LAWRENCE G. WASDEN
Attorney General

JOHN C. KEENAN
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street
P.O. Box 83720
Boise, Idaho 83720-0043
Telephone: (208) 334-4210
Facsimile: (208) 334-4298
I.S.B. No. 3873

Attorneys for Department of Insurance

FILED

JUL 18 2012

Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:	)	Docket No. 18-2785-12
	)	
INDEPENDENT SCHOOL DISTRICT OF BOISE CITY EMPLOYEE DENTAL BENEFIT PLAN TRUST	)	**ORDER ADOPTING REPORT OF EXAMINATION AS OF AUGUST 31, 2011**
	)	
Idaho Registration Number: 3754	)	

The filing entitled "Report of Examination as of August 31, 2011" (hereinafter "Report") of INDEPENDENT SCHOOL DISTRICT OF BOISE CITY EMPLOYEE DENTAL BENEFIT PLAN TRUST (hereinafter "Plan") was completed by the examiners of the Idaho Department of Insurance (hereinafter "Department"). It was verified and signed on April 2, 2012, by Senior Insurance Examiner, Kelvin Ko, CFE. The Report was filed with the Department on April 2, 2012 and was transmitted electronically to the Plan on April 2, 2012. A conformed copy of the Report is attached hereto and incorporated herein and is

identified as Exhibit A, with minor typographical modifications having been made to the April 2, 2012 report by the Department on page 6.

WRITTEN SUBMISSION

Pursuant to Idaho Code § 41-4013(3), the Plan was afforded a reasonable opportunity to review the Report and to recommend to the Director such corrections or changes therein as the trustee(s) may have deemed appropriate. No corrections or changes were received from the Plan regarding the Report.

WAIVER

Attached hereto and incorporated herein as Exhibit B is a Waiver signed by Blas Telleria, Trustee. The Waiver was executed on May 1, 2012, and an electronic copy was received by the Department the same day. Based upon said Waiver, the Plan has waived its rights to seek reconsideration and judicial review of this Order.

ORDER

NOW THEREFORE, after careful consideration of the premises, entry of a Final Order is appropriate and good cause appearing therefor,

IT IS HEREBY ORDERED that the Report identified herein as Exhibit A, which includes the findings, conclusions, comments and recommendations in support of this Order, is hereby ADOPTED as the final examination report, pursuant to Idaho Code § 41-227(5)(a), and is an official record of the Department under Idaho Code §§ 41-227(8) and 41-4013(3).

IT IS SO ORDERED.

DATED and EFFECTIVE at Boise, Idaho, this 18th day of July, 2012.

IDAHO DEPARTMENT OF INSURANCE

by _____
WILLIAM W. DEAL, Director

NOTIFICATION OF RIGHTS

This is a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Department will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

i. A hearing was held,

ii. The final agency action was taken,

iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or

iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho

Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

CERTIFICATE OF SERVICE

I hereby certify that on this 18TH day of July 2012, I caused the foregoing document to be served on the following parties in the manner set forth below:

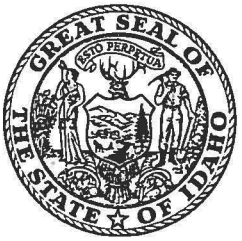
Mr. Brian W. Nye, Benefits Manager	X	certified mail
Independent School District of Boise City		first class mail
Employee Dental Benefit Plan Trust		hand delivery
8169 W. Victory Road		facsimile
Boise, Idaho 83709		
Brent.Nye@BoiseSchools.org	X	e-mail
Georgia Siehl, CPA, CFE		certified mail
Bureau Chief / Chief Examiner		first class mail
Idaho Department of Insurance	X	hand delivery
700 W. State St., 3rd Floor		facsimile
Boise, Idaho 83720-0043		
e-mail: Georgia.Siehl@doi.idaho.gov	X	e-mail

William R. Michels, MBA, CPA, CFE
Deputy Chief Examiner
IDAHO DEPARTMENT OF INSURANCE

EXHIBIT A

DEPARTMENT OF INSURANCE

STATE OF IDAHO



REPORT OF EXAMINATION

of

Independent School District of Boise City
Employee Dental Benefit Plan Trust

as of

August 31, 2011

TABLE OF CONTENTS

	Page
Salutation	1
Scope of Examination	2
Prior Examination	2
History and Description	2
Management and Control	2
Conflict of Interest	3
Contracts and Agreements	4
Corporate Records	5
Minutes of Meetings	5
Fidelity Bond and Other Insurance	5
Territory and Plan of Operation	5
Growth of Plan	6
Reinsurance	6
Insurance Products and Related Practices	6
Policy Forms and Underwriting	6
Treatment of Policyholders	7
Accounts and Records	7
General Accounting	7
Independent Accountants	7
Actuarial Opinion	8
Financial Statements	8
Statement of Net Assets as of August 31, 2011	9
Statement of Income, Expenses, and Changes in Net Assets for the Year Ended August 31, 2011	10
Reconciliation of Changes in Net Assets, August 31, 2006 through August 31, 2011	11
Notes to the Financial Statements	12
Note (1) – Estimated Claims Incurred But Not Reported	12
Note (2) – Examination Reclassification	12
Note (3) – Statutory Minimum Surplus Requirement	12
Summary, Comments, and Recommendations	12
Summary	12
Comments and Recommendations	13
Conclusion	14
Affidavit of Examiner	15

State of Idaho
DEPARTMENT OF INSURANCE

C. L. "BUTCH" OTTER
Governor

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone (208)334-4250
FAX # (208)334-4398

WILLIAM W. DEAL
Director

Boise, Idaho
April 2, 2012

The Honorable William W. Deal
Director of Insurance
State of Idaho
700 West State Street
Boise, Idaho 83720

Dear Director:

Pursuant to your instructions, in compliance with Sections 41-219(1) and 41-4013(1), Idaho Code, we have conducted an examination as of August 31, 2011, of the financial condition and corporate affairs of:

Independent School District of Boise City
Employee Dental Benefit Plan Trust
8169 W. Victory Road
Boise, Idaho 83709

hereinafter referred to as "the Plan" at its office in Boise, Idaho. The following Report of Examination is respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period from December 18, 2006, date of Certificate of Registration issued, through August 31, 2011, and included such prior transactions and any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination. The examination was conducted in accordance with Sections 41-219(1) and 41-4013, Idaho Code. Verification and valuation of assets, liabilities, and net assets and an analysis and review of such other accounts and records as appropriate to the examination were also performed. There was some reliance placed upon the Plan's independent auditor and consulting actuary's work in this examination.

A letter of representation attesting to the Plan's ownership of all assets and to the nonexistence of unrecorded liabilities or contingent liabilities was signed by and received from the administrator of the Plan.

PRIOR EXAMINATION

This is the first comprehensive examination of the Plan since the initial registration process.

HISTORY AND DESCRIPTION

The Independent School District of Boise City Employee Dental Plan Trust (the Plan) was registered as a self-funded health care plan in Idaho effective December 18, 2006. On that date, the Idaho Department of Insurance issued a certification of registration (No. 3754) to the Plan under Title 41, chapter 40 of the Idaho Code. The Plan provides optional dental care benefits to all full-time employees of the Plan's Sponsor, the Independent School District of Boise City (the Boise School District) who regularly work at least 20 hours per week and their dependents, or retirees from the Boise School District. Coverage begins the first day of the month following a 30-day waiting period.

MANAGEMENT AND CONTROL

Effective September 1, 2006, the Boise School District entered into a trust agreement with the Plan. In this agreement, the trustees of the Plan agreed to: 1) accept the trusteeship; and 2) declare that they will receive and hold the Fund assets as Trustees. This agreement was executed on January 11, 2007 by representatives from the Boise School District Board and four trustees of the Plan. The four trustees of the Plan were composed of two persons representing the teacher's union and two persons representing the Boise School District administration. The agreement states that the purpose of this trust/self-funded dental plan is for the Boise School District to establish a plan to

provide dental care services to its employees. The services it provides include the following: 1) to receive all contributions to the Plan; 2) to hold, manage, invest and reinvest the Trust property and all income from the property; and 3) to make distributions from the Trust Fund in such amounts and to such person or persons as the Plan Administrator shall direct to provide for the payment of covered dental expenses incurred by Plan participants. The trustees shall serve without compensation. and have all powers provided by the Idaho Uniform Trustee's Powers Act and any other statute or rule of law. Any action taken by the trustees shall be taken by a majority vote of the trustees.

Trustees

The following persons were members of the Board of Trustees at August 31, 2011:

Name and Business Address	Principal Occupation
Christine Pickford Boise, Idaho	School Psychologist Independent School District of Boise
Sheila J. Lincoln Boise, Idaho	School Nurse Independent School District of Boise
Blas Telleria Boise, Idaho	Director-Human Resources Independent School District of Boise
Elizabeth (Betty) Olson Boise, Idaho	School Principal Independent School District of Boise

Brent Nye, benefits manager of the Independent School District of Boise, acted as the administrator of the Plan.

Conflict of Interest

The Plan did not have procedures in place which required persons having responsibility for management, investments or other handling of the trust funds to disclose any conflicts of interest during the period under examination. Such procedures would serve to document compliance with Idaho Code Section 41-4015. In December, 2011, the Plan hired legal counsel who developed a conflict of interest statement to be completed by the trustees and key personnel of the Plan annually. It is recommended that the Board of Trustees approve a conflict of interest policy which requires each trustee and key personnel of the Plan to complete a conflict of interest statement annually. It is also recommended that the Plan's legal counsel review the completed conflict of interest statements and the result of such review be reported to the Board of Trustees, and documented in the Plan's board minutes.

Contracts and Agreements

The Plan had the following agreements in effect at August 31, 2011:

Trust Agreement

For a discussion of the trust agreement details, please refer to the earlier heading titled "MANAGEMENT AND CONTROL."

Dental Plan Service Agreement

This service agreement became effective on September 1, 2006. In this contract, Delta Dental Plan of Idaho, Inc. (dba Delta Dental of Idaho) agreed to provide all administrative services to the Boise School District's self-funded dental plan (the Plan) including the following:

1. Initial adjudication, processing and payment of claims;
2. Assisting the Plan with establishing underwriting standards;
3. To make no payments from the money received from the Plan for any services rendered to a person who is not eligible for dental benefits;
4. Providing all customer service functions for the Plan and its members;
5. To endeavor to enlist dentists to become participating dentists in sufficient number to ensure an adequate choice of dentists;
6. To contractually require each participating dentist to schedule and render all dental treatment according to the standards of the dental profession in the community in which the dental procedures are rendered;
7. To make payment for dental services provided to dentists, subscribers and eligible dependents;
8. Generating reports to the Plan as requested;
9. Maintaining adequate books and records of all transactions related to the services provided by Delta Dental.

In return, Delta Dental of Idaho receives an administrative fee based on the number of participating employees per month. The fee paid for the period from September 1, 2010 to August 31, 2011 was $4.25 per employee per month.

It was noted that this dental service agreement is between the Boise School District and Delta Dental of Idaho. Idaho Code Section 41-4007(3) states that the Plan shall contract in its own name. It is recommended that the Plan amend this agreement by changing the name from the Boise School District to the Plan's name. In addition, this agreement has not been approved by the Board of Trustees. It is recommended that the Board of Trustees approve this agreement and such approval be recorded in the minutes.

CORPORATE RECORDS

Minutes of Meetings

The minutes of the Board of Trustees from November, 2006 through December 2011 were reviewed. It was noted that there was no record in the minutes of the Board of Trustees which documented the appointment (or contract with) the Plan's external auditor (CPA) and actuary.

Idaho Code Section 41-4007(3) prescribes that the Trust shall contract in its own name, and "all such contracts shall be in writing..." Additionally, since Idaho Code Section 41-4011(2) requires the Plan's auditor to certify its annual financial statements and Section 41-4010 (a) requires an actuary to certify its reserves for claims, therefore, it is recommended that the board appoint (or contract with) its external auditor and actuary annually and such actions be recorded in the board minutes.

FIDELITY BOND AND OTHER INSURANCE

An employee dishonesty insurance policy for the protection of the Plan was maintained through the period under examination. The coverage provided on this dishonesty insurance policy met the requirements specified in Section 41-4014 (3), Idaho Code.

The insurance company providing coverage to the Plan was licensed or otherwise authorized in the State of Idaho.

TERRITORY AND PLAN OF OPERATION

As previously reported, the Plan was registered with the Idaho Department of Insurance as a self-funded health care plan on December 18, 2006. In this connection, Certificate of Registration No. 3754 was granted to the Plan to transact business in the State of Idaho. Operations of the Plan are performed at the School District's office at Boise, Idaho. Operations relating claims are handled by Delta Dental of Idaho.

The Plan currently provides optional dental care benefits to approximately 5,800 individuals of the Boise School District. These individuals include employees, retirees and their dependents.

GROWTH OF PLAN

The Plan's growth for the years indicated, as taken from the audited financial statements for the fiscal years ended August 31, 2007 through 2011, is shown in the following schedule:

Year	Assets	Liabilities	Net Assets/Surplus	Change in Net Asset/Surplus
2007	$ 436,040	$303,531	$132,509	$132,509
2008	$ 488,809	$377,936	$110,873	$ (21,636) *
2009	$ 402,287	$226,037	$176,250	$ 65,377
2010	$ 720,851	$191,312	$529,539	$353,289
2011**	$1,090,771	$178,655	$912,116	$382,577

* Total expenses exceeded total contributions and investment income by $21,636 in 2008 that resulted in a decrease in net asset/surplus in that year.

** As determined by Examination

REINSURANCE

The Plan did not have any reinsurance.

INSURANCE PRODUCTS AND RELATED PRACTICES

Policy Forms and Underwriting

As previously mentioned, the Plan provides dental health care benefits to approximately 5,800 individuals of the Boise School District. These individuals include employees, retirees, and dependents. The benefit period is September 1st through August 31st.

The Plan provides two choices of benefits, depending on whether the benefits are received from a Preferred Provider Organization (PPO) or a participating dentist. The maximum benefit for services received from a PPO is $1,500 per covered individual per calendar year with no deductible. The maximum benefit for services received from a participating dentist is $1,000 per covered individual per calendar year with no deductible.

Treatment of Policyholders

Claims

As previously reported, Delta Dental of Idaho (Delta Dental) administers claims on behalf of the Plan under a Dental Plan Service Agreement. A sample of claims handled by Dental was reviewed and no violations of Idaho Code Section 41-1329 (unfair claim settlement practices) and Section 41-5602 (prompt payment of claims) were noted.

Complaints

Idaho Code Section 41-1330 (failure to maintain complaint handling procedures) states that "complaint" shall mean any written communication primarily expressing a grievance. Plan management and its claims service administrator, Delta Dental of Idaho, both stated that they had not received any written complaints from the members during the period under examination. It was noted that the Plan had not established any procedures for members to file their complaints. It is recommended that the Plan and its claims service administrator establish complaint and appeal procedures for the members to file their complaints. In addition, it is recommended that the Plan and its claims service administrator establish a complaint log to record complaints received in compliance with the aforementioned code section.

Privacy Practices

The Plan has not maintained privacy practices as set forth under the federal Health Insurance Portability and Accountability Act (HIPAA). It is recommended that the Plan's administrator establish procedures to protect the health privacy information of its members and that the Plan inform its members of the established procedures such as sending out privacy notices.

ACCOUNTS AND RECORDS

General Accounting

The Plan's accounting records were maintained on the Boise School District's system by an accountant of the Boise School District. Claims data were maintained by the Plan's claims service administrator, Delta Dental of Idaho.

Independent Accountants

The annual independent audits of the Plan for the fiscal years ended August 31, 2007 through 2011 were performed by Eide Bailly LLP, Boise, Idaho. The financial statements in each report were on a GAAP basis. There was some reliance placed on the 2011 audit workpapers in this examination of the Plan.

Actuarial Opinion

The actuarial certification for incurred but not reported (IBNR) dental claims (2007-2010 fiscal years) was prepared by William DeCapua, ASA, MAAA, Actuarial Worksite Marketing Services, Inc. For fiscal year 2011, it was prepared by Scott Meyer, ASA, MAAA, Delta Dental of Wisconsin.

With regard to the 2011 actuarial opinion, the original opinion was dated April 6, 2011 and the incurred but not reported (IBNR) loss projection as of August 31, 2011 was based on the claims data from January, 2007 through February, 2011. The Plan's external auditor believed that the IBNR stated on the original actuarial opinion was overstated. As a result, the external auditor made an audit adjustment by reducing the IBNR as of August 31, 2011 by $21,556. The actuary concurred with the auditor's finding and issued an updated/revised opinion in November, 2011. Since Idaho Code Section 41-4010(a) requires that the reserve be certified by a member of the American Academy of Actuaries, it is recommended that the Plan's actuary project the Plan's IBNR reserve using more recent claims data, as is an accepted actuarial practice, and that the actuarial opinion be issued after the ending date of the Plan's fiscal year.

For further comment on actuarial items by the Department's examining actuary, please see the "NOTES TO THE FINANCIAL STATEMENTS" section later in this report.

FINANCIAL STATEMENTS

The financial section of this report contains the following statements:

Statement of Net Assets as of August 31, 2011

Statement of Income, Expenses, and Changes in Net Assets for the Year Ending August 31, 2011

Reconciliation of Net Assets, August 31, 2006 through August 31, 2011

The rest of this page was intentionally left blank.

Statement of Net Assets
As of August 31, 2011

Assets	Per Plan	Examination Adjustments	Per Examination
Cash	$1,090,771	$ 0	$1,090,771
Total Assets	$1,090,771	$ 0	$1,090,771
Liabilities and Net Assets			
Estimated claims incurred but not reported (see Note 1 & Note 3)	$ 118,228	$ 0	$ 118,228
Administrative services fee payable to Delta (see Note 2)	0	15,304	15,304
Claims payable (see Note 2 & Note 3)	60,427	(15,304)	45,123
Total Liabilities	$ 178,655	$ 0	$ 178,655
Net Assets (see Note 3)	$ 912,116	$ 0	$ 912,116
Total Liabilities and Net Assets	$1,090,771	$ 0	$1,090,771

The rest of this page was intentionally left blank.

Statement of Income, Expenses, and Changes in Net Assets
For the Year Ended August 31, 2011

	Per Plan	Examination Adjustments	Per Examination
Contributions:			
Plan members	$ 800,016	$ 0	$ 800,016
Retired/COBRA members	627,574		627,574
Employer	1,471,133	0	1,471,133
Total Contributions	$2,898,723	$ 0	$2,898,723
Investment Income:			
Interest	$ 180	$ 0	$ 180
Total investment income	$ 180	0	$ 180
Total additions	$2,898,903	$ 0	$2,898,903
Deductions:			
Payments for benefits	$2,315,079	$ 0	$2,315,079
Administrative expenses	185,978	0	185,978
Professional services	15,269	0	15,269
Total deductions	$2,516,326	$ 0	$2,516,326
Increase in Net Assets	$ 382,577	$ 0	$ 382,577

The rest of this page was intentionally left blank.

Reconciliation of Changes in Net Assets
August 31, 2006 through August 31, 2011

	2007	2008	2009	2010	2011*
Net Assets, End of Previous Year	$ 0	$132,509	$110,873	$176,250	$529,539
Change in Net Assets	132,509	(21,636)	65,377	353,289	382,577
Net Assets, End of Current Year	$132,509	$110,873	$176,250	$529,539	$912,116

*Per Examination

The rest of this page was intentionally left blank.

NOTES TO THE FINANCIAL STATEMENTS

Note (1) – Estimated Claims Incurred But Not Reported $118,228

The captioned liability as of August 31, 2011 was examined by Mike Mayberry, FSA, MAAA, DOI consulting actuary, of the firm of Lewis & Ellis, Inc. The result of its review and analysis indicates that the Plan's adjusted IBNR liability as of August 31, 2011 was reasonable.

Note (2) – Examination Reclassification $15,304

The examiner noted that the Plan had combined a $15,304 fee payable to the Plan's TPA along with outstanding claims payable as of August 31, 2011. The Examination removed the $15,304 from the claims liability and designated the fee payable as a separate line item. The reclassification was necessary because there is the potential for calculation of the Plan's minimum surplus to be misstated (see Note 3 below) if fees payable are included with claims payable.

Therefore, it is recommended that the Plan separate fees payable to the TPA from the claims liability amount in future financial statement reporting.

Note (3) – Statutory Minimum Surplus Requirement

Idaho Code Section 41-4010(3) prescribes that: "*a self-funded plan shall establish and maintain in its trust fund surplus equal to at least thirty percent (30%) of the unpaid claims liability of the plan.*" The following table demonstrates that the Plan met and exceeded Idaho's statutory minimum surplus requirement:

Trust fund surplus per this Report		$912,116
IBNR claims liability per this Report	$118,228	
Unpaid claims liability per this Report	45,123	
Total unpaid claims liability per this Report	163,351	
Percentage per Idaho Code	x .30	
Minimum surplus required by Idaho Code		49,005
Surplus in Excess of Idaho Code Requirement		$863,111

SUMMARY, COMMENTS AND RECOMMENDATIONS

Summary

The results of this examination disclosed that as of August 31, 2011, the Plan had assets of $1,090,771, liabilities of $178,228 and net assets of $912,116. It appears that the Plan has complied with the surplus requirement under Idaho Code Section 41-4010(3).

Comments and Recommendations

Page

3	It is recommended that the Board of Trustees approve a conflict of interest policy which requires each trustee and key personnel of the plan to complete a conflict of interest statement annually. It is also recommended that the Plan's legal counsel review the completed conflict of interest statements and the result of such review be reported to the Board of Trustees in compliance with Idaho Code Section 41-4015.
4	It is recommended that the Plan amend the agreement with Delta Dental of Idaho by changing the name in the agreement from the Boise School District to the Plan's name, in compliance with Idaho Code Section 41-4007(3).
4	It is recommended that the Board of Trustees approve the agreement with Delta Dental of Idaho and such approval be recorded in the minutes.
5	It is recommended that the Board of Trustees appoint (or contract with) its external auditor and actuary annually and such actions be recorded in the board minutes.
7	It is recommended that the Plan and its claims service administrator establish complaint and appeal procedures for the members to file their complaints. In addition, it is recommended that the Plan and its claims service administrator establish a complaint log to record complaints received in compliance with Idaho Code Section 41-1330.
7	It is recommended that the Plan's administrator establish procedures to protect the privacy information of its members and that the Plan inform its members of the established procedures, such as sending out privacy notices.
7	It is recommended that the Plan's actuary project the Plan's IBNR reserve using more recent claims data and that the actuarial opinion be issued after the ending date of the Plan's fiscal year.
12	It is recommended that the Plan separate fees payable to the TPA from the claims liability amount in future financial statement reporting.

CONCLUSION

The undersigned acknowledges the assistance and cooperation of the Board of Trustees of the Plan and the employees of the Independent School District of Boise City in conducting the examination.

In addition to the undersigned, Mike Mayberry, FSA, MAAA, Lewis & Ellis, Inc. participated in the examination.

Respectfully submitted,

Kelvin Ko, CFE
Senior Insurance Examiner
Department of Insurance
State of Idaho

AFFIDAVIT OF EXAMINER

State of Idaho
County of Bannock

Kelvin Ko being duly sworn, deposes and says that he is a duly appointed Examiner for the Department of Insurance of the State of Idaho, that he has made an examination of the affairs and financial condition of *Independent School District of Boise City Employee Dental Benefit Plan Trust* for the period from December 18, 2006 through August 31, 2011, that the information contained in the report consisting of the foregoing pages is true and correct to the best of his knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.

Kelvin Ko, CFE
Senior Insurance Examiner
Department of Insurance
State of Idaho

Subscribed and sworn to before me the 2 day of April, 2012, at Pocatello, Idaho.

Notary Public

MIKE MYERS
NOTARY
PUBLIC
STATE OF IDAHO

My Commission Expires: 5-27-12

EXHIBIT B

State of Idaho
DEPARTMENT OF INSURANCE

C.L. "BUTCH" OTTER
Governor

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone (208)334-4250
FAX # (208)334-4398

WILLIAM W. DEAL
Director

WAIVER

In the matter of the Report of Examination as of August 31, 2011, of the:

Independent School District of Boise City Employee Dental Benefit Plan Trust
8169 W. Victory Road
Boise, Idaho 83709

By executing this Waiver, the Independent School District of Boise City Employee Dental Benefit Plan Trust *(the Trust),* hereby acknowledges receipt of the above-described examination report, verified as of the 2nd day of April 2012, and by this Waiver hereby consents to the immediate entry of a final order by the Director of the Department of Insurance adopting said report without any modifications.

By executing this Waiver, the Plan/Trustee also hereby waives:

1. its right to examine the report for up to four (4) weeks as provided in § 41-4013(3), Idaho Code, and
2. its right to recommend to the director such corrections or changes therein as prescribed by § 41-4013(3), Idaho Code, and
3. any right to request a hearing under Idaho Code sections 41-227(5) and (6), 41-232(2)(b), or elsewhere in the Idaho Code, and
4. any right to seek reconsideration and appeal from the Director's order adopting the report as provided by section 41-227(6), Idaho Code, or elsewhere in the Idaho Code.

Dated this 1 day of May, 2012

BLAS Tellería
Trustee Name (print)

Blas Tellería
Trustee Signature

Director of Human Res. (Trustee)
Title