



HEALTH PLAN OF ARIZONA

NEWS RELEASE

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LIFEWISE HEALTH PLAN OF ARIZONA TO EXIT ARIZONA MARKET

New Sales to Cease; Access to Benefits, Customer Service and Claims Payment will Continue

SCOTTSDALE, AZ – (February 19, 2009) – LifeWise Health Plan of Arizona today announced it is ceasing sales of new group and individual health coverage in Arizona. For its current members, the company announced plans to conduct an orderly transition out of the Arizona market.

LifeWise of Arizona also announced an agreement with Blue Cross Blue Shield of Arizona (BCBSAZ), giving LifeWise of Arizona policyholders the opportunity to move to replacement plans with BCBSAZ. Local brokers will receive information to help them assist their customers in reviewing the opportunity to obtain coverage from BCBSAZ.

“We are pleased that we can offer both our individual and group-based customers the opportunity to transition to BCBSAZ, a long-established health plan with the experience to serve them effectively in the future,” said Majd El-Azma, President and CEO of LifeWise Health Plan of Arizona.

“Importantly, our current individual members will be able to enroll in designated replacement plans within 30 days of their departure from LifeWise of Arizona without further medical underwriting,” said El-Azma. “Our customers can rest assured that we are committed to overseeing an orderly transition for them.”

LifeWise Health Plan of Arizona was formed in 2004. It has been in the investment phase and operating at a loss since that time. It currently serves 16,000 members.

“Leaving Arizona is a very difficult decision for us,” said El-Azma. “When we formed the new company in 2004, we knew its long-term viability would depend upon a critical mass of membership and a competitive cost structure.

“As a small, start-up company we have been unable to achieve the membership base and price-competitiveness necessary to become viable in this market,” said El-Azma. “The economic downturn did not cause this, but it has not helped. We have decided to begin an orderly exit.”

LifeWise of Arizona is financially stable with adequate reserves. The company will meet all of its contractual and regulatory obligations to customers, brokers, healthcare providers and policyholders. LifeWise of Arizona members who have questions about their coverage should call Customer Service at the number on the back of their LifeWise of Arizona ID card.

In coming months, LifeWise of Arizona plans to scale back its workforce as the business winds down, and will close its offices in Scottsdale and Tucson. The company will offer severance packages and outplacement assistance for its 40 employees.

LifeWise Assurance Company, LifeWise Health Plan of Oregon, and LifeWise Health Plan of Washington are separate companies and are not affected by this decision.

About LifeWise Health Plan of Arizona

LifeWise Health Plan of Arizona is a member of a family of companies with affiliates in Alaska, Oregon and Washington. LifeWise and its affiliates employ more than 3,200 people and provide health-care coverage and related services to more than 1.6 million subscribers and their families.

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