

February 6, 2014

Premera Blue Cross
7001 220th St. S.W.
M.S. 338
Mountlake Terrace, WA 98043

Ladies and Gentlemen:

We have acted as special counsel to Business Services Industry Health Trust, a tax-exempt trust under Internal Revenue Code Section 501(c)(9) (the “Trust”), in connection with establishing and maintaining a group insurance arrangement under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This opinion letter is provided to you at the request of the Trust pursuant to the requirements of Washington Administrative Code 284-170-958(2).

The law covered by the opinions expressed herein is limited to the federal laws of the United States of America.

This opinion letter is to be interpreted in accordance with the Guidelines for the Preparation of Closing Opinions (including the appended Legal Opinion Principles) issued by the Committee on Legal Opinions of the American Bar Association’s Business Law Section as published in 57 Business Lawyer 875 (February 2002) and the Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions as published in 63 Business Lawyer 1277 (August 2008).

A. Documents and Matters Examined

In connection with this opinion letter, we have examined, with your permission, only the following documents (collectively, the “Reviewed Documents”):

A-1 Business Services Industry Health Trust Agreement, effective January 1, 2014 (the “Trust Agreement”);

A-2 Appendix A to the Trust Agreement, the Business Services Industry Group Participation Agreement/Group Master Application, effective January 1, 2014;

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A-3 Appendix B to the Trust Agreement, the Business Services Industry Group Industry Classifications, effective January 1, 2014;

A-4 Business Services Industry Group Bylaws, effective January 1, 2014; and

A-5 Certification of Fiduciary (the "Certification").

B. Assumptions

For purposes of this opinion letter, we have relied on customary assumptions and the following assumptions:

B-1 The Trust will provide insurance covering an average of more than 50 employees on business days during the preceding calendar year (or other applicable measurement period).

B-2 The Trust is a tax-exempt trust under Internal Revenue Code Section 501(c)(9).

B-3 The Trust provides medical, dental, vision, prescription drug, life or disability benefits, or other benefits limited to the benefits described in Section 3(1) of ERISA.

B-4 The Industry Classifications attached as Exhibit B to the Trust Agreement, accurately reflect the membership of the industry group.

B-5 All facts set forth in the Certification are true and correct.

C. Opinions

Based on the foregoing examinations and assumptions and subject to the qualifications and exclusions stated below, we are of the opinion that the Trust is an arrangement that is established or maintained by an "employer" within the meaning of Section 3(5) of ERISA.

For this purpose, the term employer means "any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan; and includes a group or association of employers acting for an employer in such capacity." ERISA § 3(5). The United States Department of Labor ("DOL") has taken the view that an employee welfare benefit plan may exist where a cognizable, bona fide group or association of employers establishes a benefit program for the employees of member employers and exercises control of the amendment process, plan termination, and other similar functions on behalf of these members with respect to a trust established under the program. *See* Advisory Opinion 2005-24A.

The determination whether there is a bona fide employer group or association for this ERISA purpose must be made on the basis of all the facts and circumstances involved. Among the factors that the DOL considers are the following: how members are solicited; who is entitled to participate and who actually participates in the employer group; the process by which the employer group was formed, the purpose for which it was formed, and what, if any, were the preexisting relationships of its members; the powers, rights, and privileges of employer members that exist by reason of their status as employers; and, who actually controls and directs the activities and operations of the benefit program. Advisory Opinion 2005-20A. The DOL states that the employers that participate in the benefit program must, either directly or indirectly, exercise control over the program, both in form and in substance, in order to act as a bona fide employer group or association with respect to the program. Advisory Opinion 2007-06A.

In this case, the facts and circumstances establish that (1) the industry group is a “bona fide group or association of employers” and (2) that the member employers exercise control over the program.

First, the industry group is a “bona fide group or association of employers” because the industry group ties together the employers and employees that participate in the plan with a common economic and representation interest and genuine organizational relationship unrelated to the provision of benefits. Both the ERISA definition and DOL guidance make explicit that the employer group does not have to be a formal association. ERISA § 3(5); *see also* Advisory Opinion 2005-20A. The industry group was established separate and distinct from the Trust in 1998, when the industry group began hosting a monthly networking event for local business leaders. Group members all provide outsourced business services for core business functions, including financial and consulting services. The industry group exists independent of the efforts to provide benefits for member employers and currently hosts regular networking lunch events and, at least twice a year, provides industry-specific trainings for its members. The members have a history of organized activities, including economic activities, to support the mission of the industry group, including providing educational opportunities, industry training, business promotion, networking and business development, and public affairs and business advocacy. All members provide outsourced business services to other businesses, limited to the industry classifications established in the Trust Agreement. These industry ties are genuine organizational relationships beyond the Trust that establishes the employer group as an “employer” for the purposes of ERISA § 3(5).

Second, Section 3.02 of the Trust Agreement limits participation in the Trust to employees of employers, or their beneficiaries. This means that the terms of the Trust Agreement prohibit self-employed individuals from participating in the Trust.

Third, under the terms of the Trust Agreement, the employer members exercise control and direct the activities of the Trust through the direct approval of the Trustees. *See* Section 6.01. Under the terms of the Trust Agreement, Trustees must be principals in a participating employer and must be elected by a majority of the participating employers. *See* Section 6.01. The Trustees represent the participating employers and their employees and beneficiaries.

Finally, in 2012, the Washington State Office of the Insurance Commissioner provided exemplary documents for a trust sponsored by an association that operated as a single employer under ERISA. The Business Services Industry Health Trust Agreement is in all substantive ways the same as those exemplary documents.

Based on our analysis, the Business Services Industry Health Trust has been established by an “employer” as defined by ERISA § 3(5). To the extent that it offers benefits described in ERISA § 3(1) it will qualify as an employee welfare benefit plan under ERISA.

D. Qualifications

The opinions set forth herein are subject to customary qualifications, some of which are noted below:

D-1 The opinions expressed in this opinion letter are based on the analysis set out in this opinion letter, and the opinions may not be read in isolation from that analysis. The opinions in this opinion letter are not a guaranty as to what DOL or any particular court would actually hold, but an opinion as to the decision DOL or a court would reach if the issues were competently presented to it and DOL or the court, as applicable, followed existing precedent as to applicable legal and equitable principles. In this regard, we note that legal opinions on the definition of “employer” under ERISA unavoidably have inherent limitations that generally do not exist in respect of other issues on which opinions to third parties are typically given. These inherent limitations exist primarily because of the facts and circumstances nature of the governing guidance. The recipient of this opinion letter should take these limitations into account in analyzing the risks associated with the matters described herein.

E. Exclusions

The opinions set forth herein are subject to customary exclusions and the following matters as to which we express no opinion:

E-1 Whether the Trust is exempt from tax as a voluntary employee benefit arrangement under Internal Revenue Code Section 501(c)(9).

E-2 Whether the Trust satisfies any terms or conditions imposed by the Washington State Office of the Insurance Commissioner to operate in the State of Washington.

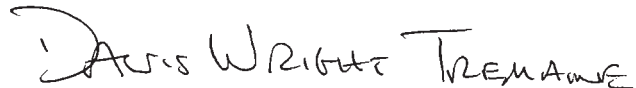
E-3 The effect of the manner in which the Trust operates in substance and its compliance with its terms.

Premera Blue Cross
February 6, 2014
Page 5

This opinion letter is delivered as of its date and without any undertaking to advise you of any changes of law or fact that occur after the date of this opinion letter even though the changes may affect the legal analysis, a legal conclusion or information confirmed in this opinion letter.

This opinion letter is rendered only to you and is solely for your benefit in connection with providing insurance coverage for the member companies of the Trust. This opinion letter may not be used or relied on for any other purpose or by any other person without our prior written consent.

Very truly yours,

Handwritten signature of Davis Wright Tremaine in black ink.