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August 7, 2023

Sarah W. Schroeder, President

Rector & Associates, Inc.

172 E. State St. #305

Columbus, OH 43215

**RE: Louisiana Health Service & Indemnity Company d/b/a Blue Cross Blue Shield of Louisiana (“BCBSLA”)
Responses to Rector & Associates, Inc. Questions dated 8/07/2023**

Dear Ms. Schroeder:

BCBSLA is in receipt of the above-referenced letter to us dated August 7, 2023 concerning that certain Agreement and Plan of Reorganization Regarding the Conversion from a Mutual Insurance Company to a Stock Insurance Company. The questions set forth in the 8/07/2023 Inquiry are reproduced below in their entirety, and set forth below those questions in blue text are BCBSLA’s responses to such questions. Consistent with the LDI’s April 11, 2023 letter to BCBSLA, we are providing the requested information to you with the understanding that you will use this information only for the purpose of your analysis and recommendations to the Louisiana Commissioner of Insurance with respect to the above referenced Plan of Reorganization and will keep this response letter confidential as provided for in LA. R.S. 22:691.10 and 22:1983(J). and will not provide this letter to any third party. If you have any further questions or wish to discuss, please let us know.

1. The five senior officers of BCBSLA listed in your August 2, 2023 response are Steven Udvarhelyi, Adam Short, Bryan Camerlinck, Lou Patalano, and Korey Harvey. The following are additional questions regarding these officers:

- **Are all five of these officers expected to continue with BCBSLA after it is acquired by Elevance, and in the same (or similar) capacity?**

Response: The referenced officers will continue as officers of BCBSLA following the Closing.

- **Are they to get any increases in pay (other than payments under the retention agreements and Total Rewards benefits program)?**

Response: Elevance Health does not anticipate materially increasing the compensation as a result of the proposed transaction for any of the referenced officers. Elevance Health intends for the total amount of compensation paid to these officers following the Closing to be approximately equal to the amounts currently paid.

Attached is a short description of compensation matters with respect to these five officers (Exhibit A). **Is it accurate? If not, please modify it.**

Response: Please see attached.

2. We noted that Virgil Robinson (who was a member of the BCBSLA board of directors as of 12/31/2022) is no longer a member of the BCBSLA board. **Was he replaced or is his position vacant?**

Response: Mr. Robinson retired from the BCBSLA Board of Directors after he reached the mandatory retirement age. He has not been replaced.

3. Your August 2, 2023 response to our requests for information indicates there are a total of nine exhibits. However, the attachment to your response only included seven exhibits. (There is a folder for Exhibit 8, but it is empty, and there is no folder for Exhibit 9). **Please provide us with Exhibits 8 and 9.**

Response: We apologize for that error. The missing exhibits were supplied earlier today under separate cover.

Thank you for the opportunity to address these questions. Please let us know if we can assist further.

Sincerely,

McGlinchey Stafford PLLC

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