~~WHEREAS, CareFirst has enjoyed significant taxpayer and State funded exemptions and subsidies to assist in its mission; and~~

~~WHEREAS, In recent years, CareFirst has exited from several segments of the Maryland health insurance market, including the withdrawal from the Medicare+Choice program and the withdrawal of its subsidiary HMOs, FreeState and Delmarva, from both the individual and small group insurance markets in Maryland, resulting in over 6,000 medically uninsurable individuals; and~~

~~WHEREAS, Citing a need for increased access to capital, on January 11, 2002, CareFirst filed an application with the Maryland Insurance Commissioner to convert to a for profit company and to be acquired by a California based health insurer for \$1.3 billion; and~~

~~WHEREAS, In 2002, the profits of CareFirst rose 13% to \$104 million, its revenue was \$6.7 billion, and the number of its members increased to 3.24 million; and~~

~~WHEREAS, On March 5, 2003, after extensive review, the Maryland Insurance Commissioner found that the proposed sale and conversion of CareFirst is not in the public interest; and~~

~~WHEREAS, The Insurance Commissioner found that the Board of Directors of CareFirst misapprehended, or ignored, its overriding responsibility to the mission of CareFirst and its insureds — to provide coverage at a minimum cost and expense; and~~

~~WHEREAS, The Insurance Commissioner found that the management of CareFirst did not view their corporate mission as restraining or guiding their business activities; and~~

~~WHEREAS, The Insurance Commissioner found that the Board of Directors of CareFirst failed to seek and consider material information relevant to the decision to convert, information which an ordinarily prudent person would have sought and considered under the same circumstances, and which would likely have caused a prudent board to reconsider the decision to convert; and~~

~~WHEREAS, The Insurance Commissioner found that the management of CareFirst insisted on large bonuses and permanent roles in the combined company that conflicted with the interests of CareFirst; and~~

~~WHEREAS, The Insurance Commissioner found that the decision of the Board of Directors of CareFirst to grant merger incentives was an egregious breach of its duties of care and loyalty and that a key motivation behind the conversion was enrichment of the executives of CareFirst; and~~

~~WHEREAS, The Insurance Commissioner found that the bidding process for the sale of CareFirst was flawed and did not produce fair market value; and~~

~~WHEREAS, The Insurance Commissioner found that CareFirst matched or exceeded other nonprofit and for profit insurers on capital spending and that CareFirst has adequate capital to fund its capital investment needs; now, therefore,~~