

**BCBSD, INC.
RESOLUTION PROPOSING
CERTAIN MODIFICATIONS
OF MEMBERSHIP STATUS**

WHEREAS, on March 22, 2000, BCBSD, Inc. (the Corporation) and CareFirst, Inc. (CareFirst) consummated an Affiliation Agreement entered into by the two corporations on December 23, 1998 (the Agreement).

WHEREAS, in order to fulfill certain provisions of the Agreement, which included changes to the governance structure of the Corporation, the Corporation's Certificate of Incorporation was amended effective March 22, 2000, and amended Bylaws of the Corporation were adopted on May 12, 2000.

WHEREAS, according to the terms provided by the Affiliation Agreement and implemented in the amended Bylaws and Certificate of Incorporation of the Corporation, CareFirst was designated as Sole Member of the Corporation and the Directors of the Corporation who had also been serving as its Members resigned such Memberships in favor of CareFirst, thus giving control of the Corporation to CareFirst.

WHEREAS, in order to protect the interests of the Corporation and its subscribers from any possible negative outcomes that may result from the recently enacted CareFirst legislation in Maryland, and to restore the many benefits that have resulted from the Corporation's affiliation with CareFirst, and after having carefully considered possible alternative protective measures, the Corporation's Board of Directors deems it critical that the current membership status of the Corporation be modified.

Upon motion made and seconded,

IT IS HEREBY RESOLVED by the Board of the Corporation, that its Directors who serve as CareFirst's Class III Directors are hereby authorized and directed to propose to the CareFirst Board of Directors, at their meeting of September 9, 2003, that the necessary steps be taken, including without limitation the execution by CareFirst of all necessary documents, so as to modify the corporate membership structure and the Blue Cross Blue Shield Association (BCBSA) licensure status of the Corporation as follows: (a) CareFirst would relinquish its status as Sole Member of BCBSD, Inc.; (b) the members of the Corporation's Board of Directors would be elected or appointed by CareFirst as Members of the Corporation, thereby resuming their pre-affiliation majority control of the Corporation; (c) CareFirst would support the application of the Corporation for BCBSA service mark licensure in its own name; and (d) if consistent with such BCBSA licensure of the Corporation, CareFirst would remain a Member of the Corporation.

BE IT FURTHER RESOLVED that it is the Board's preference that the proposed modifications in the membership status be temporary. Therefore, if the issues arising from the Maryland legislation are remedied to the future satisfaction of the BCBSD Board, the Board's current desire would be to restore CareFirst as Sole Member of the Corporation.

Adopted by the unanimous vote of the entire BCBSD, Inc. Board of Directors at its meeting on September 5, 2003.