



P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE: The Proposed Acquisition of)
GenAm Insurance Company by)
Health Care Service Corporation, a)
Mutual Legal Reserve Company,) Case No. 000627398C
d/b/a BlueCross BlueShield of)
Illinois)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the testimony and other evidence presented in the above-captioned matter, I, KEITH A. WENZEL, Director of the Department of Insurance, State of Missouri, find and conclude that:

1. On or about June 22, 2000, a Form A Registration Statement was filed with the Missouri Department of Insurance (the "Department") on behalf of Health Care Service Corporation, a Mutual Legal Reserve Company, d/b/a BlueCross BlueShield of Illinois, an Illinois mutual insurance company doing business under its Articles of Incorporation and By-laws as non-profit health care service plan ("Applicant"), in connection with the proposed direct acquisition of GenAm Benefits Insurance Company (hereinafter "GenAm"), a Missouri stock insurance company. Applicant will acquire 100% of the voting stock of GenAm. There are no stockholders of Applicant and no person controls Applicant. The Department issued a Notice of Hearing, ordering that a public hearing on the proposed acquisition be held at 1:30 p.m. July 24, 2000, in Room 630 of the Harry S Truman Building, 301 West High Street, Jefferson City,

Missouri. Applicant waived its right to twenty days' prior notice of the hearing. A public hearing was held on as scheduled in the Notice of Hearing.

2. The evidence on the whole record is insufficient to support any of the following:
 - A. After the change of control, GenAm will be not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.
 - B. The effect of the acquisition of control of GenAm would be substantially to lessen competition in insurance or tend to create a monopoly in this State.
 - C. The financial condition of Applicant is such as might jeopardize the financial stability of GenAm or prejudice the interests of its policyholders.
 - D. The plans or proposals of Applicant which Applicant has to liquidate GenAm or sell its assets or to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to policyholders of GenAm and contrary to the public interest. Applicant has plans to redomesticate GenAm to the state of Illinois, but such plans are not unfair or unreasonable to GenAm's policyholders and are not contrary to the public interest.
 - E. The competence, experience, and integrity of those persons who would control the operations of GenAm are such that it would be contrary to the interest of policyholders of GenAm and of the public to permit the acquisition of control.
 - F. The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing Findings and Conclusions, the proposed merger or other acquisition of control of GenAm Benefits Insurance Company by Health Care Service Corporation, a Mutual Legal Reserve Company, d/b/a BlueCross BlueShield of Illinois, is **APPROVED**.

So ordered, signed and official seal affixed this ____ day of July, 2000.

KEITH A. WENZEL, Director