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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No. 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation: INDEPENDENCE BLUE CROSS FOUNDATION

A Employer identification number: 36-4685801

Number and street (or P.O. box number if mail is not delivered to street address): 1901 MARKET STREET

Room/suite:

B Telephone number (see instructions): 215-241-2543

City or town, state, and ZIP code: PHILADELPHIA, PA 19103

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1. Foreign organizations, check here . . ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation . ▶ ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here . . . . . ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 57,319,736

J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	15,000,000			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	14,951	14,951		
	4	Dividends and interest from securities	746,999	746,999		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		2,723,280		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)	0			
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	15,761,950	3,485,230	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	9,800			9,800
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	66,060			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	973,686	212,686		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	1,049,546	212,686	0	9,800
	25	Contributions, gifts, grants paid	5,143,599			5,143,599
	26	**Total expenses and disbursements.** Add lines 24 and 25	6,193,145	212,686	0	5,153,399
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	9,568,805			
	b	**Net investment income** (if negative, enter -0-)		3,272,544		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see instructions.

ISA

Part II Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets				
1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	10,547,125	1,703,333	1,703,333
3	Accounts receivable ▶ 103,063			
	Less: allowance for doubtful accounts ▶		103,063	103,063
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U.S. and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	31,325,250	26,079,674	26,079,674
c	Investments—corporate bonds (attach schedule)		29,433,666	29,433,666
11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ Def Tax G/L Unrlzed Inv & Due to/fm IBC)	(3,358)		
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	41,869,017	57,319,736	57,319,736
Liabilities				
17	Accounts payable and accrued expenses		1,743,502	
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶ Excise Tax Payable)	240		
23	**Total liabilities** (add lines 17 through 22)	240	1,743,502	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	41,868,777	55,576,234	
30	**Total net assets or fund balances** (see instructions)	41,868,777	55,576,234	
31	**Total liabilities and net assets/fund balances** (see instructions)	41,869,017	57,319,736	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	41,868,777
2	Enter amount from Part I, line 27a	2	9,568,805
3	Other increases not included in line 2 (itemize) ▶ Net Realized & Unrealized gains on investments	3	4,138,652
4	Add lines 1, 2, and 3	4	55,576,234
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	55,576,234

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	Publicly traded securities	P	VARIOUS	VARIOUS
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	80,278,067	0	77,554,787	2,723,280
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	2,723,280
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	3,284,458	12,430,997	0.2642
2010	0	82,192	0.0000
2009			
2008			
2007			

2	**Total** of line 1, column (d)	2	0.2642
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years 2.027397 Years	3	.130315
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	44,066,828
5	Multiply line 4 by line 3	5	5,742,569
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	32,725
7	Add lines 5 and 6	7	5,775,294
8	Enter qualifying distributions from Part XII, line 4	8	5,153,399

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI **Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	65,451
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	65,451
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	65,451
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a — 66,179		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	66,179
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	728
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 728 **Refunded** ▶	11	0

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3	X	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ PENNSYLVANIA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	X	

Part VII-A Statements Regarding Activities *(continued)*

				Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	X	
	Website address ▶ WWW.IBXFOUNDATION.ORG				
14	The books are in care of ▶ THOMAS J. HELMS Telephone no. ▶ 215-241-2543				
	Located at ▶ 1901 MARKET STREET, PHILADELPHIA PA ZIP+4 ▶ 19103				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶	15			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?		16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶				

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)		2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20____ , 20____ , 20____ , 20____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

			Yes	No
5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		X
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE ATTACHED				

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments. See instructions. 3 NONE	
Total. Add lines 1 through 3 ▶	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	38,856,649
b	Average of monthly cash balances	1b	5,881,247
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	44,737,896
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e |		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	44,737,896
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	671,068
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	44,066,828
6	**Minimum investment return.** Enter 5% of line 5	6	2,203,341

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	2,203,341
2a	Tax on investment income for 2012 from Part VI, line 5	2a	65,451		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	65,451
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	2,137,890
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	2,137,890
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	2,137,890

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	5,153,399
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	5,153,399
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	5,153,399

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1	Distributable amount for 2012 from Part XI, line 7				2,137,890
2	Undistributed income, if any, as of the end of 2012:				
a	Enter amount for 2011 only			0	
b	Total for prior years: 20___,20___,20___		0		
3	Excess distributions carryover, if any, to 2012:				
a	From 2007				
b	From 2008				
c	From 2009				
d	From 2010				
e	From 2011				
f	**Total** of lines 3a through e	0			
4	Qualifying distributions for 2012 from Part XII, line 4: ▶ $				
a	Applied to 2011, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2012 distributable amount				2,137,890
e	Remaining amount distributed out of corpus	3,015,509			
5	Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	3,015,509			
b	Prior years' undistributed income. Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e	Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f	Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	3,015,509			
10	Analysis of line 9:				
a	Excess from 2008				
b	Excess from 2009				
c	Excess from 2010				
d	Excess from 2011 2,663,038				
e	Excess from 2012 3,015,509				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

SEE ATTACHMENT

b The form in which applications should be submitted and information and materials they should include:

SEE ATTACHMENT

c Any submission deadlines:

SEE ATTACHMENT

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

SEE ATTACHMENT

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHMENT				
Total . . . . ▶ **3a**				0
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	14,951	
4 Dividends and interest from securities			14	746,999	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		761,950	0

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 761,950

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee | Date 11/14/13 | Title PRESIDENT

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization	Employer identification number
INDEPENDENCE BLUE CROSS FOUNDATION	36-4685801

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . ▶ $

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
INDEPENDENCE BLUE CROSS FOUNDATION	36-4685801

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	INDEPENDENCE BLUE CROSS 1901 MARKET STREET PHILADELPHIA, PA 19103	$ 15,000,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2012

Part I, Analysis of Revenue And Expenses
Line 16c, Other Professional Fees

Audit Expense	$9,800
	$9,800

Part I, Analysis of Revenue And Expenses
Line 18, Taxes

Excise tax	$66,060
	$66,060

Part I, Analysis of Revenue And Expenses
Line 23, Other Expenses

Vendor services	$761,000
Bank/Investment Expense	212,686
	$973,686

INDEPENDENCE BLUE CROSS FOUNDATION
SCHEDULE OF GAINS AND LOSSES
FORM 990-PF, PART IV
DECEMBER 31, 2012

(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Sales Price	(f) Depreciation allowed	(g) Cost Basis	(h) Gain/(Loss)
U S TREASURY NT	P	1/30/2012	2/6/2012	340,287	0	339,656	631
U S TREASURY NT	P	1/30/2012	2/6/2012	344,595	0	344,726	(130)
U S TREASURY NT	P	1/30/2012	2/7/2012	267,017	0	266,655	362
U S TREASURY NT	P	1/30/2012	2/10/2012	265,704	0	268,678	(2,974)
U S TREASURY NT	P	1/30/2012	2/14/2012	224,824	0	228,121	(3,297)
U S TREASURY NT	P	1/30/2012	2/24/2012	1,571,939	0	1 593,732	(21,793)
UNITED STATES TREAS NTS	P	1/30/2012	2/2/2012	130,102	0	130,091	10
UNITED STATES TREAS NTS	P	1/30/2012	2/2/2012	500,352	0	500,352	0
UNITED STATES TREAS NTS	P	1/30/2012	2/3/2012	190,119	0	190,133	(15)
UNITED STATES TREAS NTS	P	1/30/2012	4/30/2012	80,006	0	80,049	(43)
UNITED STATES TREAS NTS	P	1/30/2012	8/31/2012	4,900 383	0	4,902,447	(2,064)
UNITED STATES TREAS NTS	P	1/30/2012	2/13/2012	252,269	0	252,608	(339)
UNITED STATES TREAS NTS	P	1/30/2012	8/31/2012	3,742,609	0	3,742,291	318
UNITED STATES TREAS NTS	P	1/30/2012	2/2/2012	246,838	0	246,663	174
UNITED STATES TREAS NTS	P	1/30/2012	2/10/2012	240,825	0	241,624	(799)
UNITED STATES TREAS NTS	P	1/30/2012	2/13/2012	175,410	0	176 183	(773)
UNITED STATES TREAS NTS	P	1/30/2012	2/14/2012	270,274	0	271,825	(1,551)
UNITED STATES TREAS NTS	P	1/30/2012	2/27/2012	367,287	0	369,464	(2,177)
UNITED STATES TREAS NTS	P	1/30/2012	2/27/2012	384,699	0	387,584	(2,885)
UNITED STATES TREAS NTS	P	1/30/2012	2/29/2012	2,824,715	0	2,836,865	(12,150)
UNITED STATES TREAS NTS	P	2/22/2012	2/27/2012	239,325	0	239,222	103
UNITED STATES TREAS NTS	P	2/22/2012	2/27/2012	289,932	0	289,060	872
UNITED STATES TREAS NTS	P	2/22/2012	3/2/2012	281,761	0	279 094	2,667
UNITED STATES TREAS NTS	P	2/22/2012	3/5/2012	150,211	0	149 515	696
UNITED STATES TREAS NTS	P	2/22/2012	4/23/2012	285,356	0	284,089	1,267
UNITED STATES TREAS NTS	P	2/22/2012	5/8/2012	296,198	0	294 060	2,139
UNITED STATES TREAS NTS	P	2/27/2012	3/1/2012	345,512	0	345,519	(7)
UNITED STATES TREAS NTS	P	2/27/2012	5/4/2012	2,484,013	0	2,476,591	7,422
UNITED STATES TREAS NTS	P	4/13/2012	8/31/2012	1,249,805	0	1,249,566	239
UNITED STATES TREAS NTS	P	4/13/2012	5/4/2012	703,117	0	701,515	1,602
UNITED STATES TREAS NTS	P	4/13/2012	5/8/2012	142,577	0	142 110	466
UNITED STATES TREAS NTS	P	4/13/2012	8/6/2012	314,262	0	300,228	14,034
UNITED STATES TREAS NTS	P	4/13/2012	8/31/2012	60,114	0	58,044	2,070
SHORT-TERM CAPITAL GAINS & LOSSES-US TREASURY				24,162,434	0	24,178,358	(15,924)
AGILENT TECHNOLOGIES INC	P	12/22/2011	1/31/2012	211,605	0	170,716	40,889
AGILENT TECHNOLOGIES INC	P	12/22/2011	1/31/2012	321,726	0	259,558	62,168
AGILENT TECHNOLOGIES INC	P	12/22/2011	1/31/2012	345,477	0	278 720	66,757
AGILENT TECHNOLOGIES INC	P	12/22/2011	1/31/2012	259,108	0	209,040	50,068
AGILENT TECHNOLOGIES INC	P	12/22/2011	1/31/2012	23,752	0	19,162	4,590
AGILENT TECHNOLOGIES INC	P	12/22/2011	2/3/2012	246,676	0	202,072	44,604
AGILENT TECHNOLOGIES INC	P	12/22/2011	2/10/2012	49,039	0	38 324	10,715
AGILENT TECHNOLOGIES INC	P	12/22/2011	6/29/2012	41,844	0	38,324	3,520
AGILENT TECHNOLOGIES INC	P	12/22/2011	6/29/2012	252,964	0	231,686	21,278
AIR PRODUCT & CHEMS INC	P	12/22/2011	1/31/2012	1,106,387	0	1,064,240	42,147
AIR PRODUCT & CHEMS INC	P	12/22/2011	1/31/2012	198,356	0	190,800	7,556
APPLE COMPUTER INC	P	12/22/2011	1/27/2012	930,068	0	876,810	53 258
APPLE COMPUTER INC	P	12/22/2011	1/27/2012	887,793	0	836,955	50,838
APPLE COMPUTER INC	P	12/22/2011	1/27/2012	507,310	0	478,260	29,050
APPLE COMPUTER INC	P	12/22/2011	1/27/2012	211,379	0	199,275	12,104
APPLE COMPUTER INC	P	12/22/2011	2/2/2012	429,354	0	378,623	50,731
APPLE COMPUTER INC	P	12/22/2011	2/2/2012	225,976	0	199,275	26,701
APPLE COMPUTER INC	P	12/22/2011	2/16/2012	199,865	0	159 420	40,445
APPLE COMPUTER INC	P	12/22/2011	3/20/2012	59,346	0	39,855	19,491
APPLE COMPUTER INC	P	12/22/2011	3/20/2012	178 037	0	119,565	58,472
CELGENE CORPORATION COM	P	12/22/2011	1/31/2012	1,797,429	0	1,657,123	140,306
CELGENE CORPORATION COM	P	12/22/2011	1/31/2012	236,504	0	218,043	18,461
CELGENE CORPORATION COM	P	12/22/2011	1/31/2012	189,203	0	174,434	14,769
CELGENE CORPORATION COM	P	12/22/2011	1/31/2012	134,625	0	124,117	10,509
CELGENE CORPORATION COM	P	12/22/2011	2/7/2012	354,936	0	322,032	32,904
CELGENE CORPORATION COM	P	12/22/2011	5/10/2012	188,285	0	181,143	7,142
CELGENE CORPORATION COM	P	12/22/2011	5/10/2012	139,470	0	134,180	5,290
CONCHO RES INC	P	12/22/2011	1/31/2012	1,096,559	0	974,673	121,886
CONCHO RES INC	P	12/22/2011	2/9/2012	119,322	0	104,599	14,723
CONCHO RES INC	P	12/22/2011	2/9/2012	412,204	0	361,342	50,862
CONOCOPHILLIPS	P	12/22/2011	1/31/2012	1,907,341	0	1,972,850	(65,509)
CONOCOPHILLIPS	P	12/22/2011	2/7/2012	254,336	0	261,851	(7,515)
EATON CORP PLC	P	12/22/2011	1/31/2012	1,398,265	0	1,253,682	144,583
EATON CORP PLC	P	12/22/2011	1/31/2012	372,548	0	334,026	38 522
EATON CORP PLC	P	12/22/2011	2/16/2012	98,073	0	82 422	15,651
EATON CORP PLC	P	12/22/2011	2/16/2012	152,271	0	127,971	24,300
MYLAN LABS INC	P	12/22/2011	1/31/2012	850,344	0	862,800	(12 456)
MYLAN LABS INC	P	12/22/2011	2/1/2012	251,334	0	258,840	(7,506)
MYLAN LABS INC	P	12/22/2011	2/1/2012	569,690	0	586,704	(17,014)
MYLAN LABS INC	P	12/22/2011	2/7/2012	58 487	0	58,239	248
MYLAN LABS INC	P	12/22/2011	2/7/2012	138,093	0	137,509	584

INDEPENDENCE BLUE CROSS FOUNDATION
SCHEDULE OF GAINS AND LOSSES
FORM 990-PF, PART IV
DECEMBER 31, 2012

(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Sales Price	(f) Depreciation allowed	(g) Cost Basis	(h) Gain/(Loss)
NATIONAL OILWELL VARCO INC	P	12/22/2011	1/31/2012	425,194	0	379,010	46,184
NATIONAL OILWELL VARCO INC	P	12/22/2011	1/31/2012	195,359	0	174,140	21,220
NATIONAL OILWELL VARCO INC	P	12/22/2011	1/31/2012	1,198,970	0	1,068,739	130,232
NATIONAL OILWELL VARCO INC	P	12/22/2011	1/31/2012	306,446	0	273,160	33,286
NATIONAL OILWELL VARCO INC	P	12/22/2011	1/31/2012	45,967	0	40,974	4,993
NATIONAL OILWELL VARCO INC	P	12/22/2011	2/7/2012	218,679	0	194,627	24 053
NATIONAL OILWELL VARCO INC	P	12/22/2011	2/7/2012	57,547	0	51,218	6,330
NIKE INC CL B	P	12/22/2011	1/31/2012	1,715,556	0	1,592,976	122,580
NIKE INC CL B	P	12/22/2011	2/6/2012	292,955	0	265,496	27,459
NIKE INC CL B	P	12/22/2011	6/19/2012	61 214	0	56,892	4,322
NIKE INC CL B	P	12/22/2011	7/2/2012	113 205	0	109,043	4,162
ORACLE	P	12/22/2011	1/31/2012	1,887,721	0	1,718,661	169,060
ORACLE	P	12/22/2011	2/6/2012	242,670	0	218,365	24 305
ORACLE	P	12/22/2011	3/21/2012	4,477	0	3,854	624
ORACLE	P	12/22/2011	3/21/2012	55,220	0	47 527	7,693
ORACLE	P	12/22/2011	6/5/2012	51,523	0	50,096	1,427
ORACLE	P	12/22/2011	6/11/2012	25,919	0	24,406	1,513
ORACLE	P	12/22/2011	6/11/2012	96,855	0	91,200	5,655
ORACLE	P	12/22/2011	6/12/2012	110,786	0	104,045	6,741
PRICE T ROWE GROUP INC	P	12/22/2011	1/31/2012	1,782,497	0	1,659,436	123,061
PRICE T ROWE GROUP INC	P	12/22/2011	2/6/2012	200,531	0	196,064	4,467
PRICE T ROWE GROUP INC	P	12/22/2011	2/21/2012	99,159	0	93,770	5,390
PRICE T ROWE GROUP INC	P	12/22/2011	2/22/2012	195,167	0	181,856	13,311
UNITED PARCEL SERVICE CL	P	12/22/2011	1/31/2012	1,822,772	0	1,755,650	67,122
UNITED PARCEL SERVICE CL	P	12/22/2011	2/7/2012	240,341	0	229,950	10,391
UNITED PARCEL SERVICE CL	P	12/22/2011	9/26/2012	14,379	0	14,600	(221)
UNITED PARCEL SERVICE CL	P	12/22/2011	10/25/2012	114,036	0	116,800	(2,764)
UNITED PARCEL SERVICE CL	P	12/22/2011	10/25/2012	35,636	0	36,500	(864)
V F CORP	P	12/22/2011	1/31/2012	954,619	0	918,140	36,479
V F CORP	P	12/22/2011	1/31/2012	895,367	0	861,152	34,215
V F CORP	P	12/22/2011	1/31/2012	217,258	0	208,956	8,302
V F CORP	P	12/22/2011	2/3/2012	176,982	0	170,964	6 018
V F CORP	P	12/22/2011	2/3/2012	13,110	0	12,664	446
V F CORP	P	12/22/2011	12/12/2012	75,480	0	63,320	12,160
DR PEPPER SNAPPLE GROUP	P	1/27/2012	8/1/2012	40,819	0	34,993	5,826
DR PEPPER SNAPPLE GROUP	P	1/27/2012	12/24/2012	390,779	0	340,211	50,568
ENERGIZER HOLDING INC	P	1/27/2012	7/16/2012	172,219	0	180,805	(8,586)
ENERGIZER HOLDING INC	P	1/27/2012	7/18/2012	185,266	0	192,596	(7,330)
IBM	P	1/27/2012	12/24/2012	381,938	0	371,328	10,610
JP MORGAN CHASE & CO	P	1/27/2012	3/21/2012	59,939	0	50,342	9,597
JP MORGAN CHASE & CO	P	1/27/2012	5/18/2012	316,490	0	324,424	(7,934)
ISHARES S&P GSCI Commodity	P	1/30/2012	12/24/2012	357,721	0	373,453	(15,733)
SKYWORKS SOLUTIONS INC	P	1/30/2012	2/21/2012	24,303	0	21,802	2,502
SKYWORKS SOLUTIONS INC	P	1/30/2012	4/27/2012	215,909	0	198,396	17,513
TOYOTA MTR CRD CORP MTN	P	1/30/2012	11/23/2012	364,993	0	362,871	2,122
AFLAC INC	P	1/31/2012	4/27/2012	99,411	0	113,407	(13,996)
COOPER INDUSTRIES LTD CL A	P	1/31/2012	6/26/2012	133,925	0	118,883	15,042
COOPER INDUSTRIES LTD CL A	P	1/31/2012	6/27/2012	244,632	0	216,962	27,670
ISHARES S&P GSCI Commodity	P	1/31/2012	12/24/2012	362,599	0	377,161	(14,562)
MACYS INC	P	1/31/2012	3/21/2012	23,676	0	20,056	3,620
MACYS INC	P	1/31/2012	6/27/2012	63,709	0	62,674	1,035
MACYS INC	P	1/31/2012	12/24/2012	299,799	0	254,875	44,924
ABBOTT LABS	P	2/1/2012	7/27/2012	25,609	0	21,704	3 905
ABBOTT LABS	P	2/1/2012	12/24/2012	199,217	0	165,492	33,725
AFLAC INC	P	2/1/2012	4/27/2012	99,411	0	112,104	(12,693)
ALTERA CORPORATION COM	P	2/1/2012	3/14/2012	267,142	0	281,191	(14,050)
US BANCORP COM	P	2/1/2012	4/5/2012	89,351	0	81,127	8,224
US BANCORP COM	P	2/1/2012	12/24/2012	310,526	0	274,970	35,556
ABBOTT LABS	P	2/2/2012	12/24/2012	150,229	0	125,017	25,212
GENERAL MLS INC	P	2/2/2012	12/24/2012	395,831	0	383,341	12,489
GOOGLE INC	P	2/2/2012	12/13/2012	120,294	0	102,255	18,039
GOOGLE INC	P	2/2/2012	12/26/2012	234,996	0	189,902	45,093
INDUSTRIAL SELECT SECT	P	2/2/2012	2/23/2012	111,808	0	109,950	1,858
INDUSTRIAL SELECT SECT	P	2/2/2012	2/24/2012	117,667	0	115,448	2,219
APACHE CORP	P	2/6/2012	12/12/2012	217,288	0	288,382	(71,094)
DECKERS OUTDOOR CORP	P	2/6/2012	2/17/2012	212,271	0	229,330	(17,059)
GENUINE PARTS CO	P	2/6/2012	4/23/2012	287,963	0	288,316	(352)
NV ENERGY INC	P	2/6/2012	12/24/2012	261,994	0	231,268	30 726
FREEPORT-MCMORAN COP GOLD	P	2/8/2012	6/14/2012	162,929	0	164,815	(1,885)
YUM BRANDS INC	P	2/14/2012	3/21/2012	47,798	0	44,778	3,020
YUM BRANDS INC	P	2/14/2012	7/9/2012	44,288	0	44,778	(490)
YUM BRANDS INC	P	2/14/2012	7/20/2012	295,709	0	294,257	1,452
NASDAQ STOCK MARKET INC	P	2/15/2012	12/13/2012	58,809	0	65,653	(6,843)
NASDAQ STOCK MARKET INC	P	2/15/2012	12/14/2012	104,619	0	116,861	(12 242)
NASDAQ STOCK MARKET INC	P	2/16/2012	12/14/2012	44 669	0	50,119	(5 450)
DOW CHEMICAL CO	P	2/22/2012	8/6/2012	359,250	0	346,244	13 006
EASTMAN CHEM CO	P	2/22/2012	8/14/2012	20 333	0	20,185	147
NASDAQ STOCK MARKET INC	P	3/16/2012	12/14/2012	52,897	0	60,321	(7 423)
ABBOTT LABS	P	4/13/2012	12/24/2012	88,178	0	80,272	7,906
COMCAST CORP CL A	P	4/13/2012	8/14/2012	34,457	0	29 705	4 752

INDEPENDENCE BLUE CROSS FOUNDATION
SCHEDULE OF GAINS AND LOSSES
FORM 990-PF, PART IV
DECEMBER 31, 2012

(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Sales Price	(f) Depreciation allowed	(g) Cost Basis	(h) Gain/(Loss)
COOPER INDUSTRIES LTD CL A	P	4/13/2012	6/27/2012	58,645	0	53,983	4,661
GOOGLE INC	P	4/13/2012	12/26/2012	72,306	0	62,976	9,330
ISHARES S&P GSCI Commodity	P	4/13/2012	12/24/2012	97,560	0	103,658	(6,098)
JP MORGAN CHASE & CO	P	4/13/2012	5/18/2012	21,827	0	26,346	(4,519)
NASDAQ STOCK MARKET INC	P	4/16/2012	12/14/2012	32,326	0	33,715	(1,389)
ORACLE	P	4/16/2012	6/12/2012	38,296	0	40,026	(1,730)
CELGENE CORPORATION COM	P	4/18/2012	5/10/2012	27,894	0	31,787	(3,893)
IBM	P	4/18/2012	12/24/2012	29,380	0	30,300	(920)
AGILENT TECHNOLOGIES INC	P	4/25/2012	6/29/2012	26,628	0	28,929	(2,301)
GOOGLE INC	P	4/27/2012	12/26/2012	18,077	0	15,345	2 732
IBM	P	4/27/2012	12/24/2012	14,690	0	15,533	(843)
UNITED STATES TREAS NTS	P	5/2/2012	8/31/2012	3,205,969	0	3,181,358	24,612
COVIDIEN PLC	P	5/9/2012	12/10/2012	77,833	0	73,205	4,628
COVIDIEN PLC	P	5/9/2012	12/10/2012	149,900	0	140,428	9 472
PHILLIPS 66	P	5/9/2012	7/19/2012	14,920	0	11,734	3,187
PHILLIPS 66	P	5/9/2012	7/19/2012	70,214	0	55,218	14,996
GENERAL MLS INC	P	5/11/2012	12/24/2012	29,893	0	28,610	1,284
COVIDIEN PLC	P	5/14/2012	12/10/2012	34,592	0	33,164	1,428
TE CONNECTIVITY LTD	P	6/6/2012	12/19/2012	140 755	0	124,756	16 000
TE CONNECTIVITY LTD	P	6/7/2012	12/19/2012	140,755	0	125,852	14,903
YUM BRANDS INC	P	6/8/2012	7/20/2012	32,142	0	31,561	581
UNITED STATES TREAS NTS	P	6/11/2012	8/31/2012	149,789	0	149,596	193
NV ENERGY INC	P	6/25/2012	12/24/2012	18,450	0	17,492	959
NV ENERGY INC	P	7/13/2012	12/24/2012	46,126	0	45 086	1,040
GENERAL MLS INC	P	7/16/2012	12/24/2012	81,434	0	77,223	4,211
SELECT SECTOR SPDR TR	P	7/17/2012	7/26/2012	322,416	0	328,365	(5,949)
SELECT SECTOR SPDR TR	P	7/23/2012	9/19/2012	450,269	0	428,917	21,353
UNITED STATES TREAS NTS	P	8/1/2012	9/27/2012	297,961	0	298,498	(537)
TE CONNECTIVITY LTD	P	8/9/2012	12/19/2012	4,511	0	4,368	143
UNITED STATES TREAS NTS	P	8/29/2012	9/12/2012	498,809	0	498,358	451
E M C CORP MASS	P	12/10/2012	12/24/2012	284,281	0	272,747	11,534
ABBOTT LABS	P	12/14/2012	12/24/2012	163,292	0	163,375	(83)
ABBOTT LABS	P	12/14/2012	12/24/2012	1,299,807	0	1,300,465	(658)
DR PEPPER SNAPPLE GROUP	P	12/14/2012	12/24/2012	468,935	0	468,615	320
DR PEPPER SNAPPLE GROUP	P	12/14/2012	12/24/2012	484,566	0	484,236	331
DR PEPPER SNAPPLE GROUP	P	12/14/2012	12/24/2012	232,235	0	232,076	159
E M C CORP MASS	P	12/14/2012	12/24/2012	569,866	0	540,132	29,734
E M C CORP MASS	P	12/14/2012	12/24/2012	53,466	0	50,676	2,790
GENERAL MLS INC	P	12/14/2012	12/24/2012	416,447	0	418,645	(2,198)
GENERAL MLS INC	P	12/14/2012	12/24/2012	824,648	0	829,000	(4,352)
GOOGLE INC	P	12/14/2012	12/26/2012	524,221	0	508,923	15,298
GOOGLE INC	P	12/14/2012	12/26/2012	289,225	0	280,785	8,440
GOOGLE INC	P	12/14/2012	12/26/2012	361,532	0	350,982	10,550
GOOGLE INC	P	12/14/2012	12/26/2012	54,230	0	52,647	1,583
MACYS INC	P	12/14/2012	12/24/2012	1,106,799	0	1,071,671	35,129
NV ENERGY INC	P	12/14/2012	12/24/2012	211,256	0	207,474	3,782
NV ENERGY INC	P	12/14/2012	12/24/2012	522,143	0	512,796	9,347
NV ENERGY INC	P	12/14/2012	12/24/2012	117,159	0	115,062	2,097
QUALCOMM INC	P	12/14/2012	12/24/2012	488,025	0	463,683	24,343
QUALCOMM INC	P	12/14/2012	12/24/2012	541,551	0	514,538	27,013
QUALCOMM INC	P	12/14/2012	12/24/2012	217,250	0	206,414	10,836
QUALCOMM INC	P	12/14/2012	12/24/2012	92,882	0	88,249	4,633
US BANCORP COM	P	12/14/2012	12/24/2012	731,316	0	708,070	23,246
US BANCORP COM	P	12/14/2012	12/24/2012	353,497	0	342,260	11,237
SHORT-TERM CAPITAL GAINS & LOSSES- OTHER INVESTMENTS				56,115,633	0	53,376,429	2,739,204
							0
TOTAL CAPITAL GAINS & LOSSES				80,278,067	0	77,554,787	2,723,280

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2012

Form 990-PF, Part VIII - List of Officers, Directors, and Trustees

(A) Name and Address	(B) Title and Average Hours Per Week Devoted to Position	(C) Compensation	(D) Contribution to Employee Health Plan	(E) Expense Accounts
Patrick B Gillespie 2791 Southampton Road, Suite 100 Philadelphia, PA 19154	Chairman of Board of Directors Less than one hour per week average	None	None	None
Lorina L Marshall-Blake 1901 Market Street Philadelphia, PA 19103	President Greater than one hour per week average	None	None	None
Alan Krigstein 1901 Market Street Philadelphia, PA 19103	Treasurer Less than one hour per week average	None	None	None
Lilton R Taliaferro, Jr, Esq 1901 Market Street Philadelphia, PA 19103	Secretary Greater than one hour per week average	None	None	None
Joan Hilferty 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Paul A Tufano 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
I Steven Udvarhelyi, MD 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Christopher Cashman 1901 Market Street Philadelphia, PA 19103	Director Less than one hour per week average	None	None	None
Plato Marinakos 1116 Beech Road Rosemont, PA 19010	Director Less than one hour per week average	None	None	None

Independence Blue Cross Foundation
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December 31, 2012

Form 990-PF, Part XV – Supplementary Information

Lines 2(a), 2(b) and 2(c)

Applications are submitted to the Foundation through its website (www.ibxfoundation.org), which describes several categories of grant applications that may be accepted by the Foundation. These include applications for grants to support "safety net clinics" that provide medical services to vulnerable populations in underserved areas of the community, grants to nursing schools to fund student scholarships , and "innovation grants" supporting innovative projects and initiatives that seek to advance the practice and delivery of healthcare. The form of application, the information and materials required to be included, submission deadlines, grant criteria, and the form of grant agreement to be entered into with the Foundation may vary depending on the type of grant sought by the applicant. The website includes contact information if additional information is needed.

Line 2(d)

In general, the Foundation seeks to support, advance, and raise funds for health care, health education, wellness, medical training and medical research. More specifically, the Foundation is interested in making grants that further its core mission of enhancing the delivery of healthcare and improving health, wellness and quality of life in communities throughout southeastern Pennsylvania. The Foundation's goals include improving access to quality, affordable healthcare; supporting education in health-related vocations; and supporting programs to improve health and wellness. At present, grant awards are generally limited to recipients located in, or carrying out grant purposes in, the following Pennsylvania counties: Philadelphia, Montgomery, Delaware, Bucks and Chester.

Independence Blue Cross Foundation
EIN 36-4685801
December 31, 2012

Form 990-PF, Part XV-Supplementary Information

Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Line 3A-Grants and Contributions Paid During the Year				
11th Street Family Health Services of Drexel University 850 North 11th Street, Philadelphia, PA 19123	N/A	Public Charity	Support expansion of health services at the health center	180,625
Abington Memorial Hospital Dixon School of Nursing 2500 Maryland Road, Willow Grove, PA 19090	N/A	Public Charity	Scholarships to undergraduate nursing students	56,966
Ann Silverman Community Health Clinic 595 West State Street, Doylestown, PA 18901	N/A	Public Charity	General operating support	76,664
Aria Health Center Clinic Knights and Red Lions Road, Philadelphia, PA 19114	N/A	Public Charity	Clinic serving uninsured & underinsured adults	69,545
Aria Health School of Nursing 4918 Penn Street, Philadelphia, PA 19124	N/A	Public Charity	Scholarships to undergraduate nursing students	6,392
Augustinian Defenders of the Rights of the Poor 259 N Lawrence Street, Philadelphia, PA 19106	N/A	Public Charity	General operating support	30,000
Back On My Feet 1520 Locust Street, Suite 804, Philadelphia, PA 19102	N/A	Public Charity	Programs - Homeless Adults	25,000
Bucks County Community College Foundation 275 Swamp Road, Newtown, PA 18940	N/A	Public Charity	Scholarships to undergraduate nursing students	9,408
Bucks County Health Improvement Partnership 1201 Langhorne-Newton Road, Langhorne, PA 19047	N/A	Public Charity	Primary Health Care	75,000
ChesPenn Health Services, Inc 2600 West 9th Street, Chester, PA 19013	N/A	Public Charity	Primary Health Care to Uninsured	179,650
Chester County Community Dental Center 744 East Lincoln Highway, Suite 120, Coatesville, PA 19320	N/A	Public Charity	Dental Care	30,000
Community College of Philadelphia Foundation 1700 Spring Garden Street, Philadelphia, PA 19130	N/A	Public Charity	Scholarships to undergraduate nursing students	8,690
Community Volunteers in Medicine 300 B Lawrence Drive, Chester, PA 19380	N/A	Public Charity	Case Management/Chronic Disease	100,000
Congreso De Latinos Unidos 216 W Somerset Street, Philadelphia, PA 19133	N/A	Public Charity	General operating support	50,000
Covenant House Pennsylvania 31 East Armat Street, Philadelphia, PA 19144	N/A	Public Charity	General operating support	75,000
Delaware County Community College Undergraduate Nursing 901 South Media Line Road, Media, PA 19063	N/A	Public Charity	Scholarships to undergraduate nursing students	11,419
Delaware Valley Community Health, Inc Fairmont Primary Care & Satellite Offices 1412 Fairmont Avenue, Philadelphia, PA 19103	N/A	Public Charity	General operating support	104,890
Delaware Valley Community Health, Inc Maria de los Santos Health Center 401-405 W Allegheny Avenue, Philadelphia, PA 19133	N/A	Public Charity	General operating support	75,000
Drexel University College of Nursing & Health Professions 3141 Chestnut Street, Philadelphia, PA 19104	N/A	Public Charity	Scholarships to undergraduate nursing students	231,690
Eastern Center for Arts & Technology Practical Nursing Program 3075 Terwood Road, Willow Grove, PA 19090	N/A	Public Charity	Scholarships to undergraduate nursing students	10,701
Eastern University Department of Nursing 1300 Eagle Road, St Davids, PA 19087	N/A	Public Charity	Scholarships to undergraduate nursing students	4,381

Independence Blue Cross Foundation
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Form 990-PF, Part XV-Supplementary Information

Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Education-Plus, Inc 501 Glen Echo Road, Philadelphia, PA 19119	N/A	Public Charity	Support for school health and wellness centers	40,000
Esperanza Health Center 3516 Kensington Avenue, Philadelphia, PA 19134	N/A	Public Charity	Program Expansion	100,000
Face to Face Health Center 109 E Price Street, Philadelphia, PA 19144	N/A	Public Charity	General operating support	15,000
Family Practice & Counseling Network 4700 Wissahickon Avenue, Suite 118, Philadelphia, PA 19144	N/A	Public Charity	New Health program	100,000
Free Clinic Assoc of PA 595 West State Street, Doylestown, PA 19801	N/A	Public Charity	Support capacity building/infrastructure	25,000
Gwynedd-Mercy College, Francis M Maguire School of Nursing 1325 Sumneytown Pike, Gwynedd Valley, PA 19437	N/A	Public Charity	Scholarships to undergraduate nursing students	33,488
Gwynedd-Mercy College, Adult Health Center 51 Medical Campus Drive, Lansdale, PA 19437	N/A	Public Charity	General operating support	75,000
HealthLink Medical Center 1775 Street Road, Southampton, PA 18966	N/A	Public Charity	General operating support	75,000
Holy Family University 9801 Frankford Avenue, Philadelphia, PA 19114	N/A	Public Charity	Scholarships to graduate nursing students	13,599
Holy Family University School of Nursing & Allied Health Professions 9801 Frankford Avenue, Philadelphia, PA 19114	N/A	Public Charity	Scholarships to undergraduate nursing students	6,895
Immaculata University Division of Nursing 1145 King Road, P O Box 691, Immaculata, PA 19345	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	43,545
Kids Smiles, Inc 3751 Island Avenue, 2nd Floor, Philadelphia, PA 19153	N/A	Public Charity	Expand clinic staff	50,000
La Comunidad Hispana, Inc 731 West Cypress Street, Kennett Square, PA 19348	N/A	Public Charity	General operating support	75,000
La Salle University School of Nursing & Health Sciences 1900 West Olney Avenue, Philadelphia, PA 19141	N/A	Public Charity	Scholarships to graduate nursing students	105,300
Mazzoni Center 21 S 12th Street, 12th Floor, Philadelphia, PA 19107	N/A	Public Charity	General operating support	40,000
Montgomery County Community College 340 DeKalb Pike, Blue Bell, PA 19422	N/A	Public Charity	Scholarships to undergraduate nursing students	11,275
National League For Nursing Inc 61 Broadway, 33rd Floor, New York, NY 10128	N/A	Public Charity	Support to improve care to older adults	85,000
National Nursing Centers Consortium 260 S Broad Street 18th Floor, Philadelphia, PA 19102	N/A	Public Charity	Support clinics for best practices	18,125
Neumann University, Dept of Nursing One Neumann Drive, Aston, PA 19014	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	12,900
New York University, College of Nursing 726 Broadway, New York, NY 10128	N/A	Public Charity	Geriatric nursing	100,000
North Penn Visiting Nurse Association 51 Medical Campus Drive, Lansdale, PA 19446	N/A	Public Charity	General operating support	50,000
Northeastern Hospital School of Nursing	N/A	Public Charity	Scholarships to undergraduate nursing students	2,226

Independence Blue Cross Foundation
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Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
2301 E Allegheny Avenue, Philadelphia, PA 19134				
Penn Asian Senior Services, Inc 420 Old York Rd Jenkintown, PA 19046	N/A	Public Charity	Support Asian Alzheimer's Project	75,000
Philabundance 3616 S Galloway Street, Philadelphia, PA 19148	N/A	Public Charity	Support Fresh For All Program	15,000
Philadelphia College of Osteopathic Medicine - PCOM Healthcare Center 4180 City Avenue, Philadelphia, PA 19131	N/A	Public Charity	Support Medical & Consultative services to underserved families & individuals	50,000
PHMC - Care Clinic 260 S Broad Street, 18th Flr, Philadelphia, PA	N/A	Public Charity	General Operating Support	50,000
Project Home 1845 North 23rd Street, Philadelphia, PA 19121	N/A	Public Charity	Primary Health Care Expansion	130,625
Public Health Management Corporation - PHMC Health Connection 1035 West Berks Street, Philadelphia, PA 19122	N/A	Public Charity	General operating support	78,125
Public Health Management Corporation Rising Sun Health Center 260 S Broad Street, 18th Floor, Philadelphia, PA 19102	N/A	Public Charity	Support to provide care for the un- and under-insured	50,000
Public Health Management Corporation Mary Howard Health Center 125 South 9th Street, Philadelphia, PA 19107	N/A	Public Charity	General operating support	50,000
Public Health Management Corporation - Phila Allied Health 1035 West Berks Street, Philadelphia, PA 19122	N/A	Public Charity	Education	100,000
Puentes de Salud 2029 S 8th Street, Philadelphia, PA	N/A	Public Charity	NP residency program	50,000
Resources for Human Development – FaSST/Connections Program 5201 Old York Road, Philadelphia, PA 191411 2	N/A	Public Charity	Support - transitional medication program for homeless individuals	15,000
St Catherine Laboure Medical Clinic 5836 Germantown Avenue, Philadelphia, PA 19144	N/A	Public Charity	General operating support	100,000
St Mary Medical Center Foundation 2546 Knights Road, Bensalem, PA 19020	N/A	Public Charity	General operating support	75,000
Temple University, Temple Health Connection 3307 N Broad Street, Philadelphia, PA 19140	N/A	Public Charity	General operating support	50,000
Temple University, Department of Nursing 3307 N Broad Street, Philadelphia, PA 19140	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	30,496
The Clinic 143 Church Street, Phoenixville, PA 19460	N/A	Public Charity	General operating support	80,100
Thomas Jefferson University, Jefferson School of Nursing 130 S 9th Street, Suite 1314, Philadelphia, PA 19107	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	129,673
University of Pennsylvania School of Nursing 418 Curie Boulevard, Philadelphia, PA 19104	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	136,952
Villanova University College of Nursing 800 Lancaster Avenue, Philadelphia, PA 19085	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	83,525
VNA Community Services 1421 Highland Avenue, Abington, PA 19001	N/A	Public Charity	General operating support	55,250
West Chester University, Department of Nursing 855 South New Street, Philadelphia, PA 19085	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	23,595

Independence Blue Cross Foundation
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December 31, 2012

Form 990-PF, Part XV-Supplementary Information

Recipient Name & Address	Recipient an Individual	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Widener University School of Nursing One University Place, Chester PA 19013	N/A	Public Charity	Scholarships to graduate & undergraduate nursing students	76,884
Youth Services Inc 410 N 34th Street Philadelphia, PA 19104	N/A	Public Charity	Support for medical exam/follow-ups for youths	25,000
Total Grants & Contributions Paid During the Year, Line 3a				4,018,599
Line 3B-Approved for Future Payments				
CHOP 34th Street & Civic Center Blvd, Philadelphia, PA 19104	N/A	Public Charity	Healthy Futures - Wellness programs	570,000
Program Evaluator Drexel University, 3141 Chestnut Street, Philadelphia, PA	N/A	Public Charity	Healthy Futures - Outcomes/Metrics	255,000
Vetri Foundation For Children □ 1113 Admiral Peary Way, Quarters N, Philadelphia, PA 19112	N/A	Public Charity	Healthy Futures - Healthy Eating	300,000
Total Grants & Contributions Approved for Future Payments, Line 3b				1,125,000
Total Grants & Contributions				5,143,599

BYLAWS

OF

INDEPENDENCE BLUE CROSS FOUNDATION

(a Pennsylvania Nonprofit Corporation)

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ARTICLE I

Offices and Fiscal Year

Section 1.01. Registered Office. The registered office of the corporation in the Commonwealth of Pennsylvania shall be at 1901 Market Street, Philadelphia, PA 19103 until otherwise established by a vote of a majority of the board of directors in office, and a statement of such change is filed in the Department of State; or until changed by an appropriate amendment of the articles of the corporation.

Section 1.02. Other Offices. The corporation may also have offices at such other places within or without the United States of America as the board of directors may from time to time appoint or the business of the corporation requires.

Section 1.03. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January in each year.

ARTICLE II

Board of Directors

Section 2.01. Powers; Personal Liability.

(a) The board of directors shall have full power to conduct, manage, and direct the business and affairs of the corporation; and all powers of the corporation are hereby granted to and vested in the board of directors.

(b) A director of the corporation shall not be personally liable, as such, for monetary damages as such for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office under 15 Pa.C.S. Subch. 57B and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this subsection shall not apply to the responsibility or liability of a director pursuant to any criminal statute or the liability of a director for the payment of taxes pursuant to local, state or federal law.

Section 2.02. Qualification and Selection. Each director of the corporation shall be a natural person of full age, but need not be a resident of Pennsylvania. Except in the case of vacancies, directors shall be selected by Independence Blue Cross, a Pennsylvania nonprofit corporation. If, due to a vacancy or vacancies, or otherwise, directors of more than one class are to be selected, each class of directors to be selected shall be nominated and selected separately.

Section 2.03. Number and Term of Office. The board of directors shall consist of such number of directors as may be determined from time to time by resolution of the board of directors. The directors shall be classified with respect to their terms of office, with each class being as nearly equal in number as possible. Each director shall hold office for three years and until a successor shall have been elected and qualified, except in the event of death, resignation or removal. Notwithstanding the foregoing, the initial terms of one or more initial directors of the corporation may, by action of the board, be limited to either one or two years to permit the classification of the members of the board by term and the staggering of terms.

Section 2.04. Organization. At every meeting of the board of directors, the chairman of the board, if there be one, or, in the case of a vacancy in the office or absence of the chairman of the board, one of the following officers present in the order stated: the vice chairman of the board, if there be one, the president, the vice presidents in their order of rank and seniority, or a chairman chosen by a majority of the directors present, shall preside, and the secretary, or, in the absence of the secretary, an assistant secretary, or, in the absence of the secretary and the assistant secretaries, any person appointed by the chairman of the meeting, shall act as secretary.

Section 2.05. Resignations. Any director of the corporation may resign at any time by giving written notice to the chairman or the secretary of the corporation. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.06. Vacancies.

(a) The board of directors may declare vacant the office of a director if such director is declared of unsound mind by an order of court, or convicted of felony, or for any other proper cause, or if within 60 days after notice of selection, the director does not accept such office either in writing or by attending a meeting of the board of directors. In addition any director selected by Independence Blue Cross may be removed from office upon action by Independence Blue Cross.

(b) Any vacancy or vacancies in the board of directors because of death, resignation, removal in any manner, disqualification, an increase in the number of directors, or any other cause, may be filled by a majority of the remaining members of the board of directors though less than a quorum, at any regular or special meeting; and each person so elected shall be a director to serve for the balance of the unexpired term.

Section 2.07. Place of Meeting. Meetings of the board of directors may be held at such place within or without Pennsylvania as the board of directors may from time to time appoint, or as may be designated in the notice of the meeting.

Section 2.08. Regular Meetings. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors. If the date fixed for any such regular meeting be a legal holiday under the laws of the State where such meeting is to be held, then the same shall be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by resolution of the board of directors. At such meetings, the directors shall transact such business as may properly be brought before the meeting. Notice of regular meetings need not be given unless otherwise required by law or these bylaws.

Section 2.09. Special Meetings. Special meetings of the board of directors shall be held whenever called by the president or by two or more of the directors. Notice of each such meeting shall be given to each director by telephone or in writing (including a writing sent by facsimile transmission or electronic mail) at least 24 hours (in the case of notice by telephone, a writing delivered personally, or notice by facsimile transmission or electronic mail), 48 hours (in the case of notice delivered by overnight United States express mail or overnight courier service), or five days (in the case of notice by United States mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting.

Section 2.10. Quorum, Manner of Acting, and Adjournment. A majority of the directors in office shall be present at each meeting in order to constitute a quorum for the transaction of business. Every director shall be entitled to one vote. Except as otherwise specified in the articles or these bylaws or provided by statute, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors. In the absence of a quorum, a majority of the directors present and voting may adjourn the meeting from time to time until a quorum is present. The directors shall act only as a board and the individual directors shall have no power as such, except that any action which may be taken at a meeting of the directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and shall be filed with the secretary of the corporation.

Section 2.11. Standing Board Committees. The Board of Directors shall have an Audit Committee and a Grants Committee, each consisting of at least three directors of the corporation. Each such committee shall have a charter approved by the Board of Directors.

Section 2.12. Executive and Other Committees.

(a) The board of directors may, by resolution adopted by a majority of the directors in office, establish an Executive Committee and one or more other committees, each committee to consist of two or more directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member, and the alternate or alternates, if any, designated for such member, of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. Each committee of the board shall serve at the pleasure of the board.

(b) The Executive Committee shall have and exercise all of the powers and authority of the board of directors in the management of the business and affairs of the corporation, except that the Executive Committee shall not have any power or authority as to the following:

(1) The creation or filling of vacancies in the board of directors.

(2) The adoption, amendment or repeal of the bylaws.

(3) The amendment or repeal of any resolution of the board that by its terms is amendable or repealable only by the board.

(4) Action on matters committed by the bylaws or a resolution of the board of directors exclusively to another committee of the board.

(c) No committee of the board of directors, other than the Executive Committee, shall, pursuant to resolution of the board of directors or otherwise, exercise any of the powers or authority vested by these bylaws or the Nonprofit Corporation Law of 1988 in the board of directors as such, but any other committee of the board of directors may make recommendations to the board of directors or Executive Committee concerning the exercise of such powers and authority.

(d) The establishment of any committee of the board of directors and the delegation thereto of power and authority shall not alone relieve any director of the fiduciary duty of such director to the corporation.

(e) A majority of the directors in office designated to a committee, or directors designated to replace them as provided in this section, shall be present at each meeting to constitute a quorum for the transaction of business and the acts of a majority of the directors in office designated to a committee or their replacements shall be the acts of the committee.

(f) Each committee shall keep regular minutes of its proceedings and report such proceedings periodically to the board of directors.

(g) Sections 2.08, 2.09, and 2.10 shall be applicable to committees of the board of directors.

Section 2.13. Interested Directors or Officers; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the board of directors which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if:

(1) The material facts as to such relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(2) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors which authorizes a contract or transaction specified in this section.

Section 2.14. Director Fees. No fees shall be paid to directors for their service as directors, but this section shall not be deemed to prohibit the corporation from paying any travel or other expenses reasonably incurred by directors in connection with their service as directors.

ARTICLE III

Notice - Waivers - Meetings

Section 3.01. Notice, What Constitutes. Whenever written notice is required to be given to any person under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, it may be given to the person, either (a) personally; (b) by sending a copy thereof by first class United States mail, with postage prepaid; (c) by sending a copy via United States express mail or by a nationally-recognized courier service, next-day delivery specified and charges prepaid; or (d) by facsimile transmission or electronic mail to such person's facsimile number or electronic mail address supplied by such person to the corporation for the purpose of notice. Absent a contrary requirement in these bylaws, notice shall be deemed to have been given to the person entitled thereto (a) five days after it is deposited in the United States mail; (b) 48 hours after having been sent by United States express mail or by a nationally-recognized courier service; or (c) 24 hours after having been sent by facsimile transmission or electronic mail. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these bylaws.

Section 3.02. Waivers of Notice.

(a) Whenever any written notice is required to be given under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by Section 6.06, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting.

(b) Attendance of a person at any meeting shall constitute a waiver of notice of the meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.03. Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the articles or these bylaws or the Nonprofit Corporation Law of 1988, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 3.04. Conference Telephone Meetings. One or more persons may participate in a meeting of the board or a committee of the board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

ARTICLE IV

Officers

Section 4.01. Number, Qualifications and Designation.

(a) The officers of the corporation shall be a president, one or more vice presidents, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of Section 4.03. Any number of offices may be held by the same person. Officers may but need not be directors of the corporation. The president and secretary shall be natural persons of full age; the treasurer may be a corporation, but if a natural person shall be of full age. The board of directors may elect from among the members of the board a chairman of the board and a vice chairman of the board who shall be officers of the corporation.

(b) In lieu of the standards of conduct otherwise provided by law, officers of the corporation shall be subject to the same standards of conduct, including standards of care and loyalty and rights of justifiable reliance, as shall at the time be applicable to directors of the corporation. An officer of the corporation shall not be personally liable, as such, to the corporation for monetary damages for any action taken, or any failure to take any action, unless the officer has breached or failed to perform the duties of his or her office under the articles of incorporation, these bylaws, or the applicable provisions of law and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this subsection shall not apply to the responsibility or liability of an officer pursuant to any criminal statute or for the payment of taxes pursuant to local, state or federal law.

Section 4.02. Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 4.03, shall be elected annually by the board of directors, and each such officer shall hold office until the next annual organization meeting of directors and until a successor shall have been elected and qualified, or until death, resignation, or removal.

Section 4.03. Subordinate Officers, Committees and Agents. The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, including one or more assistant secretaries, and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the board of directors may from time to time determine. The board of directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

Section 4.04. Resignations. Any officer or agent may resign at any time by giving written notice to the board of directors, or to the president or the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05. Removal. Any officer, committee, employee or other agent of the corporation may be removed, either for or without cause, by the board of directors or other authority which elected, retained or appointed such officer, committee or other agent whenever in the judgment of such authority the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed.

Section 4.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 4.03, as the case may be, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 4.07. General Powers. All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be determined by resolutions or orders of the board of directors, or, in the absence of controlling provisions in resolutions or orders of the board of directors, as may be provided in these bylaws.

Section 4.08. The Chairman and Vice Chairman of the Board. The chairman of the board or in the absence of the chairman, the vice chairman of the board, shall preside, at all meetings of the members of the board of directors, and shall perform such other duties as may from time to time be requested by the board of directors.

Section 4.09. The President. The president shall be the chief executive officer of the corporation and shall have general supervision over the activities and operations of the corporation, subject, however, to the control of the board of directors and the chairman. The president shall sign, execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation; and, in general, shall perform all duties incident to the office of president, and such other duties as from time to time may be assigned by the board of directors or the chairman.

Section 4.10. The Vice Presidents. The vice presidents shall perform the duties of the president in the absence of the president and such other duties as may from time to time be assigned to them by the board of directors, the chairman or the president.

Section 4.11. The Secretary. The secretary or an assistant secretary shall attend all meetings of the board of directors and shall record all the votes of the directors and the minutes of the meetings of the board of directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors, the chairman or the president.

Section 4.12. The Treasurer. The treasurer or an assistant treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer, and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors, the chairman or the president.

Section 4.13. Officers' Bonds. Any officer shall give a bond for the faithful discharge of the duties of the office in such sum, if any, and with such surety or sureties as the board of directors shall require.

Section 4.14. Salaries. The salaries of the officers elected by the board of directors shall be fixed from time to time by the board of directors or by such officer as may be designated by resolution of the board. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 4.03. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the corporation.

ARTICLE V

Indemnification of Directors, Officers and Other Authorized Representatives

Section 5.01. Scope of Indemnification.

(a) The corporation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise, by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

(1) where such indemnification is expressly prohibited by applicable law;

(2) where the conduct of the indemnified representative has been finally determined pursuant to Section 5.06 or otherwise:

(i) to constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. § 5713 or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or

(ii) to be based upon or attributable to the receipt by the indemnified representative from the corporation of a personal benefit to which the indemnified representative is not legally entitled; or

(3) to the extent such indemnification has been finally determined in a final adjudication pursuant to Section 5.06 to be otherwise unlawful.

(b) If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the corporation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the indemnified representative is not entitled to indemnification.

(d) For purposes of this Article:

(1) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a director, officer, employee or agent of the corporation, or, at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;

(2) "indemnified representative" means any and all directors and officers of the corporation and any other person designated as an indemnified representative by the board of directors of the corporation, (which may, but need not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, employee benefit plan or other entity or enterprise);

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the corporation, a class of its security holders, if any, or otherwise.

Section 5.02. Proceedings Initiated by Indemnified Representatives. Notwithstanding any other provision of this Article, the corporation shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office.

This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 5.06 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 5.03. Advancing Expenses. The corporation shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 5.01 or the initiation or participation in which is authorized pursuant to section 5.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay such amount if it shall ultimately be determined pursuant to Section 5.06 that such person is not entitled to be indemnified by the corporation pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance. Section 2.12 shall not be applicable to the advancement of expenses under this section.

Section 5.04. Securing of Indemnification Obligations. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms and conditions shall be conclusive and shall not be subject to voidability.

Section 5.05. Payment of Indemnification. An indemnified representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the secretary of the corporation.

Section 5.06. Arbitration. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the corporation are located, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the corporation, the second of whom shall be selected by the indemnified representative and the third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, and if one of the parties fails or refuses to select an arbitrator, or the arbitrators selected by the corporation and the indemnified representative cannot agree on the selection of the third arbitrator within 30 days after such time as the corporation and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such metropolitan area. The party or parties challenging the right of an indemnified representative to the benefits of this Article shall have the burden of proof. The corporation shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the corporation shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified representative under Section 5.01(a)(2) in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

Section 5.07. Contribution. If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the corporation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 5.08. Mandatory Indemnification of Directors, Officers, etc. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in 15 Pa.C.S. § 5741 or § 5742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

Section 5.09. Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the corporation and the indemnified representative pursuant to which the corporation and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 5.10. Scope of Article. The rights granted by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of disinterested directors or otherwise, both as to action in an official capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 5.11. Reliance on Provisions. Each person who shall act as an indemnified representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification, contribution and advancement of expenses provided by this Article.

Section 5.12. Interpretation. The provisions of this Article are intended to constitute bylaws authorized by 15 Pa.C.S. § 5746(a).

ARTICLE VI

Miscellaneous

Section 6.01. Corporate Seal. The corporation shall have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the board of directors.

Section 6.02. Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such one or more officers or employees of the corporation as the board of directors may from time to time designate.

Section 6.03. Contracts. Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 6.04. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees of the corporation as the board of directors shall from time to time designate.

Section 6.05. Annual Report of Directors. The board of directors shall direct the president and treasurer to present at the annual meeting of the board a report showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

The annual report of the board of directors shall be filed with the minutes of the annual meeting of the board.

Section 6.06. Amendment of Bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted, by vote of a majority of the board of directors of the corporation in office at any regular or special meeting of directors, except that no amendment or repeal shall be effective without the prior written consent of Independence Blue Cross, a Pennsylvania nonprofit corporation. Such proposed amendment, repeal or new bylaws, or a summary thereof, shall be set forth in any notice of such meeting, whether regular or special.