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January 14, 2011

VIA HAND DELIVERY

The Honorable Karen Weldin Stewart
Commissioner of Insurance
Delaware Department of Insurance
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19904

Attention: Mr. Gene T. Reed
Deputy Insurance Commissioner

Re: Supplemental Filing No. 1 to Statement Regarding the Affiliation of BCBSD, Inc.
d/b/a Blue Cross and Blue Shield of Delaware ("BCBSD") with Highmark Inc.
("Highmark")

Dear Commissioner Stewart:

In supplement to the above captioned filing dated October 7, 2010, we are writing to advise you of the following:

1. Attached and marked **Exhibit 8** are completed and executed biographical affidavits for Highmark's directors and executive officers as listed in Item 3.(a) and referenced in Item 3.(b) of the Affiliation Statement.
2. Since the filing of the Affiliation Statement, Mr. Matthew Vincent Thomas Ray has been elected Executive Vice President and Chief Information Officer of Highmark. This is a new position and is in addition to, and does not replace any of, Highmark's executive officers previously listed in Item 3.(a) of the Affiliation Statement. Mr. Ray's biographical affidavit is included in Exhibit 8.
3. In Item 5. of the Affiliation Statement, Highmark states that it will provide the names and biographical affidavits of the individuals who will act as Class B directors of BCBSD as soon as Highmark designates them. While the specific individuals have not yet been designated by Highmark, those four individuals will be chosen from among the Highmark directors and executive officers listed in Item 3.(a) of the Affiliation Statement. Therefore such individuals' biographical affidavits are contained within Exhibit 8 attached hereto.

4. Attached hereto is **Exhibit 9** to the Affiliation Statement which contains the BCBSA proforma balance sheets and income statements, together with an overview, risk based capital estimates and assumptions, for the years ended 2010 through 2015. This exhibit is referenced in Item 5. of the Affiliation Statement.
5. **Highmark requests that the Delaware Department of Insurance and the Delaware Department of Justice, as parties to the proceeding before the Commissioner and her designated Hearing Officer, maintain the attached Exhibit 8 and Exhibit 9 to the Affiliation Statement in strict confidence, in their entirety, with full protection afforded under the Delaware Freedom of Information Act as not "public records," per 29 Del. C. §§ 10002 (1) and (2) respectively, pending the decision of the Hearing Officer on Highmark's Motion Requesting Confidentiality of Biographical Affidavits and Proforma Financial Statements which is being filed this date with the Hearing Officer and a copy of which is being provided to all parties to this proceeding.**

I am also attaching a copy of this letter in compact disk form marked "Supplemental Filing Cover Letter No. 1. for use in uploading the letter to the Department's website. I am also enclosing a compact disk labeled "Highmark's Biographical" and a compact disk labeled "BCBSD Proforma Financials" for your convenience. **Note, however, these latter two disks are labeled "CONFIDENTIAL" and should not be posted to the Department's website.**

If you have any questions regarding this supplemental filing, please contact me.

Sincerely,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By


Doak Foster

DF:dl

Enclosure

cc: The Honorable Battle Robinson (with enclosures)
Mr. Michael Houghton (with enclosures)
Mr. Timothy P. Mullaney, Sr. (with enclosures)
Mr. Ian McConnell (with enclosures)
Mr. William E. Kirk III (with enclosures)
Mr. Edward A. Bittner, Jr. (with enclosures)
Mr. Michael W. Teichman (with enclosures)
Mr. David S. Swayze (with enclosures)
Mr. Rick Campbell