

EXHIBIT E

blue of california

May, 2009

Subscriber #: **Redacted**
Plan: PPO 2000

Dear AMY CUNNINGHIS,

Thank you for choosing Blue Shield. We value the trust you place in us and we remain committed to providing you with easy access to quality health coverage. While we negotiate to keep costs as low as possible for our members, periodically we need to increase our rates to cover the rising cost of health care.

What is my new rate?

Your new monthly rate¹ for your health plan is \$429, a change of \$63.

Why is my rate changing?

Rates are changing due to rising costs across the healthcare industry. Major drivers include hospital upgrades, new technologies, and expensive new drugs. Other factors include an aging population and higher costs for inpatient and outpatient care. To learn more, please take a look at the next page or visit blueshieldca.com/healthcarecosts.

Are there changes to my plan benefits?

Yes, but most are benefit clarifications to help you better understand your health plan. Please review the *Changes to Your Health Plan* section in this booklet for more information. Full details are in the attached *Evidence of Coverage and Health Service Agreement/Policy*. The changes to your rate and benefits are effective July 1, 2009, or your first billing date thereafter.

Do I have other options?

Yes. We may have other plan options that could help lower your costs. Our knowledgeable health plan advisers are ready to answer your questions and work with you to ensure you have the coverage that best fits your specific needs and budget. If you have been enrolled in your current plan for 18 months or more, you can transfer to another Blue Shield plan that has the same or lesser benefits, as determined by Blue Shield, without a review of your medical history.²

Do I need to do anything?

No. To maintain your current coverage just continue to pay your bill as you normally would. If you currently use an online banking service to automatically make your rate payments, you'll need to update the payment amount to reflect your new rate.

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¹ Based on our records as of April 2009. If you made changes to your plan after April, this rate does not reflect those changes. If you also have life insurance, there's no change to your monthly rate for that coverage and this new rate doesn't include that cost. Please note that your next birthday could place you in a new age bracket resulting in a new medical rate at that time.

² Members who have been enrolled in their current plan for at least 18 months may request a transfer to another Blue Shield plan. You may also qualify for a transfer earlier. Please call your broker or Blue Shield for details. If you transfer to another plan without underwriting, you will not be able to transfer back to your original plan. Blue Shield of California and Blue Shield of California Life & Health Insurance Company each has a list of plans ranked in order of benefits. The right to transfer plans is not available to individuals in a guaranteed issue, individual conversion, and MRMIP Graduate plan.

What if I have questions?

If you have any questions or want to explore new Blue Shield plan options, please call us at **(866) 529-2194**, Monday through Thursday from 8 a.m. to 5 p.m., and Friday from 9 a.m. to 5 p.m.

We are committed to you and helping you stay covered with access to quality health coverage and thank you for your continued membership.

Sincerely,

A handwritten signature in black ink that reads "Mark Gastineau". The signature is written in a cursive style with a large, prominent initial "M".

Mark Gastineau
Vice President