



Commissioner Donna Lee H. Williams

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

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HEARING OFFICER APPOINTED FOR BLUE CROSS PURCHASE

DOVER, DE – Delaware Insurance Commissioner, Donna Lee H. Williams, announced today the appointment of former Delaware Superior Court Judge Vincent A. Bifferato, as the hearing officer in the pending application of WellPoint Health Networks, Inc. to purchase Delaware Blue Cross Blue Shield, Inc. (“BCBSD, Inc.”), the state’s largest non-profit health service corporation.

Judge Bifferato graduated from Villanova Law School and served as a member of the Delaware House of Representatives, and Chairman of the Alcoholic Beverage Control Commission before being appointed as a judge of the Delaware Superior Court by Governor Charles L. Terry in July 1968. He served as a Superior Court Judge until his retirement in April 2000. Since leaving the bench, Judge Bifferato has served as the senior member of his law firm, Bifferato, Bifferato, and Gentilotti, in Wilmington where he frequently serves as a mediator for cases awaiting trial.

On January 11, 2002, WellPoint and BCBSD filed an application for the Delaware Insurance Department’s approval of WellPoint’s proposed purchase of BCBSD and the conversion of BCBSD from non-profit to profit status. As the hearing officer, Judge Bifferato will be responsible for all aspects of the application process, which includes applications for party status by interested parties, resolution of pre-hearing matters and the conduct of a formal hearing on the application as required by Delaware law. As the hearing officer, Judge Bifferato will make a formal report and recommendation to Commissioner Williams who has the legal responsibility to approve or disapprove the transaction.

The WellPoint purchase of BCBSD is part of a contract involving the purchase of the three Blue Cross Blue Shield franchises operated by CareFirst, Inc., headquartered in Owings Mills, Maryland. The overall transaction has to be approved by the Insurance Commissioners of Delaware, Maryland and the District of Columbia before it can become fully effective.

The current application to acquire the assets of BCBSD and to convert it to a for profit corporation are subject to Commissioner Williams' order of March 20, 2000, which requires BCBSD to undergo a comprehensive financial review and corporate valuation prior to a hearing on the application for approval of the sale. Under the terms of the current proposal, WellPoint will purchase the CareFirst assets for a total price of 1.3 Billion Dollars. If the transaction is approved in Delaware, Maryland and the District of Columbia, BCBSD has agreed that the proportional value received for its assets will be transferred to another non-profit entity in Delaware to fund health programs and initiatives important to Delaware's citizens.

The Delaware Insurance Department is presently undertaking the required statutory review of the application. A hearing will be set after that review is complete, a process which is expected to take the better part of the next year. Information about the status of the review and the text of the existing orders and application can be obtained from the Delaware Insurance Department's web page at <http://www.state.de.us/inscom>.

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