

FILED

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**Department of Insurance
State of Idaho**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

CITY OF COEUR D'ALENE EMPLOYEE
BENEFITS TRUST

Idaho Certificate of Authority No. 4519

Docket No. 18-4876-26

**ORDER ADOPTING REPORT
OF EXAMINATION AS OF
SEPTEMBER 30, 2024**

The State of Idaho, Department of Insurance (“Department”), having conducted an examination of the affairs, transactions, records, and assets of the CITY OF COEUR D’ALENE EMPLOYEE BENEFITS TRUST (the “Trust”) to ascertain compliance with title 41, Idaho Code, and related rules, pursuant to Idaho Code §§ 41-219(1) and (5) and 41-4013(1), as incorporated and made applicable by Idaho Code § 41-4021, 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 Trust for the period of December 20, 2019, through September 30, 2024 (“Report”), as filed.

FINDINGS OF FACT

1. The Trust is an Idaho-domiciled self-funded health care plan, which was duly registered with the Department on December 20, 2019, under Idaho Certificate of Authority No. 4519.

2. The Department completed an examination of the Trust pursuant to Idaho Code §§ 41-219(1) and (5) and 41-4013(1) on or about January 5, 2026. The Department’s examination

disclosed no adverse material findings or any adjustments that impacted the Trust'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 January 23, 2026, and was transmitted to the Trust on the same date. A copy of the verified Report is attached hereto as Exhibit A.

4. Pursuant to Idaho Code § 41-4013(3), the Trust had four (4) weeks from service of the Report within which to review, comment, or request a hearing on the Report. On January 23, 2026, the Department received a "Waiver" from the Trust signed by Randall R. Adams, the Trust's chair and authorized signatory. A copy of the Waiver is attached hereto as Exhibit B. By executing the Waiver, the Trust has consented to the Director's immediate entry of a final order adopting the Report without modification. The Trust also waived its rights to: (1) examine the Report for no longer than four (4) weeks; (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 Trust, 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 the CITY OF COEUR D'ALENE EMPLOYEE BENEFITS TRUST for the period of December 20, 2019, through September 30, 2024, 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, the CITY OF COEUR D'ALENE EMPLOYEE BENEFITS TRUST shall file with the Department's Deputy Chief Examiner, affidavits executed by each of its trustees 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 2 day of February 2026.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



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 2nd day of February 2026, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXAMINATION AS OF SEPTEMBER 30, 2024, to be served upon the following by the designated means:

<p>City of Coeur d’Alene Employee Benefits Trust Nancy Nelson, Benefits Consultant, Acrisure 710 E Mullan Ave Coeur d’Alene, ID 83814-3958</p>	<p><input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: njnelson@acrisure.com</p>
<p>James Anderson Deputy Chief Examiner Idaho Department of Insurance 700 W. State Street, 3rd Floor P.O. Box 83720 Boise, ID 83720-0043</p>	<p><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</p>



Jan Noriyuki
Paralegal

DEPARTMENT OF INSURANCE

STATE OF IDAHO



REPORT OF EXAMINATION

Of

CITY OF COEUR D'ALENE EMPLOYEE BENEFITS TRUST
(a self-funded health care plan)

as of

September 30, 2024

EXHIBIT

A

exhibitsticker.com

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Coeur d'Alene, Idaho
January 5, 2026

The Honorable Dean L. 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 Idaho Code § 41-219(1) and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of September 30, 2024, of the financial condition and corporate affairs of:

City of Coeur d'Alene Employee Benefits Trust
710 E Mullan Avenue
Coeur d'Alene, Idaho 83814

Hereinafter referred to as (the "Trust"). The following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

Period Covered

We have performed our single state examination of City of Coeur d'Alene Employee Benefits Trust. This is the first examination of the Trust. This examination covers the period of December 20, 2019 through September 30, 2024, and subsequent.

Examination Procedures Employed

Our examination was conducted in accordance with Idaho Code §§ 41-219(1) and 41-4013. Due to the nature of the Trust, the examination was conducted as a modified risk-focused examination; key exhibits from the NAIC *Financial Condition Examiners Handbook* were utilized and customized as appropriate for this examination.

The Trust retained the services of a certified public accounting firm, Alpine Summit CPAs, to audit its financial records for the years under examination. The firm provided the examiner with access to requested work papers prepared in connection with its audit. The external audit work was relied upon where deemed appropriate.

All accounts and activities of the Trust were considered during the examination process. The initial phase of the examination focused on evaluating the Trust's corporate governance and control environment, as well as a business approach, in order to develop an examination plan tailored to the Trust's individual operating profile.

Interviews were held with Trust's Chair and Treasurer to gain an understanding of the entity's operating profile and control environment.

The examination relied on the findings of the actuarial firm, Lewis & Ellis Actuaries and Consultants, contracted by the Idaho Department of Insurance (the "Department") to review the Trust's Incurred But Not Reported (IBNR) liability.

A letter of representation certifying that administrative staff disclosed all significant matters and records were obtained from the Chairperson and the Trust Administrator and included in the examination work papers.

Status of Prior Examination Findings

This was the first examination conducted by the Department over the Trust's financial condition and affairs.

SUMMARY OF SIGNIFICANT FINDINGS

Our examination did not disclose any material adverse findings or any adjustments that impacted on the Trust's reported net assets.

SUBSEQUENT EVENTS

We noted no significant subsequent events as of the date of this report.

TRUST HISTORY

The Trust is sponsored by the City of Coeur d'Alene and was granted its registration from the Department on December 20, 2019, under Title 41, Chapter 40, of the Idaho Code.

The Trust provides health care benefits funded by contributions from the city, participating employees, and other former employees under COBRA. Contribution rates are established by an actuary and accepted by the City Council to ensure adequate funding. Eligible participants include employees who work full-time (at least 30 hours per week), their dependents, and COBRA eligible participants. Ignite, the City's urban renewal district, and the City's elected officials are also eligible to participate.

The City has three employee bargaining groups, Police, Fire, and the Lake City Employees Association (LCEA). Police, Fire, and LCEA are represented by a bargaining agent (Union) to conduct a collective bargaining process with their respective city as to wages, rates of pay, working conditions, and all other terms and conditions of employment.

TRUST RECORDS

The Board of Trustees (the "Board") met nearly on a monthly basis throughout all years under examination. The Trust Agreement requires the Trustees to meet at least quarterly. The minutes contained high-level discussion of financial matters, audit-related issues, contracts and obligations, changes in coverage and contribution levels, and votes on significant matters.

MANAGEMENT AND CORPORATE GOVERNANCE

The Board of Trustees governs the Trust in accordance with the Trust Agreement effective January 1, 2020, and By-Laws approved March 24, 2021. The Board is comprised of five Trustees who are appointed by the city. The Trustees shall consist of a representative cross-section of key Coeur d'Alene city departments and/or teams. Each trustee shall hold office until the Trustee's death, incapacity, resignation, or removal. The composition of the Board, tenure, officers, resignation, and removal, authority, and duties are governed by the Trust Agreement.

As of September 30, 2024, the following were serving as Officers and Trustees:

<u>Name</u>	<u>Position</u>
Randall Adams	President
Bill Dodd	Vice-President
Melissa Tosi	Secretary
Vonnie Jensen	Treasurer
Mike Becker	Trustee

Agreements and Contracts

Claims Administrator

For all periods under examination, Regence Blue Shield of Idaho, Inc. served as the claims administrator for the Trust's medical, pharmacy, and vision plans. Blue Cross of Idaho served as the claims administrator for the Trust's dental plan over the same period. Agreements were maintained with the above-mentioned claims administrators as of the date of this report.

Business Associate Agreement/Consulting Agreement

The Trust maintains an agreement with Acrisure, which serves as the benefits administrator and provides consulting services. During the examination period, the Trust held agreements with The Murray Group, which later merged with Acrisure LLC in 2024. Acrisure remains the current benefits administrator as of the date of this report.

FIDELITY BONDS AND OTHER INSURANCE

As of September 30, 2024, a fidelity bond was maintained for protection against fraud or dishonesty of losses committed by a city employee who performs work for the Trust. The policy met the minimum requirements specified in Idaho Code § 41-4014(3).

The insurance company providing coverage to the Trust is licensed or otherwise authorized in the state of Idaho.

PLAN OF OPERATION

The Trust was registered with the Idaho Department of Insurance as of December 20, 2019. It operates as a self-funded health care plan under Title 41, Chapter 40 of Idaho Code. The Trust's registration number 4519 was granted to transact business in the State of Idaho.

The Trust maintains and administers medical, dental, pharmacy, and vision benefits for eligible policyholders.

GROWTH OF THE TRUST

A summary of significant financial data for the fiscal years covered by the examination is presented below based on the audited financial statements filed by the Trust with the Department.

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Balance</u>	<u>Change in Fund Balances</u>
2020	2,385,485	442,958	1,942,527	N/A
2021	2,630,708	680,156	1,950,552	8,025
2022	3,216,593	905,797	2,310,796	360,244
2023	3,794,876	863,323	2,931,553	620,757
2024	4,072,768	918,498	3,154,270	222,717

EXCESS OF LOSS COVERAGE

The Trust maintained specific excess loss and aggregate excess loss insurance for all periods during the examination. The insurance carrier through September 30, 2024, was Regence BlueShield of Idaho. As of September 30, 2024, the contract provided the following:

- Individual Stop-Loss Coverage - \$125,000 per participant
- Aggregate Stop-Loss Coverage - \$2,000,000 in aggregate

ACCOUNTS AND RECORDS

The Trust's business and accounting records were maintained at the office of City of Coeur d'Alene. The Trust utilizes SpringBrook to maintain and track financial information. Claims data were maintained by its two claims service administrators, Regence BlueShield of Idaho and Blue Cross of Idaho.

The annual independent audits of the Trust for the fiscal years starting September 30, 2020, through September 30, 2024, were performed by Alpine Summit CPAs. In the auditor's opinion, the financial statements presented fairly, in all material respects, the respective fiduciary net position, and respective statement of changes in fiduciary net position for the year ended September 30, 2024. These statements were prepared in accordance with accounting principles generally accepted in the United States of America. Work papers were provided to the examiners during the examination. Audit workpapers were relied upon where deemed appropriate.

FINANCIAL STATEMENTS

The following financial statements are based on the audited financials filed by the Trust with the Department and present the financial condition of the Trust for the period ending September 30, 2024.

The financial section of this report contains the following statements:

Statement of Fiduciary Net Position

Statement of Changes in Fiduciary Net Position

Reconciliation of Changes in Net Position

Statement of Fiduciary Net Position

ASSETS

Cash & Cash Equivalents	\$ 4,014,240
Rebate receivable	58,528
Prepaid expenses	-
Total Assets	<u>4,072,768</u>

Liabilities

Management fees payable	24,000
Claims payable	256,483
Health claims incurred but not paid	638,015
Total Liabilities	<u>918,498</u>
Fiduciary Net Position	<u>\$ 3,154,270</u>

Statement of Changes in Fiduciary Net Position

Additions

Contributions:

Employer	\$ 5,262,382
Employees	609,882
COBRA	59,737
Ignite	19,941
Total contributions	5,951,942
Stop loss recovered	282,797
RX rebates	381,531
Total Contributions and other	6,616,270

Interest Income	104,379
Total additions	6,720,649

Deductions

Insurance claim benefits	5,350,126
Change in health claims incurred but not paid	(82,490)
Stop loss premiums	610,392
Administrative expenses	396,394
Professional services	49,790
Script sourcing	173,720
Total deductions	6,497,932

Net Change in Net Position	222,717
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Fiduciary Net Position, Beginning of Period	2,931,553
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Fiduciary Net Position, End of Period	\$ 3,154,270
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Reconciliation of Changes in Net Position

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net position, end of previous year	N/A	\$ 1,942,527	\$ 1,950,552	\$ 2,310,796	\$ 2,931,553
Net changes in position	<u>N/A</u>	<u>8,025</u>	<u>360,244</u>	<u>620,757</u>	<u>222,717</u>
Net position, end of current year	<u>\$ 1,942,527</u>	<u>\$ 1,950,552</u>	<u>\$ 2,310,796</u>	<u>\$ 2,931,553</u>	<u>\$ 3,154,270</u>

Analysis of Changes in Financial Statements Resulting from Examination

There were no changes to the notes to the financial statements as a result of this 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

There were no material findings or recommendations rising to the level deemed necessary for inclusion into this report of examination.

ACKNOWLEDGEMENT

Michael A. Mayberry, FSA, MAAA of Lewis & Ellis Actuaries and Consultants, performed the actuarial phases of the examination. He joins the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by representatives of the Trust.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ricardo Hernandez", with a long, sweeping flourish extending to the right.

Ricardo Hernandez, APIR
Examiner-in-Charge
Idaho Department of Insurance

A handwritten signature in blue ink, appearing to read "James Anderson", with a long, sweeping flourish extending to the right.

James Anderson, CFE
Deputy Chief Examiner
Idaho Department of Insurance

AFFIDAVIT OF EXAMINER

State of Idaho County of Ada

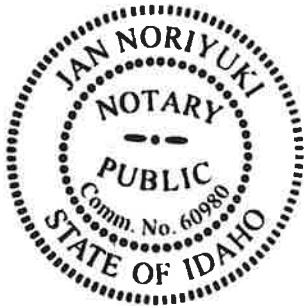
Ricardo Hernandez, APIR, being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of City of Coeur d'Alene Employee Benefits Trust for the period December 20, 2019 through September 30, 2024, 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.

Ricardo Hernandez

Ricardo Hernandez, APIR
Examiner-in-Charge
Department of Insurance

Subscribe and sworn to before me the 23rd day of January, 2026, at Boise
(City), Idaho (State).

Jan Noriyuki
Notary Public



My Commission Expires: 01-28-2026 ^{jn} 31

AFFIDAVIT OF EXAMINER

State of Idaho County of Ada

James Anderson, 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 City of Coeur d'Alene Employee Benefits Trust for the period December 20, 2019 through September 30, 2024, 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.



James Anderson, CFE
Deputy Chief Examiner
Idaho Department of Insurance

Subscribe and sworn to before me the 23rd day of January, 2026, at Boise
(City), ID (State).



Notary Public



My Commission Expires: 01-25-2031

State of Idaho
DEPARTMENT OF INSURANCE

BRAD LITTLE
Governor

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 September 30,
2024 of the:

City of Coeur d'Alene Employee Benefits Trust

By executing this Waiver, the Trust hereby acknowledges receipt of the above- described examination report, verified as of the January 23, 2026, 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 Trust also hereby waives:

1. its right to examine the report for not more than 4 weeks as provided in Idaho Codesection 41-4013(3),
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 23 day of January, 2026

Randall R. Adams

Name (print)

[Handwritten Signature]

Name (signature)

Chair, Board of Trustees

Title

EXHIBIT

B