

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Proposed Reorganization of)	
the holding company system of Regence)	Order of Exemption
BlueCross BlueShield of Oregon, LifeMap)	
Assurance Company, and Regence HMO Oregon)	Case No. INS 12-04-007

INTRODUCTION

By letters dated March 2, 2012 and March 21, 2012, Cambia Health Solutions, Inc., (“Cambia”) filed a request for exemption from the provisions of Oregon Revised Statutes (ORS) 732.521(1) pursuant to ORS 732.521(2) with regard to a proposed reorganization of its holding company system.

Regence Insurance Holding Corporation (“RIHC”) is an Oregon domestic non-profit public benefit corporation with members formed under ORS chapter 65 on November 21, 2011. As set forth in RIHC’s articles of incorporation, its purpose is to engage in any and all activities, and to exercise any and all powers, authorized and permitted under any laws applicable to RIHC. Cambia stated the primary reason RIHC was created is to consolidate Regence’s insurance companies under a single entity also using the “Regence” brand. Cambia is the sole member of RIHC.

Cambia Health Solutions, Inc., is an Oregon domestic non-profit public benefit corporation formed in 1995 under ORS chapter 65. The corporation was most recently known as The Regence Group. The current name was effective in November 2011. As set forth in Cambia’s articles of incorporation, its purpose is to engage in health promotion and improvement activities; to manage the activities of owned or managed health care service subsidiaries and to engage in any activity permitted under Oregon law.

Regence BlueCross BlueShield of Oregon (“RBCBSO”) is an Oregon domestic non-profit public benefit corporation with members licensed under ORS chapter 750 to transact business in Oregon as a health care service contractor. Cambia is the sole member of RBCBSO.

LifeMap Assurance Company (formerly known as Regence Life and Health Insurance Company) (“LifeMap”) is an Oregon domestic stock insurance corporation licensed under ORS chapter 731 to transact business in Oregon as a life and health insurance company. LifeMap’s stock is owned by three members of the Cambia holding company system: 75% owned by Regence BlueShield, 12% owned by Regence BlueCross BlueShield of Utah, 11% owned by RBCBSO, and 2% owned by Regence BlueShield of Idaho, Inc. Cambia is the ultimate controlling party of LifeMap.

Regence HMO Oregon (“RHO”) is an Oregon domestic non-profit mutual benefit corporation with members licensed under ORS chapter 750 to transact business in Oregon as a health care service contractor. RBCBSO is the sole member of RHO. Cambia is the ultimate controlling party of RHO.

Regence Health Maintenance of Oregon, Inc., (“RHMO”) is an Oregon domestic stock corporation licensed under ORS chapter 750 to transact business in Oregon as a health care service contractor. RHMO is a wholly owned subsidiary of RHO. Cambia is the ultimate controlling party of RHMO.

FACTS PROVIDED

Under the proposed Reorganization, Cambia will contribute its interest in RBCBSO, including RBCBSO’s subsidiaries LifeMap, RHO, and RHO’s subsidiary RHMO to RIHC. RIHC will be inserted into the organizational structure between and Cambia and its directly controlled insurance subsidiaries.

Cambia has filed similar Form A exemption requests with the Washington Office of Insurance Commissioner (for Regence BlueShield) and with the Utah Insurance Division (for Regence BlueCross BlueShield of Utah).

After the proposed Reorganization, RIHC will directly control RBCBSO, Regence BlueShield (Washington) and Regence BlueCross BlueShield of Utah (Utah). Cambia will remain the ultimate controlling party of each company within the group.

Cambia has represented that the purpose of the Reorganization is to consolidate under one holding company its insurance business.

Cambia has represented that the Reorganization is not for the purpose of, or having the effect of, changing or influencing control of RBCBSO. Management and board oversight of RBCBSO by RIHC

will remain the same as it is under Cambia. The Cambia and RIHC boards of directors are identical. There are no plans to change the current business or operations of RBCBSO. An amendment to the current administrative services agreement will be filed in accordance with ORS 732.574.

On the basis of the request and in specific reliance on the representations made to the Director by Cambia, the Director makes the following:

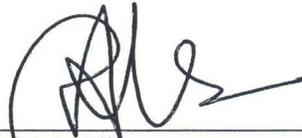
CONCLUSION OF LAW

The proposed Reorganization does not constitute a change of control and is not a transaction contemplated within the purpose of ORS 732.521(1). The proposed Reorganization thereby meets the requirements for exemption from the provisions of ORS 732.521(1) pursuant to ORS 732.521(2)(b).

ORDER

Based on the foregoing findings of fact and for good cause appearing, it is hereby ordered that an exemption from the provisions of ORS 732.521(1), pursuant to ORS 732.521(2)(b), be granted regarding the proposed Reorganization of the holding company system of Regence BlueCross BlueShield of Oregon, Cambia Health Solutions, Inc.

Issued this 14 day of May 2012.



Patrick M. Allen
Director
Insurance Commissioner
Department of Consumer and Business Services