

**FACSIMILE AND FEDERAL EXPRESS**

December 21, 1999

Mr. Stephen E. Bablitch  
Vice President and General Counsel  
BlueCross & BlueShield United of Wisconsin  
401 West Michigan Street  
P.O. Box 2025  
Milwaukee, WI 53201-2025

Dear Steve:

As you know, Deutsche Banc Securities Incorporated ("DBSI") has been retained by the Wisconsin Office of the Commissioner of Insurance ("OCI") to assist the OCI in its review of the Application for Conversion of BlueCross & BlueShield United of Wisconsin ("BCBSU") Case No. 99-C26038 (the "Conversion"). As part of our work, DBSI will be conducting a review of BCBSU and its publicly traded affiliated entities, United Wisconsin Services, Inc. ("UWZ") and American Medical Security Group, Inc. ("AMS"). As a part of our review process, we would like to visit your office, and those of your affiliates, during the week of January 3, 2000 to have discussions with the senior management of each company. We would expect to cover, at a minimum, the following topics: company history, current corporate structure, strategy and financial results and projections. We would especially like to focus on the Conversion and its impact on BCBSU and its affiliates. So that we might prepare ourselves for those meetings and to make them as quick and productive as possible, attached are document request lists pertaining to each company. Based on the data we receive, we anticipate preparing and providing discussion outlines to the management team prior to each meeting.

Presuming we have received the documents with enough time to review the material thoroughly, we would like to propose meeting with BCBSU senior management starting at 9 a.m. on Tuesday, January 4, 2000. We would anticipate our discussions would take the better part of the day. We would also like to meet with the management teams of UWZ and AMS on January 5 and/or 6, 2000 (again, one day for each). Please check the schedules of the senior members of management at all three companies and let us know what is possible during the week of January 3.

In addition to our meetings with the three management teams, we expect to meet with representatives of the BlueCross BlueShield National Association as well as Donaldson, Lufkin & Jenrette. We anticipate that those meetings will take place after our meetings in Wisconsin.

We are aware that the OCI, due to questions raised by third parties at the hearings related to the Conversion, has asked BCBSU to provide summaries of all of the historical transactions between and among BCBSU, UWZ, AMS, and the predecessor organization to UWZ/AMS. We understand these summaries are to include the rationale for those transactions. The summaries will form an important part of our review and be helpful to our understanding of the corporate history of BCBSU and its affiliates. If you would, to expedite our review, please provide a copy of those summaries to us at your earliest convenience. To the extent relevant, we would expect to discuss some of those transactions during our interviews.

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If you have any questions concerning the attached material or you would like to discuss proposed meeting dates, please do not hesitate to contact either Giles Harrison at (212) 250-8682 or me at (410) 895-4530. We look forward to hearing from you soon.

Sincerely,

Thomas W. Johnson  
Managing Director

cc: Ms. Gail Hanson, BCBSU  
Mr. Guenther Ruch, OCI  
Mr. Steven J. Junior, OCI