



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott McCallum, Governor
Connie L. O'Connell, Commissioner

Wisconsin.gov

March 19, 2001

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STEPHEN E BABLITCH
VICE PRESIDENT AND GENERAL COUNSEL
UNITED WISCONSIN SERVICES
401 WEST MICHIGAN ST
MILWAUKEE WI 53203

Re: Your Letter of March 1, 2001 on Stock Options

Dear Mr. Bablitch:

We are in receipt of your March 1, 2001 letter wherein you ask for this office's approval for United Wisconsin Services (UWS) to grant 6,000 options each of UWS stock to four Directors, D. Keith Ness, Janet Steiger, Kenneth Viste, and Michael Joyce. Your letter states that these Directors were on the BCBSUW Board and not on the UWS Board and therefore did not receive UWS stock options. These Directors are to be members of the Cobalt, Inc. Board of Directors upon its formation.

This request for approval is made pursuant to the Commissioner's order on the conversion of Blue Cross and Blue Shield United of Wisconsin from a service insurance corporation to a stock insurance corporation.

We have reviewed the information you have provided and do not disapprove your request. Should you have any questions on the above, please do not hesitate to contact the undersigned.

Sincerely,

Guenther H. Ruch, Administrator
Division of Regulation and Enforcement
guenther.ruch@oci.state.wi.us