

FORM A

STATEMENT REGARDING THE
ACQUISITION OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER

Regence BlueCross BlueShield of Oregon,

Regence Health Maintenance of Oregon, Inc.,

Regence HMO Oregon,

and

LifeMap Assurance Company

Name of Domestic Insurers

by

Blue Cross and Blue Shield of North Carolina

Name of Acquiring Person (Applicant)

Filed with the Department of Consumer and Business Services of the State of Oregon

Dated: April 17, 2019

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence Concerning This Statement Should be Addressed:

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with copies to:

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This Form A Statement (this “Statement”) is being submitted to the Director (the “Director”) of the Department of Consumer and Business Services of the State of Oregon (the “Department”) by Blue Cross and Blue Shield of North Carolina, a North Carolina fully taxed, not-for-profit corporation (the “Applicant”), in connection with a proposed affiliation between Cambia Health Solutions, Inc., an Oregon fully taxed, not-for-profit corporation (“Cambia”), and the Applicant, as more particularly described below (the “Proposed Affiliation”). The Proposed Affiliation does not constitute a merger or acquisition in the traditional sense in that the Applicant will not acquire “control” of the Domestic Insurers (as defined below) through the purchase of any voting securities. Rather, through a long-term Management and Administrative Services Agreement (described in further detail below), the Applicant and Cambia have contracted to operate under a common management team (drawn from both companies) and to share key management, administrative, operational, and other corporate services. Each of the Applicant and Cambia will retain their separate assets, local leadership, and local boards. As described in greater detail below, Cambia’s board of directors will be reconstituted to include nine (9) members from Cambia’s current board of directors and ten (10) members from the Applicant’s current board of trustees, for a total of nineteen (19) members. As a result of this structure, as further described below, the Proposed Affiliation may technically be “deemed” to constitute a change of control under ORS 732.521 with respect to each of Cambia’s indirect, wholly owned Oregon domestic insurance company and health maintenance organization subsidiaries: Regence BlueCross BlueShield of Oregon, Regence Health Maintenance of Oregon, Inc., Regence HMO Oregon, and LifeMap Assurance Company (collectively, the “Domestic Insurers”). The Proposed Affiliation is intended to result in a mutually beneficial affiliation between the Applicant and Cambia that ultimately brings positive benefits to their customers.

Certain exhibits to this Statement contain confidential and/or proprietary information that, if disclosed, would cause competitive harm to the Applicant. Accordingly, the Applicant respectfully requests that Exhibits A, C-2, D and G (including all annexes and exhibits thereto) be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including, but not limited to, ORS 192.345(2), 192.355(2)(a) and 192.355(4).

In addition, the NAIC biographical affidavits provided as Exhibit C-2 are being submitted to the Department in confidence and contain certain information that is not otherwise available to the public, are subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from any and all unwarranted invasions of personal privacy, pursuant to all applicable provisions of law, including, but not limited to, ORS 192.355(2)(a), ORS 192.355(4) and ORS 192.377.

The confidential materials described above are being separately filed in sealed envelopes marked “Confidential.” The Applicant requests that (i) such materials be afforded confidential treatment, (ii) the Applicant be notified in advance of any proposed disclosure of such confidential materials by the Department, and (iii) the Applicant be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

ITEM 1. METHOD OF ACQUISITION

A. *Names and Addresses of the Domestic Insurers*

The name and statutory home office address for each of the Domestic Insurers to which this Statement relates are as follows:

Regence BlueCross BlueShield of Oregon
100 SW Market Street
Portland, Oregon 97201
NAIC # 54933

Regence Health Maintenance of Oregon, Inc.
100 SW Market Street
Portland, Oregon 97201
NAIC # 96250

Regence HMO Oregon
100 SW Market Street
Portland, Oregon 97201
NAIC # 95699

LifeMap Assurance Company
100 SW Market Street
Portland, Oregon 97201
NAIC # 97985

In accordance with ORS 732.523(1)(b), the Applicant will provide the Domestic Insurers with a copy of this Statement promptly following the filing of this Statement with the Department.

B. *Method of Acquisition*

The Proposed Affiliation will be effectuated pursuant to the terms of (i) an Affiliation Agreement, dated as of March 11, 2019, by and between the Applicant and Cambia, a copy of which is attached hereto as Exhibit A (the “Affiliation Agreement”), and (ii) a Management and Administrative Services Agreement, the form of which is attached as Exhibit B to the Affiliation Agreement (the “Management Services Agreement”), to be entered into by and between the Applicant and Cambia following regulatory approval of the Proposed Affiliation. Pursuant to the terms of the Affiliation Agreement, at the effective time of the Proposed Affiliation (the “Effective Time”), Cambia’s existing Bylaws will be amended and restated to read substantially as set forth in Exhibit A to the Affiliation Agreement (the “New Bylaws”). The summary of the Proposed Affiliation contained in this Statement is qualified in its entirety by reference to the Affiliation Agreement, the Management Services Agreement and the New Bylaws.

The Proposed Affiliation has been structured as a balanced strategic affiliation of two strong companies that will centralize management, administrative, operational, and other

corporate services under Cambia's existing corporate structure. Following regulatory approval of the Proposed Affiliation, each of the Applicant and Cambia will retain their separate, fully taxed, not-for-profit existences, including their respective boards. The Applicant, Cambia, and the Domestic Insurers will continue to operate under their current corporate names. Following regulatory approval of the Proposed Affiliation, Cambia will have principal offices in Portland, Oregon, and Durham, North Carolina.

As a result of the Proposed Affiliation, Cambia will have a reconstituted board of directors (the "New Cambia Board") made up of nine (9) members from Cambia's current Board of Directors and ten (10) members from the Applicant's current Board of Trustees (the "Board of Trustees"), for a total of nineteen (19) members. Dr. Patrick Conway, the current Chief Executive Officer of the Applicant and a member of the Board of Trustees, will become the Chief Executive Officer of Cambia and a member of the New Cambia Board and will also continue to serve as Chief Executive Officer of the Applicant. Mark Ganz, the current President and Chief Executive Officer of Cambia, will become the Executive Chair of the New Cambia Board. Each of Dr. Conway and Mr. Ganz will report to the New Cambia Board. In addition, Michael Koppel, the current Chair of Cambia's Board of Directors, will serve as the Lead Independent Director of the New Cambia Board, and Frank B. Holding, Jr., the current Chair of the Board of Trustees, will serve as the Vice Chair of the New Cambia Board. Pursuant to the terms of the Affiliation Agreement, at the Effective Time, Cambia's existing Bylaws will be amended and restated to read substantially as set forth in Exhibit A to the Affiliation Agreement.

The Applicant, by virtue of its right to appoint an initial majority of the directors on the New Cambia Board, may technically be "deemed" to acquire "control" (as such term is defined in ORS 732.548(2)) of Cambia. By virtue of Cambia's ownership of, or direct or indirect membership interests in, the Domestic Insurers, the Applicant may also therefore be "deemed" to acquire indirect "control" of the Domestic Insurers.

Following regulatory approval of the Proposed Affiliation, the Applicant and Cambia will enter into the Management Services Agreement, a long-term management agreement pursuant to which the Applicant will appoint Cambia as its exclusive manager and grant Cambia the right, authority and discretion to take all such actions for and on its behalf as are necessary or advisable for the Applicant's business operations and to fulfill the Applicant's mission, subject to the authority and discretion of the Board of Trustees and applicable law. Under this grant of authority, Cambia will provide centralized management, administrative, operational and other corporate services to the Applicant similar to the services Cambia provides to its current health plans. In exchange for such services, the Applicant will reimburse Cambia for its cost of services provided and its general overhead allocable to such services, but Cambia will derive no profit from such reimbursement. As further described in Section 3.1 of the Management Services Agreement, a value distribution framework will be applied, through adjustments to the Applicant's payment for services provided under the Management Services Agreement, to reflect the relative contributions of the Applicant and Cambia to savings generated by the Proposed Affiliation and expenses incurred to implement the Proposed Affiliation. Under the Management Services Agreement, the Applicant and Cambia will maintain their separate assets, which will be under the common management of Cambia; provided, however, the Applicant will assign certain contracts to Cambia as specified in the Management Services Agreement and in order for Cambia to provide services pursuant to that agreement, and the Applicant and Cambia may

jointly acquire certain assets and jointly make certain investments as part of the Proposed Affiliation. This operating model will allow the Applicant and Cambia to work together to share resources and expertise while drawing on the best-in-class experience from each organization.

As described in greater detail in Item 5 below, following regulatory approval of the Proposed Affiliation, Cambia's health plans under the Regence brand in Idaho, Oregon, Utah and Washington, and the Applicant will maintain local leadership and decision-making and will remain subject to local regulatory oversight. Additionally, the Applicant will retain its own separate fiduciary board of trustees, which initially will include three trustees who are not members of the New Cambia Board.

The Affiliation Agreement may be terminated prior to the Effective Time by mutual written consent of the Applicant and Cambia, by either party without cause, and at the unilateral discretion of such party upon thirty (30) days' written notice to the other party or by either party upon written notice to the other party if the Effective Time does not occur within a certain amount of time following the date of the Affiliation Agreement. After the Effective Time, if the Management Services Agreement is terminated pursuant to Section 7.2 of that agreement, such termination will constitute termination of the Affiliation Agreement without further action on the part of either party.

The parties desire to close the Proposed Affiliation as soon as possible, subject to receipt of required approvals from, and the making of required filings and notices with, governmental and regulatory authorities and the satisfaction of other customary closing conditions.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

A. Name and Address of the Applicant:

The name and current business address of the Applicant that may be "deemed" to acquire control of the Domestic Insurers as a result of the Proposed Affiliation are as follows:

Blue Cross and Blue Shield of North Carolina
4615 University Drive
Durham, North Carolina 27707

B. Business Operations of the Applicant

1. General Business Description

The Applicant is a fully taxed, not-for-profit North Carolina hospital and medical services corporation and an independent licensee of the Blue Cross and Blue Shield Association. The Applicant provides a comprehensive spectrum of health benefit products to customers primarily located in North Carolina and holds the exclusive licenses to use the Blue Cross® and Blue Shield® names and service marks in North Carolina. Health benefit offerings include preferred provider organization, or PPO, traditional indemnity medical, health maintenance organization, or HMO, Medicare supplement, and Health Savings Account, or HSA. The Applicant also offers a broad range of health benefit services for self-funded plans, including claims processing, stop-loss insurance, actuarial and reporting services, network access, medical

cost management and other administrative services. In addition, the Applicant offers a range of other products, including coverage for dental, vision, group life, disability, accidental death and dismemberment, long-term care, prescription drugs including Medicare Part D, mental health, substance abuse, and chiropractic benefits. The Applicant offers these products and services to large and small employers, groups and government units as well as individuals.

The Applicant was founded in 1933 and is a fully taxed, not-for-profit North Carolina company with offices and major operations centers throughout North Carolina (e.g., Durham, Charlotte, Fayetteville and Winston-Salem). The Applicant employs more than 4,600 persons and serves more than 3.7 million customers.

2. Business Intended to be Done by the Applicant

The Proposed Affiliation is a balanced strategic alignment of two strong companies that builds on the Applicant's and Cambia's shared values and cultures. Both the Applicant and Cambia are fully taxed, not-for-profit companies with Blue Cross Blue Shield histories. Together, the companies want to bring positive change to the health care system. The Proposed Affiliation's intent is to make health care better, simpler, and more affordable for individuals and their families.

Cambia is a health solutions company with a 100-year legacy of transforming how people experience health care. It is a national leader in innovation, technology and digital experience for consumers.

The Applicant has an 85-year history of offering its customers high-quality health insurance at a competitive price, and has led the charge toward better and more consumer-focused health care in North Carolina. The Applicant is committed to being a national leader in the transformation of health care through value-based payment models where the payer and provider share in the total cost and quality of care. For instance, the Applicant recently launched Blue Premier, a statewide program in North Carolina that tackles three critical areas plaguing today's health care system: changing how care is paid for, putting primary care first, and better integration of mental and behavioral health.

The Applicant and Cambia share a commitment to high quality, affordable health care as well as innovation and transformation through a person-centered approach that puts people in control and treats them with respect and compassion. The Proposed Affiliation also builds on the success of the companies' existing joint venture, Echo Health Ventures, launched in 2016. The Applicant and Cambia, through Echo Health Ventures, jointly invest in, build and grow tomorrow's great health care companies, including early stage startups as well as well-established growth companies, to support bringing innovations to scale faster and more successfully across the health care market to benefit their customers. For instance, Echo Health Ventures is currently making investments to increase access to high-quality urgent care centers. This gives customers more options when they need to be seen for a minor illness or injury, or for routine services such as a flu shot or sports physical.

By sharing costs and resources following regulatory approval of the Proposed Affiliation, the Applicant and Cambia will be able to accelerate their efforts to have the best-in-class

member-facing experiences so the Applicant's and Cambia's customers have the personalized tools they need to get the right care, at the right time, and at the right price. For example, following regulatory approval of the Proposed Affiliation, the Applicant and Cambia will invest in data analytics and new health technologies to fill care gaps, provide better member insights, and identify at-risk members and health trends so they can be addressed in their early stages.

To improve simplicity, following regulatory approval of the Proposed Affiliation, the Applicant and Cambia will develop even more innovative products and services for individuals and employer group customers to reduce the complexity of health care. Such products could include enhanced wellness coaching, health information tracking, and incentive programs tailored to demographic and community resources. Working together, the Applicant and Cambia will be able to accelerate their capabilities around value-based payment arrangements in which the provider and insurer share in the total cost and quality of care. The Applicant and Cambia will invest together once instead of twice to streamline redundant systems and services. This will allow the Applicant and Cambia to build capabilities faster and generate savings that will be reinvested in more affordability for members.

C. The Applicant's Organizational Chart

Attached as Exhibit B-1 is an organizational chart presenting the identities and the interrelationships among the Applicant and its subsidiaries and affiliates before giving effect to the Proposed Affiliation, and attached as Exhibit B-2 is an organizational chart presenting the identities and the interrelationships among the Applicant and its subsidiaries and affiliates after giving effect to the Proposed Affiliation. The organizational charts indicate the percentage of voting securities or other interests (e.g., membership interests) owned or controlled by the Applicant or any other such persons, the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile. Unless otherwise indicated on such charts, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities or other interests. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities or individuals depicted in the organizational chart attached as Exhibit B-1 hereto.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

A. Name and Business Address of Directors and Executive Officers of the Applicant; Owners of Ten Percent or More of the Voting Securities of the Applicant

Attached as Exhibit C-1 hereto is a current list of the members of the Board of Trustees and the executive officers of the Applicant. As a fully taxed, not-for-profit corporation, the Applicant has no members with voting rights and no voting securities outstanding. The business addresses and residence addresses of the current members of the Board of Trustees and the executive officers of the Applicant are stated in the biographical affidavits for such persons, which are being filed as Exhibit C-2. The Applicant will submit all such biographical affidavits to a third-party background check service provider.

The Applicant anticipates that certain officers of the Applicant may change in connection with the Proposed Affiliation. The Applicant will supplement this Statement with the final list of the Applicant's post-Effective Time executive officers promptly after those individuals have been selected. The Applicant will also supplement this Statement with a signed original NAIC biographical affidavit of each such individual who does not already have a current biographical affidavit on file with the Department and will submit such biographical affidavits to a third-party background check service provider.

B. Present Principal Business Activity

The present principal business activity, occupation, or employment of each current member of the Board of Trustees and each executive officer of the Applicant, including position and office held and the name, principal business, and address of any corporation or other organization in which such employment is carried on, are stated in the biographical affidavits for such persons, which, as described above, are being filed as Exhibit C-2.

C. Material Occupations, Positions, Offices and Employment

The material occupations, positions, offices or employment during the last five (5) years, including the starting and ending dates of each and the name, principal business, and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the current members of the Board of Trustees and the executive officers of the Applicant, are stated in the biographical affidavits for such persons, which are being filed as Exhibit C-2. Except as set forth in such biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension, or disciplinary proceedings in connection therewith, are stated in such biographical affidavits.

D. Criminal Proceedings

Except as otherwise indicated in Exhibit C-2, to the knowledge of the Applicant, no current member of the Board of Trustees or executive officer of the Applicant has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten (10) years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

A. Nature, Source and Amount of Consideration

No consideration will be paid in connection with the Proposed Affiliation. As previously noted in this Statement, the Applicant will not acquire "control" of the Domestic Insurers through the purchase of any voting securities or membership interests of Cambia or the Domestic Insurers.

B. Criteria Used in Determining the Nature and Amount of Such Consideration

As noted above, no consideration will be paid in connection with the Proposed Affiliation. The basis and the terms of the Affiliation Agreement and the Management Services

Agreement were determined by arm's length negotiations between the Applicant and Cambia and their respective representatives.

C. Identity of Lender

Not applicable.

ITEM 5. FUTURE PLANS OF INSURER

A. Business and Operations Plans for the Domestic Insurers

Except as may arise in the ordinary course of business or as described in this Statement and the exhibits hereto, the Applicant has no present plans or proposals to: (i) cause the Domestic Insurers to declare any extraordinary dividend, (ii) liquidate the Domestic Insurers, (iii) sell the assets of the Domestic Insurers to any other person or persons (other than sales of invested assets in the ordinary course of business), (iv) merge the Domestic Insurers with any person or persons or (v) make any other material change in the Domestic Insurers' business operations or corporate structure or management.

The Applicant's plans for the Domestic Insurers do not involve a material change in the business operations of the Domestic Insurers. The three-year financial projections for Regence BlueCross BlueShield of Oregon and LifeMap Assurance Company are attached as Exhibit D hereto. Financial projections for Regence Health Maintenance of Oregon, Inc. and Regence HMO Oregon are not provided with this Statement as neither entity is currently transacting insurance business in Oregon or any other state.

The Applicant does not intend for the Domestic Insurers to directly enter into any intercompany agreements with the Applicant in connection with the Proposed Affiliation. Under the Management Services Agreement, the Applicant and Cambia will maintain their separate assets, which will be under the common management of Cambia; provided, however, the Applicant will assign certain contracts to Cambia as specified in the Management Services Agreement and in order for Cambia to provide services pursuant to that agreement, and the Applicant and Cambia may jointly acquire certain assets and jointly make certain investments as part of the Proposed Affiliation. In exchange for services provided by Cambia to the Applicant pursuant to the Management Services Agreement, the Applicant will reimburse Cambia for its cost of services provided and its general overhead allocable to such services, but Cambia will derive no profit from such reimbursement. As further described in Section 3.1 of the Management Services Agreement, a value distribution framework will be applied, through adjustments to the Applicant's payment for services provided under the Management Services Agreement, to reflect the relative contributions of the Applicant and Cambia to savings generated by the Proposed Affiliation and expenses incurred to implement the Proposed Affiliation.

As described in the Affiliation Agreement, the parties will work together in good faith to develop an operational implementation plan in order to carry out the goals and purposes of the Proposed Affiliation. An implementation committee comprised of representatives from both parties will oversee the development of the plan.

As described in the Affiliation Agreement, Cambia and the Applicant will develop an employee matters transition plan, pursuant to which certain employees of the Applicant will become employees of Cambia.

Prior to the Effective Time, as described in the Affiliation Agreement, the parties will develop and agree upon the following financial policies and procedures: (a) an enterprise-wide investment policy, which policy will govern, among other things, any expenditure of the Applicant's funds (including capital expenditures), incurrence of indebtedness by Applicant, or entry into a joint venture; (b) policies and procedures relating to the preparation of the Applicant's annual operating budget and the Applicant's annual capital expenditures budget; and (c) policies and procedures relating to the Applicant's investment in any Affiliation Capital Assets (as defined in Section 4.2 of the Management Services Agreement). After the Effective Time, such policies and procedures will not be amended or modified without the approval of the New Cambia Board and the Board of Trustees.

B. Proposed Directors and Executive Officers

At present, there are no plans to change the current directors or executive officers of any of the Domestic Insurers in connection with the Proposed Affiliation. If there are any changes to the directors or executive officers of the Domestic Insurers following the approval of the Proposed Affiliation (as a result of Cambia's right, pursuant to the terms of the Affiliation Agreement, to remove and replace the directors of Regence Insurance Holding Corporation, an Oregon fully taxed, not-for-profit corporation and a direct, wholly owned subsidiary of Cambia ("RIHC"), or otherwise), the Domestic Insurers will submit to the Department biographical information regarding such new directors or executive officers to the extent required by applicable law.

As described in Item 1(B) above, pursuant to the terms of the Affiliation Agreement, at the Effective Time, the New Cambia Board will consist of nineteen (19) members, ten (10) of whom will be selected from the current members of the Board of Trustees, and nine (9) of whom will be retained from Cambia's current Board of Directors. A complete list of such current directors from which the New Cambia Board will be selected is attached as Exhibit E hereto, and a signed original NAIC biographical affidavit completed by each such individual is included in Exhibit C-2 hereto. The Applicant will submit the biographical affidavits attached as Exhibit C-2 hereto to a third-party background check service provider. The Applicant will supplement this Statement with the final list of members of the New Cambia Board promptly after the Applicant and Cambia have determined the same.

At the Effective Time, Dr. Conway, the current President and Chief Executive Officer of the Applicant and a member of the Board of Trustees, will serve as the new Chief Executive Officer of Cambia and a member of the New Cambia Board and will also continue to serve as the Chief Executive Officer of the Applicant. Mr. Ganz, the current President and Chief Executive Officer of Cambia, will become the Executive Chair of the New Cambia Board. Each of Dr. Conway and Mr. Ganz will report to the New Cambia Board. As described in the New Bylaws, Mr. Koppel, the current Chair of Cambia's Board of Directors, will serve as the Lead Independent Director on the New Cambia Board, and Mr. Holding, the current Chair of the Board of Trustees, will serve as the Vice Chair of the New Cambia Board. A signed original

NAIC biographical affidavit completed by each of Dr. Conway, Mr. Ganz, Mr. Koppel and Mr. Holding is included in Exhibit C-2 hereto, and such biographical affidavits will be submitted to a third-party background check service provider.

The remaining officers and senior management roles of Cambia immediately following the Effective Time will be agreed upon by the Applicant and Cambia prior to the Effective Time, with the individuals who will fill such roles being drawn from both companies. The Applicant will supplement this Statement with the final list of Cambia's post-Effective Time executive officers promptly after the Applicant and Cambia have determined the same. The Applicant will also supplement this Statement with a signed original NAIC biographical affidavit of each such individual who does not already have a current biographical affidavit on file with the Department and will submit all such biographical affidavits to a third-party background check service provider.

As described in the New Bylaws and the Affiliation Agreement, the New Cambia Board will initially operate through the following six standing committees: (i) the Executive Committee, (ii) the Nominating Committee, (iii) the Personnel and Compensation Committee, (iv) the Audit and Compliance Committee, (v) the Investment Committee and (vi) the Consumer Enablement Committee. Each committee will be comprised of individuals as set forth in the New Bylaws. In particular, the Executive Committee initially will be comprised of the following members of the New Cambia Board: Mr. Ganz, Dr. Conway, Mr. Koppel, Mr. Holding, and the respective chairs of the other standing New Cambia Board committees.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Applicant proposes to acquire indirect "control" of the Domestic Insurers through the changes to the Cambia Board as described in Item 1(B) above and does not propose to acquire any of the voting securities or membership interests of the Domestic Insurers.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

To the knowledge of the Applicant, none of the Applicant, its affiliates or any person listed in Item 3 hereof beneficially owns any class of any voting security or membership interests of the Domestic Insurers or has the right to acquire beneficial ownership of any class of any voting security or membership interests of the Domestic Insurers.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURERS

Except as otherwise set forth in this Statement, to the knowledge of the Applicant, there are no contracts, arrangements or understandings with respect to any voting security or membership interests of the Domestic Insurers, in which the Applicant, its affiliates or any person listed in Item 3 hereof is involved, including but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

To the knowledge of the Applicant, none of the Applicant, its affiliates, or any person listed in Item 3 hereof has purchased any voting securities or membership interests of the Domestic Insurers during the twelve calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

To the knowledge of the Applicant, none of the Applicant, its affiliates, any person listed in Item 3 hereof, or any person based upon interviews or at the suggestion of the Applicant, its affiliates or any person listed in Item 3 hereof, has made any recommendations during the twelve calendar months preceding the filing of this Statement to purchase any voting security or membership interests of the Domestic Insurers.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

No agreement, contract or understanding has been made by the Applicant, its affiliates or any person listed in Item 3 hereof with any broker-dealer as to solicitation of voting securities or membership interests of the Domestic Insurers for tender, and no amount of any fees, commissions or other compensation has been paid by the Applicant, its affiliates or any person listed in Item 3 hereof to broker-dealers with regard thereto.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

A. Exhibits

All exhibits referenced in this Statement are itemized below:

<u>Exhibit A</u>	Affiliation Agreement (submitted confidentially under separate cover)
<u>Exhibit B-1</u>	Pre-Closing Organizational Chart of the Applicant and its Affiliates
<u>Exhibit B-2</u>	Post-Closing Organizational Chart of the Applicant and its Affiliates
<u>Exhibit C-1</u>	List of Members of the Board of Trustees and the Executive Officers of the Applicant
<u>Exhibit C-2</u>	NAIC Biographical Affidavits (submitted confidentially under separate cover)
<u>Exhibit D</u>	Three-Year Financial Projections for Regence BlueCross BlueShield of Oregon and LifeMap Assurance Company

(submitted confidentially under separate cover)

<u>Exhibit E</u>	List of Individuals from which the New Cambia Board will be Selected
<u>Exhibit F</u>	Annual Statutory Financial Statements of the Applicant for the Periods Ending December 31 of each of 2014, 2015, 2016, 2017 and 2018
<u>Exhibit G</u>	Statement of Competitive Impact (submitted confidentially under separate cover)

B. Financial Statements

Exhibit F includes the annual statutory financial statements of the Applicant for the fiscal years ended December 31 of each of 2014, 2015, 2016, 2017 and 2018. The Applicant will supplement this Statement with the quarterly statutory financial statements of the Applicant for the period ending March 31, 2019 once such information is available.

C. Tender Offers and Annual Reports

To the knowledge of the Applicant, other than as disclosed in this Statement, there have been no (1) tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities or membership interests of the Domestic Insurers (or additional soliciting material related thereto), or (2) proposed employment, consultation, advisory or management contracts concerning Cambia or the Domestic Insurers.

None of the Applicant nor any of the Domestic Insurers has had any annual reports to stockholders for the last two fiscal years.

D. Competitive Impact of the Proposed Affiliation

As further described in the Form E Pre-Acquisition Notification filed by the Applicant with the Department on March 11, 2019, and as illustrated in Exhibit G attached hereto, which sets forth the market share percentages of the Applicant and the Domestic Insurers as of year-end 2018, the Applicant and the Domestic Insurers do not issue insurance products in the same geographic service areas. Thus, applying the criteria set forth in ORS 732.537 and 732.542, the Proposed Affiliation will not substantially diminish competition in a line of insurance in the State of Oregon or tend to create a monopoly therein.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

Following the Effective Time, Cambia will continue to provide the Form F annual enterprise risk report specified in ORS 732.569, with regard to the Domestic Insurers for so long as control exists. Further, Cambia agrees to provide, to the best of its knowledge and belief, the information required by Form F within 15 days after the end of the month in which the Effective Time occurs. The Applicant will provide, at the Director's request, information the Director needs to evaluate enterprise risk to the Domestic Insurers with respect to Cambia and all subsidiaries in the insurance holding company system that are within Cambia's control.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant are set forth on the immediately following pages.

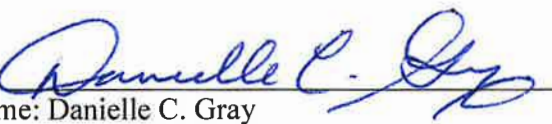
[Signature page follows]

SIGNATURE


Pursuant to the requirements of ORS 732.517 to 732.592 Blue Cross and Blue Shield of North Carolina has caused this application to be duly signed on its behalf in the City of Durham and State of North Carolina on the 17 day of April, 2019.



BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA


By: 
Name: Danielle C. Gray
Title: Senior Vice President, Chief Legal Officer and Corporate Secretary

Attest:

By: 
Name: Louis Patalano IV
Title: Vice President & Deputy General Counsel

CERTIFICATION

The undersigned deposes and says that the undersigned deponent has duly executed the attached application dated April 17, 2019, for and on behalf of Blue Cross and Blue Shield of North Carolina; that the deponent is the Senior Vice President, Chief Legal Officer and Corporate Secretary of such company and that the deponent is authorized to execute and file the instrument. Deponent further says that the deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of the deponent's knowledge, information and belief.

By: 
Name: Danielle C. Gray