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NEWS RELEASE

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Altrua HealthShare Ordered to Cease and Desist

BOISE ID (January 12, 2011) – A hearing officer for the Director of the Idaho Department of Insurance has ordered Altrua HealthShare to cease and desist operations in Idaho or go through the legal process to become a licensed insurance company in the state.

Companies that underwrite and assume financial risk for their members are considered insurance companies and must be licensed in Idaho to do business as such. Altrua, a faith-based membership organization, uses an extensive underwriting process including a comprehensive application form to determine eligibility for coverage and coordinates payment of medical costs among its members.

The Department examined Altrua's contract terms and determined that it is indeed an insurance contract and that the company must conform to the requirements of Idaho law. Altrua argued that it is operating a charitable organization and does not assume any risk or guarantee coverage. The hearing officer agreed with the Department.

Deputy Attorney General John Keenan, attorney for the Department, advised Altrua to comply with the hearing officer's order and give its members sixty days advance notice of the termination of membership and provide each person with a certificate of creditable coverage.

Altrua may continue doing business in Idaho only after filing for and receiving a certificate of authority from the Department to become a licensed insurance company in Idaho.

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