

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: HealthBenefit Bank d/b/a Blue Healthcare Bank (Proposed)
Sandy, Salt Lake County, Utah
Application for Federal Deposit Insurance
(Deposit Insurance Fund)

ORDER

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act relating to the application for Federal deposit insurance for HealthBenefit Bank d/b/a Blue Healthcare Bank (the Applicant), a proposed new federal savings bank to be located at 200 West Civic Center Drive, Suite 202, Sandy, Salt Lake County, Utah, and has concluded that the application should be approved.

Accordingly, it is hereby **ORDERED**, for the reasons set forth in the attached Statement, that the application submitted by the Applicant for Federal deposit insurance be and the same hereby is approved subject to the following conditions:

1. That beginning paid-in capital funds will not be less than \$70,700,000.
2. That the Applicant's Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance from the Applicant's primary federal regulator) will be maintained at not less than eight percent (8%) throughout the first three years of operation and an adequate allowance for loan and lease losses will be provided.
3. That any changes in proposed management or proposed ownership of ten percent (10%) or more of stock, including new acquisitions of or subscriptions to ten percent (10%) or more of stock, shall be approved by the FDIC prior to opening of the bank.
4. That the FDIC's background checks on all proposed directors of the Applicant be satisfactorily completed before they assume their positions as directors of the Applicant.
5. That where applicable, Federal deposit insurance will not become effective until the Applicant is granted a charter as a depository institution, it has authority to conduct a banking business, and its establishment and operation as a depository institution have been fully approved by the appropriate Federal Authority.
6. That where applicable, full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and the terms and costs involved. An insider is one who is or who is

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proposed to be a director, officer, or incorporator of an applicant, a shareholder who directly or indirectly controls 10% or more of any class of the Applicant's outstanding voting stock; or associates or interests of any such person.

7. That the proposed thrift holding company has obtained approval of the Office of Thrift Supervision to acquire voting stock control of the proposed depository institution prior to its opening for business.
8. That the depository institution will obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective and submit to the appropriate FDIC office (i) a copy of the annual audited financial statements and the independent public auditors report thereon within 90 days after the end of the depository institutions fiscal year, (ii) a copy of any other reports by notification within 15 days when a change in the depository institution's independent auditor occurs.
9. That the applicant will have adequate fidelity coverage.
10. That the applicant will adopt an accrual accounting system for maintaining the books of the depository institution.
11. That until the conditional commitment herein granted becomes effective, the FDIC shall have the right to alter, suspend, or withdraw said commitment should any interim development warrant such action.
12. That the consent granted herein shall expire if Federal deposit insurance has not become effective within twelve months from the date of this ORDER, unless the FDIC approves a request for an extension of the deadline prior to the expiration.

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STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. §1815), an application for Federal deposit insurance has been filed on behalf of HealthBenefit Bank d/b/a Blue Healthcare Bank (the Applicant), a proposed new federal savings bank to be located at 200 West Civic Center Drive, Suite 202, Sandy, Salt Lake County, Utah.

The Applicant will focus on offering health savings accounts (HSAs) to participants in Blue Cross and Blue Shield high-deductible health insurance plans. HSAs couple a tax-free savings account with a high-deductible health insurance plan. Enrollees or their employers, or both, make tax-free contributions to the HSA. Enrollees can withdraw funds from the HSAs tax-free to purchase medical care until they reach their deductible. Once an enrollee reaches their deductible, health insurance begins paying part or all of the enrollees' medical expenses.

The Applicant, which will not offer lobby, walk-in, or drive-up services, expects to have total assets of \$343 million at the end of its third year of operation. Assets will consist primarily of highly liquid, low-risk securities. The Applicant will not offer any loan products.

The Applicant will be wholly-owned by Plans' Holding Corporation, a shell company created solely for the purpose of owning and operating the Applicant. The owners of Plans' Holding Company are 36 independently owned and operated Blue Cross and Blue Shield Plans (Blue Plans) in the United States and Puerto Rico. No individual Blue Plan will control more than 10 percent of Plans' Holding Corporation. The Applicant will maintain a board of directors independent of Plans' Holding Company and the Blue Plans.

For the purposes of this proposal, capital is adequate, future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed and no undue risk to the Deposit Insurance Fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Associate Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain conditions.

**ASSOCIATE DIRECTOR
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**