Blue Cross Blue Shield of Florida

INTER OFFICE MEMO

TO: ALL EMPLOYEES AT: DATE 7-21-86

FROM: ROBERT W. McCAFFREY AT: SVP MARKETING

SUBJECT: NEW ORGANIZATIONAL STRUCTURE -- DIRECT MARKETING

As part of our continuing efforts to structure our Marketing organization such that we can maximize our effectiveness in the marketplace, I am pleased to announce the following organizational structure and management appointments for Direct Marketing.

Reporting to Warren A. Hunter, Jr., Vice President of Direct Marketing, will be:

Mike Guyot, Director of Telemarketing. We view Telemarketing as a key distribution element for Medicare Supplement, small groups, HMO, and certain portions of our major account activity such as FEP. To that end, we are making a significant commitment to building a professional telemarketing operation within the organization. In addition to the management and expansion of our in-house operation, Mike will be responsible for the selection, coordination, and management of outside telemarketing support to maximize the productivity and effectiveness of the medium for BCBSF. Mike has extensive experience in marketing products directly to the consumer and has been involved with our Telemarketing operation since its start-up.

Bill Simek, Director of Senior Markets. Our Medicare Supplement business is one of the cornerstones of BCBSF with over 240,000 Florida seniors enrolled. This highly competitive marketplace will continue to be a major portion of our business and requires a strong advertising presence in order to succeed. Bill was part of the Over 65 Planning Team and has also been involved in all of our advertising. He can now bring that experience directly to the acquisition of new business for this market segment. In addition to providing the direction for the marketing of our Medicare supplements to the Over 65 market, Bill will be developing plans and strategies for building relationships with the age 50-64 Florida residents as well.

Joe Sabotin, Director of Traditional Markets. BCBSF offers one of the best comprehensive medical plans in the state and the only individual PPO. In order to take full advantage of our product strengths and the synergy of combination marketing via mail, phone, and agents, we will be focusing on the penetration of the individual markets for traditional health insurance. Joe brings valuable experience in agent/broker sales as well as telemarketing from both BCBSF and the Indiana Plan. In addition to building this market segment, Joe will also have responsibility for selling the small group (2-9) market as well as directing the prospecting for groups up to 25.

Please join me in wishing this new team every success in their new responsibilities.

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Distribution: A - F