

January 4, 2000

Guenther H. Ruch  
Administrator  
Division of Regulation and Enforcement  
Office of the Commissioner of Insurance  
121 East Wilson Street  
P. O. Box 707-7873

**VIA FAX AND  
FEDERAL EXPRESS**

Thomas W. Johnson  
Giles E. Harrison  
Deutsche Banc Alex.Brown  
One South Street  
Baltimore, MD 21202-3220

Re: **Blue Cross Conversion Application - Transaction Summaries**

Gentlemen:

As promised in my letter dated December 29, 1999, I have enclosed summaries of the various reportable holding company transactions among affiliates of the Blue Cross holding company system for calendar years 1991, and 1993 through 1999. As you know, these summaries correspond to the materials that Blue Cross provided to OCI on December 17, 1999. As a reminder, certain historical materials were not submitted in the December 17<sup>th</sup> filing because they were so old that they were not retained due to our record retention policies, and as you recognize, Adm. Code Sec. Ins. 6.80 does not require retention of such materials. However, we are willing to allocate resources to review OCI's central records in an effort to recreate the 1992 and prior filings concerning transactions among affiliates to facilitate Deutsche Banc's review, if necessary.

Blue Cross remains committed to assist OCI in conducting whatever investigation it deems necessary, and we are prepared to provide Deutsche Banc with any information that will

Guenther H. Ruch  
Thomas W. Johnson  
Giles E. Harrison  
January 4, 2000  
Page 2

help in their independent review. Towards this end, we look forward to a productive meeting with representatives of Deutsche Banc on January 5<sup>th</sup>.

Very truly yours,

Stephen E. Bablitch

SEB/lh

Enc.

cc: Randy Blumer  
Joseph C. Branch  
Fred Nepple