

AMENDMENT NO. 3 TO PLAN OF REORGANIZATION REGARDING THE CONVERSION FROM A MUTUAL INSURANCE COMPANY TO A STOCK INSURANCE COMPANY

This Amendment No. 3 (this “Amendment”) to the Plan of Reorganization Regarding the Conversion from a Mutual Insurance Company to a Stock Insurance Company (as amended by the Amendment No. 1, dated as of July 18, 2023 (“Amendment No. 1”) and Amendment No. 2, dated as of August 23, 2023 (“Amendment No. 2”), and as further amended hereby, the “Plan of Reorganization”) was approved and made effective by the Board of Directors of Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (the “Company”) on December 12, 2023.

WHEREAS, on January 23, 2023, the Board of Directors of the Company (the “Board”) adopted the Plan of Reorganization Regarding the Conversion from a Mutual Insurance Company to a Stock Insurance Company (as amended by the Amendment No. 1 and Amendment No. 2, the “Current Plan”);

WHEREAS, the Current Plan provided that the Company shall reorganize from a mutual insurance company to a stock insurance company in accordance with LSA-R.S. § 22:72, LSA-R.S. § 22:236 *et seq.* and the other applicable provisions of the Louisiana Insurance Code;

WHEREAS, the Board deemed it desirable and appropriate to further amend the Current Plan as set forth herein; and

WHEREAS, in accordance with applicable law and the terms and provisions of the Current Plan, more than two-thirds of the members of the Board have approved this Amendment.

NOW, THEREFORE, in consideration of the foregoing recitals and the agreements contained herein, and for other good and valuable consideration, the Current Plan is hereby further amended as follows:

1. Amendments to Current Plan.

(a) Affirmations. Affirmation A(2) of the Current Plan is hereby amended and restated in its entirety to read as follows:

“prior to the effectiveness of the Reorganization (as defined below) and in furtherance of the purposes and policies set forth in the currently existing Second Amended and Restated Articles of Incorporation of BCBSLA (the “Current Articles”) (including promoting the health and welfare of the constituencies to be served pursuant to such Current Articles), the contribution by BCBSLA of the Approved Excess Surplus to The Accelerate Louisiana Initiative, Inc., a newly formed Louisiana nonprofit nonstock corporation organized to work to improve the health and lives of the people of the State of Louisiana which has qualified as a Code Section 501(c)(4) social welfare organization (the “Foundation”) and, in connection therewith, the issuance by BCBSLA, and acceptance and agreement thereto by the Foundation, of a funding agreement which requires the Foundation, subject to the satisfaction of certain conditions, to donate the amounts it receives pursuant to the Reorganization (less amounts for applicable taxes and expenses) to the Trust (as defined herein), as further provided for in Section 1.2 hereof;”

(b) Section 1.2. Section 1.2 of the Current Plan is hereby amended and restated in its entirety to read as follows:

“The Foundation has been formed by BCBSLA in connection with the Proposed Reorganization. Prior to the effectiveness of the Reorganization, in furtherance of the purposes delineated in the Current Articles to work to improve the health and lives of the citizens of the State of Louisiana, and in accordance with the Louisiana Demutualization Law and subject to the approval of the Commissioner, and in exchange for the right to become a stock insurance company under the Louisiana Demutualization Law with the approval of the Commissioner, BCBSLA shall (a) donate or transfer the Approved Excess Surplus to the Foundation and (b) issue the Note to the Foundation. Immediately following the Closing, Purchaser shall (i) contribute, or cause to be contributed, to BCBSLA an amount equal to the Note Amount, and (ii) cause BCBSLA to donate to the Foundation the Note Amount and thereby satisfy its obligations under the Note. In connection with the payment of the Note Amount and the donation or transfer of the Approved Excess Surplus to the Foundation, BCBSLA will issue, and the Foundation will accept and agree to the terms of, a funding agreement which requires the Foundation, subject to the satisfaction of certain conditions, to donate the amount it receives in connection with the Proposed Reorganization (less amounts for applicable taxes and expenses) to a newly established special charitable trust (the “Trust”), which would be established under the laws of the State of Louisiana and would have the same purpose of improving the health and lives of the people of the State of Louisiana.”

(c) **Section 1.4.** Section 1.4 of the Current Plan is hereby amended and restated in its entirety to read as follows:

“This Plan and the amendment and restatement of the Current Articles contemplated by Section 1.1 (the “Articles Amendment”) will become effective upon the date and time of filing of appropriate Articles of Amendment by the Recorder of Mortgages for the Parish of East Baton Rouge, Louisiana, and a Certificate of Compliance with the Louisiana Department of Insurance as provided in the Louisiana Demutualization Law unless a later date and time are specified in the Articles Amendment, in which event this Plan and the Articles Amendment will become effective and take place at the later date and time (which shall not be later than the tenth day after the Articles Amendment is recorded in accordance with LSA-R.S. § 22:236.8.(C)). The effectiveness of this Plan is conditioned upon, among other things, (1) approval of this Plan, which includes the Acquisition, by the Commissioner, (2) approval of this Plan by the Members at the Special Meeting, as further described in Article X, and (3) the satisfaction of the conditions set forth in Article VI of the Acquisition Agreement (a copy of which is attached hereto as Exhibit C).”

(d) **Section 9.1.** Section 9.1 of the Current Plan is hereby amended and restated in its entirety to read as follows:

“This Plan and the Proposed Reorganization, which includes the Acquisition, are subject to the approval of the Commissioner. The Commissioner will hold a public hearing on these matters pursuant to LSA-R.S. 22:236.4 (the “Public Hearing”).

(e) **Section 9.4.** Section 9.4 of the Current Plan is hereby amended and restated in its entirety to read as follows:

“In the event that the Commissioner approves this Plan and the Proposed Reorganization, which includes the Acquisition (such approval, the “Commissioner’s Order”), notice of the Commissioner’s Order will be mailed by first class mail following the issuance of the Commissioner’s Order to BCBSLA’s Members. Such notice will be mailed to the address of each Member of BCBSLA as such address is shown

on BCBSLA's records on the Record Date (or such other address as may be provided in writing to BCBSLA by the Member within a reasonable period of time prior to the mailing of the notice)."

(f) **Section 11.5.** The following sentence is added to the end of Section 11.5 of the Current Plan:

"All directors of the Foundation will also become members of the board of trustees of the Trust pursuant to the organizational documents of the Trust."

(g) **Defined Term.** The following defined term is hereby added to Section 12.2 of the Current Plan in appropriate alphabetical order:

"Trust" shall have the meaning specified in Section 1.2."

(h) **Exhibit E.** Exhibit E to the Current Plan is hereby amended and restated in its entirety as set forth on Schedule 1 attached hereto and made a part hereof.

2. **Full Force and Effect.** As amended by the terms hereof, the Plan of Reorganization remains in full force and effect and is hereby ratified and confirmed in all respects.

3. **Capitalized Terms.** All references to the "Plan of Reorganization" shall now refer to the Plan of Reorganization as amended by this Amendment.

4. **Governing Law.** The terms of this Amendment will be governed by and construed in accordance with the laws of the State of Louisiana.

Schedule 1

Exhibit E

See attached.

Exhibit E - Eligible Member Payment Methodology

Values shown are based on available data and good faith estimates as of the **Adoption Date** January 23, 2023. This Exhibit will be updated with revised values as of the Reorganization Effective Time.

Valuation Calculations

Cumulative Member Months ¹	391,210,584
Eligible Member ² Months	35,276,035
Eligible Member Months ³ as a % of Cumulative Member Months	9.02%
Transaction Valuation ⁴	\$ 3,413,000,000
Total Eligible Member Consideration	\$ 307,755,241

Number of potential Eligible Policies as of the Adoption Date (1/23/23)	101,617
<i>Consideration per Eligible Member per Eligible Policy</i>	\$ 3,029

Definitions For Purposes of Exhibit E Only

- 1) Cumulative Member Months means total number of months an individual was covered by an insurance policy issued by BCBSLA or one of its subsidiaries since BCBSLA was established in 1975.
- 2) Eligible Member means a fully insured group or individual policyholder of an active (not terminated) BCBSLA insurance policy as of the date of adoption of the Plan of Reorganization by the Board of Directors. Each insurance policy is permitted one vote.
- 3) Eligible Member Months means the total number of months an individual was covered by an insurance policy issued by BCBSLA to an Eligible Member since BCBSLA was established in 1975.
- 4) Transaction Valuation means the aggregate of the Base Purchase Price under the Acquisition Agreement plus the estimated Closing Surplus plus the estimated Approved Excess Surplus.

Comments/Notes

Cumulative Member Months and Eligible Member Months are based on available data beginning in 2010, and good faith estimates derived from data trends in enrollment and statutory filings with the Louisiana Department of Insurance prior to 2010. The values shown here represent data for potential Eligible Members as of the Adoption Date (January 23, 2023) and in accordance with the methodology reviewed and determined fair by the consulting investment banker and actuarial experts.