

**AGREEMENT AND PLAN OF MERGER
OF
PREMIER ALLIANCE HEALTH INSURANCE, INC., AN IDAHO CORPORATION
WITH AND INTO
INSURERS OF IDAHO, INC., AN IDAHO CORPORATION,**

FILED EFFECTIVE
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SECRETARY OF STATE
STATE OF IDAHO

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THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of April 1, 2012, by and among PREMIER ALLIANCE HEALTH INSURANCE, INC., a corporation organized and existing under the laws of the State of Idaho (hereinafter sometimes referred to as the "Merging Corporation"), and INSURERS OF IDAHO, INC., a corporation organized and existing under the laws of the State of Idaho (hereinafter sometimes referred to as the "Surviving Corporation"), said two corporations being hereinafter referred to collectively as the "Constituent Corporations".

WITNESSETH:

WHEREAS, the Board of Directors and Shareholders of each of the Constituent Corporations adopted the plan of merger set forth in this Agreement, by a consent in writing of the holders of outstanding shares having not less than the minimum number of votes necessary to adopt such plan, as provided by the articles of incorporation of the respective corporations, and said Directors and Shareholders deem it advisable and in the best interest of each of the Constituent Corporations that PREMIER ALLIANCE HEALTH INSURANCE, INC. be merged with and into INSURERS OF IDAHO, INC., with INSURERS OF IDAHO, INC. being the Surviving Corporation, under and pursuant to the applicable laws of the State of Idaho and on the terms and conditions set forth herein;

Now, THEREFORE, the Constituent Corporations hereto agree as follows:

1. MERGER.

(a) **GOVERNING LAW.** PREMIER ALLIANCE HEALTH INSURANCE, INC. will be merged with and into INSURERS OF IDAHO, INC. in accordance with the applicable laws of the State of Idaho. The separate corporate existence of PREMIER ALLIANCE HEALTH INSURANCE, INC. shall thereby cease, and INSURERS OF IDAHO, INC. shall be the Surviving Corporation and shall be governed by the laws of the State of Idaho.

(b) **CORPORATE NAME.** The name which the Surviving Corporation is to have after the merger shall be "INSURERS OF IDAHO, INC."

(c) **EFFECTIVE TIME.** The "Effective Time" of the Merger shall be, and such term as used herein shall mean, 5:00 p.m., M.S.T., of the day on which the Agreement and

Plan of Merger are filed in the office of the Secretary of the State of Idaho. The time and date of such effectiveness is referred to in this Agreement as the Effective Time.

2. SHARE CONVERSION.

(a) **STOCK OF THE CONSTITUENT CORPORATIONS.** The stock of INSURERS OF IDAHO, INC. is currently held one-hundred percent (100%) by DAVID J. WATTON. The stock of PREMIER ALLIANCE HEALTH INSURANCE, INC. is currently held fifty percent (50%) by LANE A. FULLMER and fifty percent (50%) by GREG C. MAYES.

At the Effective Time, the manner and basis of converting shares of the Constituent Corporations into shares of the Surviving Corporation shall be as follows:

(a) All of the outstanding common shares of INSURERS OF IDAHO, INC. outstanding on the effective date of the merger and all rights in respect thereto, shall forthwith, upon such effective date, be converted into, and become exchanged for 25,000 common shares of the Surviving Corporation, and each holder of the common shares of INSURERS OF IDAHO, INC. shall thereafter be entitled, upon presentation for surrender to INSURERS OF IDAHO, INC. or its agent, of the certificate or certificates representing the shares of fully-paid and non-accessible common shares of the Surviving Corporation to which such holder shall be entitled on the aforesaid basis of conversion in exchange.

(b) All of the outstanding common shares of PREMIER ALLIANCE HEALTH INSURANCE, INC. outstanding on the effective date of the merger and all rights in respect thereto, shall forthwith, upon such effective date, be converted into, and become exchanged for 42,858 common shares of the Surviving Corporation, and each holder of the common shares of PREMIER ALLIANCE HEALTH INSURANCE, INC. shall thereafter be entitled, upon presentation for surrender to INSURERS OF IDAHO, INC. or its agent, of the certificate or certificates representing the shares of fully-paid and non-accessible common shares of the Surviving Corporation to which such holder shall be entitled on the aforesaid basis of conversion in exchange.

Currently, the ownership interests issued and outstanding in the Constituent Corporations are held as follows:

INSURERS OF IDAHO, INC.

<u>Shareholders</u>	<u>Shares</u>
DAVID J. WATTON	25,000

PREMIER ALLIANCE HEALTH INSURANCE, INC.

<u>Shareholders</u>	<u>Shares</u>
LANE A. FULLMER	3,250
GREG C. MAYES	3,250

After the merger, the stock issued and outstanding in the Surviving Corporation will be held as follows:

<u>SHAREHOLDER</u>	<u>SHARES</u>
DAVID J. WATTON	25,000
LANE A. FULLMER	21,429
GREG C. MAYES	21,429

3. EFFECT OF THE MERGER.

(a) **RIGHTS, PRIVILEGES AND OBLIGATIONS.** At the Effective Time, the Surviving Corporation, without further act, deed or other transfer, shall retain or succeed to, as the case may be, and possess and be vested with all of the rights, privileges, immunities, powers, franchises and authority, of a public as well as of a private nature, of the Constituent Corporations; all property of every description and every interest therein and all debts and other obligations of or belonging to or due to the Constituent Corporations on whatever account shall thereafter be taken and deemed to be held by or transferred to, as the case may be, or vested in the Surviving Corporation without further act or deed; title to any real estate, or any interest therein, vested in the Constituent Corporations shall not revert or in any way be impaired by reason of the Merger; and all of the rights of creditors of the Constituent Corporations shall be preserved unimpaired, and all liens upon the property of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the Constituent Corporations shall thenceforth remain with or attach to, as the case may be, the Surviving Corporation and may be enforced against it to the same extent as if all of said debts, liabilities, obligations and duties had been incurred or contracted by it.

(b) **ARTICLES OF INCORPORATION AND BYLAWS.** The Articles of Incorporation and Bylaws of INSURERS OF IDAHO, INC. in effect at the Effective Time shall, from and after the Effective Time, be and continue to be the Articles of Incorporation and Bylaws of the Surviving Corporation unless and until changed as therein provided.

(c) **DIRECTORS AND OFFICERS.** The directors and officers of the Surviving Corporation at the Effective Time are as follows:

Director:	DAVID J. WATTON
	LANE A. FULLMER
	GREG C. MAYES

Officers:

President:	DAVID J. WATTON
Vice President:	LANE A. FULLMER
Secretary:	LEONA R. FOUTS
Treasurer:	LEONA R. FOUTS

Such directors and officers shall serve until they are removed or replaced in accordance with the Articles of Incorporation and Bylaws of INSURERS OF IDAHO, INC.

(d) **FURTHER ACTION.** From time to time, as and when requested by the Surviving Corporation, or by its successors or assigns, any party hereto shall execute and deliver or cause to be executed and delivered all such deeds and other instruments, and shall take or cause to be taken all such further or other actions, as the Surviving Corporation, or its successors or assigns, may deem necessary or desirable in order to vest in or confirm to the Surviving Corporation, and its successors or assigns, title to and possession of all the property, rights, privileges, powers and franchises referred to herein and otherwise to carry out the intent and purposes of this Agreement.

4. TERMINATION; AMENDMENT.

(a) **TERMINATION PROVISION.** Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger abandoned upon written notice at any time prior to the Effective Time.

(i) by mutual consent of the Constituent Corporations;

(ii) if holders of at least a majority of the outstanding shares of common stock of PREMIER ALLIANCE HEALTH INSURANCE, INC. or outstanding shares of common stock of INSURERS OF IDAHO, INC. shall not have voted in favor of the Merger; or

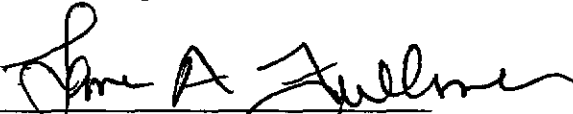
(iii) if there exists a suit, action or other proceeding commenced, pending or threatened, before any court or other governmental agency of the federal or state government, in which it is sought to restrain, prohibit or otherwise adversely affect the consummation of the Merger.

(b) **AMENDMENT PROVISIONS.** Anything contained in this Agreement notwithstanding, this Agreement may be amended or modified in writing at any time prior to the Effective Date, provided that an amendment made subsequent to the adoption of this Agreement by the shareholders of the Constituent Corporations shall not (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of the Constituent Corporations, (ii) alter or change any term of the Articles of Incorporation of the Surviving Corporation to be effected by the Merger, or (iii) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series thereof of the Constituent Corporations. Subject of the immediately foregoing sentence, the Constituent Corporations may by agreement in writing extend the time for performance of, or waive compliance with, the conditions or agreements set forth herein.

(c) **BOARD ACTION.** In exercising their rights under this Section 4, each of the Constituent Corporations may act by its Board of Directors or Manager, and such rights may be so exercised, notwithstanding the prior approval of this Agreement by the shareholders of the Constituent Corporations.

IN WITNESS WHEREOF, this Agreement and Plan, having first been duly approved by resolutions of the Board of Directors of each of the Constituent Corporations, is hereby executed on behalf of each of the Constituent Corporations by their respective officers thereunto duly authorized, all as of the day and year first above written.

PREMIER ALLIANCE HEALTH INSURANCE, INC.
An Idaho Corporation




LANE A. FULLMER, President

ATTEST:



GREG C. MAYES, Secretary

INSURERS OF IDAHO, INC.
An Idaho Corporation

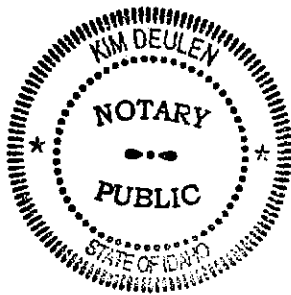


DAVID J. WATTON, President

STATE OF IDAHO)
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) SS.
)
COUNTY OF CANYON)

On this 1st day of April, 2012, before me, the undersigned Notary Public in and for said State, personally appeared LANE A. FULLMER known or identified to me to be the President of PREMIER ALLIANCE HEALTH INSURANCE, INC., the within named corporation that executed the foregoing instrument, and acknowledged to me that he was authorized to execute said instrument for and in behalf of such corporation for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year in this certificate first above written.

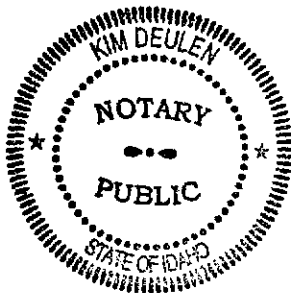


Kurt Jensen
NOTARY PUBLIC, State of Idaho
Residing at 618 E Spruce Caldwell ID
My commission expires: 12/19/15

STATE OF IDAHO)
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) SS.
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COUNTY OF CANYON)

On this 1st day of April, 2012, before me, the undersigned Notary Public in and for said State, personally appeared DAVID J. WATTON known or identified to me to be the President of INSURERS OF IDAHO, INC., the within named corporation that executed the foregoing instrument, and acknowledged to me that he was authorized to execute said instrument for and in behalf of such corporation for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year in this certificate first above written.



Kurt Decker
NOTARY PUBLIC, State of Idaho
Residing at 618 E Spruce, Caldwell ID
My commission expires: 12/19/15