



GROUP INSURANCE, INCORPORATED

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August 1, 2023

James J. Donelon, III
Commissioner of Insurance
State of Louisiana
PO Box 94214
Baton Rouge, LA 70804

RE: BCBSLA Acquisition by Anthem/Elevance (A/E)

Dear Commissioner  Donelon:

Knowing of your pending decision regarding the reference proposal, I wanted to weigh in favor of the transaction from a Louisiana insurance marketer's viewpoint. My observations herein are based on research conducted within a nationwide peer group of health insurance marketers of which some of the members have been subjected to similar takeovers.

Having founded in 1971, and operated since then, a Louisiana statewide health insurance brokerage facility, it has been my pleasure to work with many different companies and many thousands of insurance brokers through the years in serving the health insurance needs of the Louisiana citizenry. Obviously, BCBSLA, the premier domestic Louisiana insurer, has evolved as our primary marketing partner in serving our brokers and clients.

After the announcement of the proposed acquisition, our company surveyed a peer group of health insurance marketers similarly affected by A/E acquisition in other states. Our research confirmed that not a single entity consulted had experienced negatives from the takeovers.

General issues related to those acquisitions were:

- 1) Movement of the insurer from not-for-profit to for-profit status. This issue was moot for both clients and marketers because A/E was judged by its continuing competitiveness in price/value premium levels and fairness of broker compensation. A/E performed on a satisfactory basis in those regards.
- 2) Acquisitions would cause premiums to escalate, especially in the small group and individual health markets. Competition is the normal driver of rates, and that was evident in the other areas where A/E made acquisitions. We heard of no rating grievances pertinent to the other markets where A/E made acquisitions.
- 3) A/E would drastically reduce the employee base of the company acquired. This has not happened in other areas where A/E made acquisitions. While there could certainly be employee attrition due to duplicity of function at the executive level, there was no instance of a wholesale termination of employees from any of the acquired companies.
- 4) Merging of technology platforms. As a giant in the domestic health insurance market, A/E has invested many millions of dollars into building technology platforms that can be utilized by acquired companies. This technology can be efficiently and affordably transferred to A/E acquired companies at a fraction of the cost they would incur if developed separately.

Issues to be considered which are related specifically to the BCBSLA transaction are:

- 1) Maintenance of local leadership and decision-making processes. A/E has demonstrated that it will continue to rely on the long-standing market relationships already in place to continue to serve and grow the Blue markets they enter. The current BCBSLA management and marketing team have done an excellent job in the Louisiana health insurance market and will continue to do so with A/E's support.
- 2) The Accelerate Louisiana Initiative. This foundation, to be funded by A/E with over \$3 billion in projected assets, is an unprecedented opportunity for Louisiana. The potential for addressing the improvement of health and health care at a community level would be a game changer in improving the general health of Louisianians.
- 3) Additional employment opportunity. A/E's more global operations will afford potential for remote service employment for Louisiana residents to serve A/E's clients nationwide. It is possible, and even probable, that A/E's entry into Louisiana will add to the number of employees in Louisiana.
- 4) BCBSLA industry technology. While BCBSLA has made concerted efforts to enhance their tech platform, the time and cost investments to bring capabilities in line with the other national competitors would be prohibitive. A/E can deliver a state-of-the-art tech platform which can be easily shared with BCBSLA and delivered for the use of the Louisiana providers and clients in a timely manner.

In closing, I am confident that our health insurance customers and all Louisianians will be well served by this acquisition and unreservedly recommend approval. Your consideration is most appreciated.

Sincerely,

Group Insurance, Inc. of Louisiana
An Alliant Company

A handwritten signature in black ink, appearing to read 'Dan Jumonville', written in a cursive style.

Dan Jumonville, CLU, President

DJ:pcd