

JUN 23 2025

Department of Insurance
State of Idaho**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE****STATE OF IDAHO**

In the Matter of:

REGENCE BLUESHIELD OF IDAHO, INC.

Idaho Certificate of Authority No. 1903
NAIC Co-Code: 60131

Docket No. 18-4725-25

**ORDER ADOPTING REPORT
OF EXAMINATION
AS OF DECEMBER 31, 2023**

The State of Idaho, Department of Insurance (“Department”), having conducted an examination of the affairs, transactions, records, and assets of REGENCE BLUESHIELD OF IDAHO, INC. (the “Company”) to ascertain compliance with title 41, Idaho Code, and related rules, pursuant to Idaho Code §§ 41-219(1) and (5), hereby alleges the following facts that constitute a basis for issuance of an order, pursuant to Idaho Code § 41-227(5)(a), adopting the Report of Examination of the Company for the period of January 1, 2021, to December 31, 2023 (“Report”), as filed.

FINDINGS OF FACT

1. The Company is an Idaho-domiciled insurance company licensed to transact disability insurance, including managed care, under Idaho Certificate of Authority No. 1903.
2. The Department completed an examination of the Company pursuant to Idaho Code §§ 41-219(1) and (5) on or about May 29, 2025. The Department’s examination disclosed no adverse material findings or any adjustments that impacted the Company’s reported net assets.
3. Pursuant to Idaho Code § 41-227(4), a copy of the Report, verified under oath by

the Department's Deputy Chief Examiner, was filed with the Department on June 11, 2025, and was transmitted to the Company on the same date. A copy of the verified Report is attached hereto as Exhibit A.

4. Pursuant to Idaho Code § 41-227(4) the Company had thirty (30) days from service of the Report within which to review, comment, or request a hearing on the Report. On June 13, 2025, the Department received a "Waiver" from the Company signed by Anjie Vannoy, the Company's vice president and authorized signatory. A copy of the Waiver is attached hereto as Exhibit B. By executing the Waiver, the Company has consented to the Director's immediate entry of a final order adopting the Report without modification. The Company has also waived its rights to: (1) examine the Report for no longer than thirty (30) days; (2) make written submission or rebuttal to the Report prior to the entry of a final order; (3) request a hearing; and (4) seek reconsideration and appeal from the Director's order adopting the Report.

CONCLUSIONS OF LAW

5. Idaho Code § 41-227(5)(a) provides that, after expiration of "the period allowed for the receipt of written submissions or rebuttals, the Director shall fully consider and review the report, together with any written submissions or rebuttals and relevant portions of the examiner's work papers" and shall enter an order adopting the report of examination as filed or with modifications or corrections.

6. Having fully considered the Report, the Director concludes that, with regard to the matters examined and information provided by the Company, the comments and recommendations contained in the Report are appropriate and are incorporated herein as if set forth in full.

ORDER

NOW, THEREFORE, based on the foregoing, IT IS HEREBY ORDERED that the Report of Examination of REGENCE BLUESHIELD OF IDAHO, INC. for the period of January 1, 2021,

to December 31, 2023, is hereby ADOPTED as filed, pursuant to Idaho Code § 41-227(5)(a).

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(8), that the adopted Report is a public record and shall not be subject to the exemptions from disclosure provided in Chapter 1, Title 74, Idaho Code.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(6)(a), that, within thirty (30) days of the issuance of the adopted Report, REGENCE BLUESHIELD OF IDAHO, INC. shall file with the Department's Deputy Chief Examiner, affidavits executed by each of its board members or, if none, its principal officers, stating under oath that they have received a copy of the adopted Report and related orders.

IT IS SO ORDERED.

DATED this 19 day of June 2025.

STATE OF IDAHO
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read "Dean L. Cameron", written over a horizontal line.

DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

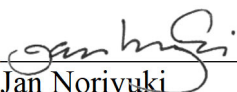
This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition 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 may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a 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 a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 23rd day of June 2025, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXAMINATION AS OF DECEMBER 31, 2023, to be served upon the following by the designated means:

Regence BlueShield of Idaho, Inc. Geoffrey Thomas Emry, Chair 1602 21 st Ave Lewiston, ID 83501-4061	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input type="checkbox"/> Email:
James Anderson Deputy Chief Examiner Idaho Department of Insurance 700 W. State Street, 3 rd Floor P.O. Box 83720 Boise, ID 83720-0043	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: james.anderson@doi.idaho.gov



Jan Noriyuki
Paralegal

DEPARTMENT OF INSURANCE

STATE OF IDAHO



REPORT OF EXAMINATION

Of

Regence BlueShield of Idaho, Inc.
(Mutual Health Insurer)
(NAIC Company Code: 60131)

As of
December 31, 2023

EXHIBIT

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exhibitster.com

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Lewiston, Idaho

May 29, 2025

The Honorable Dean Cameron
Director of Insurance
State of Idaho
700 West State Street
P.O. Box 83720
Boise, Idaho 83720-0043

Dear Director:

Pursuant to your instructions, in compliance with Section 41-219(1), Idaho Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2023, of the financial condition and corporate affairs of:

Regence BlueShield of Idaho, Inc.
1602 21st Avenue
Lewiston, Idaho 83501-4061

Hereinafter referred to as "RBSI" or the "Company," at its offices in Lewiston, Idaho. The following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

Period Covered

We have performed our full-scope examination of the Company in conjunction with the full-scope multi-state coordinated examination of Cambia Health Solutions, Inc. (the “Holding Company”). The last examination was completed as of December 31, 2020. This examination covers the period of January 1, 2021 through December 31, 2023.

Examination Procedures Employed

Our examination was in accordance with the NAIC *Financial Condition Examiners Handbook* to determine compliance with accounting practices and procedures in conformity with the applicable laws and insurance rules promulgated by the Idaho Department of Insurance (the “Department”). The handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to fair presentation of financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to the Company.

The examination determined the risks associated with identified key functional areas of the Company’s operation and considered mitigating factors. Interviews were held with the senior management of the Company to gain an understanding of the entity’s operating profile and control environment.

The Company retained the services of certified public accounting firm, Deloitte & Touche, LLC, to audit its financial records for the years under examination. The firm allowed the examiners access to requested work papers prepared in connection with its audit. The external audit work was relied upon where deemed appropriate.

The examination relied on the findings of the actuarial firm contracted by the Oregon Department of Consumer & Business Services, Division of Financial Regulation to verify reserves.

A letter of representation certifying that management disclosed all significant matters and records was obtained from management and included in the examination working papers.

Status of Prior Examination Findings

Our examination included a review to determine the current status of one exception condition noted in the preceding Report of Examination adopted June 27, 2022, which covered the period from January 1, 2018, to December 31, 2020, and the Limited-Scope Report of Examination, adopted April 06, 2021, which covered the period from January 1, 2015, to December 31, 2017. The exception condition, regarding the Amended and Restated Management and Service Agreement (“MASA”) between the Company and Cambia Health Solutions, Inc., was satisfactorily addressed.

SUMMARY OF SIGNIFICANT FINDINGS

Our examination did not disclose any material adverse findings or any adjustments that impacted the Company’s reported capital and surplus.

SUBSEQUENT EVENTS

In 2023, the Company formed Regence Group Administrators of Idaho, Inc., (RGA-ID), a wholly-owned subsidiary of the Company. RGA-ID is a third-party administrator providing services to self-funded employer groups in Idaho. RGA-ID would commence business on January 1, 2025.

Effective January 4, 2024, the Company and Regence BlueCross BlueShield of Oregon (RBCBSO) and Regence BlueCross BlueShield of Utah (RBCBSU) entered into a proportional share reinsurance agreement. Pursuant to the agreement, the Company cedes 65% of the total liabilities incurred for the State of Idaho contract to RBCBSO; and 25% of the total liabilities incurred pursuant to this contract to RBCBSU as well. This agreement will be in effect for a minimum of three years following January 1, next succeeding the effective date. Either party may terminate the agreement without cause via a 270 day prior written notice, before the start of the next renewal date.

On January 14, 2025, pursuant to Form B Filing, Amendment Eight, effective December 10, 2024, a Master Intercompany Promissory Note between Cambia, Regence Oregon, Regence Washington, Regence Utah, Asuris, BridgeSpan, CBRM and the Company was executed.

COMPANY HISTORY

General

In 1946, the Company was originally formed as a non-profit entity under the name of North Idaho District Medical Service Bureau, Inc., and commenced business in Idaho that same year. In 1977, the Company changed its name to Medical Service Business of Idaho, Inc. In 1994, the Company converted to a nonprofit mutual insurer under Chapter 28, Title 41, Idaho Code, as a disability company. In 1997, the Company changed its name to Regence BlueShield of Idaho, Inc. The Company is an affiliate of Cambia Health Solutions, Inc., through a long-term management administrative and service agreement.

In 2013, the Company acquired an interest in BridgeSpan Health Company (“BridgeSpan”). BridgeSpan offers individual health insurance and Medicare Supplement. As of December 31, 2023, the Company owned 19.1% of BridgeSpan Health.

In 2016, the Company acquired an interest in Cascadia Echo Holding Company LLC (“Cascadia”), a joint venture capital investment company. As of December 31, 2023, the Company owned 0.0004% of Cascadia Echo Holding.

On December 31, 2021, the Holding Company, on behalf of the Plans, executed an agreement to sell all ownership interest in LifeMap Assurance Company (“LifeMap”) to Life and Specialty Ventures, LLC (LSV), in exchange for a non-controlling ownership interest in LSV. Under the agreement, the Company received an ownership interest in Northwest LSV Holding Company, Inc., (“NW LSV”), in exchange for its ownership in LifeMap. As of December 31, 2023, the Company owned 3.3% of Northwest LSV Holding Company, Inc.

In 2023, the Company formed Regence Group Administrators of Idaho, Inc., (RGA-ID), a wholly-owned subsidiary, a third-party administrator providing services to self-funded employer groups in Idaho.

The Company is an independent licensee of the Blue Cross and Blue Shield Association (BCBSA). BCBSA owns the Blue Cross and Blue Shield service marks and sets certain operating and financial guidelines for its licensees. BCBSA is not an affiliate or guarantor of the Company.

Dividends and Capital Contributions

There were no dividends during the examination period.

Mergers and Acquisitions

There were no mergers and acquisitions during the examination period.

Surplus Debentures

The Company did not have any surplus debentures during the examination period.

CORPORATE RECORDS

The meeting of the Board of Directors (the “Board”) were conducted annually and quarterly, virtually and in-person for all years under examination. At each annual shareholder meeting, directors were nominated and elected to staggered terms in accordance with Idaho Code § 41-2835(2). The Board meeting minutes for the period of January 1, 2021, to December 31, 2023, were reviewed noting matters pertaining to budgeting, trends, reserving, corporate governance and other operational issues were reviewed and discussed. Additionally, the Company has established procedures for disclosure of any material affiliation likely to conflict with the individual’s official duties. The conflict of interest disclosures were reviewed for each year under examination noting no material conflicts. The sale or exchange of any investment or loan as described in Idaho Code § 41-704 was authorized and approved by the Board of Directors.

The Prior Examination Report as of December 31, 2020, was distributed to the Directors and reviewed at the Board of Directors meeting on July 22, 2022, in accordance with Idaho Code § 41-227(6)(a).

MANAGEMENT AND CORPORATE GOVERNANCE

Effective April 21, 2021, the Amended and Restated bylaws indicated the number of directors may be not less than five (5) persons no more than fifteen (15) Directors. The following persons served as directors of the Company as of December 31, 2023:

<u>Name</u>	<u>Principal Occupation</u>
Lynn Gunkler Hoffmann, Chairman Boise, Idaho	Chief Financial Officer Intermountain, 3D, Inc.
Geoffrey Thomas Emry, M.D. Coeur d'Alene, Idaho	Physician Ironwood Family Practice
Rebecca Lee Noah Casper, Ph.D Meridian, Idaho	Government Official Mayor, City of Idaho Falls
Jennifer Lee Freeman# Meridian, Idaho	Chief Financial Officer, <i>Interim</i> Pennant Services, Inc.
Joseph Allen Forney Boise, Idaho	President, Director of Operations Cold Chain, LLC
John Christopher Gwin# Boise, Idaho	Senior Vice President Wealth Advisor Morgan Stanley Global Wealth Management
Esther Bishop Machen, D.D.S. Ririe, Idaho	Dentist Machen Family Denistry
Katherine Lucile Steele Moriarty Idaho Falls, Idaho	Senior Counsel, <i>Retired</i> Battelle Energy Alliance, L.L.C
George James Mulhern Eagle, Idaho	Chief Executive Officer Cradlepoint
Ryan Charles Nipp Hayden, Idaho	Development and Asset Management, <i>Partner</i> Parkwood Business Properties
Mark Henry Ruszczyk Boise, Idaho	President Regence BlueShield of Idaho, Inc.
Lori Marie Stinson, Ph.D., R.N. Moscow, Idaho	Professor of Nursing Lewis-Clark State College
Mary Patricia Thompson Boise, Idaho	Chief Financial Officer, <i>Retired</i> Taronis Fuels
Jeffry Orange Williams Sun Valley, Idaho	Self-employed Corporate Consultant

Notes:

1. The symbol # denotes a newly appointed Officer.
2. Subsequent to the examination period, Geoffrey Thomas Emry was named Chairman of the Board.

Officers

The Company's bylaws authorize the Board to establish the Executive, Nominating and Audit committees. A majority of the membership of any committee shall consist of individuals who are not physicians, dentists, or other providers of health care services.

Executive Committee

Mark Ruszczyk, President
 Lynn G. Hoffmann, Chair
 Dr. Geoffrey T. Emry
 Joseph A. Forney

Nominating Committee

Joseph A. Forney, Chair
 Mark Ruszczyk, (ex officio and non-voting)
 Lori M. Stinson
 Jeffery O. Williams

Audit Committee

The Company's Board was designated as the audit committee performing the responsibilities of the audit committee in accordance with IDAPA 18.07.04.021.

The Company's Amended and Restated bylaws, provide for principal officers to consist of a Chair of the Board of Directors, a President, one or more Vice Presidents, a Secretary, a Treasurer, and such addition Assistant Secretaries and Assistant Treasurers as the Board of Directors may authorize from time to time. In its discretion, the Board of Directors may elect a Vice Chair. The following persons served as officers of the Company as of December 31, 2023:

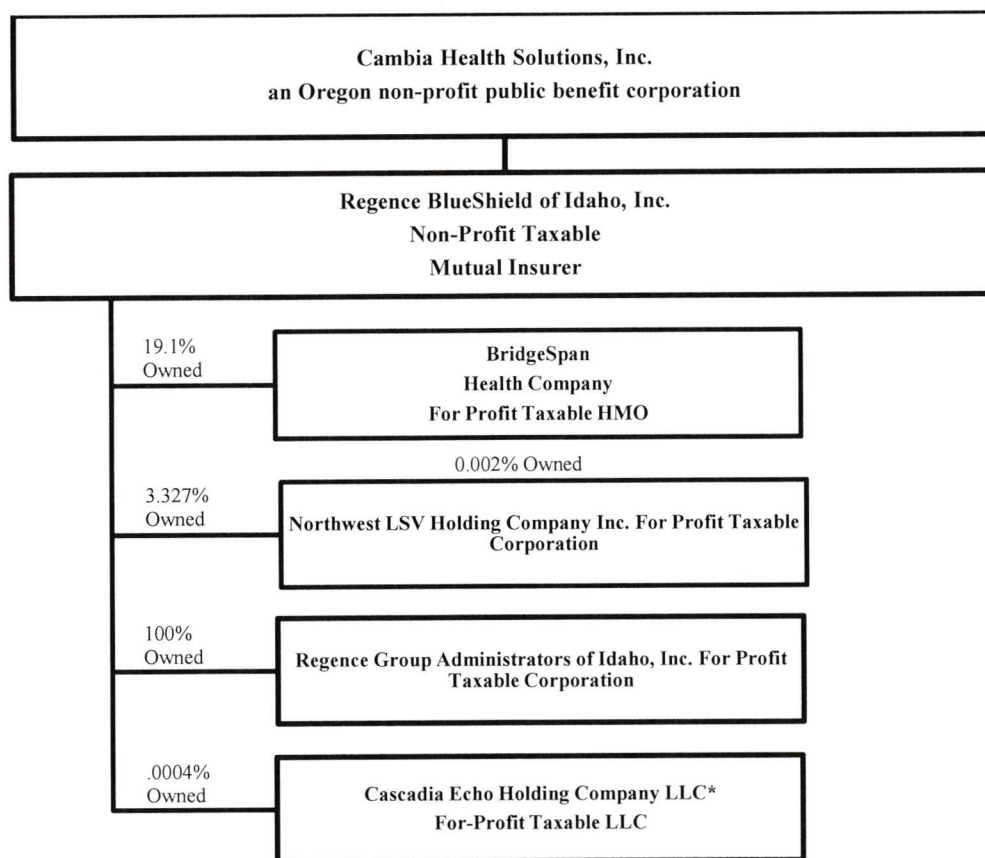
<u>Name</u>	<u>Title</u>
Mark H. Ruszczyk	President
Russell S. Collins#	Assistant Secretary
Jennifer L. New#	Treasurer
Adrean K. Cavener	Secretary
Stacy J. Simpson	Vice President and Corporate Controller
Patricia L. Quarles#	Vice President of Sales
Christopher G. Blanton	Vice President, Individual Market
Ryan C. Pharis	Vice President of Network Management
Lynn G. Hoffmann,	Chair
Geoffrey T. Emry, M.D#	Chair

Notes:

- 1. The symbol # denotes a newly appointed Officer*
- 2. In 2024, Geoffrey T. Emry, was named Chairman of the Board*

Insurance Holding Company System

The Company is an affiliate of Cambia Health Solutions, Inc., a nonprofit holding Company, pursuant to the Amended and Restated Management and Services Agreement. The following is an abbreviated organizational chart as of December 31, 2023:



Agreements with Affiliates

The following summarizes the significant, affiliated agreements in-force as of December 31, 2023:

Amended and Restated Management and Administrative Services Agreement

Effective May 25, 1995, the Company and Cambia Health Solutions, Inc., (CHS) first entered into a Management and Administrative Services Agreement. On December 28, 2022, an Amended and Restated Management and Administrative Services Agreement (MASA) was executed. Pursuant to the agreement CHS provides the Company with management and certain strategic planning, budgeting, actuarial, regional marketing and other services. Under the agreement, the Company will pay CHS the lesser of (1) a fixed per member per month fee (Fixed PMPM Fee), or (2) the Company's proportionate share of the cost of providing these services, as determined on a calendar year basis. The administrative expenses allocated to the Company were determined by applying an allocation methodology that was (a) fair and reasonable, (b) proportionate to the benefit received, (c) complies with cost accounting standards that are generally accepted in the health

insurance industry, and (d) consistent with all statutory accounting principles applicable under state law included but not limited to Statement of Statutory Accounting Principles (SSAP) No. 70.

Administrative Services Agreement

Effective December 31, 2021, the Company, Cambia Health Solutions, Inc., (CHS), Regence BlueShield (RBS), Regence BlueCross BlueShield of Oregon (RBCBSO), Regence BlueCross BlueShield of Utah (RBCBSU), BridgeSpan Health Company (BHC) and Asuris Northwest Health (ANH) entered into an administrative services agreement with USABLE Life (USAL). Per the agreement, the Cambia parties engaged USAL to provide various administrative services in connection with Cambia's self-insured (ASC) dental benefit plans, insurance policies and Medicare Advantage Programs. Effective, April 2, 2024, the agreement was amended to replace Article 4. Compensation and ASC Claims Payments and Section B. ASC Claims Payments.

Operating Agreement of Cascadia Echo Holding Company, LLC.

Effective November 8, 2016, the Company, Cambia Health Solutions, Inc. (CHS), Regence BlueCross BlueShield of Oregon (RBCBSO), Regence BlueShield (RBS), Regence BlueCross BlueShield of Utah (RBCBSU) entered into an operating agreement for Cascadia Echo Holding Company, LLC. Cascadia, is a downstream non-insurance company, whose primary business and purpose is to be a member of Echo Health Ventures, LLC, and to engage in all other activities that are necessary or incidental to the purpose or to protect or enhance Cascadia's assets. Effective, April 19, 2021, the agreement was amended and restated regarding 2.9 Election and Tenure of Officers and 5.2 Additional Capital Contributions. A new Section 14.14 Regulatory Approvals and a new definition of Declining Member was included as well.

Joint Enterprise Agreement

Effective March 1, 2012, the Company and Regence BlueCross BlueShield of Utah (RBCBSU) entered into a joint enterprise agreement. Pursuant to this agreement, the joint enterprise, or RBSI and RBCBSU collectively, agreed to individually and jointly fulfill all of the transferred rights and obligations related to a standalone, voluntary Medicare Prescription Drug Plan (PDP) contract with the Centers for Medicare & Medicaid Services (CMS).

Master Subscription Agreement

Effective January 1, 2023, HealthSparq, Inc., and Cambia Health Solutions, Inc., (CHS) on behalf of itself and its affiliates entered into an agreement whereby CHS may order a subscription to access and use one or more of HealthSparq proprietary consumer modules, transparency tools and other related consulting, implementation, training and other professional services.

Promissory Note

Effective June 1, 1995, the Company and Cambia Health Solutions, Inc. (formerly Entrust) executed a promissory note in the amount of \$540,000. Effective June 1, 2015, the agreement was amended increasing the principal amount of the note to \$1,700,000 and amending the maturity date to June 1, 2035.

FIDELITY BONDS AND OTHER INSURANCE

The minimum fidelity coverage suggested by the NAIC for an insurer of the Company's size and premium volume is not less than \$1,500,000. As of December 31, 2023, the Company had sufficient fidelity bond coverage subject to a single loss limit of \$10,000,000. The Company also had additional insurance protection against directors and officers liability, professional liability, errors and omissions, and commercial general liability.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

Defined Contribution Plan

The Company offers a Deferred Income Program for Executives and a Deferred Income Program for Directors. The purpose of the programs is to provide an unfunded, non-qualified deferred compensation arrangement to key employees and eligible directors.

Consolidated/Holding Company Plans

The Company participated in a defined benefit pension plan sponsored by the Holding Company covering substantially all regular employees having one or more years of service. Benefits are based on years of service and the employee's final average compensation. As of December 31, 2009, the plan was frozen. The Company also participated in a supplemental executive retirement program (SERP) sponsored by the Holding Company covering key employees meeting certain eligibility requirements. The Company has no legal obligation for benefits under these plans; the Holding Company carries the obligation.

Employee Savings Plan

The Company participated in an employee savings plan sponsored by the Holding Company whereby the Holding Company will match employee contributions up to a specified percentage. Also, the Holding Company may provide a discretionary contribution based on eligible employees' eligible earnings, subject to annual review and approval by the Board of Directors. The Company has no legal obligations for benefits under these plans; the obligation is carried by the Holding Company.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2023, the Company was licensed to write business in Idaho and select counties in Washington. The Company wrote various lines of health insurance for individuals, small and large employer groups; and government employees. The Company offered Medicare, Medicare Supplement, dental, and vision coverages as well.

GROWTH OF THE COMPANY

The following represents the Company's premium activity and its relationship to surplus over the examination:

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Direct Written Premiums	\$ 458,888,239	\$ 507,146,849	\$ 638,706,708
Capital and Surplus	292,735,637	304,697,003	334,545,032
Gross Written Premiums to Capital and Surplus Ratio	156.8%	166.4%	190.9%

LOSS EXPERIENCE

The following represents the Company's loss experience and its relationship to net premium income over the period of our examination:

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Premiums Earned	\$ 457,654,335	\$ 499,487,332	\$ 625,067,675
Total Medical and Hospital Expenses	391,670,318	410,756,489	524,800,046
Claims Adjustment Expenses	23,433,029	26,140,573	31,591,592
Total Medical, Hospital and Claims Adjustment Expenses	\$ 415,103,347	\$ 436,897,062	\$ 556,391,638
Total Medical, Hospital and Claims Adjustment Expenses to Premiums Earned Ratio	91%	87%	89%

REINSURANCE

Assumed

The Company did not assume any reinsurance during the examination period.

Ceded

Idaho Individual High Risk Pool

Pursuant to Idaho Code §41-5502, the Idaho Individual High Risk Reinsurance Pool was created as an independent public body, corporate and political. The pool promotes availability of individual insurance coverage in Idaho, regardless of health or claims experience, providing a safety net to carriers in the form of a risk pool and reinsurance mechanism to facilitate the guarantee issue of standardized state approved health benefit plans. The Company's participation in this high risk pool was mandatory. As of December 31, 2023, paid losses were \$6.5M and premiums of \$4.4M.

LifeMap Assurance Company

Effective, January 1, 2014, the Company and LifeMap Assurance Company entered into a quota share reinsurance agreement. Pursuant to the agreement, the Company cedes 100% of the liability incurred for accidental death benefits (ADB) included in individual and group medical policies, to its affiliate. The agreement is unlimited duration, subject to the insolvency provisions therein. Either party may terminate the agreement by written notice via registered mail. Effective January 1, 2020, Amendment #1 was executed revising the premium and settlement payment provisions.

QBE Reinsurance Corporation

Effective, January 1, 2023, Cambia Health Solutions, Inc., and its affiliates including the Company and QBE Reinsurance Corporation entered into a medical excess of loss agreement. Pursuant to this agreement, Cambia Health Solutions is indemnified for the liability that may accrue as a result of claims incurred for certain policies, limited to providing medical benefits to qualified health plans (QHPs) sold through the Federally Facilitated Marketplace for Individuals or Small Business Health Options (SHOP), and self-funded stop loss policies issued to self-funded employer groups. The agreement, which expires on January 1, 2024, could be terminated for special circumstances such as the reinsurers insolvency, AM Best Rating downgrade or surplus.

USAbLe Life

Effective January 1, 2022, the Company and USAbLe Life entered into a proportional share reinsurance agreement. Pursuant to the agreement, the Company cedes 100% of all its commercial (including Qualified Health Plans) and Medicare Advantage dental insurance policies underwritten by the Company, including dental benefits embedded in medical insurance policies and Affordable Care Act pediatric dental policies, subject to exclusions. The agreement expires two years following the January 1, next succeeding the effective date. Either party may terminate the agreement by written notice via a thirty day written notice for failure to pay undisputed amounts or failure to comply with treaty provisions.

ACCOUNTS AND RECORDS

General Accounting

The Company used a combination of commercially available software for general ledger and financial reporting, policy and claims administration and investment funds management and data warehousing. Pursuant to the Amended and Restated Management and Administrative Services Agreement with Cambia, services such as but not limited to strategic planning, budgeting, actuarial, underwriting, marketing, finance, legal, information technology and human resources were provided to the Company.

Independent Auditor

For each year under examination, the annual independent audits were performed by Deloitte and Touche, LLC. The audit support work papers for the year-ended December 31, 2023 were made available for review.

STATUTORY DEPOSITS

Pursuant to Idaho Code § 41-313, the Company was required to maintain a deposit in an amount equal to \$1,000,000. The examination confirmed the Company maintained a statutory deposit with the State of Idaho consisting of a United States Treasury Note with a par value of \$1,100,000, which was adequate to cover the required deposit.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2023. The accompanying comments on financial statements reflect any material examination adjustments to the amounts reported in the annual statements and should be considered an integral part of the financial statements.

Balance Sheet

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$343,385,432		\$343,385,432
Common Stocks	94,964,881	101,245	94,863,636
Properties occupied by the company	15,403,285		15,403,285
Cash, cash equivalents and short -term investments	28,843,014		28,843,014
Receivables for securities	47,278		47,278
Investment income due and accrued	2,794,894		2,794,894
Uncollected premiums and agents' balances in course of collection	8,330,128	329,090	8,001,038
Accrued retrospective premiums and contracts subject to redetermination	3,291,538		3,291,538
Amounts receivable from reinsurers	6,924,959		6,924,959
Amounts receivable relating to uninsured plans	23,382,908	1,629,089	21,753,819
Net deferred tax asset	2,435,884		2,435,884
Electronic data processing equipment and software	4,762,938	4,762,938	-
Furniture and equipment, including health care delivery assets	1,077,773		1,077,773
Receivables from parent, subsidiaries and affiliates	274,842		274,842
Health care and other amounts receivable	20,586,245	5,974,013	14,612,232
Executives and Directors Deferred Compensation	2,483,673		2,483,673
Miscellaneous Assets	65,413	65,413	-
Prepaid Assets	408,458	408,458	-
Total	<u>\$559,463,543</u>	<u>\$13,270,246</u>	<u>\$546,193,297</u>

Statement of Liabilities

Claims unpaid	\$ 98,162,672
Accrued medical incentive pool and bonus amounts	11,322,536
Unpaid claims adjustment expenses	2,266,232
Aggregate health policy reserves	47,567,127
Aggregate health claim reserves	575,187
Premiums received in advance	12,858,210
General expenses due or accrued	7,510,270
Current federal and foreign income tax payable and interest thereon	130,759
Ceded reinsurance premium payable	1,310,791
Amounts withheld or retained for the account of others	3,741,353
Remittances and items not allocated	604,544
Amounts due parent, subsidiaries and affiliates	6,169,079
Payable for securities	2,120,977
Liability for amounts held under uninsured plans	17,174,719
Unclaimed Property	133,809
Total liabilities	<u><u>\$ 211,648,265</u></u>

Statement of Revenue and Expenses

Net Premium income	\$ 625,067,675
Change in unearned premium reserves and reserves for rate credits	<u>(2,104,500)</u>
Total revenues	<u>\$ 622,963,175</u>
Hospital and Medical:	
Hospital/medical benefits	\$ 298,016,056
Other professional services	39,191,754
Outside referrals	5,104,484
Emergency room and out-of-area	105,843,401
Prescription drugs	88,433,287
Incentive pool, withhold adjustments and bonus amounts	<u>10,355,115</u>
Subtotal	<u>\$ 546,944,097</u>
Less:	
Net reinsurance recoveries	<u>22,144,051</u>
Total hospital and medical	<u>\$ 524,800,046</u>
Claims adjustment expenses	31,591,592
General administrative expenses	52,183,794
Increase in reserves for life and accident and health contracts	<u>141,607</u>
Total underwriting deductions	<u>\$ 608,717,039</u>
Net underwriting gain or (loss)	<u>\$ 14,246,136</u>
Net investment income earned	14,997,620
Net realized capital gains (losses) less capital gain tax	<u>3,284,357</u>
Net investment gain (losses)	<u>\$ 18,281,977</u>
Net gain or (loss) from agents' or premium balances charged off	(82,908)
Other Income	365,504
Other Expense	<u>(1,309,974)</u>
Net income or (loss) after capital gains tax and before all other federal income taxes	\$ 31,500,735
Federal and foreign income taxes incurred	<u>6,291,050</u>
Net income (loss)	<u>\$ 25,209,685</u>

Capital and Surplus

Capital and Surplus, prior reporting year	\$ 304,697,003
Net income	25,209,685
Change in net unrealized capital gains (losses) less capital gain tax	5,747,745
Change in net deferred income tax	1,005,453
Change in nonadmitted assets	<u>(2,114,854)</u>
Net change in capital and surplus for year	<u>\$ 29,848,029</u>
Capital and surplus, December 31, current year	<u><u>\$ 334,545,032</u></u>

Reconciliation of Capital and Surplus

	2023	2022	2021
Capital and surplus, December 31, prior year	<u>\$ 304,697,004</u>	<u>\$ 292,735,637</u>	<u>\$ 268,525,773</u>
Net income	25,209,685	21,121,448	21,163,112
Change in net unrealized capital gains (losses) less capital gain tax	5,747,745	(11,592,897)	2,657,434
Change in net deferred income tax	1,005,453	1,988,278	(1,089,835)
Change in nonadmitted assets	<u>(2,114,854)</u>	<u>444,538</u>	<u>1,479,152</u>
Net change in capital and surplus	<u>\$ 29,848,029</u>	<u>\$ 11,961,367</u>	<u>\$ 24,209,863</u>
Capital and surplus, December 31, current year	<u><u>\$ 334,545,032</u></u>	<u><u>\$ 304,697,004</u></u>	<u><u>\$ 292,735,637</u></u>

Analysis of Change in Financial Statements Resulting from Examination

There were no material adjustments to surplus resulting from the examination.

Comments on Financial Statement Items

There were no adverse findings or material changes to the financial statements resulting from the examination.

SUMMARY OF RECOMMENDATIONS

Related Party Transaction

Subsequent to the examination period, on January 14, 2025, via Form B Filing, Amendment Eight, the Department was notified about a Master Intercompany Promissory note between Cambia, Regence Oregon, Regence Washington, Regence Utah, Asuris, BridgeSpan, CBRM and the Company. Effective, December 10, 2024, Company management indicated this Master Intercompany Promissory Note, was an enforceable debt instrument, loan agreement or short-term intercompany lending program utilized as a cash management tool. The promissory note contained provisions for settlement of amounts owed, books and records and enforceability.

Pursuant to Idaho Code § 41-3810:

(2) The following transactions involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed pursuant to this section, that are subject to any materiality standards contained in paragraphs (a) through (g) of this subsection, may not be entered into unless the insurer has notified the director in writing of its intention to enter into the transaction at least thirty (30) days prior thereto or such shorter period as the director may permit, and the director has not disapproved it within that period.

(a) Sales, purchases, exchanges, loans, extensions of credit, guarantees or investments, provided the transactions are equal to or exceed:

(ii) With respect to life insurers, three percent (3%) of the insurer's admitted assets as of December 31 of the year immediately preceding;

(3) A domestic insurer may not enter into transactions that are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise.

(4) The director, in reviewing transactions pursuant to subsection (2) of this section, shall consider whether the transactions comply with the standards set forth

in subsection (1) of this section and whether they may adversely affect the interests of policyholders.

Additionally, SSAP No. 25 – *Affiliates and other Related Parties*, Paragraph 10 states:

Transactions between related parties must be in the form of a written agreement. The written agreement must provide for timely settlement of amounts owed, with a specific due date. Amounts owed to the reporting entity over ninety days from the written agreement due date shall be nonadmitted, except to the extent this is specifically addressed by other statements of statutory accounting principles (SSAPs). If the due date is not addressed by the written agreement, any uncollected receivable is nonadmitted.

It is recommended that the Company comply with Idaho Code § 41-3810 (2), (3) and (4) by filing a Form D – Prior Notice of Transaction, for any agreements or amendments involving but not limited to sales, loans or extensions of credit between a domestic insurer and any person in its holding company system.

It is recommended that the Company immediately file a Form D – Prior Notice of Transaction for the Master Intercompany Promissory Note, effective December 10, 2024, between Cambia, Regence Oregon, Regence Washington, Regence Utah, Asuris, BridgeSpan, CBRM and the Company.

It is recommended that all written agreements between related parties provide for the timely settlements of amounts owed, with a specific due date in accordance with SSAP No. 25 – *Affiliates and other Related Parties*, Paragraph 10.

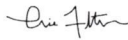
ACKNOWLEDGEMENT

T. Michael Presley, FSA, MAAA, Consulting Actuary of Mike Presley, LLC., performed the actuarial phases of the examination. Constantine Arustamian, CISA, CRISC, CPCU, CPA, Financial Examiner 4 – IT Examination Specialist of the Washington State Office of Insurance Commissioner, performed the information system review. Cecilee Houdek, of INS Regulatory Insurance Services participated in the examination representing the Idaho Department of Insurance. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination, by officers, employees and representative so the Company.

Respectfully submitted,



Toni L. Bean, CFE, (Fraud), CIA, CRMA
Examiner-in-Charge
Representing the Idaho Department of Insurance



Eric Fletcher, CFE
Chief Examiner
Idaho Department of Insurance

AFFIDAVIT OF EXAMINER

State of Alabama County of Shelby

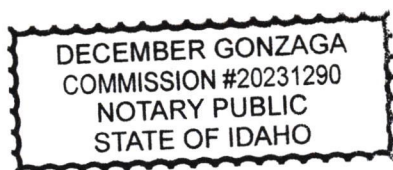
Toni L. Bean, being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of Regence BlueShield of Idaho, Inc. for the period January 1, 2021 through December 31, 2023, that the information contained in the report consisting of the foregoing pages is true and correct to the best of their knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.

Toni Bean

Toni L. Bean
Examiner-in-Charge
INS Regulatory Insurance Services
On behalf of Idaho Department of Insurance

Subscribe and sworn to before me the 11TH day of JUNE, 2025, at BOISE (City),
IDAHO (State).

[Signature]
Notary Public

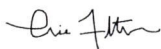


My Commission Expires: 3/15/29

AFFIDAVIT OF EXAMINER

State of Idaho County of Ada

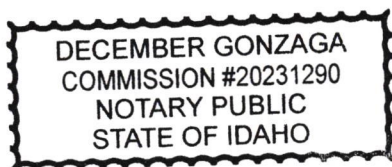
Eric Fletcher, being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of Regence BlueShield of Idaho, Inc. for the period January 1, 2021 through December 31, 2023, that the information contained in the report consisting of the foregoing pages is true and correct to the best of their knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.



Eric Fletcher, CFE
Chief Examiner
Idaho Department of Insurance

Subscribe and sworn to before me the 11TH day of JUNE, 2025, at BOISE (City),
IDAHO (State).


Notary Public



My Commission Expires: 3/15/29

BRAD LITTLE
Governor

State of Idaho
DEPARTMENT OF INSURANCE

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

DEAN L. CAMERON
Director

WAIVER

In the matter of the Report of Examination as of December 31,
2023 of the:

Regence BlueShield of Idaho, Inc.

By executing this Waiver, the Company hereby acknowledges receipt of the above-described examination report, verified as of the June 11, 2025, 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 Company also hereby waives:

1. its right to examine the report for not more than thirty (30) days as provided in Idaho Code section 41-227(4),
2. its right, after the date of this waiver, to make a written submission or rebuttal to the report prior to entry of a final order as provided in Idaho Code section 41-227(4) and (5),
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 13 day of June, 2025

Anjie L. Vannoy

Name (print)

Anjie Vannoy

Name (signature)

Vice President & Corporate Controller

Title

EXHIBIT

B

exhibitstick.com