

September 23, 2019

SENT VIA EMAIL:

Commissioner Mike Causey  
North Carolina Department of Insurance  
325 N. Salisbury Street, Suite 1100  
Raleigh, North Carolina 27603

Dear Commissioner:

Thank you for your recent letter and the opportunity to speak with you and other members of our Board today. We understand and appreciate your concerns regarding the allegations made against Dr. Conway. In light of Dr. Conway's leadership role, the Board has regarded this matter with utmost seriousness, has sought accountability from Dr. Conway, and has taken actions to fulfill our fiduciary obligations to BlueCross NC. The Board has done so in a manner that, we believe, respects the sensitive privacy and legal issues associated with these circumstances.

Dr. Conway immediately made the Board aware of the June 22 traffic accident and the related charges. Although the incident did not occur in connection with any business activities, the Board regarded these events as a serious matter. The Board acted immediately to begin its review of these events and their impact on Blue Cross NC. The Board assigned responsibility for the review to a committee comprised of members of the Board's Executive Committee, followed company policies (including policies related to employees, medical leave and substance abuse) applicable in these circumstances, and engaged outside counsel and subject-matter experts to aid these efforts. As a part of its review, the Board has discussed with Dr. Conway the incident and the Board's expectation that Dr. Conway fulfill his expressed intentions to take accountability for these events. Throughout our review, the Board has considered the leadership needs of Blue Cross NC and has taken our oversight obligations seriously.

Ordinarily, the Board would not disclose or comment publicly on a medical or behavioral health matter regarding *any* employee out of respect for that individual's medical and personal privacy, and applicable legal requirements. In response to your letter, however, Dr. Conway has asked us to share the following information about the Board and Dr. Conway's actions on these sensitive matters.

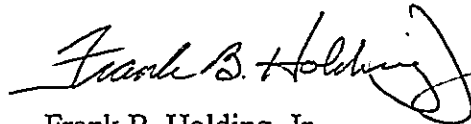
Before making any decisions, the Board felt it was imperative to gain professional input. The Committee and Dr. Conway mutually agreed that Dr. Conway, at his expense, would undergo a professional substance abuse assessment and attend a 30-day in-patient treatment program. During the time Dr. Conway spent attending the program, the Board followed the Company's succession protocol for situations when senior leaders are on temporary extended leave, and designated the Company's Chief Operating Officer with ultimate decision-making authority during this interim period.

The Committee and Dr. Conway mutually agreed that the program facility would disclose assessment and treatment recommendations to the Committee, and the Committee would in turn share that information with the Board. Based on detailed information shared by the facility concerning Dr. Conway's assessment and treatment, the Board was satisfied that Dr. Conway could continue to provide strong leadership to BlueCross NC.

The Board remains in close contact with Dr. Conway and the Company's executive leadership team, as Dr. Conway continues to deal with his personal and legal situation. We understand that Dr. Conway's pending legal case will likely be resolved in the coming weeks, and the Board continues to review this matter as it progresses.

We are aware of your concerns about public transparency. Until now, we have refrained from proactively communicating with the public about the situation out of respect for the legal process underway in Randolph County, Dr. Conway's right to due process, and medical privacy concerns and obligations. We believe the Board has taken appropriate steps to handle this sensitive matter in a manner consistent with the privacy and legal issues at stake, as well as the Board's fiduciary obligations to Blue Cross NC.

Sincerely,



Frank B. Holding, Jr.  
Chairman, Blue Cross NC Board of Trustees