

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

In re: The proposed affiliation of BCBSD, Inc.,)
doing business as Blue Cross Blue Shield of)
Delaware, with HIGHMARK INC.)

PREHEARING ORDER RE PUBLIC HEARING ON APPLICATIONS FOR
PARTY STATUS

SCHEDULING ORDER

A teleconference in the above captioned matter was held on January 5, 2011. Participants were Edward Bittner Jr. Senior Counsel, Highmark, Inc. ("Highmark"); Frederick Campbell and S. Doak Foster, counsel for Highmark; Wm Kirk III, Vice-President, General Counsel and Secretary, Blue Cross Blue Shield of Delaware, Inc., ("BCBSD"); David Swayze and Michael Teichmann, counsel for BCBSD; Michael Houghton and Brenda Mayrack for the Delaware Department of Insurance ("DOI"); Timothy Mullaney, Ian Campbell, and Meredith Stewart Tweedie from the Delaware Department of Justice ("DOJ"); GianClaudio Finizio, counsel to the hearing officer; and Battle R. Robinson, hearing officer.

Two matters were considered during the teleconference: 1) the responses which were received to the Notice of Public Hearing and Identification of Parties in Interest; and 2) the schedule for the exchange of information in preparation for the hearing on the application for affiliation:

After hearing from the participants, the hearing officer ordered as follows:

1. No later than January 14, 2011, Highmark, BCBSD, the DOI and the DOJ will inform the hearing officer of their respective positions on the applications of

Gary M. Ciaffi, CPA of Corporate Plaza SPE, LLC, The Honorable Michael Katz, and Jo Ann Fields, MD to be parties in interest to the proceeding. Copies of the responses must be furnished to the applicants.

2. Mr. Finizio will contact the three applicants to remind them of the hearing scheduled for January 18 at the Office of the Insurance Commissioner in Dover DE at 9:30 a.m. and of their right to be present and be heard on their applications.
3. Highmark will complete its application no later than January 14, 2011 by furnishing to the DOI Exhibit 9, BCBSD's pro forma financial projections for future years, and Exhibit 10, the biographical affidavits of proposed Class B Directors of BCBSD.
4. Once the application is complete, the DOI will submit its initial discovery request no later than January 21, 2011.
5. Highmark shall comply with the initial discovery request no later than February 28, 2011.
6. This order is subject to additional orders or amendments by the hearing officer upon application of the parties to the proceeding.
7. There will be a further conference to discuss scheduling and discovery matters following the public hearing on January 18. This conference will be for parties and their counsel only and will not be open to the public or to interested persons.

January 5, 2011


Battle R. Robinson
Hearing Officer