387,131	-	(79,458,365)	3,769,928,766
Rabobank Nederland	AAA	3,844,476,405	17,294,761	(96,651,760)	3,765,119,406
Total wrap contracts		\$ 19,517,210,511	\$ 37,508,838	\$ (440,379,630)	19,114,339,719
Short-term investments					724,816,614
Total					<b>\$ 19,839,156,333</b>

# Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program

## Notes to Financial Statements

### NOTE 5 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The amounts measured at fair value in the accompanying 2011 and 2010 financial statements were primarily investment securities. The inputs or methodology used for valuing those instruments are not necessarily an indication of the risk associated with investing in these instruments. The following table summarizes the inputs used in determining the fair valuation of the financial instruments carried at fair value in the accompanying 2011 and 2010 financial statements.

Description	Total	Valuation Inputs at Reporting Date		
		Level 1	Level 2	Level 3
<i>December 31, 2011</i>				
Interest in common/collective trusts	\$ 6,805,368	\$ -	\$ 6,805,368	\$ -
Mutual fund investments	29,260,959	29,260,959	-	-
<i>December 31, 2010</i>				
Interest in common/collective trusts	\$ 7,009,788	\$ -	\$ 7,009,788	\$ -
Mutual fund investments	30,898,164	30,898,164	-	-

### NOTE 6 – INFORMATION CERTIFIED TO BY TRUSTEE

The trustee of the Program, Fidelity Management Trust Company, holds investment assets and executes investment transactions. The trustee has certified to the Program administrator that the information, including cash and cash equivalents, notes receivable from participants, all investments of the Program and investment income, provided to the Program administrator is complete and accurate.

### NOTE 7 – PROGRAM TERMINATION

The Program can be terminated by the sponsors in certain limited situations. If the Program is terminated, the accounts of the participants affected thereby shall be nonforfeitable and will be distributed to the participants in accordance with ERISA and its applicable regulations, and with the Program documents.

### NOTE 8 – RELATED-PARTY TRANSACTIONS

The Program offers investments in mutual funds and collective trusts issued by affiliates of the trustee. These Fidelity affiliates receive investment management fees related to these mutual funds prior to any fund being allocated investment earnings or losses.

### NOTE 9 – RISKS AND UNCERTAINTIES

The Program provides for various investment options in several investment securities and instruments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities and the level of uncertainty related to

**Blue Cross & Blue Shield of Mississippi  
(A Mutual Insurance Company)  
Tax-Favored Savings Program**

**Notes to Financial Statements**

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**NOTE 9 – RISKS AND UNCERTAINTIES (Continued)**

changes in the value of investment securities, it is at least reasonably possible that changes in risks and values in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

**NOTE 10 – RECONCILIATION TO FORM 5500**

Net assets available for benefits per the accompanying financial statements is lower than that reported in Form 5500 by \$57,916 in 2011 and \$22,600 in 2010 since benefit-responsive contracts are carried at contract value in the accompanying financial statements and at fair value in Form 5500. Investment income is also different as a result of carrying such contracts at fair value in Form 5500.

# Blue Cross & Blue Shield of Mississippi (A Mutual Insurance Company) Tax-Favored Savings Program

## Schedule of Assets Held for Investment Purposes At End Of Year

December 31, 2011

Description	Number of Shares	Current Value
<b>MONEY MARKET ACCOUNTS (Cash equivalents):</b>		
Fidelity Retirement Money Market Portfolio	2,667,372	\$ 2,667,372
<b>Total Money Market Accounts</b>	<b>2,667,372</b>	<b>2,667,372</b>
<b>INTEREST IN COMMON/COLLECTIVE TRUSTS:</b>		
Fidelity U.S. Equity Index Commingled Pool - Class 2	81,864	3,677,314
Fidelity Managed Income Portfolio II CL 3	2,383,714	2,383,714
Pyramis Large Cap Value II Commingled Pool	3,024	744,340
<b>Total Interest in Common/Collective Trusts</b>	<b>2,468,602</b>	<b>6,805,368</b>
<b>MUTUAL FUND INVESTMENTS:</b>		
Aberdeen Emerging Markets Fund Institutional Class	12,719	161,655
Dodge & Cox Income	18,469	245,643
Fidelity Diversified International Fund	32,745	834,331
Fidelity Freedom K 2000 Fund ®	57,678	659,255
Fidelity Freedom K 2005 Fund ®	8,796	105,372
Fidelity Freedom K 2010 Fund ®	317,621	3,843,216
Fidelity Freedom K 2015 Fund ®	208,582	2,530,097
Fidelity Freedom K 2020 Fund ®	253,372	3,149,412
Fidelity Freedom K 2025 Fund ®	145,250	1,806,904
Fidelity Freedom K 2030 Fund ®	172,184	2,159,186
Fidelity Freedom K 2035 Fund ®	146,530	1,836,026
Fidelity Freedom K 2040 Fund ®	173,484	2,180,689
Fidelity Freedom K 2045 Fund ®	112,511	1,424,390
Fidelity Freedom K 2050 Fund ®	72,654	919,079
Fidelity Freedom K 2055 Fund ®	334	2,941
Fidelity Freedom K Income Fund ®	15,101	170,645
Fidelity Growth Company Fund	52,470	4,240,115
Fidelity Low-Priced Stock Fund	51,404	1,835,137
Spartan® US Bond Index Fund Fidelity Advantage Institutional CI	83,917	988,544
Spartan® 500 Index Fund Institutional CI	418	18,591
Perimeter Small-Cap Growth Fund	17,211	149,731
<b>Total Mutual Fund Investments</b>	<b>1,953,450</b>	<b>29,260,959</b>
Notes receivable from participants at interest rates varying from 4.25% to 9.25% maturing through October 15, 2037		880,812
Adjustment from fair value to contract value for benefit responsive interest in common/collective trusts		(57,916)
<b>Total Assets Held for Investment Purposes</b>		<b>\$ 39,556,595</b>



**Attachment to Schedule H (Form 5500)**  
**Line 4(i) – Schedule of Assets Held at End of Year**

**Sponsor:** Blue Cross and Blue Shield of Mississippi, Inc., A Mutual Insurance  
**Company**  
**EIN/PN:** 64-0295748/003  
**Program:** Tax-Favored Savings Program

The Schedule of Assets Held at End of Year (pursuant to Schedule H, line 4(i)) is attached to the Accountant's Opinion and audited financial statements.

**Attachment to Schedule H (Form 5500)**

**Sponsor:** Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company  
**EIN/PN:** 64-0295748 / 003  
**Program:** Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company Tax-Favored Savings Program

**Schedule H, Line 4(l) – Has the plan failed to provide any benefit when due under the plan?**

No. For administrative purposes, we do not consider delays in payment of a participant's benefit (including administrative mistakes and delayed payments) as a failure to pay a benefit when due.

**Attachment to Schedule H (Form 5500)**  
**Financial Statements**

**Sponsor:** Blue Cross and Blue Shield of Mississippi, Inc., A Mutual Insurance  
**Company**  
**EIN/PN:** 64-0295748/003  
**Program:** Tax-Favored Savings Program

The Financial Statements (pursuant to Schedule H) are attached to the Accountant's Opinion.

**Attachment to Schedule C (Form 5500)**

**Sponsor:** Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company  
**EIN/PN:** 64-0295748 / 003  
**Program:** Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company Tax-Favored Savings Program

**Schedule C – BCBSA (NEBA)**

BCBSA (NEBA), as plan administrator, is a service provider to the plan. Certain trust assets, in the form of revenue sharing fee credits, are used to reimburse BCBSA (NEBA), the plan administrator, for administrative costs.