

State of Idaho

Department of State

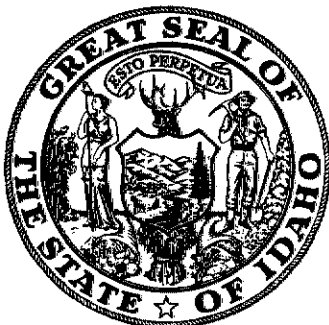
CERTIFICATE OF AMENDMENT OF

MEDICAL SERVICE BUREAU OF IDAHO, INC.
File Number C 22167

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of MEDICAL SERVICE BUREAU OF IDAHO, INC., duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: January 31, 1995



Pete T. Cenarrusa
SECRETARY OF STATE

By

Shirley J. Clark

RESTATED
ARTICLES OF INCORPORATION
OF
MEDICAL SERVICE BUREAU OF IDAHO, INC.
Incorporated February 20, 1946, under the laws of Idaho
Converted to a Nonprofit Mutual Insurance Company
February 1, 1995

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MEDICAL SERVICE BUREAU OF IDAHO, INC. (BLUE SHIELD OF IDAHO), pursuant to Section 41-2854(A) of the Idaho Code, by its president and secretary, does hereby certify that, at a meeting of its Board of Directors, duly called and held in accordance with law, the Restated Articles of Incorporation set forth below were approved by the Board of Directors, hereby repealing and revoking in their entirety the original Articles of Incorporation and amendments thereto, to become effective on February 1, 1995.

ARTICLE I

The name of the Corporation shall be Medical Service Bureau of Idaho, Inc.

ARTICLE II

The Corporation is organized on a not-for-profit basis, and its objects and purposes are as follows:

1. To establish, maintain, and operate a mutual disability insurance company under the provisions of Chapter 28 of Title 41 and Chapter 3 of Title 30 of the Idaho Code, and other applicable statutes, and to generally transact and carry on the business of insurance of such types as authorized by the Idaho Code.

2. As a mutual disability insurance company to: (a) write life and/or health insurance policies and to offer for sale additional products which provide benefits in the event of the insured's disability; (b) write disability insurance; (c) act as agent for participating health care providers for services to be rendered to any individual or group of individuals under conditions to be prescribed by contract; (d) contract with such individuals or entities deemed by the Board of Directors to be necessary or appropriate to best meet the needs of the policyholders; and (e) establish and/or

administer such managed care networks as are deemed appropriate by the Board of Directors to meet the needs of policyholders and serve the health care industry.

3. To provide administrative, actuarial, data processing, or other services under contract to other parties or entities.

4. To maintain and operate a health maintenance organization either as a line of business or as a subsidiary as deemed prudent by the Board of Directors and as authorized by Idaho law.

5. To operate any other business pursuit, directly or by subsidiary investment, not directly prohibited by law, deemed necessary and prudent by the Board of Directors.

ARTICLE III

The corporation shall be organized and shall have the power:

1. To reinsure all or any portions of its risks with another company or companies, to accept reinsurance from other companies, and to reinsure the risk of others, all of which shall be done on a legal reserve basis as required by law.

2. To contract with other entities and/or create such subsidiaries as necessary to carry on those lines of insurance authorized by law to be transacted, such subsidiaries to be operated on a for-profit or not-for-profit basis as designated by the Board of Directors.

3. To purchase or otherwise acquire, and hold without limitation, such real estate and personal property of every kind and description, suitable, necessary, useful, or advisable in connection with any or all of the objects and purposes herein set forth, and to convey, sell, assign, transfer, lease, mortgage, pledge, encumber, exchange, or otherwise dispose of such property or any part thereof.

4. To borrow money, lend money, and evidence an indebtedness of the Corporation by notes, bonds, or other instruments, and to secure the same by pledge, mortgage, trust deed, or such other instrument or instruments as the Corporation shall deem proper; to receive and accept or make donations and contributions for the purpose of promoting and carrying out any and all purposes of the Corporation.

5. To do any and all things incidental to the purposes herein expressed and generally to have and exercise all such powers as are by law conferred upon corporations of like character, and to do any and all things and exercise any and all powers not otherwise prohibited by law.

6. To enter into management contracts and other contracts of the type contemplated by

Section 41-2838 of the Idaho Code, which contracts will be subject to the approval of the Director of the Department of Insurance of the State of Idaho as required by said code section.

ARTICLE IV

The registered agent of the Corporation shall be the office of general counsel, and the registered office of the Corporation and its registered agent shall be located and maintained at its principal place of business, 1602 21st Avenue, Lewiston, Idaho.

ARTICLE V

The Corporation shall have perpetual existence.

ARTICLE VI

The business and affairs of the Corporation shall be managed by a Board of Directors consisting of not less than five (5) nor more than twenty-five (25) persons. The number, qualifications, terms, and means of election of directors shall be fixed by the Bylaws of the corporation.

ARTICLE VII

The members of the Corporation shall be policyholders as that term is defined in the Bylaws. The terms member and policyholder are interchangeable when referred to either in the Articles of Incorporation or Bylaws of the Corporation. The Corporation shall have no authority to issue capital stock, nor shall any part of the net income earnings or reserves of the Corporation inure to the benefit of any member or members hereof, other than upon dissolution as described in Article IX. The conditions of membership and the voting rights of members shall be fixed by the Bylaws. All rights incident to membership in the Corporation shall cease at such time as the person or entity ceases to be a policyholder.

ARTICLE VIII

The maximum contingent liability of members, for payment of losses and expenses incurred, other than as to nonassessable policies, shall be in the amount of six (6) annual premiums for the member's policy. Assessable policies shall be issued if deemed necessary and prudent by the Board of Directors.

ARTICLE IX

In the event of liquidation or voluntary dissolution of the Corporation, subject to the statutes of the State of Idaho and the approval of the Director of the Department of Insurance of the State of Idaho, all of the assets and property, after payment, satisfaction, and discharge of all liabilities of the Corporation, shall be distributed as follows:

1. Prior to February 1, 1995, the members of the Corporation consisted of physicians who contracted to provide services to subscribers of the Corporation. There shall be paid over and distributed to such former members of the Corporation a sum equal to all assessments paid by them, including any balances of any contribution certificates executed by such former members, including any portion of fees contributed to the Corporation by the former member for purposes of providing reserves and operating funds as represented by the difference between the charges for compensation and amounts paid to the former member. If the assets and property remaining are insufficient for a return in full to each former member of all assessments, a pro-rata distribution shall be made.

2. Any assets or property then remaining shall be paid over and distributed to the members who have been members for at least one (1) year and who were members of the Corporation at any time within thirty-six (36) months next preceding the date such liquidation was authorized or ordered, or date of last termination of the insurer's certificate of authority, whichever date is earlier.

The distributive share of each member qualified to receive such share shall be in proportion to the premiums paid by each such member.

3. A conversion from that of a mutual insurance company to a stock company as provided by law shall not be considered a liquidation or voluntary dissolution under this article.

ARTICLE X

These articles may be amended by an affirmative vote of a majority of the members of the Corporation present in person or represented by proxy at any regular annual meeting or any special meeting called for such purpose. These articles may further be amended by the Board of Directors to the extent allowed by law.

MEDICAL SERVICE BUREAU OF IDAHO, INC.

By John M. Stellmon
John M. Stellmon, Vice President and
General Counsel