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From: jwtenergy <jwtenergy@aol.com>

To: beau.biden <beau.biden@state.de.us>; Attorney.General <Attorney.General@State.DE.US>

Cc: Karen.Stewart <Karen.Stewart@state.de.us>; gene.reed <gene.reed@state.de.us>;
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Sent: Wed, Oct 5, 2011 3:37 pm

Subject: BCBSD merger with Highmark

Mr. Biden,

I object to your proposal to set aside for uninsured Delawareans \$45 million of Blue Cross Blue Shield of Delaware's (BCBSD) \$181 million of reserves as a condition for BCBSD's merger with Highmark. Any excess reserves should be returned to BCBSD's customers in the form of lower future premiums. There is no rationale for diverting the excess premiums that BCBSD customers have paid. I am a single retiree with no post-retiree employee benefits. In the last five years my BCBSD premiums have increased 110% from \$4,680/yr to \$9,828/yr. Even if I stayed within the same age bracket, my premiums would have increased 68% over this same five-year period.

Health care costs are frequently the largest budget item for families, often greater than federal and state income tax burdens. As such, if the insurance commissioner determines BCBSD has excess premiums, they need to be returned to BCBSD's customers and not diverted for other social purposes. Diverting reserves is none other than a moral hazard for insured customers struggling to make their premium payments.

I would appreciate you reconsidering your position on this issue. Don't hesitate to contact me if you care to discuss. Thank you.

Jim Trost
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