

**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 Plan of)	
Reorganization of Trillium Holdings, Inc.,)	Findings of Fact and Order
Eugene, Oregon, Trillium Community Health)	
Plan, Inc., Eugene, Oregon, Lane Individual)	Case No. INS 13-03-003
Practice Association, Inc., Eugene, Oregon and)	
Agate Resources, Inc., Eugene, Oregon)	

INTRODUCTION

By letter dated February 05, 2013, Trillium Community Health Plan, Inc., (Trillium), filed a notification with the Oregon Insurance Division that Trillium Holdings, Inc. (THI), Trillium's minority owner and immediate parent company, was dissolved on August 9, 2012. THI's ownership stake in Trillium was transferred to Agate Resources, Inc. (Agate), THI's direct parent and Trillium's ultimate parent in the holding company structure. Trillium is requesting exemption from ORS 732.521(1) under the provisions of ORS 732.521(2).

Trillium is an Oregon domiciled stock insurer with authority under ORS Chapter 750 to transact health insurance business in Oregon as a health care services contractor since April 18, 2006, and prior to the reorganization, was a wholly owned subsidiary of THI.

LIPA is an Oregon Domestic Business Corporation and is the majority shareholder of Trillium, owning 3,000 shares (60%) of Trillium common stock. LIPA incorporated in Oregon on January 1, 1996 and prior to the reorganization was a wholly owned subsidiary of THI.

THI was an intermediate holding company and the immediate parent of Trillium and LIPA. THI's sole assets consisted of: 2,000 shares (40%) of Trillium common stock and all issued shares of LIPA common stock. THI was a wholly owned subsidiary of Agate.

Agate is an Oregon Domestic Business Corporation and is the parent entity within Trillium's holding company structure. Agate incorporated in Oregon on December 12, 2003 and is currently owned by approximately 270 individual shareholders.

FACTS PROVIDED

Under the reorganization, THI transferred ownership of 2,000 shares of Trillium common stock as well as all issued shares of LIPA common stock to Agate. Per ORS 60.637, THI will retain its corporate existence to carry on business necessary to wind up and liquidate its business and affairs, after which THI will cease to exist. The dissolution of THI was approved by THI's Board of Directors and sole shareholder (Agate) on July 31, 2012. Articles of dissolution were filed and effective with the Oregon Secretary of State's office on August 9, 2012.

Trillium will continue to transact health insurance business as a health care services contractor with authority under ORS Chapter 750. The separate corporate existence of Trillium, with all its rights, privileges, immunities, powers, and franchises shall continue unaffected by the reorganization. The officers and directors of Trillium will not change as a result of the reorganization.

Agate and Trillium have represented that the purpose of the reorganization was the elimination of a redundant intermediate holding company between Agate and Trillium. Dissolving THI simplified the holding company structure and management believes the reorganization represents the best interests of the overall business. Agate is now the direct parent

organization for Trillium and LIPA. The reorganization does not effect a change of ultimate control within the holding company system. Agate was the ultimate parent of Trillium prior to the reorganization and remains the ultimate parent of Trillium.

CONCLUSIONS OF LAW

The reorganization did not have the effect of changing or influencing the control or ownership of a domestic insurer. The reorganization thereby meets the requirements for exemption from the provisions of ORS 732.521(1) pursuant to ORS 732.521(2).

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby ordered that the reorganization submitted by Trillium to dissolve Trillium Holdings, Inc., is exempt from the provisions of ORS 732.521(1).

Issued this 13 day of March, 2013.


Louis Savage
Insurance Commissioner