

FEB 12 2018

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

IN THE MATTER OF THE)	
APPLICATION OF BLUE CROSS AND)	AMENDED ORDER
BLUE SHIELD OF NEBRASKA, A)	
NEBRASKA DOMESTIC INSURER, TO)	CAUSE NO.: C-2358
REORGANIZE TO FORM A STOCK)	
INSURANCE COMPANY, AN)	
INTERMEDIATE STOCK HOLDING)	
COMPANY, AND A MUTUAL)	
INSURANCE HOLDING COMPANY)	

This matter was heard by the Director of the Nebraska Department of Insurance, Bruce R. Ramage (“Director”), on January 22, 2018 at 10:00 a.m., at the Gold’s Building, Room 534, 1033 “O” Street, Lincoln, NE 68508, pursuant to a Notice of Public Hearing issued in this matter to consider the Plan of Reorganization (“Plan”) filed by Blue Cross and Blue Shield of Nebraska (“BCBS”), a Nebraska domestic insurer. The Plan was filed pursuant to the Nebraska Mutual Insurance Holding Company Act (“Act”), Neb. Rev. Stat. §§ 44-6122 through 44-6143.

BCBS was represented by its outside counsel, Lawrence Harr, of Lamson, Dugan and Murray, LLP. The Nebraska Department of Insurance (“Department”) was represented by Matthew Holman, General Counsel. The hearing was conducted pursuant to the Act and was recorded and transcribed by an official court reporter. Oral testimony and other evidence was entered into the record. Based upon a review of the Plan and other evidence received as part of the public record, the Director hereby finds, concludes and orders as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On December 5, 2017, BCBS filed the Plan with the Department pursuant to the Act. This Plan was subject to non-substantive amendments, and a final version of the Plan was submitted at the hearing on January 22, 2018.
2. On December 8, 2017, the Director issued a notice of public hearing in this matter and issued a letter to BCBS outlining the requirements under which BCBS must provide notice of the public hearing to its policyholders.
3. Between the dates of December 15, 2017 and December 20, 2017, BCBS provided notice of the public hearing via first class U.S. mail to its policyholders, along with a short summary of the Plan prepared by BCBS.
4. On December 29, 2017 and on January 1, 2018, a copy of the notice of public hearing was published in each of the Omaha World Herald and the Lincoln Journal Star newspapers.
5. Not later than December 15, 2017, the Plan was posted on the website of BCBS and available for public viewing.
6. The Plan proposes the creation of a mutual insurance holding company to be named GoodLife Partners, Inc. (“GLP”), an intermediate stock holding company to be named GoodLife Solutions, Inc. (“GLS”) and the reorganization of the corporate existence of BCBS as a stock insurer (“BCBS, Inc.”).
7. The Plan provides, upon the effective date of the reorganization, all shares of the capital stock of BCBS, Inc. will be issued to and owned by GLP which shall thereafter contribute all of the shares of the capital stock of BCBS, Inc. to GLS in exchange for all of the outstanding shares of common stock of GLS. Upon the effective date of the reorganization, GLP will own all of the initial shares of GLS, and GLS will own all of the initial shares of BCBS, Inc.
8. Following the reorganization, BCBS, Inc. will distribute all of its shares of Genesys Innovations, LLC, which constitutes 100 percent of the total number of issued and outstanding shares of Genesys Innovations, LLC, to GLS.
9. Upon the effective date of the reorganization, the policyholders’ existing membership interests in BCBS shall be transferred to GLP and shall become

membership interests in GLP. Policyholder membership interests in BCBS shall terminate. Members of GLP will be provided the same membership rights in GLP as they possessed, before the effective date of the reorganization, in BCBS including, but not limited to, the right to vote for the Board of Directors of GLP.

10. All existing policyholders of BCBS will receive immediate membership interests in GLP upon the effective date of the reorganization, and future policyholders of BCBS, Inc. will acquire membership interests in GLP as they become policyholders.
11. All policies in force between BCBS and policyholders before the effective date of the reorganization will remain in effect and all policy (contractual) rights will remain unchanged.
12. The Plan provides, as required by law, that the aggregate pledges and encumbrances of GLP's and GLS's assets shall not affect more than 49% of GLP's stock in GLS, or GLS's stock in BCBS, Inc. At all times, GLP will own, directly or indirectly, a majority of the outstanding common stock of BCBS, Inc.
13. There are no current plans to issue stock of GLS other than the stock to be exchanged with GLP for BCBS Inc.'s stock.
14. There are no current plans to issue stock of BCBS, Inc., other than the initial stock to be owned, following the reorganization, by GLS.
15. The Plan makes certain commitments to the Department of Insurance which are incorporated into this order, including:
 - a. Department approval prior to issuance of stock of GLS or BCBS, Inc. to the public;
 - b. Department approval prior to issuance of stock of GLS or BCBS, Inc. in connection with any incentive plan for directors, officers or employees, including stock option and share ownership plans;
 - c. The Plan is subject to and contingent upon BCBS receiving, on or prior to the effective date of the reorganization, a private letter ruling from the Internal Revenue Service or one or more opinions of its independent tax adviser substantially to the effect that the reorganization will be a tax-free event for BCBS and for BCBS policyholders.
 - d. The Plan is subject to and contingent upon BCBS receiving a no-action letter from the Securities and Exchange Commission relating to matters

pertaining to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended or an opinion of independent legal counsel in form and substance satisfactory to BCBS with respect to federal securities law matters.

- e. There are currently no plans to change any existing executive compensation plans or adopt any new compensation plans as a result of the Reorganization. The fees to be paid to directors of GLP and GLS have not yet been determined, however, the amounts will be consistent with historical amounts paid to the directors of BCBS and in accordance with industry standards.
16. The State of Nebraska Department of Insurance has jurisdiction over this matter pursuant to the Nebraska Mutual Insurance Holding Company Act, Neb. Rev. Stat. § 44-6122 through 44-6143.
 17. The notice requirements of Neb. Rev. Stat. § 44-6127 have been met.
 18. The Plan is fair and equitable to the policyholders of BCBS.
 19. The Plan does not deprive the policyholders of BCBS of their property rights or due process of law.
 20. BCBS, Inc. will meet the requirements to be issued a certificate of authority to transact the business of insurance in Nebraska and the continued operations of BCBS, Inc. will not be hazardous to future policyholders or the public.

ORDER

IT IS THEREFORE ORDERED that the Plan is hereby approved. This amended order shall supersede the existing order issued in this matter, dated January 23, 2018. This approval shall expire if the reorganization pursuant to the plan is not completed within one hundred eighty days after the date hereof, unless extended by the Director for good cause.

Dated this 12 day of February, 2018.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



BRUCE RAMGE
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Amended Order was sent to Lawrence Harr, Lamson, Dugan, and Murray, LLP, 10306 Regency Parkway Dr., Omaha, NE 68114, by certified mail, return receipt requested, on this 12 day of February, 2018.


