

In the Matter of the Acquisition of Control
of Blue Cross and Blue Shield United of Wisconsin;
Compcare Health Services Insurance Corporation;
Unity Health Plans Insurance Corporation; United Heartland
Life Insurance Company; United Wisconsin Insurance Company;
and Valley Health Plan, Inc. by WellPoint Health Networks Inc.
and Crossroads Acquisition Corp.,

NOTICE OF HEARING

Case No. 03-C28447

Petitioners.

*** PREHEARING CONFERENCE DATE: September 8, 2003, at 10:00 a.m.
IS SCHEDULED

PLACE: Office of the Commissioner of Insurance
125 South Webster Street
Madison, Wisconsin

*** HEARING IS SCHEDULED DATE: September 8, 2003, at 10:10 a.m.

PLACE: Office of the Commissioner of Insurance
125 South Webster Street
Madison, Wisconsin

PLEASE READ CAREFULLY

A class 1 hearing under s. 611.72 and chs. 227 and 617, Wis. Stat., will be held before Guenther H. Ruch, duly appointed hearing examiner, at the time and place stated above, to be continued at any time and place the hearing examiner considers necessary, to consider the matters set forth in this Notice of Hearing.

The issues to be considered are as follows:

(1) The plan for the acquisition of control of Blue Cross and Blue Shield United of Wisconsin; Compcare Health Services Insurance Corporation; Unity Health Plans Insurance Corporation; United Heartland Life Insurance Company; United Wisconsin Insurance Company; and Valley Health Plan, Inc. by WellPoint Health Networks Inc. and Crossroads Acquisition Corp. (the "plan").

(2) The names, addresses, and interrelationships of all affiliates and principals of the Petitioners at the time of the filing and after the request is granted if the plan is approved.

(3) Whether or not, under s. 611.72, Wis. Stat.:

- (a) The plan would violate the law or be contrary to the interests of the insureds of Blue Cross and Blue Shield United of Wisconsin; Compcare Health Services Insurance Corporation; Unity Health Plans Insurance Corporation; United Heartland Life Insurance Company; United Wisconsin

Insurance Company; and Valley Health Plan, Inc., participating domestic corporations, or of the Wisconsin insureds of any participating nondomestic corporation.

- (b) After the acquisition of control, each participating insurer would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.
- (c) The effect of the acquisition of control would be to create a monopoly or substantially to lessen competition in insurance in Wisconsin.
- (d) The financial condition of any acquiring party is likely to jeopardize the financial stability of any participating insurer or to prejudice the interests of their respective Wisconsin policyholders.
- (e) Any plans or proposals which the acquiring party has to liquidate the participating domestic stock insurance corporations or their parent insurance holding corporation, sell their assets, or consolidate or merge them with any person, or make any other material change in their business or corporate structure or management are fair and reasonable to policyholders of the domestic stock insurance corporations or in the public interest.
- (f) The competence and integrity of the persons who would control the operation of the domestic stock insurance corporations and their parent insurance holding corporation are such that it would be in the interest of the policyholders of the corporations and of the public to permit the acquisition of control.

(4) Whether the Petitioners have complied with the filing requirements of s. Ins 40.02, Wis. Adm. Code.

Dated at Madison, Wisconsin, this 19th day of August, 2003.

Guenther H. Ruch, Administrator
Division of Regulation and Enforcement