

IN RE THE PROPOSED AFFILIATION OF BCBSD, INC. AND HIGHMARK, INC.  
DEPARTMENT OF JUSTICE CONDITION

<u>No.</u>	<u>Proposed Condition</u>	<u>Rationale/Statutory Citation</u>
1	<p>BCBSD and Highmark must establish a mechanism to guarantee that the public’s investment in BCBSD remains in Delaware to be held and protected for the benefit of Delawareans, specifically to serve the State’s unmet health needs. The public investment Delawareans have made in BCBSD should be valued prior to the closing of the transaction, taking into account the effect of the affiliation, by a valuation expert approved by the Department of Justice, but the asset that shall be held and protected should in no event be less than \$45 million.</p>	<ul style="list-style-type: none"> <li>• Ensures the preservation of surplus or reserves of BCBSD through the placing of conditions including but not limited to those enumerated in 18 <i>Del. C.</i> § 6311(b) and preserves such surplus or reserves for use solely for the benefit of the Delaware public.</li> <li>• Reflects the interest of the DOJ in the preservation of BCBSD’s surplus or reserves as indicated by the notice provisions of 18 <i>Del. C.</i> § 6311(c).</li> <li>• This condition also expresses the position of the DOJ representing the State in its capacity as <i>parens patriae</i> to protect the interests of the public.</li> </ul>