



Date: September 3, 2009

To: Regence employees

From: Mark Ganz

Subject: Executive changes

Steve Hooker, our Chief Financial Officer, has announced his plan to retire at the end of this year. Steve's departure will be deeply felt by many of us. I first met him 15 years ago, during the formation of The Regence Group. Since then, I have had the pleasure of working with Steve as a peer and as a key member of my executive team. I have always found him to be a great partner, one with high integrity and strong values. He has been an important member of the Regence family for more than 28 years.

One of the things I most admire in Steve is his passion for finding a cure for cancer, particularly blood-related cancers. As many of you know, this stemmed from the loss of his son to leukemia several years ago. Steve and his wife, Linda, turned this tragic event into the lifelong pursuit of a cure, finding ways to take care of children and families battling the disease. In particular, they have contributed significant time and energy to the Leukemia and Lymphoma Society (LLS), where Steve serves as chairman of the national board.

Some observers may be tempted to look for deeper motives in this announcement, seeing it as a possible sign of financial distress or leadership unrest at Regence. Neither have any basis in fact. Simply put, Steve's decision to leave was driven by his personal passions and a desire to serve a different cause. I admire his dedication and know that his service on the LLS board will benefit thousands of families across the country. Our loss is truly their gain.

As with any retirement of this kind, the sadness of a transition is balanced against the opportunity for new leadership in the position. We will begin an immediate search for Steve's replacement, and I look forward to his participation in the process. My goal is to name a successor before he leaves at the end of the year.

In the meantime, Steve has made clear his intention to remain fully engaged and focused the work ahead. These are challenging times for our company and his leadership will be important as we close out the year. Steve and his team continue to guide our finances with a steady hand, and I remain confident that when he leaves, he will leave us well positioned to face the changes ahead. Please join me in congratulating Steve on his retirement.