

**FORM A STATEMENT REGARDING
THE APPLICATION OF INDEPENDENCE BLUE CROSS
TO RESTRUCTURE ITS INSURANCE HOLDING COMPANY
SYSTEM WITH RESPECT TO THE FOLLOWING DOMESTIC
INSURERS:**

Independence Blue Cross,
a Pennsylvania nonprofit hospital plan corporation,
and
QCC Insurance Company,
a Pennsylvania stock insurance corporation,
and
Keystone Health Plan East, Inc.,
a Pennsylvania health maintenance organization,
and
AmeriHealth HMO, Inc.,
a Pennsylvania health maintenance organization,
and
Vista Health Plan, Inc.,
a Pennsylvania health maintenance organization,
and
Region 6 Rx Corp.,
a Pennsylvania stock insurance corporation,
and
CBHNP Services, Inc.,
a Pennsylvania Risk Assuming Preferred Provider Organization,
and
Inter-County Health Plan, Inc.
a Pennsylvania nonprofit professional health service plan corporation,
and
Inter-County Hospitalization Plan, Inc.
a
a Pennsylvania nonprofit hospital plan corporation,
By
Independence Blue Cross
on behalf of
HoldCo #1
a Pennsylvania nonprofit corporation.

Filed with the Pennsylvania Insurance Department
August 7, 2013

Person to whom notices and correspondence should be addressed:

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Item 1: Insurer and Method of Acquisition

A. Domestic Insurers

The domestic insurers to which this Application relates (hereinafter “Domestic Insurers”) are as follows:

Independence Blue Cross (“IBC”)

Principal address: 1901 Market Street, Philadelphia, PA 19103-1480

Type of entity: Pennsylvania nonprofit hospital plan corporation

Ownership interest: Ultimate controlling person of the IBC insurance holding company system.

NAIC company code: 54704

QCC Insurance Company (“QCC”)

Principal address: 1901 Market Street, Philadelphia, PA 19103-1480

Type of entity: Pennsylvania stock insurance company

Ownership interest: QCC is a second tier wholly-owned subsidiary of IBC

NAIC group code: 0936

NAIC company code: 93688

AmeriHealth HMO, Inc. (“AHMO”)

Principal address: 1901 Market Street, Philadelphia, PA 19103-1480

Type of entity: Pennsylvania business corporation and health maintenance organization

Ownership Interest: AHMO is a third-tier wholly owned subsidiary of IBC

NAIC group code: 0936

NAIC company code: 95044

Keystone Health Plan East, Inc. (“KHPE”)

Principal address: 1901 Market Street, Philadelphia, PA 19103-1480

Type of entity: Pennsylvania business corporation and health maintenance organization

Ownership Interest: KHPE is a third-tier wholly owned subsidiary of IBC

NAIC group code: 0936

NAIC company code: 95056

Vista Health Plan, Inc. (“Vista”)

Principal address: 1901 Market Street, Philadelphia, PA 19103-1480

Type of entity: Pennsylvania business corporation and health maintenance organization

Ownership Interest: Vista is a fourth-tier wholly owned subsidiary of IBC

NAIC group code: 0936

NAIC company code: 96660

Region 6 Rx Corp. (“Region 6”)

Principal address: 1901 Market Street, Philadelphia, PA 19103-1480

Type of entity: Pennsylvania stock insurance company

Ownership interest: Region 6 is a second tier wholly-owned subsidiary of Independence Blue Cross

NAIC group code: 0936

NAIC company code: 12812

CBHNP Services, Inc. (“CBHNP”)

Principal address: 8040 Carlson Road, Harrisburg, PA 17112

Type of entity: Risk Assuming Preferred Provider Entity

Ownership interest: CBHNP is a fifth tier subsidiary of BMH LLC, a Delaware limited liability company (“BMH”). IBC, through several wholly owned affiliates, indirectly owns and controls a 61.3% percent membership interest in BMH and therefore is an “ultimate controlling person” with respect to CBHNP.

NAIC company code: 13630

Inter-County Health Plan, Inc. (“ICHP Health”)

Principal address: 720 Blair Mill Road, Horsham, PA 19044

Type of entity: Pennsylvania nonprofit professional health service corporation

Ownership interest: IBC has a 50% membership interest in ICHP Health.

NAIC company code: 53252

Inter-County Health Plan, Inc. (“ICHP Hospitalization”)

Principal address: 720 Blair Mill Road, Horsham, PA 19044

Type of entity: Pennsylvania nonprofit hospital plan corporation

Ownership interest: IBC has a 50% membership interest in ICHP Hospitalization.

NAIC company code: 54763

B. Method of Acquisition

Pennsylvania recognizes a “corporate division” as a form of “fundamental change” transaction under which a domestic corporation can divide into two or more surviving corporations (one of which may, but need not, be the original “dividing” corporation). The “division” statute appears at 15 Pa.C.S. §§ 5951 *et seq.* (“Division Law”).

Pursuant to the Plan of Division set forth at *Exhibit A* hereto (“Division Plan”), IBC will divide into (i) itself (the licensed hospital plan corporation which will be one survivor of the transaction) and (ii) HoldCo #1, a newly organized Pennsylvania nonprofit and non-member corporation which will serve as the ultimate parent company of the restructured insurance holding company system.¹ Under IBC’s articles of incorporation, as amended and restated pursuant to the Division Plan, IBC will be a single-member nonprofit corporation and the single membership interest will be issued to HoldCo #1. The Division Plan will allocate the assets and liabilities of IBC (as the dividing corporation) between IBC and HoldCo #1, as the survivors of the division transaction, as described at Section 7 of the Division Plan.

¹ The name “HoldCo #1” is a temporary designation and will be replaced with a new, permanent name for this entity prior to closing under the Division Plan. IBC anticipates that the word “Independence” will be part of the name of HoldCo #1.

Once the corporate division has been completed, several inter-company dividend and contribution transactions, along with certain inter-company transactions that will result in the elimination of a number of inactive affiliates, will immediately follow in order to produce the final restructured insurance holding company system (such additional transactions, together with the corporate division, being collectively referenced herein as the “Transaction”). The principal steps involved in the Transaction are outlined at *Exhibit B* and are graphically depicted in the PowerPoint slide deck that appears as *Exhibit C*.

The background for the Transaction and a profile of the restructured insurance holding company system are presented at *Exhibit D*.

Item 2: Identity and Background of the Applicant

A. Name and Address of Applicant

Independence Blue Cross
On behalf of
HoldCo #1
1901 Market Street
Philadelphia, PA 19103

B. Nature of the Applicants’ Business Operations

HoldCo #1 will be a newly organized, nonmember Pennsylvania domiciled nonprofit corporation. The principal business of HoldCo #1 will be to serve as the ultimate parent company of an insurance holding company system that will (i) control IBC, (ii) own and control the insurance company, health maintenance organization and other insurance and managed health care affiliates formerly owned and controlled by IBC and (iii) acquire, own and/or manage subsidiaries and other affiliates that are or which operate insurance or reinsurance companies, third-party administration companies, nonprofit hospital plans, professional health service plans, health maintenance organizations, preferred provider organizations, Medicaid and Medicare managed care companies, self-insurance health businesses, managed care health insurance businesses, reinsurance businesses, workers compensation insurance and self-insurance businesses, other forms of insurance and reinsurance businesses, service and other businesses ancillary to insurance and reinsurance businesses, and other insurance and/or other insurance related companies, organizations or providers, health care or employee benefits service companies, plans or organizations, however described or denominated. HoldCo #1’s proposed articles of incorporation are attached at Schedule B to the Division Plan. See *Exhibit A*.

C. Chart of the Applicants and all Affiliates of the Applicants

Prior to closing on the Transaction, HoldCo #1 will have no affiliates. Following closing on the Transaction, the HoldCo #1 holding system will be as shown at *Exhibit E*.

Item 3: Identity and Background of Individuals Associated with the Applicants

The individuals who will serve as the principal officers and members of the board of directors of HoldCo #1 are listed at *Exhibit F*. NAIC biographical affidavits for these individuals are on file

with the Department. The HoldCo #1 directors and principal officers will be the same individuals who serve in the same positions as IBC directors and principal officers as of the effective date of the Transaction.

Item 4: Nature, Source and Amount of Consideration

Not applicable.

Item 5: Future Plans

Except for (i) the allocation of assets and liabilities between IBC and HoldCo #1 under the Division Plan and (ii) the dividend and contribution transactions listed at *Exhibit B*, there are no plans to declare any extraordinary dividend from, or to liquidate, nor are there any plans to sell assets of, or to merge, any of the Domestic Insurers that are the subject of this application.

There will be no change to the boards of directors or principal officers of IBC or any of the other Domestic Insurers that are the subject of this application as a result of the Transaction.

Item 6: Voting Securities to be Acquired

Under IBC's Amended and Restated Articles of Incorporation, HoldCo #1 will become the sole member of IBC and thereby will succeed to IBC's control position relative to Inter-County Hospitalization Plan, Inc. and Inter-County Health Plan, Inc. Under the Division Plan, HoldCo #1 will receive all of the issued and outstanding common stock of AmeriHealth, Inc. and thereby will become the ultimate parent company of the other Domestic Insurers that are the subject of this application.

Item 7: Ownership of Voting Securities

Prior to closing on the Transaction, HoldCo #1 will not own any interest in IBC or any of the other Domestic Insurers that are the subject of this application.

Item 8: Contracts, Arrangements, or Understandings with Respect to Voting Securities

Except for the Division Plan, there are no contracts, arrangements or understandings with respect to voting securities or member interests of IBC or any of the other Domestic Insurers that are the subject of this application.

Item 9: Recent Purchases of Voting Securities

There have been no recent purchases of voting securities of IBC or any of the other Domestic Insurers that are the subject of this application.

Item 10: Recent Recommendations to Purchase

None.

Item 11: Agreements with Broker-Dealers

None.

Item 12: Financial Statements and Exhibits

Electronic disk copies in "pdf" format of the annual statutory financial statements of each of the Domestic Insurers for the years ended December 31, 2008 through December 31, 2012 are collectively attached as *Exhibit G* to this application.

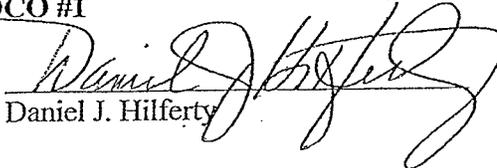
Pro forma financial statements (in "pdf" format) for HoldCo #1 and for each of the Domestic Insurers for the years 2013 through 2017 are collectively attached as *Exhibit H* to this application. Exhibit H has been filed with the Department as confidential information that is not to be made part of the public file in this matter.

Item 13: Signature and Certification.

Pursuant to the requirements of Section 991.1402 of the Act, Independence Blue Cross, for and on behalf of HoldCo #1, has caused this application to be duly signed in the City of Philadelphia and Commonwealth of Pennsylvania on the 6th day of August, 2013.

**INDEPENDENCE BLUE CROSS, for and on behalf of
HOLDCO #1**

By:


Daniel J. Hilferty

Attest:

By:



CERTIFICATION

The undersigned deposes and says that he has duly executed the foregoing application dated August 6, 2013 for and on behalf of HoldCo #1, that he is the President and Chief Executive Officer of Independence Blue Cross and that he is authorized to execute and file the application for it. The undersigned further says that he is familiar with the foregoing application, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Signature:

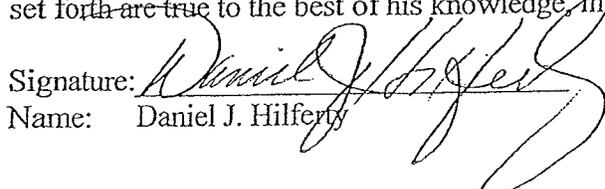

Name: Daniel J. Hilferty

EXHIBIT A

**PLAN OF DIVISION
FOR
INDEPENDENCE BLUE CROSS**

1. This is a plan of division under 15 Pa.C.S. § 5952 to be adopted by Independence Blue Cross (“IBC”), subject to approval by the Pennsylvania Insurance Department and the receipt of all other required regulatory approvals (“Division Plan”).
2. Pursuant to this Division Plan, at the Effective Time (as hereinafter defined), IBC will divide into (i) itself (the licensed hospital plan corporation) and (ii) a newly organized Pennsylvania nonprofit and non-member corporation (“HoldCo #1”). IBC, the dividing corporation, will survive the division contemplated hereby.
3. If this Division Plan is not terminated as contemplated by Section 15 hereof, Articles of Division, executed in accordance with 15 Pa.C.S. § 5954, shall be filed with the Department of State of the Commonwealth of Pennsylvania (“Department of State”). The division shall become effective at such time as the Articles of Division are duly filed with the Department of State, or at such later time as may be specified in the Articles of Division (“Effective Time”).
4. At the Effective Time, IBC’s articles of incorporation will be amended and restated pursuant to this Division Plan as shown at **Schedule A** (“Amended IBC Articles”). The Amended IBC Articles shall take effect at the Effective Time.
5. Under the Amended IBC Articles, IBC will be a single-member nonprofit corporation and the single membership interest in IBC will be issued to HoldCo #1.
6. At the Effective Time, HoldCo #1’s articles of incorporation will be in the form shown at **Schedule B**. HoldCo #1 shall not seek to be classified as an organization exempt from federal income tax pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), but instead will be subject to federal income tax as a holding company for one or more “stock insurance companies” pursuant to Sections 501(m) and 833 of the Code.
7. Pursuant to 15 Pa.C.S. § 5957(b), at the Effective Time, the assets and liabilities of IBC (as the dividing corporation) shall be allocated between IBC and HoldCo #1 (as the survivors of the division transaction), as described at **Schedule C**.
8. For all U.S. federal income tax purposes (and all comparable state and local income tax purposes), the transactions implemented by this Division Plan be deemed to occur in the following order and be treated as follows:
 - 8.1. The adoption of the Amended IBC Articles and the issuance of the resulting membership interest in IBC to Holdco #1 described above in Sections 4 and 5 (the “Reorganization”) shall be deemed to occur first. IBC and Holdco #1 and all their subsidiary entities intend that the Reorganization shall be treated as a reorganization by way of recapitalization pursuant to Section 368(a)(1)(E) of the Code and that the Division Plan shall constitute a

“plan of reorganization” within the meaning of Treas. Reg. § 1.368-3(a) with respect to the Reorganization.

- 8.2.** IBC and Holdco #1 and all their subsidiary entities intend that HoldCo #1 shall constitute a successor to IBC as the common parent of the IBC consolidated tax group pursuant to Treas. Reg. § 1.1502-75(d)(2)(ii), as interpreted by Revenue Ruling 82-152, and the IBC consolidated tax group shall not terminate as a result of the Division Plan or the transactions contemplated thereby.
- 8.3.** The allocation under the Division Plan of IBC’s equity interests in certain first tier subsidiaries to HoldCo #1 described above in Section 7 shall be treated as occurring immediately after the Reorganization and shall be deemed a series of upstream distributions (completely within the successor IBC consolidated tax group described above in Section 8.2) to HoldCo #1 beginning with the distribution of all of the issued and outstanding capital stock of AmeriHealth, Inc. to Holdco #1, and including the distribution to HoldCo #1 of IBC’s membership interest in IBC MH LLC, and IBC’s ownership interest in InsPro Technologies Corp.
- 8.4.** IBC, Holdco #1 and all their subsidiary entities shall prepare all books, records, and filings (and otherwise act) in a manner consistent with this Section 8 of the Division Plan.
- 9.** The incumbent directors of IBC prior to the Effective Time shall be and remain the directors of IBC following the division and each shall be eligible to continue as such for the remaining balance of their respective terms, subject to the bylaws of IBC as in effect from and after the Effective Time. The chairperson and vice chairperson of the IBC board of directors prior to the Effective Time shall continue in such positions after the Effective Time for the remaining balance of their respective terms, subject to the bylaws of IBC as in effect from and after the Effective Time.
- 10.** The incumbent officers of IBC prior to the Effective Time shall be the officers of IBC following the Effective Time, subject to the bylaws of IBC as in effect from and after the Effective Time.
- 11.** The board of directors of HoldCo #1 at the Effective Time shall consist of those individuals who were directors of IBC immediately prior to the Effective Time. Each such individual shall have a remaining current term of service as a director of HoldCo #1 equal to that individual’s remaining current term of service as a director of IBC, subject to the bylaws of HoldCo #1 as in effect from and after the Effective Time.
- 12.** The principal officers of HoldCo #1 at the Effective Time shall consist of the individuals listed at *Schedule D*.
- 13.** The articles of division shall be substantially in the form shown at *Schedule E*.
- 14.** The Division Plan includes and contemplates the completion of each of the transactions listed at *Schedule F* (“Included Transactions”).

15. Each of IBC and HoldCo #1 shall at any time, or from time to time, as and when requested by the other, execute and deliver, or cause to be executed and delivered in its name by any of its duly authorized officers, all such assumptions, acknowledgements, assignments, conveyances, transfers, deeds, or other instruments, and shall take or cause to be taken such further or other action, as the other may deem necessary or desirable in order to (i) evidence the transfer, vesting, or devolution in or to either corporation of any property, right, privilege, franchise, or interest, (ii) vest or perfect in either corporation title to and possession of its respective property, rights, privileges, franchises, and interests, or (iii) otherwise evidence the apportioning of the assets and liabilities between the corporations in the manner specified in, or pursuant to, this Division Plan and otherwise to carry out the intent and purposes hereof.
16. Except as otherwise provided in this Division Plan, all of the property, rights, privileges, franchises, interests and liabilities of IBC not expressly allocated to HoldCo #1 shall, upon the Effective Date, be unaffected by the division and shall continue as the property, rights, privileges, franchises, interests and liabilities of IBC, the surviving corporation. IBC and HoldCo #1 shall each be responsible as separate and distinct corporations only for such liabilities as each corporation may explicitly undertake or incur pursuant to the division or after the Effective Date in its own name.
17. This Division Plan may be terminated and the division contemplated hereby may be abandoned at any time prior to the Effective Time by resolution of the IBC board of directors or any duly authorized committee of the IBC board of directors.
18. This Division Plan, including each of the Schedules hereto, may be amended, modified or supplemented at any time prior to the Effective Time by resolution of the IBC board of directors or any duly authorized committee of the IBC board of directors.

SCHEDULE A

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
INDEPENDENCE BLUE CROSS

Article I

The name of the Corporation is:

INDEPENDENCE BLUE CROSS

Article II

The address of the registered office of the Corporation in this Commonwealth is:

1901 Market Street
Philadelphia, Pennsylvania 19103-1480

Article III

The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise. The purposes for which the Corporation is incorporated are (i) to establish, maintain and operate one or more nonprofit hospital plans, professional health service plans or other health care or employee benefit services or plans and to provide Subscribers and customers of such services or plans with hospitalization, medical, health care and other benefits and services; (ii) to make and enter into contracts with duly licensed hospitals, extended care facilities, nursing homes, convalescent homes and other individuals or organizations to provide or facilitate these purposes; (iii) to issue subscription agreements to Subscribers to said nonprofit plans and to enter into group and other contracts in accordance with these purposes; and (iv) to engage in, and to do any lawful act concerning, any or all lawful activities for which nonprofit corporations may be incorporated in Pennsylvania.

Article IV

The Corporation shall exist in perpetuity.

Article V

The Corporation is organized upon a non-stock basis and shall have one (1) member. The sole member of the Corporation shall be HoldCo #1 or such direct or indirect wholly owned subsidiary of HoldCo #1 as may be designated by HoldCo #1 ("Designated Subsidiary") to serve as such sole member. HoldCo #1 may transfer, assign and contribute the membership interest in the Corporation to one or more direct or indirect wholly owned subsidiaries of HoldCo #1 as required to make the Designated Subsidiary the sole member of the Corporation. The membership interest in the Corporation shall not be otherwise transferable or alienable, and shall

not be transferred to, or held by, any entity that is not a direct or indirect wholly owned subsidiary of HoldCo #1, except as otherwise permitted by order of the Insurance Commissioner of the Commonwealth of Pennsylvania (“Insurance Commissioner”). The sole member of the Corporation shall have all powers, preferences, privileges and rights granted to the sole member pursuant to these Articles of Incorporation, the Nonprofit Corporation Law of 1988 and the Bylaws of the Corporation, subject, in each case, to any limitations, qualifications or restrictions herein or therein. Among other powers, the sole member of the Corporation shall have the power to adopt amendments to these Articles of Incorporation pursuant to the Nonprofit Corporation Law of 1988, subject however, to any approval of the Insurance Commissioner that is required by these Articles of Incorporation or which is otherwise required by law. No amendment to this Article V shall be adopted by the Corporation without the prior written approval of the Insurance Commissioner.

Article VI

(a) Except as provided in paragraphs (b) and (c) of this Article VI, the directors of the Corporation shall be elected, appointed or otherwise selected by such person or persons or by such method or methods as shall be fixed by, or the manner provided in, the Bylaws of the Corporation. At all times the Corporation shall have at least twenty (20) directors. No person shall be eligible for selection as a director of the Corporation, if immediately after such selection, the number of directors of the Corporation who are providers of services, or employees of providers of services, to Subscribers to any non-profit plan established, maintained and operated by the Corporation (herein referred to as the “Subscribers”) shall be equal to or greater than one-half of the total number of directors of the Corporation then in office. For the purposes of this paragraph, the term “providers of services” shall mean a facility or facilities defined as such in Title XVIII of the Social Security Act or any similar facility.

(b) The Governor of the Commonwealth of Pennsylvania, the Mayor of the City of Philadelphia, the President of the Philadelphia City Council, the Chairman of the County Council of Delaware County, Pennsylvania and the Chairman of the respective Boards of Commissioners of Bucks, Chester and Montgomery Counties, Pennsylvania shall each appoint one eligible person to the position of director of the Corporation in such manner and for such terms as may be provided in the Bylaws.

(c) The Bylaws of the Corporation shall always permit three hundred (300) or more Subscribers to place the name of any eligible person in nomination for the office of director in the manner provided in the Bylaws.

Article VII

(a) At any special meeting of the Subscribers called for the purpose in the manner prescribed in the Bylaws by 5% of the Subscribers, the entire Board of Directors, or any individual director may be removed from office without assigning any cause, by a majority of Subscribers present in person or by proxy and voting at such meeting.

(b) Any of the following plans or other corporate action may be proposed by petition of 5% of the Subscribers, which petition shall be directed to the Board of Directors and filed with the Secretary of the Corporation:

- (1) The amendment of the articles or the adoption, amendment and repeal of the Bylaws.
- (2) A plan of sale, lease, or exchange of assets under 15 Pa.C.S. §5930.
- (3) A plan of merger, consolidation, division or conversion.
- (4) The voluntary dissolution of the Corporation.

(c) No provision of this Article VII may be amended except by action of the Subscribers' Meeting and shall be deemed adopted by the Corporation when, and only when, approved by the affirmative vote of a majority of Subscribers present in person or by proxy and voting at any regular or special meeting of Subscribers called and held as may be provided in the Bylaws, and approved in writing by the Insurance Commissioner.

Article VIII

(a) No plan or corporate action specified below shall be deemed adopted by the Corporation until such plan or corporate action is approved by the Insurance Commissioner.

- (1) Amendment of the Articles of Incorporation.
- (2) A plan of sale, lease or exchange of assets under 15 Pa.C.S. §5930.
- (3) A plan of merger, consolidation, division, or conversion.
- (4) The voluntary dissolution of the Corporation.

(b) The sole member of the Corporation shall have the power to adopt, amend and repeal the Bylaws of the Corporation.

SCHEDULE B

ARTICLES OF INCORPORATION
of
HOLDCO #1

ARTICLE I

The name of the Corporation is HoldCo #1.

ARTICLE II

The address of the Corporation's registered office in Pennsylvania is:

1901 Market Street
Philadelphia, PA 19103

ARTICLE III

The Corporation is incorporated under the Pennsylvania Nonprofit Corporation Law of 1988, as amended, for the following purposes:

(a) To engage in, directly and through affiliates, health insurance, self-insurance health businesses, managed care health insurance businesses, reinsurance, workers compensation insurance and self-insurance, other forms of insurance and reinsurance businesses, service and other businesses ancillary to insurance and reinsurance businesses, and other insurance and insurance related companies, organizations or providers, health care or employee benefits service companies, plans or organizations, however described or denominated.

(b) To invest in, acquire, own and/or manage subsidiaries and other affiliates that are or which operate insurance or reinsurance companies, third-party administration companies, nonprofit hospital plans, professional health service plans, health maintenance organizations, preferred provider organizations, Medicaid and Medicare managed care companies, self-insurance health businesses, managed care health insurance businesses, reinsurance businesses, workers compensation insurance and self-insurance businesses, other forms of insurance and reinsurance business, service and other businesses ancillary to insurance and reinsurance businesses, and other insurance and/or other insurance related companies, organizations or providers, health care or employee benefits service companies, plans or organizations, however described or denominated.

(c) To serve as a successor to Independence Blue Cross under and pursuant to the Plan of Division for Independence Blue Cross, effective January 1, 2014, and to serve as the ultimate parent company of the subsidiaries allocated to the Corporation under such Plan of Division.

(d) To engage in, and to do, any other lawful act, and any or all other lawful activities, for which corporations may be incorporated under the Nonprofit Corporation Law of 1988, as amended, or any subsequent law.

(e) To do everything and anything necessary, suitable, proper, convenient or incidental to the aforesaid purposes, or which may be done by a nonprofit corporation organized for such purposes under the laws of Pennsylvania.

ARTICLE IV

The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

ARTICLE V

The Corporation is not intended to be classified as an organization exempt from federal income tax pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended, (the “Code”) but instead shall be subject to federal income tax as a holding company for one or more “stock insurance companies” pursuant to Sections 501(m) and 833 of the Code.

ARTICLE VI

The Corporation is organized upon a non-stock basis and shall have no members.

ARTICLE VII

The business and affairs of the Corporation shall be managed by or under the direction of a board of directors of the Corporation. Directors shall be nominated and elected by the board of directors of the Corporation. The number, term of office, method of selection and manner of removal of the board of directors shall otherwise be as set forth in the bylaws of the Corporation.

ARTICLE VIII

The name and post office address of the incorporator is David Speers, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, PA 19103.

ARTICLE IX

The Corporation shall exist in perpetuity.

SCHEDULE C

Schedule C
Allocation of Assets and Liabilities

1. At the Effective Time, the assets and liabilities of Independence Blue Cross (“IBC”) shall be allocated between IBC and HoldCo #1 as shown in Attachment 1 to this Schedule C.
2. After the Effective time, IBC will retain control and management of its relationships with the IBC Foundation and the IBC/Highmark Caring Foundation.
3. After the Effective time, IBC will retain its control relationships with, and interests in, Inter-County Hospitalization Plan, Inc. and Inter-County Health Plan, Inc.
4. Prior to closing on the division transaction, IBC will identify which, if any, of the service and other affiliated interest agreements that are currently in effect between IBC and other members of its insurance holding company system (collectively, “Affiliate Agreements”) will be allocated to HoldCo #1 (or other affiliates controlled by HoldCo #1) as of the Effective Time. Any such Affiliate Agreements which are to be so allocated will be identified as an amendment to this Schedule C.

HoldCo #1 (Standalone Statutory basis) *
As of December 31, 2012 (for illustrative purposes)

* HoldCo #1 will not be a licensed insurance company and therefore will not prepare statutory basis financial statements. These financials are for illustrative purposes only.

ASSETS	Pre-Division 2012	Division	Division	Division	Post-Division 2012	Cash/Bond Dividends	Post-Division & Dividends 2012
Bonds	-					174,999,921	174,999,921
Stocks	-	2,019,436,792	A	254,508,501	E	(219,999,921)	1,794,888,807
Cash	-					45,000,000	45,000,000
Other invested assets	-	129,711,498	B	(129,711,498)	E	-	-
Premiums Receivable	-	38,409,789	D	(38,409,789)	F	-	-
Deferred Tax asset	-					-	-
Other assets	-					-	-
Membership interest in IBC	-	124,797,003	C	(124,797,003)	E	-	-
Total Admitted Assets	-	2,312,355,082				-	2,014,888,728
LIABILITIES, CAPITAL AND SURPLUS							
Claims unpaid & Health Reserves	-						
General Expenses due or accrued	-						
Income tax payable	-	297,466,354	D	(297,466,354)	F		
Amounts withheld for others	-						
Amounts due to parent & affiliates	-						
Other liabilities	-						
Total Liabilities	-	297,466,354		(297,466,354)			
Common & Preferred Stock	-						
Paid in Capital/Surplus	-	2,014,888,728		-		2,014,888,728	2,014,888,728
Surplus notes	-						
Total Capital & Surplus	-	2,014,888,728		-			2,014,888,728
Total Liabilities, Capital & Surplus	-	2,312,355,082		-		-	2,014,888,728

A IBC's stock ownership of AmeriHealth, Inc. ("AHI") is allocated to HoldCo #1 (note that this also transfers ultimate ownership and control of the for profit subsidiaries located below AHI from IBC to HoldCo #1) & IBC's ownership interest in InsPro Technologies ("IPT") is allocated to HoldCo #1.

B IBC's 53% ownership in IBC MH LLC ("IBC MH") is allocated to HoldCo #1

C IBC membership interest is issued to HoldCo #1, so that IBC becomes a controlled affiliate of HoldCo #1

D (i) IBC's rights and obligations under the Agreement of Lease, as amended (the "1901 Lease"), relating to the 1901 Market Street office building, (ii) IBC's obligations under the IBC employee pension plan and other employee-related liabilities (collectively, the "Employee Obligations"), and (iii) the net deferred tax assets relating to the 1901 Lease and the Employee Obligations, are each allocated to HoldCo #1

E HoldCo #1 contributes its interest in IBC, IPT and IBC MH to AHI

F The rights and obligations associated with the 1901 Lease and Employee Obligations (along with the related deferred tax assets) are transferred, assigned and contributed from HoldCo #1 to AHI, which in turn transfers, assigns and contributes these rights and obligations to SubHoldCo #1

G QCC, KPE and AH RMO make \$220M of ordinary and extraordinary dividends (for purposes of this illustration - assumed at \$175M in cash) in order to fund HoldCo #1 with cash/investments for purposes of operating and capital needs

SCHEDULE D

Schedule D
HoldCo #1 Principal Officers

Daniel J. Hilferty	President and Chief Executive Officer
Yvette D. Bright	Executive Vice President and Chief Transformation Officer
Christopher Cashman	Executive Vice President and President, Commercial Markets
Alan Krigstein	Executive Vice President, Chief Financial Officer and Treasurer
Richard J. Neeson	Executive Vice President and President, Expanding Markets
Paul A. Tufano, Esq.	Executive Vice President, General Counsel, Corporate Secretary and President, Government Markets
I. Steven Udvarhelyi, M.D.	Executive Vice President, Health Services and Chief Strategy Officer

SCHEDULE E

Schedule E
Articles of Division

[TO BE PROVIDED PRIOR TO CLOSING ON THE DIVISION]

SCHEDULE F

SCHEDULE F: Included Transactions

1. HoldCo #1 will contribute the following to AmeriHealth, Inc. (“AHI”):
 - The IBC membership interest.
 - IBC’s membership interest in IBC MH LLC (“IBC MH”).
 - IBC’s ownership interest in InsPro Technologies Corp. (“IPT”).
2. AmeriHealth Integrated Benefits, Inc. (“AIBI”) will dividend its ownership interest in AmeriHealth HMO, Inc. (“AHMO”) to AHI.
3. AmeriHealth HMO, Inc. (“AHMO”) will dividend its ownership interest in Vista Health Plan, Inc. (“Vista”) to AHI.
4. AHMO will dividend its ownership interest in Keystone Health Plan East, Inc. (“KHPE”) to AHI.
5. KHPE and QCC Insurance Company (“QCC”) will dividend their membership interests in IBC MH to AHI.
6. AHI will contribute its ownership interest in Vista to IBC MH.
7. The following affiliates will be merged with and into the entity currently known as Independence Holdings, Inc. (“IHI”) which shall be the merger survivor:
 - AIBI
 - Keystone Benefits, Inc.
 - Independence Healthcare Management, Inc.
8. AHI will form SubHoldCo #1 and contribute to it (A) the IBC membership interest and (B) its ownership interests in the following entities:
 - IPT
 - 3BE Holdings LLC
 - AmeriHealth Assurance, Ltd.
 - AHMO
 - KHPE
 - The AmeriHealth Agency, Inc.
 - AmeriHealth Services, Inc.
 - Region 6 RX Corp.
 - Healthcare Delaware, Inc.
 - Independence Holdings, Inc.
 - Independence Insurance, Inc.
 - QCC
 - AmeriHealth Administrators, Inc.

9. AHI will form SubHoldCo #2 and contribute to it its ownership interests in the following:
 - AmeriHealth Casualty Insurance Company
 - CompServices, Inc.
10. AHI will form SubHoldCo #3 and contribute to it its ownership interest in AmeriHealth Insurance Company of New Jersey.

EXHIBIT B

INDEPENDENCE BLUE CROSS
Restructuring Transaction Steps

1. Under a plan of division approved by the IBC board pursuant to 15 Pa.C.S. § 5952 (and with Insurance Department approval), IBC divides into IBC (surviving corporation) and HoldCo #1, a newly organized Pa non-profit corporation.
2. Pursuant to the plan of division:
 - IBC amends its articles of incorporation to provide for a single non-stock membership interest.
 - The IBC membership interest is issued to HoldCo #1, so that IBC becomes a controlled affiliate of HoldCo #1.
 - HoldCo #1's articles of incorporation will contain language designed and intended to disqualify HoldCo #1 as tax exempt entity for federal income tax purposes but still qualify HoldCo #1 as a non-profit corporation under Pennsylvania law. More specifically, HoldCo #1's articles of incorporation will state that it is organized to serve as a holding company for various companies providing nonprofit hospital plans and operating commercial type insurance and related businesses.
3. The plan of division will allocate IBC's directly owned subsidiaries and directly controlled affiliates between IBC and HoldCo #1 as follows:
 - IBC's stock ownership of AmeriHealth, Inc. ("AHI") will be allocated to HoldCo #1. (Note that this also allocates ultimate ownership and control of the for-profit subsidiaries located below AHI from IBC to HoldCo #1.)
 - IBC's 53% membership interest in IBC MH LLC ("IBC MH") will be allocated to HoldCo #1.
 - IBC's 27.1% interest in InsPro Technologies Corp. ("IPT") will be allocated to HoldCo #1.
 - IBC's membership interests in Inter-County Health Plan, Inc. and Inter-County Hospitalization Plan, Inc. will remain with IBC.
 - IBC's relationships with the IBC Foundation and the IBC/Highmark Caring Foundation will remain with IBC.
4. HoldCo #1 next contributes the following to AHI:
 - The IBC membership interest.

INDEPENDENCE BLUE CROSS
Restructuring Transaction Steps

- IBC's 53% membership interest in IBC MH.
 - IBC's 27.1% interest in IPT.
5. For federal income tax purposes and pursuant to the successor consolidated group rules of Treas. Reg. Section 1.1502-75(d)(2)(ii) (as interpreted by Rev. Rul. 82-152), IBC will have obtained a favorable private letter ruling from the IRS concluding that the aforementioned transaction steps do not result in the termination of the IBC consolidated group of corporations of which IBC has historically been the common parent. This ruling will include a determination that HoldCo #1 is a taxable entity for federal income tax purposes.
 - The structure will allow for continued tax consolidation of the operations of the historical IBC subsidiaries as well as new subsidiaries.
 - The structure should prevent the restructuring transaction steps from creating immediately taxable events for IBC or its subsidiaries.
 6. AmeriHealth Integrated Benefits, Inc. ("AIBI") dividends AmeriHealth HMO, Inc. ("AHMO") to AHI.
 7. AHMO dividends Vista Health Plan, Inc. ("Vista") to AHI.
 8. AHMO dividends Keystone Health Plan East, Inc. ("KHPE") to AHI.
 9. KHPE and QCC dividend their membership interests in IBC MH to AHI.
 10. AHI contributes Vista to IBC MH.
 11. The following affiliates are merged with and into Independence Holdings, Inc. which is the merger survivor:
 - AIBI
 - Keystone Benefits, Inc.
 - Independence Healthcare Management, Inc.

INDEPENDENCE BLUE CROSS
Restructuring Transaction Steps

12. HoldCo #2 forms SubHoldCo #1 and contributes the following to it:

- The IBC membership interest
- IPT
- 3BE Holdings LLC
- AmeriHealth Assurance, Ltd.
- AmeriHealth HMO, Inc.
- Keystone Health Plan East, Inc.
- The AmeriHealth Agency, Inc.
- AmeriHealth Services, Inc.
- Region 6 RX Corp.
- Healthcare Delaware, Inc.
- Independence Holdings, Inc.
- Independence Insurance, Inc.
- QCC Insurance Company
- AmeriHealth Administrators, Inc.

13. HoldCo #2 forms SubHoldCo #2 and contributes the following to it:

- AmeriHealth Casualty Insurance Company
- CompServices, Inc.

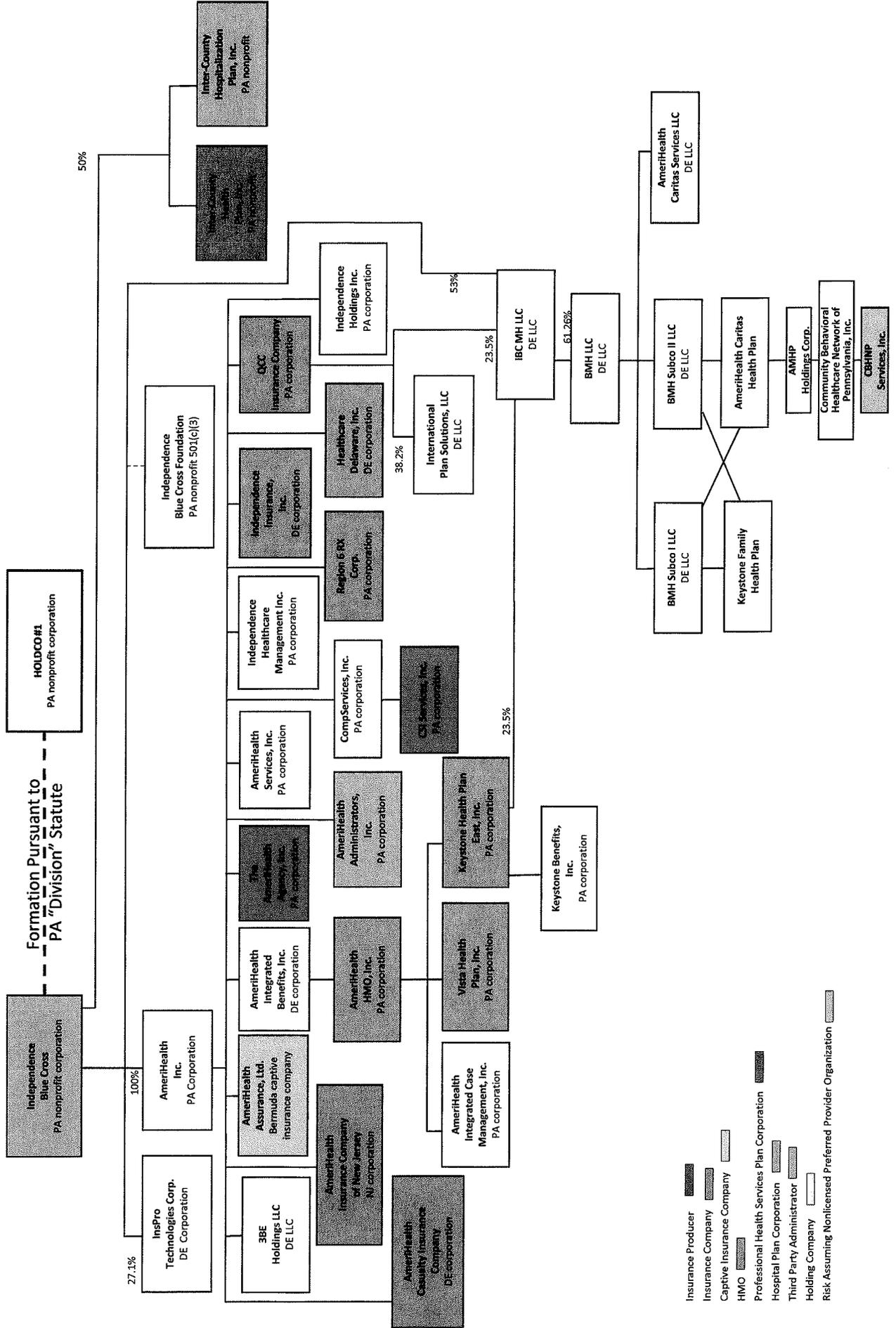
14. HoldCo #2 forms SubHoldCo #3 and contributes AmeriHealth Insurance Company of New Jersey to it.

15. As noted above, IBC's membership interests in Inter-County Health Plan, Inc. and Inter-County Hospitalization Plan, Inc. will remain with IBC.

16. Other than the changes in the ownership of IBC MH (discussed above), there is no change in the direct ownership of CBHNP Services, Inc.

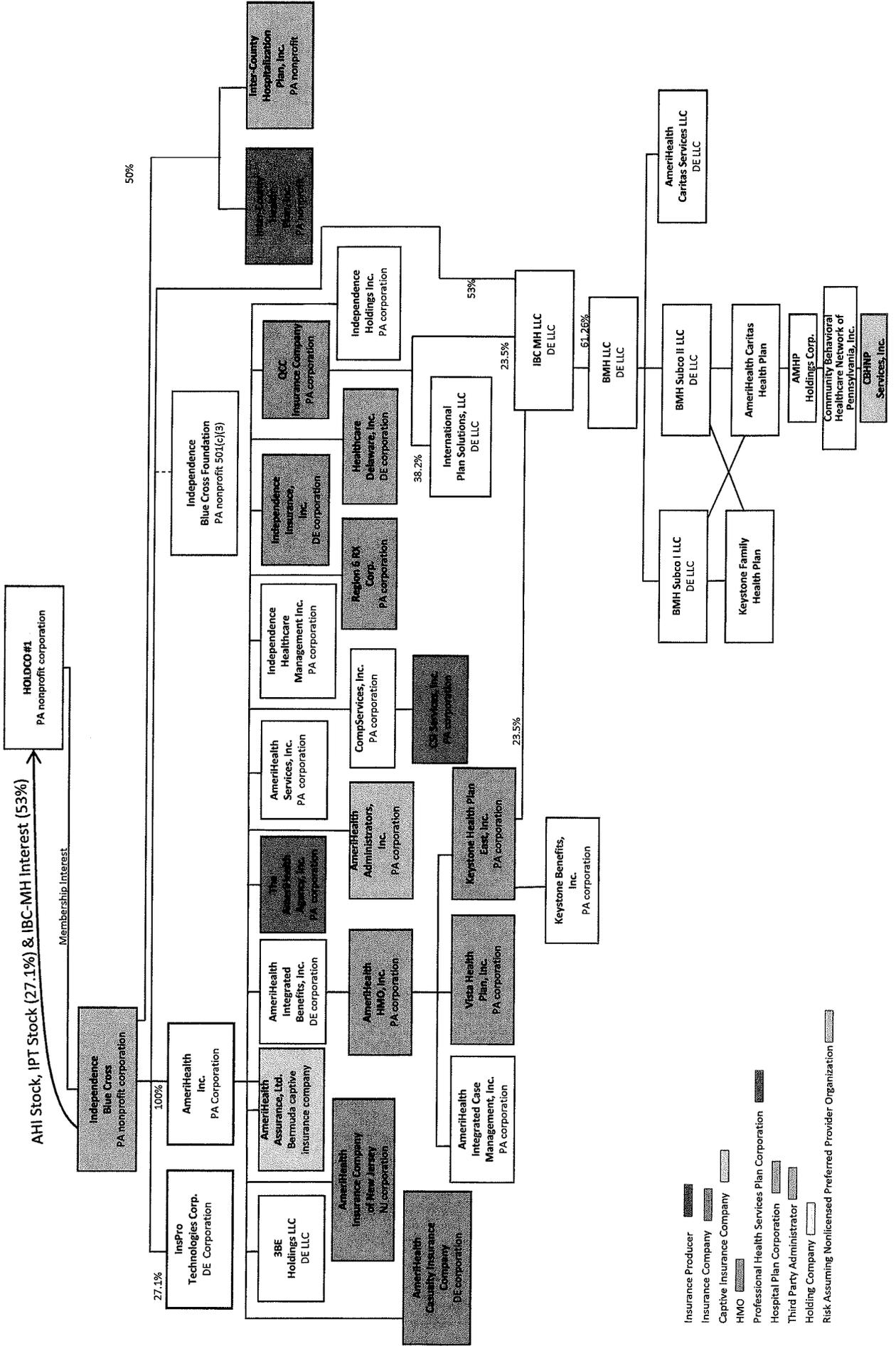
EXHIBIT C

STEP 1: INDEPENDENCE BLUE CROSS (IBC) FORMS HOLDCO #1

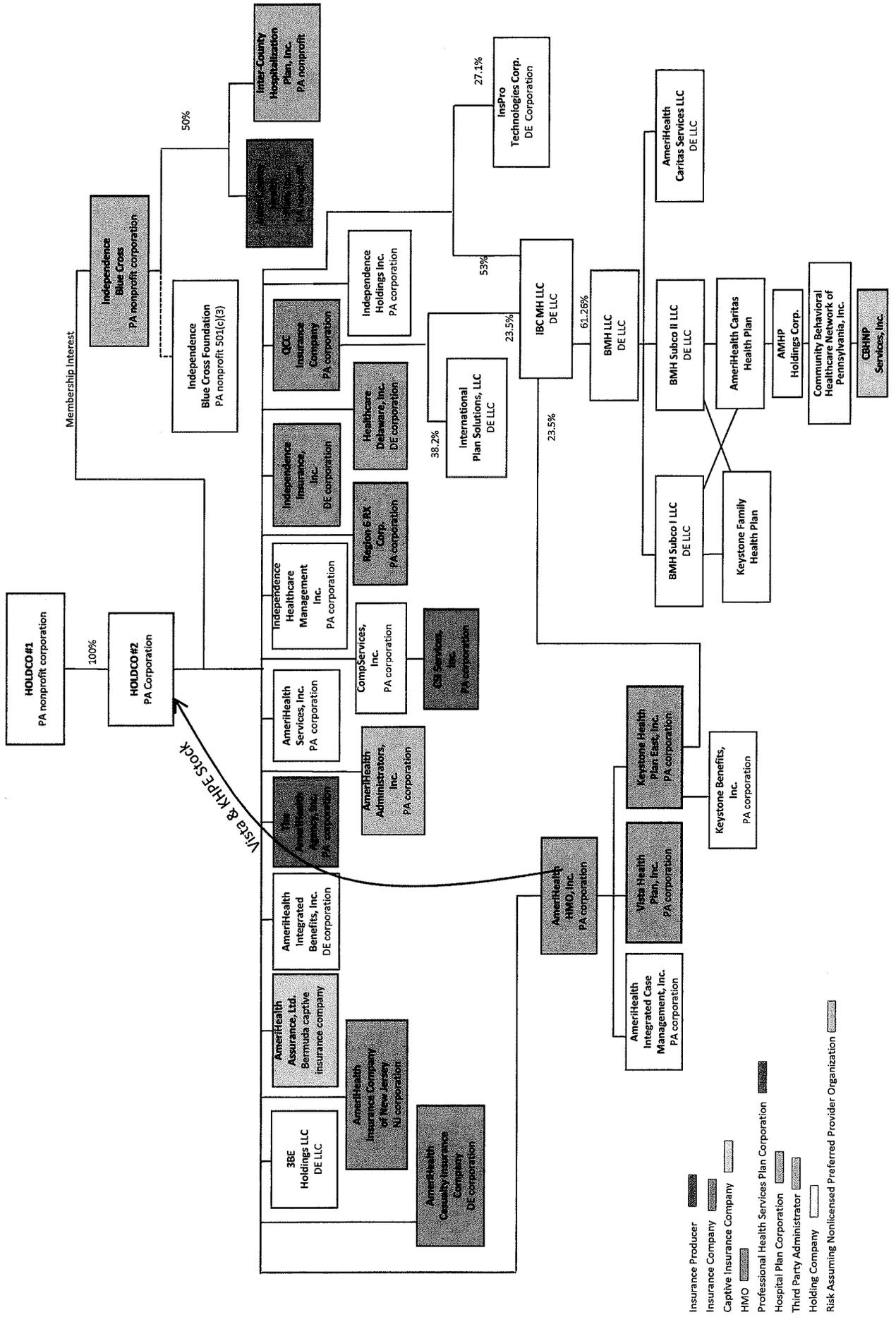


- Insurance Producer
- Insurance Company
- Captive Insurance Company
- HMO
- Professional Health Services Plan Corporation
- Hospital Plan Corporation
- Third Party Administrator
- Holding Company
- Risk Assuring Nonlicensed Preferred Provider Organization

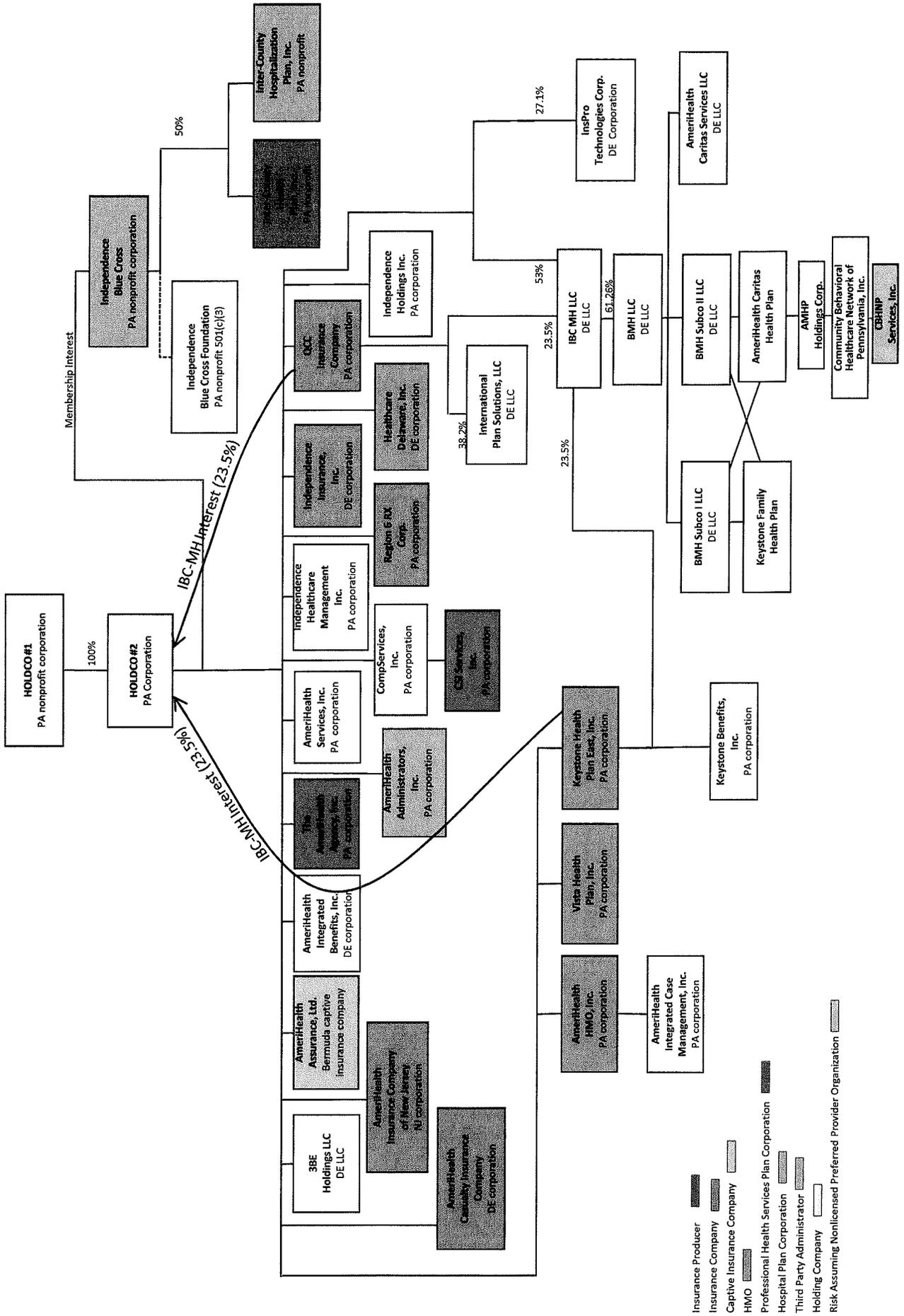
STEP 3: IBC TRANSFERS ITS INTEREST IN AMERIHEALTH INC. (AHI), INSPRO TECHNOLOGIES CORP. (IPT) AND IBC-MH LLC (IBC-MH) TO HOLDCO #1



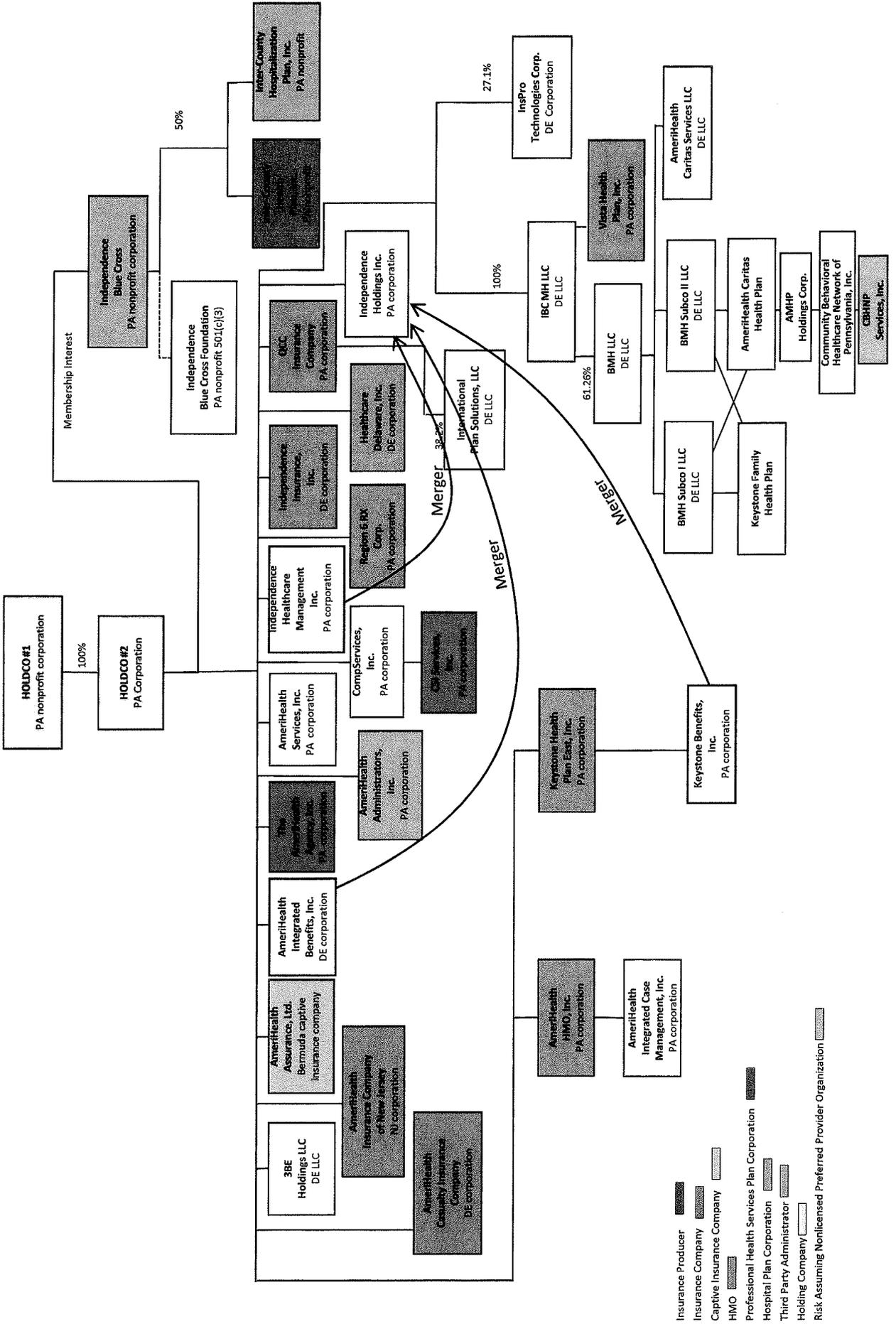
STEP 6: AHI HMO DISTRIBUTES VISTA HEALTH PLAN, INC. (Vista) AND KEYSTONE HEALTH PLAN EAST, INC. (KHPE) TO HOLDCO #2 AND KEYSTONE HEALTH PLAN EAST, INC. (KHPE) TO HOLDCO #2



STEP 7: KHPE AND QCC INSURANCE COMPANY (QCC) DISTRIBUTE THEIR INTERESTS IN IBC-MH TO HOLDCO #2

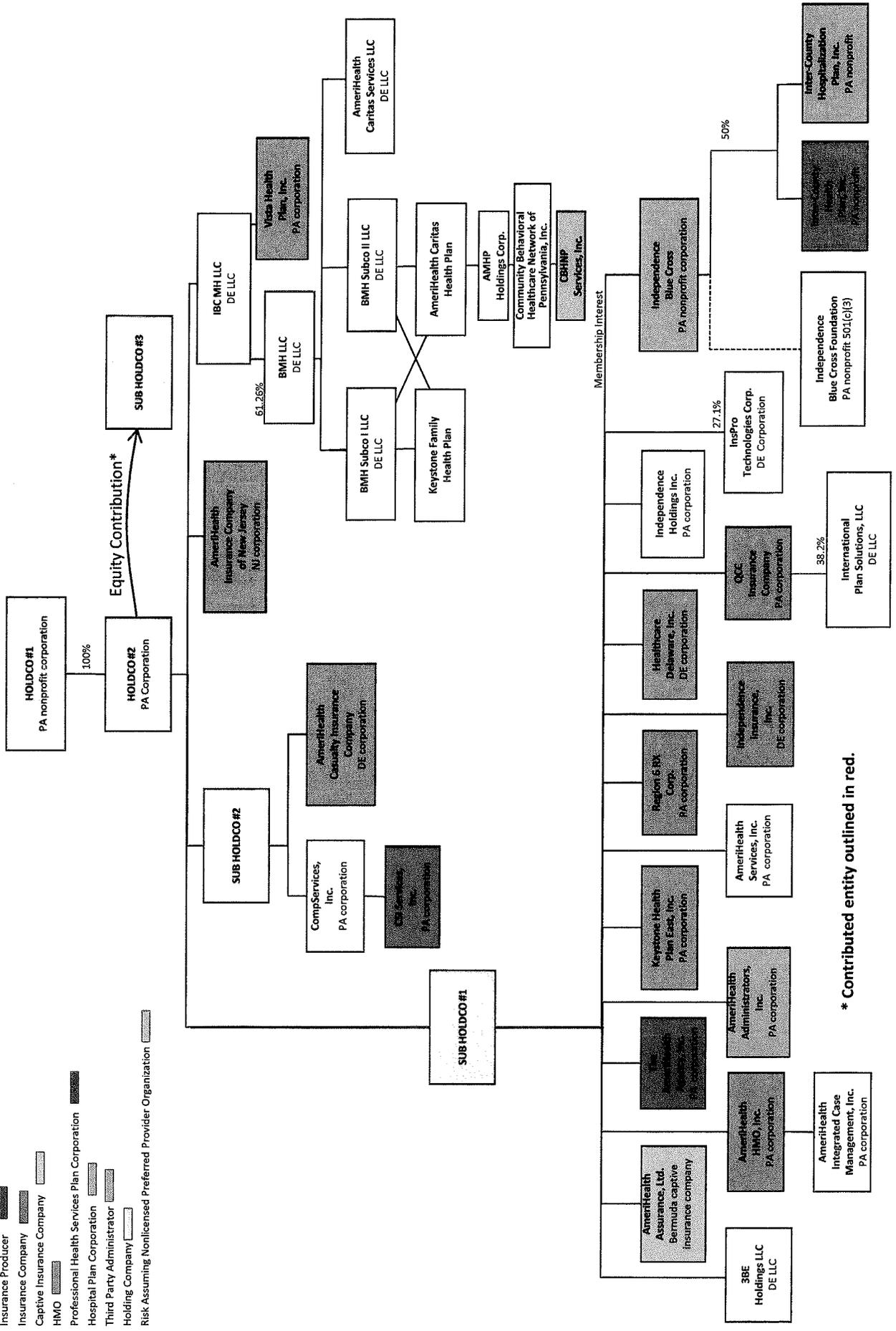


STEP 9: MERGER OF AHI BENEFITS, KEYSTONE BENEFITS, INC. AND INDEPENDENCE HEALTHCARE MANAGEMENT INC. WITH AND INTO INDEPENDENCE HOLDINGS INC.



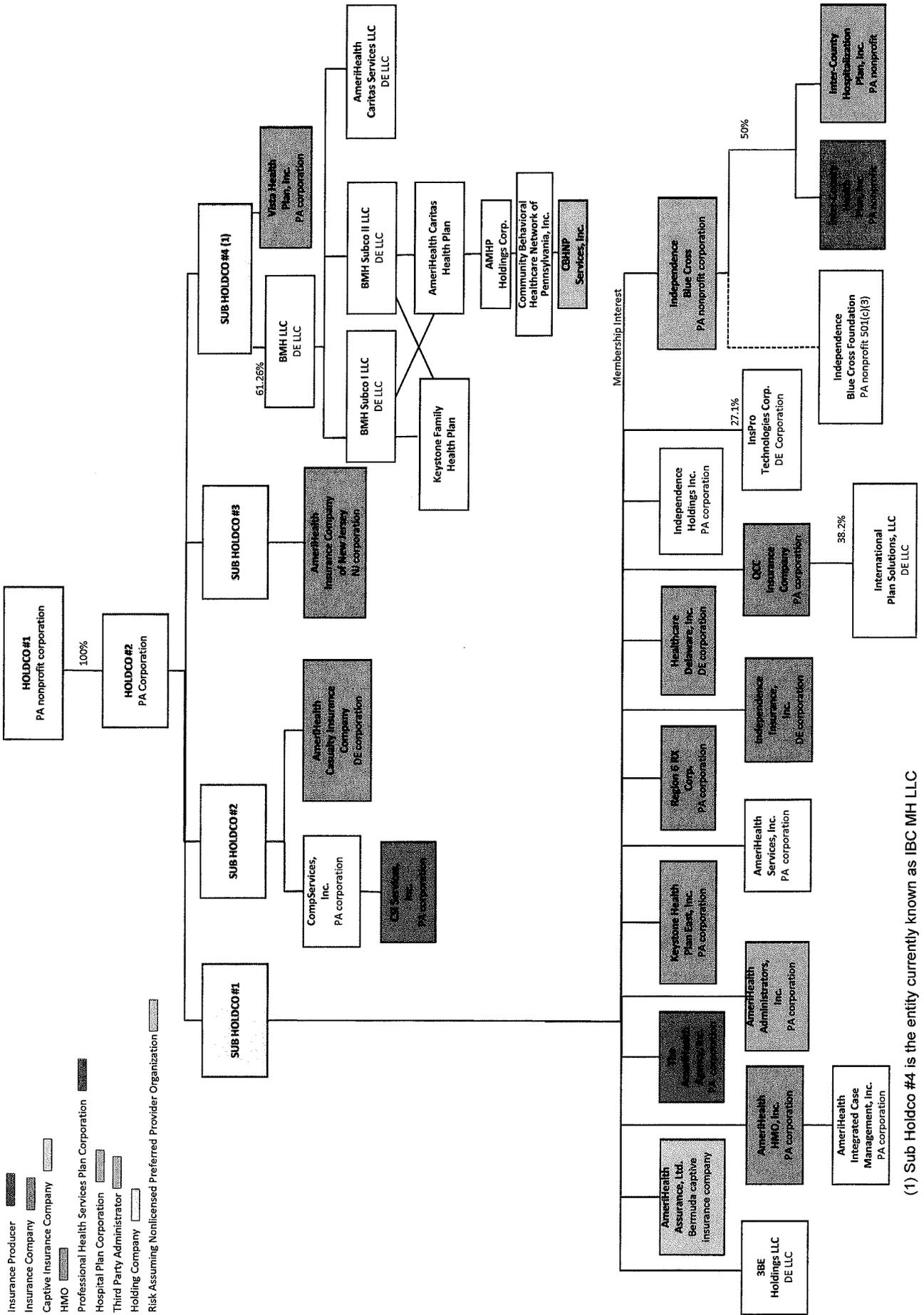
STEP 12: HOLDCO #2 FORMS SUB HOLDCO #3 AND CONTRIBUTES AMERIHEALTH INSURANCE COMPANY OF NEW JERSEY

- Insurance Producer
- Insurance Company
- Captive Insurance Company
- HMO
- Professional Health Services Plan Corporation
- Hospital Plan Corporation
- Third Party Administrator
- Holding Company
- Risk Assuming Nonlicensed Preferred Provider Organization



* Contributed entity outlined in red.

POST-RESTRUCTURING CORPORATE STRUCTURE (ABBREVIATED)



(1) Sub Holdco #4 is the entity currently known as IBC MH LLC

EXHIBIT D

EXHIBIT D

Background and Profile of the Restructured Insurance Holding Company System

IBC's Insurance Holding Company System

IBC was organized in 1938 and for more than 45 years existed solely as a nonprofit hospital plan corporation. Beginning in the mid-1980's, new operating subsidiaries of various types were acquired or organized in response to market conditions and the rapid development and evolution of modern managed care insurance and delivery systems. These affiliates are not arranged by product line or geographic market. A number of these operating companies are regulated insurers and HMOs arrayed in vertically "stacked" ownership chains.

IBC's book of traditional indemnity insurance business has contracted sharply with the introduction of more modern managed health care delivery systems such as HMOs and PPOs. Today, on a "standalone" (unconsolidated) basis, IBC's wholly owned managed care health insurance affiliates far exceed the parent company in every relevant measure, including premium revenue, in-force subscriber counts, admitted assets and surplus.¹ This presents complex and difficult questions of regulatory compliance with respect to the many inter-company transactions that occur each month. Financial reporting of "stacked" insurers and HMOs located below IBC also is complex and could be made simpler and more easily understandable if those insurers and HMOs were not in a direct parent/subsidiary relationship.

The current structure also is not optimal for deploying capital generated by IBC's operating companies to support and grow existing and new lines of business. As a hospital plan corporation, IBC is subject to Pennsylvania's life insurance company investment rules, and these same rules apply to many of IBC key operating subsidiaries, including QCC Insurance Company, Keystone Health Plan East, Inc. and AmeriHealth HMO, Inc. Securing needed capital investments from these companies (particularly those in "stacked" ownership chains) has been difficult and has necessitated co-investment arrangements among the affiliates in order to direct capital to growth areas within the holding company system. As IBC responds to new market opportunities presented by the Patient Protection and Affordable Care Act, these complexities and structural constraints may impede IBC's operations and future growth prospects.

Restructuring Design Criteria and Goals

Restructuring IBC and its affiliates along by product and geographic markets under a nonprofit holding company and a set of downstream holding companies will make it possible to more easily allocate and deploy capital to particular operating areas and lines of business, at the appropriate level of the holding company structure. "Unstacking" and flattening operating subsidiaries, and grouping operating subsidiaries by product and geographic markets will yield better metrics and enhanced transparency for the measurement and management of financial and operating results. The holding company system will have the flexibility to move earnings and capital where needed.

¹ Keystone Health Plan East, Inc. and QCC Insurance Company are the two best examples of this fundamental change in the IBC holding company system's mix of insurance products, lines of business and operations.

EXHIBIT D

Background and Profile of the Restructured Insurance Holding Company System

IBC's restructuring plan is designed to achieve the following:

- “Unstack” regulated companies and flatten the overall structure.
- Arrange operating subsidiaries by product and geographic markets.
- Preserve IBC's traditional indemnity hospital plan business in a dedicated single-purpose “standalone” operating company.
- Avoid adverse tax consequences and make the restructuring a tax deferral transaction.
- Increase transparency for the system's regulators as well as the board of directors and company management.
- Maximize flexibility to deploy retained earnings to growth areas.
- Make the holding company structure more nimble and enable the holding company to compete on an equal footing and level playing field with its commercial competitors.

The Design of the New Holding Company System

By corporate division, IBC will divide into itself (a nonprofit hospital plan corporation) and HoldCo #1, a newly organized nonprofit Pennsylvania corporation. IBC will become a single-member nonprofit corporation and that membership interest will be issued to HoldCo #1. Under the Division Plan, IBC's ownership interests in AmeriHealth, Inc. (“AHI”), IBC MH LLC, and InsPro Technologies Corp. will be allocated to HoldCo #1. The allocation of AHI will transfer to HoldCo #1 ownership of the holding company system's other operating subsidiaries.

Immediately following closing on the Transaction, the employees of IBC will move to the payroll of SubHoldCo #1, with no change in salary or benefits as a result of the Transaction. The Division Plan also will allocate the following liabilities from IBC to HoldCo #1, and HoldCo #1 will then transfer these liabilities to SubHoldCo #1:

- IBC's rights and obligations under the Agreement of Lease, as amended (the “1901 Lease”), relating to the 1901 Market Street office building.
- IBC's obligations under the IBC employee pension plan and other employee-related liabilities (collectively, the “Employee Obligations”).
- The net deferred tax assets relating to the 1901 Lease and the Employee Obligations.

Additional capital contributions and dividends, along with certain inter-company transactions that will result in the elimination of a number of inactive affiliates, will immediately follow in order to complete the restructuring. In simplified form, these steps will yield a holding company system consisting of a nonprofit parent, a first-tier for-profit holding company and four “SubHoldCos” each of which will control subsidiaries organized by product and geographic markets, as shown in Attachments 1 and 2.

Blue Cross Branding

The Transaction will result in the creation of HoldCo #1 as the new ultimate parent company. HoldCo #1 will become the primary licensee of the Blue Cross Blue Shield Association (“Association”) in IBC's five-county service area. IBC will be licensed to use the Blue Cross brand as a controlled affiliate of HoldCo #1. QCC Insurance Company, Vista Health Plan, Inc.

EXHIBIT D

Background and Profile of the Restructured Insurance Holding Company System

and Keystone Health Plan East, Inc. also will remain licensed to use the Association's Blue Cross brand as controlled affiliates of the primary licensee.

Effective upon Closing and as a condition to receipt of its primary license, HoldCo #1 will execute financial guarantees of customer obligations owed by IBC, Vista Health Plan, Inc. and Keystone Health Plan East, Inc as shown in Attachments 3 and 4. A guaranty will not be required for QCC Insurance Company because it is covered by the Pennsylvania Life and Health Guaranty Fund. HoldCo #1 also will execute the required Conversion/Service Agreements for IBC and Vista Health Plan, Inc. as shown in Attachment 5.

Company Names

The registered names and trade names to be adopted by HoldCo #1, HoldCo #2 and the "SubHoldCos" are under review and will be selected prior to closing of the Transaction. When those selections have been finalized, this application will be amended accordingly.

Officers and Directors

While IBC will become a single-member nonprofit corporation controlled by HoldCo #1, governance of IBC and the rest of the insurance holding company system will not change in any substantive respect. The incumbent directors of IBC immediately prior to closing of the Transaction will remain in office and also will serve as the directors of HoldCo #1 following closing of the Transaction. The incumbent principal officers of IBC immediately prior to closing of the Transaction will serve in the same capacities as the principal officers of HoldCo #1 following closing of the Transaction. There will be no change in the boards of directors or the officers of IBC's other affiliates in connection with the Transaction.

As IBC does today, HoldCo #1 will have a board and board committee structure that complies with the requirements of 40 P.S. § 991.1405 (c)(3) through (c)(4.1). IBC's regulated affiliates historically have relied on IBC's board and committee structure to satisfy their own compliance obligations, as permitted by 40 P.S. § 991.1405 (c)(5). IBC will request that the Insurance Department continue to allow the regulated operating subsidiaries to rely on a compliant parent company board and committee structure, since there will be no substantive change in the governance practices followed by the holding company system. The alternative of replicating a fully compliant board and committee structure at each regulated subsidiary would be impractical, extraordinarily expensive and inefficient, and would provide no countervailing benefits to anyone.

Intercompany Agreements

IBC and its affiliates have several inter-company service agreements in force. Prior to closing on the Transaction, IBC will file Form D applications for approval of amended and restated versions of those agreements in order to reflect the new insurance holding company structure.

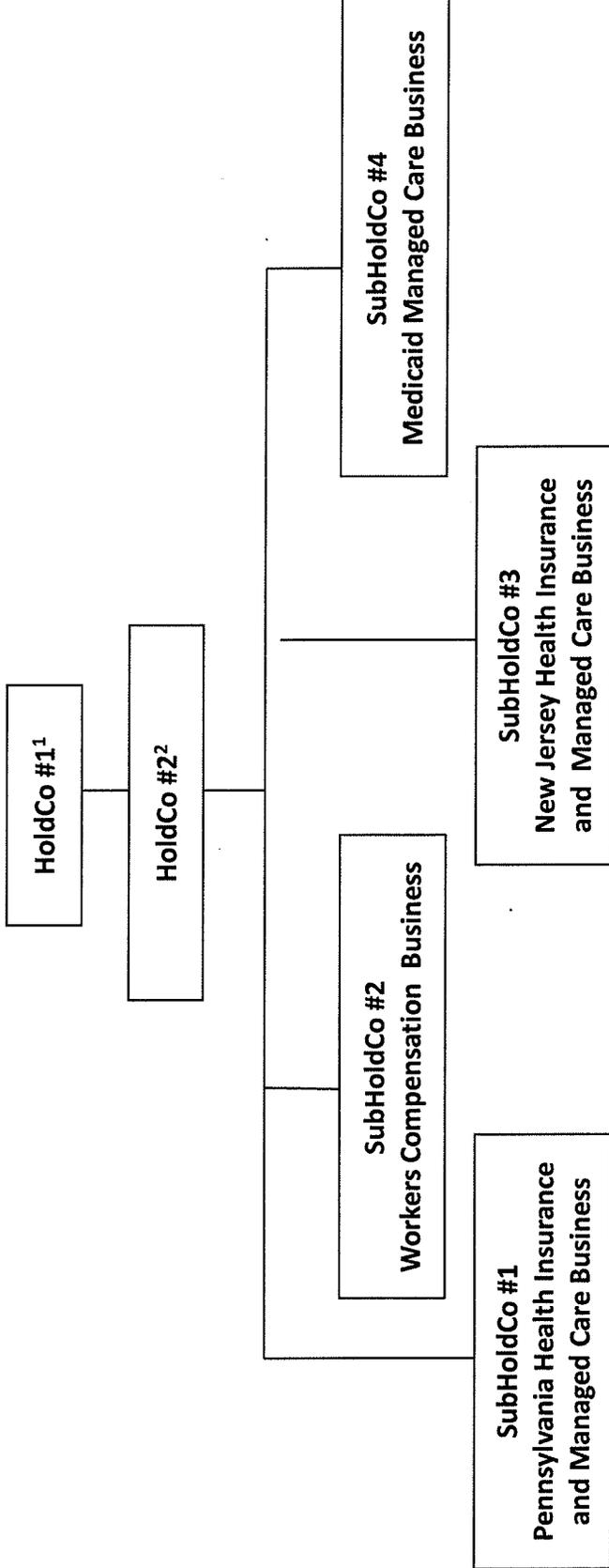
EXHIBIT D
Background and Profile of the Restructured Insurance Holding Company System

Conditions to Closing

The following are conditions to closing the Transaction:

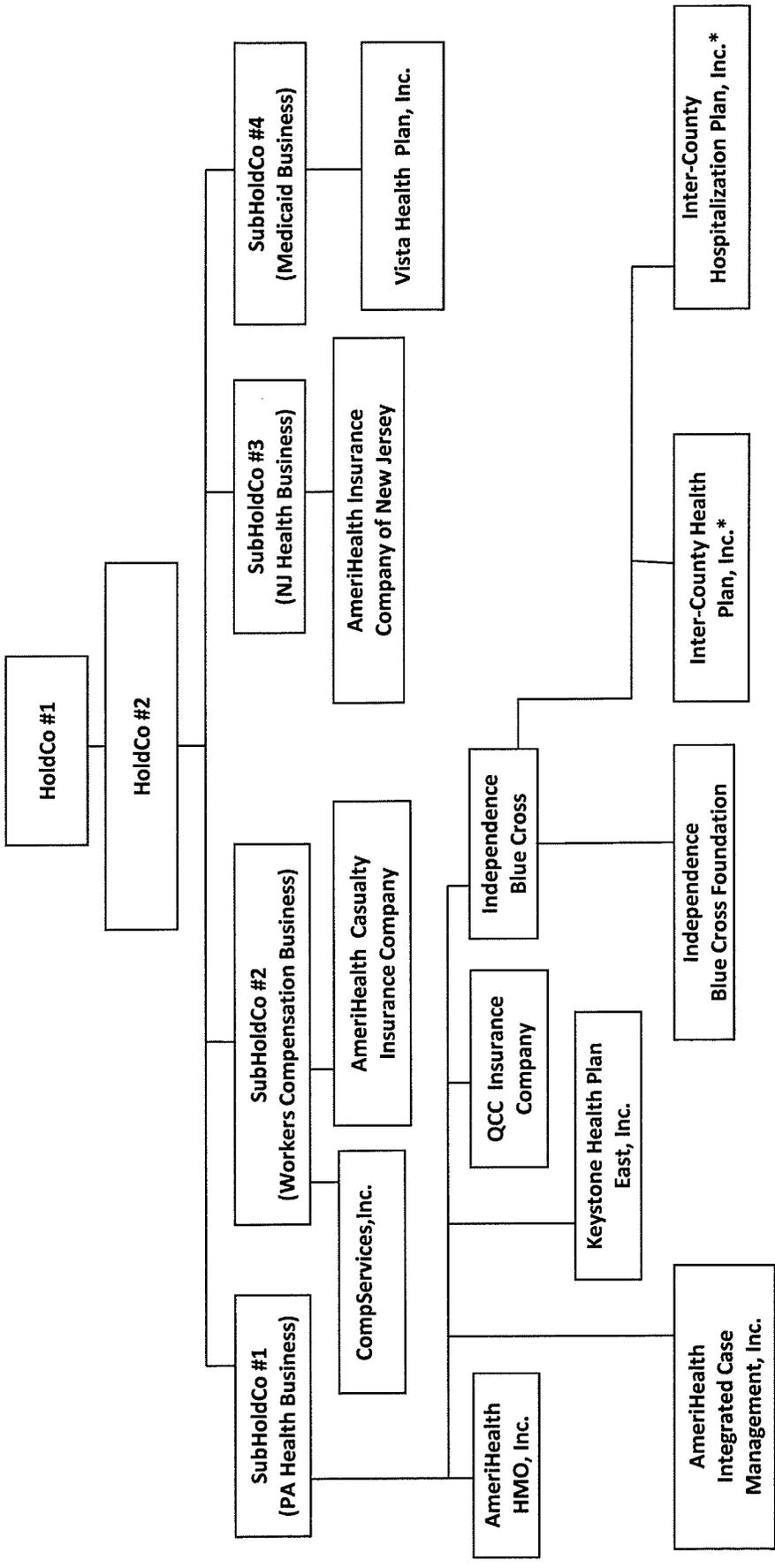
- Receipt of all required regulatory approvals, including Form A approvals in Pennsylvania, New Jersey, Delaware, the District of Columbia, Florida, South Carolina, Georgia, Louisiana and Nebraska, each in form acceptable to IBC in its sole discretion.
- Receipt of a private letter ruling from the Internal Revenue Service regarding the tax consequences of the Transaction in form acceptable to IBC in its sole discretion.
- Receipt of approval from the Blue Cross Blue Shield Association of the relicensing of HoldCo #1, as primary licensee, and IBC, QCC Insurance Company, Keystone Health Plan East, Inc. and Vista Health Plan, inc. as controlled affiliate licensees, in form acceptable to IBC in its sole discretion.
- Receipt of such third-party consents or approvals as IBC may deem advisable or required in connection with the Transaction, each in form acceptable to IBC in its sole discretion.

**EXHIBIT D: Background and Profile of the Restructured Insurance Holding Company System
ATTACHMENT 1**



1. The name "HoldCo #1" is a temporary designation and will be replaced with a new, permanent name for this entity prior to closing under the Division Plan. IBC anticipates that the word "Independence" will be part of the name of HoldCo #1.
 2. "HoldCo # 2" is currently named "AmeriHealth, Inc."

**EXHIBIT D: Background and Profile of the Restructured Insurance Holding Company System
ATTACHMENT 2**



* IBC and Highmark, Inc. are the two members of, and each has equal control over, the Inter-County plans.

EXHIBIT D
Background and Profile of the Restructured Insurance Holding Company System

ATTACHMENT 3
Financial Guarantee – Smaller Controlled Affiliate

[Legal Name of SPONSORING PLAN] and [Legal Name of AFFILIATE] hereby certify that [Legal Name of SPONSORING PLAN] guarantees to the full extent of its assets, all of the contractual and financial obligations of the [Legal Name of AFFILIATE]] to its customers, in accordance with the BCBSA Guidelines to Administer the Controlled Affiliate License Agreement(s) and Standards, Standard 2 - Financial Responsibility.

IN WITNESS WHEREOF, the undersigned duly authorized officers have executed this Agreement on behalf of the parties hereto.

[Legal Name of SPONSORING PLAN] [Legal Name of AFFILIATE]

By: _____

By: _____

Title: Chief Executive Officer

Title: Chief Executive Officer

Date: _____

Date: _____

EXHIBIT D
Background and Profile of the Restructured Insurance Holding Company System

ATTACHMENT 4
Financial Guarantee – Larger Controlled Affiliate

[Legal Name of SPONSORING PLAN] and [Legal Name of AFFILIATE] hereby certify that [Legal Name of SPONSORING PLAN] guarantees to the full extent of its assets, all of the contractual and financial obligations of the [Legal Name of AFFILIATE]] to its customers, in accordance with the BCBSA Guidelines to Administer the Controlled Affiliate License Agreement(s) and Standards, Standard 6(H), Guidelines 2.4.

IN WITNESS WHEREOF, the undersigned duly authorized officers have executed this Agreement on behalf of the parties hereto.

[Legal Name of SPONSORING PLAN] [Legal Name of AFFILIATE]

By: _____

By: _____

Title: Chief Executive Officer

Title: Chief Executive Officer

Date: _____

Date: _____

EXHIBIT D
Background and Profile of the Restructured Insurance Holding Company System

ATTACHMENT 5
Conversion/Service Agreement

[SPONSORING LICENSED PLAN] agrees, in accordance with the BCBSA Guidelines to Administer the Controlled Affiliate License Agreement(s) and Standards, Standard 2 - Financial Responsibility, that in the event that [AFFILIATE] ceases operations for any reason, Sponsoring Plan shall:

A. To the extent [AFFILIATE] assumes risk in its business, offer Blue Cross and Blue Shield branded coverage to [AFFILIATE]'s subscribers without exclusions, limitations or conditions based on health status.

B. To the extent [AFFILIATE] provides non-risk services, provide Blue Cross and Blue Shield branded services to [AFFILIATE]'s customers.

IN WITNESS WHEREOF, the undersigned duly authorized officers have executed this Agreement on behalf of the parties hereto.

[SPONSORING PLAN]

[AFFILIATE]

By: _____

By: _____

Title: Chief Executive Officer

Title: Chief Executive Officer

Date: _____

Date: _____

EXHIBIT F

EXHIBIT F

HoldCo #1 Directors**

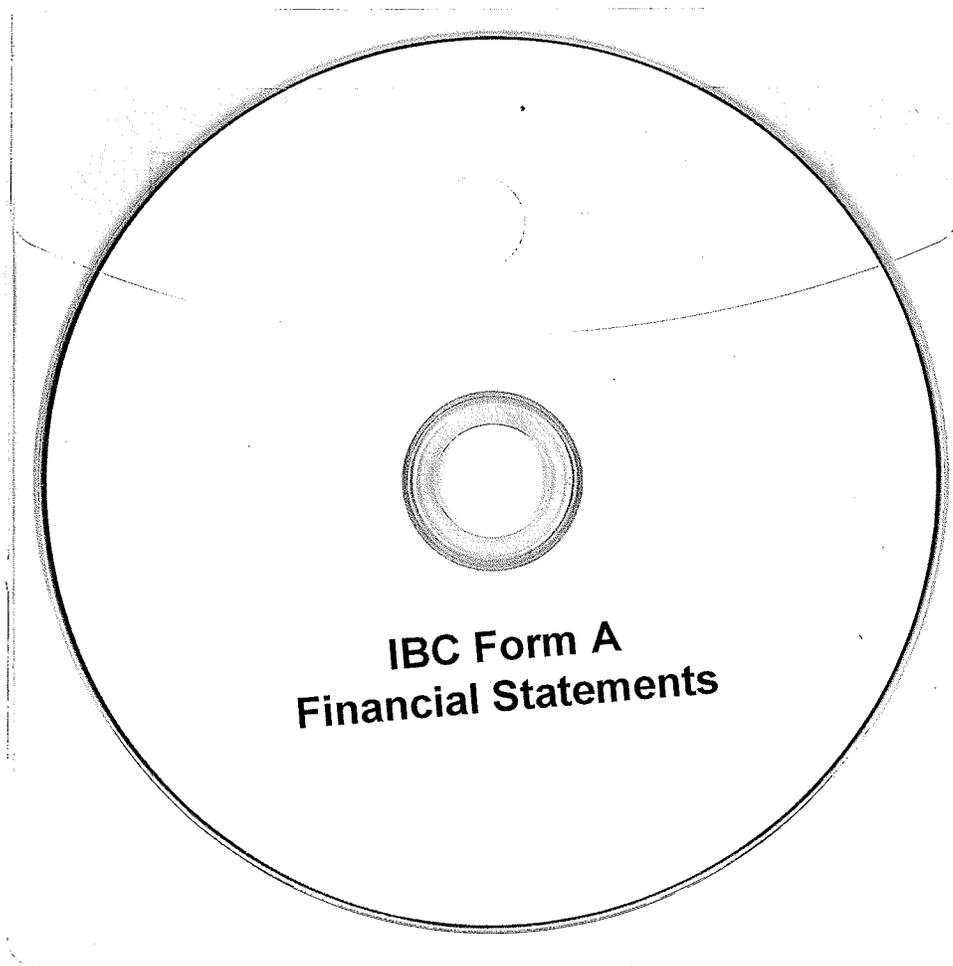
Walter D'Alessio (Chairman)	Nicholas A. Giordano
Joseph A. Frick (Vice Chairman)	Daniel J. Hilferty
Charles P. Pizzi (Vice Chairman)	Anne F. Kelly King
Joseph A. Barilotti	Hon. James F. Kenney
Robert W. Bogle	Thomas A. Leonard, Esq.
Debra L. Brady	Andrew L. Lewis, IV
Christopher D. Butler	Hon. Michael D. Marino, Esq.
Hon. Renee Cardwell-Hughes	J. William Mills, III
Edward S. Cooper, M.D.	Alan Paul Novak, Esq.
Edward Coryell	Denis P. O'Brien
A. Bruce Crawley	Thomas G. Paese, Esq.
Nicholas DeBenedictis	Michael V. Puppio, Jr., Esq.
Patrick J. Eiding	William R. Sautter
Patrick D. Finley	James C. Schwartzman, Esq.
Vail P. Garvin, FACHE	Robert W. Sorrell
Patrick B. Gillespie	Daniel L. Woodall, Jr.

HoldCo #1 Principal Officers**

Daniel J. Hilferty	President and Chief Executive Officer
Yvette D. Bright	Executive Vice President and Chief Transformation Officer
Christopher Cashman	Executive Vice President and President, Commercial Markets
Alan Krigstein	Executive Vice President, Chief Financial Officer and Treasurer
Richard J. Neeson	Executive Vice President and President, Expanding Markets
Paul A. Tufano, Esq.	Executive Vice President, General Counsel, Corporate Secretary, and President, Government Markets
I. Steven Udvarhelyi, M.D.	Executive Vice President, Health Services and Chief Strategy Officer

**The directors and principal officers of HoldCo #1 shall be the same as the incumbent directors and principal officers of Independence Blue Cross immediately prior to closing of the Transaction. This exhibit is subject to any changes in IBC's principal officers and directors prior to the closing of the Transaction. In the event of any such change, this exhibit will be amended accordingly.

EXHIBIT G



**IBC Form A
Financial Statements**

EXHIBIT H

[REDACTED]