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P R E S S R E L E A S E

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INSURANCE COMMISSIONER MOVES TO PROTECT DELAWARE BLUE CROSS AND BLUE SHIELD

DOVER, DE – Delaware State Insurance Commissioner, Donna Lee H. Williams, signed an [order](#) on April 10th that prohibits any transfer of assets out of the Delaware Blue Cross Blue Shield company and prohibits any change in the charter, by-laws or board of directors of the corporation without her written approval. Commissioner Williams stated that “the purpose of my order is to assure that there is no change of status with the Delaware Blues until I am satisfied that there will be no harm to its Delaware subscribers and no diminution of the company’s value or independent authority as a result of the Maryland legislation that effectively reorganizes the corporate structure of CareFirst, Inc., the corporate parent of the Delaware Blues.”

BCBSD, Inc. operates the Blue Cross Blue Shield plan in Delaware and is part of CareFirst, Inc., a Maryland non-profit company that operates the Blue Cross Blue Shield plans in Delaware, Maryland and the District of Columbia. WellPoint Health Networks, Inc. of California had agreed to purchase CareFirst in a transaction that required the approval of the three jurisdictions in which CareFirst operated. The Maryland Insurance Commissioner entered

an order on March 5th denying approval of the transaction. Subsequently, in reaction to the uncontested findings in that order, the Maryland General Assembly passed Senate Bill 772 and House Bill 1179 which substantially alters CareFirst's corporate structure. That legislation also provides for oversight of CareFirst's activities solely under the authority of the Maryland General Assembly without reference to the effect on the authority of the Delaware and D.C. Commissioners over the Blue plans in their respective jurisdictions.

In her order approving the BCBSD's affiliation with CareFirst in March 2000, Commissioner Williams required that no changes could be made to the corporate structure of CareFirst or BCBSD without her review and approval. The Affiliation Order also required the Commissioner's approval of certain financial transactions. Today's order prohibits any change to the corporate structure and requires that every financial transaction that is not in the ordinary course of business will have to be reviewed and approved by the Delaware Insurance Department. Commissioner Williams also said that "until it's clear how CareFirst will operate under these new conditions, I will not permit the transfer of assets or jobs out of Delaware without full compliance with the terms of the Affiliation Order approved on March 20, 2000."

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