

Anthem Blue Cross and Blue Shield
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Anthem 

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June 16, 2006

Alessandro Iuppa, Superintendent
Department of Professional and Financial Regulation
Bureau of Insurance
State House Station 34
Augusta, Maine 04333

REDACTED

Re: Anthem Health Plans of Maine, Inc. – Notice of Ordinary Dividend

Dear Superintendent Iuppa:

On behalf of Anthem Health Plans of Maine, Inc., d/b/a Anthem Blue Cross and Blue Shield (“Anthem”), this letter shall serve as notice of Anthem’s intention to declare an Ordinary Dividend to Anthem East, LLC pursuant to 24-A M.R.S.A. § 222 (11-B).

By way of this filing, Anthem is giving the Superintendent of the Maine Bureau of Insurance notice that it declared an Ordinary Dividend of \$35,600,000 on June 13, 2006, to be paid in cash and/or securities no earlier than June 25, 2006 but no later than July 13, 2006. A copy of this declaration is appended to this correspondence.

The work paper calculating the nature of the Ordinary Dividend is attached hereto as Exhibit A. Using the guidelines for as set forth in 24-A M.R.S.A. § 222 (11-A) (B), the Ordinary Dividend is not an Extraordinary Dividend. The Ordinary Dividend of \$35,600,000 is less than \$35,957,383 the net gain from operations for the 12-month period ending December 31, 2005. Anthem’s risk-based capital is forecast to be at least of the authorized control level for 2006 after payment of the Ordinary Dividend. This should be more than adequate to cover Anthem’s outstanding obligations.

Please feel free to contact me if you would like any further information about the foregoing matter.

Sincerely yours,


Lendall L. Smith