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CLIENT/MATTER NUMBER 016125-0107

August 17, 1999

VIA FACSIMILE AND U.S. MAIL

Steven Junior Office of the Commissioner of Insurance 121 E. Wilson Street Madison, WI 53702

Re: Blue Cross Conversion – Case No. 99-C-26038

Dear Mr. Junior:

This is in response to the first item in your letter of July 6, 1999, namely your request for a copy of the rules and licensing requirements of the Blue Cross Blue Shield Association ("BCBSA") including those applicable to conversions from nonprofit status.

We had previously communicated to you the input we got from BCBSA to the effect that BCBSA was unwilling to allow the guidelines for converting Blue Plans to become a public document. In light of your renewed request and our latest discussion, we again contacted BCBSA to discuss the matter further. They have now indicated their willingness to allow us to provide those guidelines to OCI subject to an explicit understanding with OCI that the guidelines would not become part of the public record and would not be made available to third parties.

Please advise whether you see any difficulty with OCI agreeing to treat those guidelines as confidential. Hopefully, we can satisfy your desire to review those guidelines and satisfy BCBSA's desire to not have the documents become available generally to the public.

Very truly yours,

Joseph C. Branch

cc: Stephen E. Bablitch Mark Orloff

Foley & Lardner

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Thomas M. Rose