



February 22, 2010

ATTN: JANE DOE
SAMPLE IL-AUTO-NO DISC
123 MAIN ST
SUITE A
SPRINGFIELD, IL 12345-1234

RE: Supplemental Information You May Need To Complete your ERISA Form 5500
Reporting Period: 2009

Account Number: 000000

Note: The Supplement to the 2009 ERISA Form 5500 Information Report regarding non-monetary compensation paid by HCSC* is attached. This information is being forwarded to the main account contact identified in our records for your account. You may find it appropriate to pass all of this information along to the person or department responsible for completing your company's tax information.

In accordance with the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and regulations published by the Department of Labor, Department of the Treasury, and the Pension Benefit Guaranty Corporation on November 16, 2007 effective beginning with the 2009 Plan year, attached is the calendar year information you may need to complete the ERISA Form 5500 for the 2009 Plan year for the account number referenced above.

We have been working to update our systems and procedures in order to include additional information with your ERISA Form 5500 Information Report. The attached Form 5500 Supplemental Information Report contains information regarding non-monetary compensation from HCSC including Dental Network of America, Inc. to the identified service providers and is based on the expanded definition of indirect non-monetary compensation included in the ERISA regulations issued in 2007.

HCSC elected to use an estimation method that is allowed under the ERISA Form 5500 regulation to allocate indirect non-monetary compensation for gifts, meals, entertainment and meetings to the Group Customer and Producer by account number. This estimation method is described on the attached Supplement. The allocated amount may be more or less than the amount actually provided and, in fact, the amount of indirect non-monetary compensation actually provided to the Group Customer or Producer could be as little as \$0.00.

The ERISA Form 5500 Information Report will be sent under separate cover and will continue to include information regarding the direct compensation received by HCSC, as well as on indirect compensation for insurance fees and commissions paid to agents, brokers and other persons by HCSC.

This transmittal does not include all information that may be needed if the Plan Administrator deems it necessary to prepare a Schedule C with its ERISA Form 5500 report it submits to the government. A 2009 ERISA Disclosure Information Report that discusses certain indirect monetary compensation that we believe meets the criteria for Eligible Indirect Compensation under the ERISA regulations is available upon request.

The ERISA Form 5500 Information Report(s), the Form 5500 Supplemental Information Report and the 2009 ERISA Disclosure Information Report may all need to be referenced for purposes of completing the ERISA Form 5500 and Schedules submitted by you to the government. It is the Plan Administrator's responsibility to determine which information is required to be included on the Plan's ERISA Form 5500. Please consult your own advisors and legal counsel to determine how the new reporting requirements apply to your specific organization.

If you have any questions or need additional information, including the ERISA 2009 Disclosure Information Reports, please contact your Blue Cross and Blue Shield of Illinois Account Representative.

*Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC), operates through its Divisions: Blue Cross and Blue Shield of Illinois (BCBSIL), Blue Cross and Blue Shield of Texas (BCBSTX), Blue Cross and Blue Shield of New Mexico (BCBSNM), and Blue Cross and Blue Shield of Oklahoma (BCBSOK).
HCSC is a Mutual Legal Reserve Company, an independent licensee of the Blue Cross and Blue Shield Association.
300 East Randolph Street; Chicago, IL 60601

FORM 5500 SUPPLEMENTAL INFORMATION REPORT

Date: 2/22/2010

Group Customer Name: SAMPLE IL-AUTO-NO DISC

Account Number: 000000

Reporting Period: 2009

HCSC:

FEIN (Federal Employer Identification Number): 36 – 1236610

NAIC Company Code: 7067

Table of Indirect Non-monetary Compensation

Provided By:	Estimated Value:*	Purpose:	Provided To:	Address: Line 1	Address: Line 2	City:	State:	Zip:
HCSC	\$ 100.00	Miscellaneous gifts, meals, entertainment and meetings	SAMPLE IL-AUTO-NO DISC	123 MAIN ST	SUITE A	SPRINGFIELD	IL	12345-1234
HCSC	\$ 175.00	Miscellaneous gifts, meals, entertainment and meetings	SAMPLE PRODUCER 1	123 BROADWAY PLACE	SUITE 123	SPRINGFIELD	IL	12345
HCSC	\$ 175.00	Miscellaneous gifts, meals, entertainment and meetings	SAMPLE PRODUCER 2	PO BOX 123		SPRINGFIELD	IL	12345

*

The non-monetary compensation in the form of meals, entertainment, gifts and meetings provided by Health Care Service Corporation including Dental Network of America, Inc. to Group Customers and Producers in relation to Group Customer business was estimated as the sum of:

1) The 2009 calendar year expenses provided by Dental Network of America to that Group Customer or a Producer associated with that Group Customer. Producer expenses that relate to the Producer's total Group Customer business were allocated based on the weighted amount that the Group Customer's number of subscribers represented to the Producer's total Group Customer business number of subscribers. Any amounts provided by Dental Networks of America, Inc. were added to the HCSC estimate described below.

2) The 2009 calendar year expenses provided by HCSC. Expenses with unit values greater than or equal to \$10 for meals, entertainment, gifts, and meetings were allocated to Group Customers and Producers based on the type of recipient and split by line of business (small group, large group, national accounts, government, etc). For each line of business the expense amount was divided by the total number of subscribers to develop a Group Customer and Producer estimate factor. The estimate factor was then multiplied by the number of subscribers for each Group Customer to determine the estimated non-monetary compensation provided by HCSC to the Group Customer and the Producers associated with that Group Customer. In the event that more than one Producer was associated with the Group Customer during the calendar year, the Producer estimate amount was equally allocated to each Producer. For expenses where the recipient type was unknown, they were prorated between Group Customer and Producer based on the resulting allocation of expenses where the recipient type was known.

Meetings with a unit value per attendee that exceeded \$500 for Group Customers were considered of high value and evaluated separately for purposes of the estimate factors. These expenses were reviewed to determine the specific Group Customer to which the expense related and added to that specific Group Customer's estimate.

PLEASE NOTE: The amounts allocated above may be more or less than the amount actually provided and, in fact, the amount of indirect non-monetary compensation actually provided to the Group Customer or Producer could be as little as \$0.00.