

**FILED EFFECTIVE**

**BLUE CROSS OF IDAHO HEALTH SERVICE, INC.**

**TO JUN -9 PM 2:25**

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION**

**SECRETARY OF STATE  
STATE OF IDAHO**

Effective April 30, 2010, the articles of incorporation of Blue Cross of Idaho Health Service, Inc., (the "Corporation") are amended and restated in their entirety as follows:

**Article 1  
NAME OF THE CORPORATION**

The name of the Corporation is "Blue Cross of Idaho Health Service, Inc." [Idaho Code §§ 30-3-17, 30-3-27, 41-2804]

**Article 2  
PURPOSES OF THE CORPORATION**

The Corporation is formed for the following purposes: (i) to transact in all kinds of insurance in which a qualified mutual insurance company may transact; and (ii) to engage in any business reasonably and necessarily incidental to the Corporation's insurance business. [Idaho Code §§ 30-3-17, 30-3-24, 41-2804, 41-2828]

**Article 3  
MEMBERS**

**3.1 Membership.** Every policyholder of an insurance policy issued by the Corporation is a member of the Corporation during the period of the insurance with all rights and obligations of membership. Each insurance policy issued by the Corporation, whether a group or individual policy, has only one policyholder. [Idaho Code §§ 30-3-17, 30-3-34, 30-3-35, 30-3-42, 41-2829]

**3.2 Contingent Liability.** If the Corporation at any time issues assessable policies of insurance, the maximum contingent liability of its members for payment of losses and expenses incurred, other than as to nonassessable policies, shall not be less than one nor more than six annual premiums for the member's policy. [Idaho Code §§ 30-3-40, 41-2804, 41-2846]

**Article 4  
GOVERNANCE**

**4.1 Bylaws.** The Bylaws shall provide for the governance and regulation of the internal affairs of the Corporation, including amendment of the Bylaws. [Idaho Code §§ 30-3-17, 30-3-21, 41-2830]

**4.2 Directors.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the Corporation's Board of Directors as further set forth in the Bylaws. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Bylaws. The Directors shall be elected by the members or by the existing Directors of the Corporation in the manner

**BLUE CROSS OF IDAHO HEALTH SERVICE, INC.  
AMENDED AND RESTATED ARTICLES OF INCORPORATION - 1**

**IDAHO SECRETARY OF STATE  
06/09/2010 05:00  
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and for the terms provided in the Bylaws. [Idaho Code §§ 30-3-17, 30-3-21, 30-3-63, 30-3-65, 41-2835]

## **Article 5 LIMITATION OF LIABILITY**

**5.1 Directors.** No director of the Corporation will be personally liable to the Corporation or its members for monetary damages for any action taken, or any failure to take any action, as a director except for liability for: (i) the amount of a financial benefit received by a director to which the director is not entitled; (ii) an intentional infliction of harm on the Corporation or the members; (iii) approval of a distributions or dividend in violation of a statutory restriction, or (iv) an intentional violation of criminal law. [Idaho Code §§ 30-1-202, 30-1-833, 30-3-17, 30-3-108, 41-2845]

**5.2 Officers.** No officer of the Corporation will be personally liable to the Corporation or its members for monetary damages for any action taken, or any failure to take any action, as an officer except for liability for: (i) the amount of a financial benefit received by an officer to which the officer is not entitled; (ii) an intentional infliction of harm on the Corporation or the members; or (iii) an intentional violation of criminal law. [Idaho Code §§ 30-3-17, 41-2845]

**5.3 Indemnification.** To the extent set forth in the Bylaws, as they now exist or may hereafter be amended, the Corporation shall indemnify, advance expenses to, and purchase insurance to protect any person. In the event of amendments to the Bylaws that restrict indemnification compared to the indemnification permitted prior to such amendments, then broader indemnification rights that existed prior to the amendments shall govern any person's claim for indemnification that concerns events that occurred prior to the amendments. [Idaho Code § 30-3-88]

## **Article 6 DISSOLUTION**

If the Corporation dissolves and any assets remain after the Corporation's liabilities are paid, the Corporation's board of directors shall distribute the remaining assets in a manner not inconsistent with law. [Idaho Code §§ 30-3-17, 30-3-109]

**CERTIFICATE OF AMENDMENT AND RESTATEMENT OF  
ARTICLES OF INCORPORATION**

1. **NAME.** The name of the corporation is Blue Cross of Idaho Health Service, Inc.
2. **TEXT OF AMENDMENTS.** The articles of incorporation are amended and restated in their entirety. The text of the amended and restated articles of incorporation is attached to this Certificate of Amendment and Restatement.
3. **DATE AND MANNER OF ADOPTION.** The amended and restated articles of incorporation were approved by the corporation's members at the annual meeting of members on April 30, 2010. The corporation gave written notice to the members, in accordance with notice procedures of the corporation's bylaws, that one of the purposes of the meeting was to consider the proposed amended and restated articles of incorporation and the notice contained a copy of the proposed amended and restated articles of incorporation. The corporation has 66,719 members as of the record date for the annual meeting. All members were entitled to a single vote on the amendment. A quorum of 10,926 members were present at the meeting in person or by proxy. A total of 10,924 members voted for the amendment, and 2 members voted against it; 0 members abstained from the vote.

4. **SIGNATURES.**

BLUE CROSS OF IDAHO HEALTH SERVICE, INC.

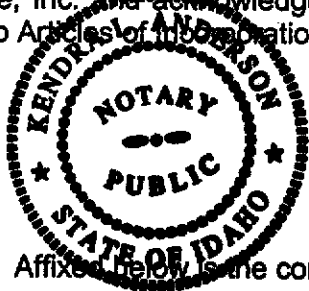
Date: 5/19/10

By: Steven J. Tobiason  
Steven J. Tobiason  
Senior Vice President,  
General Counsel, and Secretary

Date: 5/24/10

By: Ray Flachbart  
Ray Flachbart  
President and Chief Executive Officer

5. **NOTARIZATION.** On this 19<sup>th</sup> day of May, 2010, before me, Kendra L. Anderson, Notary Public in and for the State of Idaho, personally appeared Steven J. Tobiason, identified to me to be the Senior Vice President, General Counsel, and Secretary of Blue Cross of Idaho Health Service, Inc. and acknowledged to me that the corporation executed this Certificate of Amendment to Articles of Incorporation and that the statements in it are true.



Kendra L. Anderson  
Notary Public for Idaho  
Residing at Meridian, Idaho  
My commission expires 5/16/2012

6. **SEAL.** Affixed below is the corporation's seal:

C.L. "BUTCH" OTTER  
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

**WILLIAM W. DEAL**  
Director

**APPROVAL**

WHEREAS the within and foregoing BLUE CROSS OF IDAHO HEALTH SERVICE, INC. AMENDED AND RESTATED ARTICLES OF INCORPORATION, having been certified and verified in accordance with Idaho Code § 41-2827 and submitted to the undersigned pursuant to Idaho Code § 41-2827; and

WHEREAS pursuant to Idaho Code § 41-2854A, Blue Cross of Idaho Health Service, Inc. (Corporation) shall continue to be a nonprofit corporation; and the Corporation (or any successor) shall, in the event of its dissolution, distribute any of its assets as provided by its articles of incorporation in effect immediately before the effective date (September 14, 1994) of its plan of mutualization, namely, "for the purpose of furthering medical research distribute said assets to a nonprofit, charitable hospital or medical research organization approved by the policyholders."; and

WHEREAS the form and content of the foregoing amended and restated articles appearing to conform to law.

NOW THEREFORE the undersigned does hereby execute his approval of the office of the Director of the Department of Insurance.

Dated and effective this 4<sup>TH</sup> day of June 2010.

IN WITNESS WHEREOF, I have hereto caused to be affixed the seal of the Director of the Department of Insurance at Boise, Idaho.

  
WILLIAM W. DEAL  
Director, Idaho Department of Insurance