

BYLAWS OF
BLUE CROSS AND BLUE SHIELD OF NEBRASKA, INC.

NEBRASKA DEPARTMENT
OF INSURANCE

OCT 03 2018

ARTICLE I
SHAREHOLDERS

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SECTION 1 . Each Shareholder shall be entitled to one (1) vote on each matter at any Annual or Special Meeting of Shareholders in person or by written proxy. Shareholders may not participate in such meetings unless physically in attendance, or represented by a valid proxy who is physically in attendance. Shareholders may not participate through any other alternate means of communication.

SECTION 2. A Shareholder of the Company may appoint any officer or Shareholder his or her proxy in writing to vote at any Annual or Special Meeting of the Shareholders, such proxies shall be filed with the Company at least five (5) days prior to the date of the meeting. Such proxies may provide that the same are unlimited as to time. Proxies may be revoked in writing by the Shareholder and any such proxy is ineffective when the Shareholder is present at any meeting of the Shareholder. The Secretary of the Company shall maintain a list of all written proxies filed with the Company, and shall ascertain if the one executing the proxy is a Shareholder in good standing, and shall report to the Chairperson at the beginning of each meeting of the Shareholders the number of proxies and the designated nominee for voting.

SECTION 3. A quorum at any Annual or Special Meeting of Shareholders shall consist of the Shareholders present in person or by proxy. Any action required to be taken shall be authorized by a majority vote of Shareholders present, either in person or by proxy, except as otherwise specifically required by Nebraska law or by these Bylaws.

SECTION 4. The order of business at the Annual Meeting of the Shareholders shall be:

- A. Reading of the Minutes of the last Annual Meeting and any Special Meetings since the last Annual Meeting.
- B. Report in substance of the actions of the Board of Directors and its Committees for the preceding year.
- C. Report of the Chairperson of the previous year and his or her recommendations, the report of the Chief Executive Officer, the report of the Treasurer, and any other reports.
- D. Voting upon any amendments to the Articles properly coming before the meeting.
- E. Establish the number of Directors to serve for the following year.
- F. Establish the number of Directors to be elected.
- G. Nomination and election of Directors.
- H. Other business.

SECTION 5. Nominations of persons for election to the Board of Directors may be made by any Shareholders. Such nomination shall be made and delivered in writing to the Secretary not less than 180 calendar days prior to the Annual Meeting of Shareholders. In addition, such nomination shall include, as to each person whom the Shareholders proposes to nominate for election or reelection as a Director, all information required by

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the Company about such person so that the Company may determine whether the person nominated meets the requirements to be a Director as set forth in these Bylaws and the Governance and Nominating Committee Charter.

SECTION 6. Upon request of two-thirds (2/3) vote of the Board of Directors, a Special Meeting of the Shareholders may be held. In such event, the Secretary shall give each Shareholders in good standing written notice of the time and place of the Special Meeting. The purpose or purposes for which the Special Meeting is called shall be provided in said written notice which is to be mailed to the last known address of each Shareholders a minimum of ten (10) days prior to the date of the meeting.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. The affairs and business of the Company shall be conducted by the Board of Directors. A Director shall, based on facts then known to the Director, perform his or her duties as a Director, including his or her duties as a member of any Committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Company, and with such care as a prudent person in a like position would under similar circumstances. For purposes of this section, facts then known to the Director shall mean information or knowledge actually possessed by a Director and information and facts contained in material given or presented, either orally or in writing to a Director by other Directors or by officers, employees, agents or consultants engaged by or representing the Company.

SECTION 2. The Board of Directors shall consist of not less than five nor more than 21 persons. The number of persons on the Board of Directors shall be determined by the Shareholders at the Annual Meeting of Shareholders. The Board of Directors shall be composed of a majority of persons who are Independent Directors or not active or retired Healthcare Providers. An "Independent Director" shall not:

- be an employee of BCBSNE or an immediate family member of an employee of BCBSNE. Immediate family members shall be defined as spouse, parent, children, sibling, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law; or
- have been an employee of the Company within the past two years; or
- have a significant personal business interest with the Company. A significant personal business interest shall not include:
 - A person who is insured by BCBSNE;
 - A person whose health care benefits are administered by BCBSNE; or
 - A participating health care professional.

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A "Healthcare Provider" is defined as a person who is a member of a healthcare profession, is an officer, executive, director, trustee or employee of a hospital, an officer, director or employee of an organization or entity which provides healthcare services or a person who has a financial interest in a healthcare provider.

No more than two members of the Board of Directors may be officers or employees of the Company. Directors shall be elected for three-year terms, so that in each year approximately one-third of the members of the Board of Directors shall be subject to election or re-election.

SECTION 3. The Regular Meetings of the Board of Directors shall be quarterly. The first meeting of the Board of Directors each year shall be in March following the Annual Meeting of Shareholders. Subsequent regular meetings shall be held in June, September and December at a time and place to be set by the Chairperson. Any meeting may be rescheduled by the Chairperson to another date. If a Director misses three (3) consecutive Regular Board Meetings or more than one-third of all Company Board-related activities, including Regular Meetings, Committee Meetings, Special Meetings and retreats in any one-year period, his or her office shall be deemed to be vacant, unless a majority of the Board of Directors at the next Regular Meeting determines that extenuating circumstances justified the absences.

SECTION 4. The Board of Directors shall elect from its membership a Chairperson and Vice Chairperson. The Chairperson shall be the presiding officer at all meetings of the Shareholders of the Company, the Board of Directors, and Governance and Nominating Committee. He or she shall make reports and give recommendations at the Annual Meeting of the Shareholders of the Company and other meetings of the Shareholders, and to the Board of Directors and Governance and Nominating Committee. The Vice-Chairperson may preside, make reports and give recommendations at the Annual Meeting of Shareholders, in the absence of the Chairperson.

SECTION 5. Special Meetings of the Board of Directors may be called at any time by the Chairperson. In the absence of the Chairperson, the Vice Chairperson may call a special meeting or a special meeting may be called by written request of five (5) members of the Board.

SECTION 6. The Secretary shall send notices by mail, e-mail, or other electronic means, or otherwise give appropriate notice to members of the Board of Directors, in advance of any Regular or Special Meeting of the Board.

SECTION 7. At all meetings of the Board of Directors, each member of the Board of Directors shall be entitled to one (1) vote, but may not be permitted to vote by proxy. The Board of Directors may permit any or all Directors to participate in any regular or special meeting, or Committee meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting.

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SECTION 8. At all meetings of the Board of Directors or any Committee, a majority of the Directors shall constitute a quorum. Any action required to be taken shall be authorized by a majority vote of the entire membership of the Board of Directors or a Committee, as the case may be, except as otherwise specifically required by Nebraska law or by these Bylaws. A Director who is present at a meeting has the right to change his or her vote up to the time the result is finally announced. After that, he or she can make the change only by unanimous permission of the entire membership of the Board of Directors or a Committee, as the case may be.

SECTION 9. The Agenda at the first Regular Meeting of the Board of Directors each year shall include, but not be limited to, the following items:

- A. Election of the Chairperson and Vice Chairperson.
- B. Approval of the Minutes of any prior Board meeting, and Committee meetings, since the last regular meeting of the Board of Directors.
- C. Receiving of reports, general or special.
- D. Appointment of the Chief Executive Officer, the President, the Secretary, the Treasurer, and the Corporate Compliance Officer.
- E. Committee appointments.
- F. Other business.

SECTION 10. Any Director may resign from the Board of Directors at any time by giving written notice to the Chairperson. The acceptance of such resignation shall not be necessary to make it effective. In addition, a Director may be removed by the Shareholders of the Company at a meeting of the Shareholders called expressly for that purpose. The notice of said meeting shall state that a purpose of the meeting is the removal of said Director. Any Director may be removed, with or without cause, if the number of votes cast to remove the Director exceeds the number of votes cast not to remove the Director.

The Chief Executive Officer of the Company shall submit his or her resignation as a Director to the Chairperson at such time that he or she no longer serves in the role of Chief Executive Officer of the Company. Resignation or termination as Chief Executive Officer is also deemed as resignation from the Board of Directors. The Board of Directors may elect to accept or decline the resignation from the Board of Directors.

Commencing with the 2012 election of Directors, and thereafter, any new Director may serve up to five (5) three-year terms. This term limit shall not apply to Directors with continuous service on the Board of Directors commencing prior to the 2012 election. All Directors shall have a mandatory retirement age of 75, except if a Director turns age 75 before the 2018 Annual Meeting of Shareholders. Upon reaching age 75, or age 76 if reached before the annual Meeting of Shareholders in 2019, a Director may serve until his or her successor is duly elected and qualified at the next Annual Meeting of Shareholders.

If a Director is employed with an organization or association for which the Company provides health insurance or administrative services, and that organization or association

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terminates its health insurance or administrative agreement, the Director shall submit his or her resignation from the Board of Directors to the Chairperson. The Board of Directors may elect to accept the resignation or to request that the resigning Director continue service on the Board of Directors.

In the event of a Director's retirement, resignation, or termination of employment from the position he or she held when originally elected to the Board of Directors or a change in any business association which may place the Director in conflict with any duties owed to the Company, the Director shall submit his or her resignation from the Board of Directors to the Chairperson. The Board of Directors may elect to accept the resignation or to request that the resigning Director continue service on the Board of Directors.

If a vacancy occurs on the Board of Directors, the Board of Directors may fill the vacancy. Such replacement Director may serve until the next Annual Meeting of Shareholders following his or her appointment, at which time the Shareholders may elect the replacement Director, or his or her successor, to serve the remainder of the vacated term.

SECTION 11. The Board of Directors shall establish such Committees of the Board of Directors as it may deem necessary or convenient for the conduct of business and may delegate to any such Committee some or all of the powers of the Directors except those which, by law or by these Bylaws, may not be delegated. The standing Committees of the Board of Directors shall be the Audit and Compliance Committee, the Compensation Committee, the Finance Committee, the Governance and Nominating Committee, and the Strategy and Operations Committee. The Board of Directors shall also establish Corporate Governance Guidelines.

Unless otherwise required by the Bylaws, the Chairperson shall annually determine the membership on such Committees, subject to approval by a majority of the Board of Directors. The Chairperson shall also appoint the Chairperson and Vice-Chairperson of such Committees, subject to approval by a majority of the Board of Directors. At all meetings of the Committees of the Board of Directors, a majority of the membership of the Committee shall constitute a quorum. The Board of Directors, subject to the provision set forth herein, shall define the duties of such Committees and such duties shall be documented in Committee Charters approved by the Board of Directors or by applicable resolution. In the event of a conflict between the Corporate Governance Guidelines and a Committee Charter, the Corporate Governance Guidelines shall prevail. The Secretary of the Company shall give notice of all Committee meetings.

SECTION 12. The Board of Directors shall determine annually the amount to be paid to each Independent Director as compensation for services provided. Each Independent Director shall also be reimbursed for reasonable and necessary expenses incurred in his or her role as a Board Member.

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ARTICLE III
OFFICERS

SECTION 1. The officers of the Company shall be the (1) Chief Executive Officer; (2) President; (3) Secretary; (4) Treasurer; (5) Compliance Officer; (6) any Executive Vice President appointed in accordance with these Bylaws; and (7) any Senior Vice President or Vice President appointed in accordance with these Bylaws.

The Chief Executive Officer, President, Secretary, Treasurer and Compliance Officer shall be appointed by the Board of Directors. The Executive Vice Presidents shall be appointed by the Chief Executive Officer with input from the Board of Directors and the President. The Chief Executive Officer may appoint no more than four Executive Vice Presidents without express approval by the Board of Directors. In addition, the Chief Executive Officer may appoint Senior Vice Presidents and Vice Presidents officers of the Company without express approval by the Board. The Chief Executive Officer shall annually make a report to the Board of Directors, which shall identify the officers appointed by the Chief Executive Officer within the prior year.

SECTION 2. Unless otherwise provided by these Bylaws, the officers to be appointed by the Board of Directors (the Chief Executive Officer, President, Secretary, Treasurer and Compliance Officer) shall be appointed annually at the first Regular Meeting of the Board following the Annual Meeting of Shareholders. Each appointed officer shall hold office until his or her successor shall have been duly approved and qualified or appointed or until his or her death, resignation or removal from office. The Board of Directors shall fix the term of office and compensation of the Chief Executive Officer and the President.

SECTION 3. Chief Executive Officer – The Chief Executive Officer shall be the principal executive officer of the Company and shall actively manage the business of the Company, subject to the direction of the Board of Directors. He or she shall fix the terms of employment, including compensation, for all employed personnel in accordance with policies determined by the Board of Directors. He or she shall countersign all policies and riders thereto. The Chief Executive Officer shall present a report at the Annual Meeting of Shareholders. He or she shall make reports and recommendations to the Board of Directors and its Committees upon any subject pertaining to the business of the Company. He or she shall give any report required by the Board of Directors or its Committees on any matter pertaining to the Company, and he or she shall perform such other duties as may be assigned to him or her by the Board of Directors. He or she or his or her designee shall sign upon behalf of the Company, all contracts and papers of a legal nature. He or she shall see that the actions of the Board and its Committees are carried out and shall exercise such powers in general of the Chief Executive Officer of the Company.

SECTION 4. President – The President shall, at the direction of the Chief Executive Officer and in cooperation with the officers, develop and execute broad corporate policies, strategies and programs affecting the Company and shall carry out such duties of the Chief Executive Officer that are delegated to the President from time to time. The offices

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of the Chief Executive Officer and President may be held by the same person or separate individuals.

SECTION 5. Treasurer – The Treasurer of the Company is responsible for all financial and accounting policies, procedures and transactions performed within the Company, including but not limited to budget preparation, preparation of financial statements, corporate investment policy and practice and liaison and support of the independent audit. The Treasurer of the Company shall cause to be kept complete and accurate records of all receipts and disbursements of the Company. The Treasurer shall make quarterly reports to the Board of Directors, and the Annual Meeting of Shareholders of the Company. He or she shall cause to be deposited, with depositories authorized by the Board all funds of the Company. All withdrawals shall be made over the signature of the Treasurer and at least one (1) other designated signatory as authorized by the Board of Directors.

SECTION 6. Secretary – The Secretary shall keep full and permanent records of all meetings of the Shareholders of the Company, the Board of Directors and its Committees. He or she shall conduct all general correspondence for the Company, prepare, or have his or her designee prepare, the minutes of all meetings of the Company, the Board of Directors and its Committees, and shall keep a record of all reports of Committees and written recommendations. He or she shall be the custodian of the Corporate Seal of the Company and affix the same to all legal papers requiring the Corporate Seal. He or she shall cause to be given notice of all meetings of the Shareholders, Board of Directors and all Committees of the Board. The Secretary shall notify all persons who are appointed to Committees by the terms of these Bylaws and by the Chairperson.

SECTION 7. Compliance Officer – The Compliance Officer shall be responsible for the maintenance of the Company's Code of Business Conduct, including providing training and communication to directors, officers and employees of the Company regarding its requirements. He or she shall be responsible for developing processes to ensure compliance with legal and regulatory requirements, including monitoring and auditing for compliance. The Compliance Officer shall maintain a confidential means for employees to report suspected violations of the law and/or Company policy and provide reports to the Audit and Compliance Committee regarding the operation of the compliance program.

SECTION 8. Executive Vice Presidents and Senior Vice Presidents – The Executive Vice Presidents and Senior Vice Presidents shall, at the direction of the Chief Executive Officer or the President and in cooperation with the officers, develop and execute broad corporate policies, strategies and programs affecting the Company.

SECTION 9. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Officers appointed by the Chief Executive Officer may also be removed by the Chief Executive Officer whenever in his or her judgment the best interests of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the

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individual so removed. Election or appointment of an officer shall not of itself create contract rights.

SECTION 10. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors or the Chief Executive Officer, as set forth in Section 1 of this Article III, for the unexpired portion of the term of such office.

ARTICLE IV
CONTRACTS OF HEALTHCARE

SECTION 1. At the direction of the Board of Directors, the Company may contract in writing with any approved licensed hospital, skilled nursing facilities, intermediate care facilities, extended care facilities, nursing homes, home health agencies, chemical treatment centers, or other companies or legal entities, providing health care services including but not limited to licensed physicians, dentists, pharmacists and other health care providers for the provision of health service or class of health services, supplies, drugs or equipment provided for diagnosis, relief, or treatment of illness or injury. Execution of such contracts may be effected by the Chief Executive Officer or his or her designee.

ARTICLE V
RESERVES

SECTION 1. The Board of Directors shall set up reserves for liabilities as requested by the Department of Insurance of the State of Nebraska, and by law, and may set up such other reserves, contingent and otherwise, as may be deemed necessary.

ARTICLE VI
CORPORATE SEAL

SECTION 1. The Company shall have a Corporate Seal which shall be in such form as the Board of Directors may prescribe.

ARTICLE VII
AMENDMENTS

SECTION 1. These Bylaws may be amended, in whole or in part, in the following manner:

A. Any proposed amendment shall be presented for review and comment to the Governance and Nominating Committee. During its review of the proposed amendment, the Governance and Nominating Committee

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may amend the language of the proposed amendment. After its review of the proposed amendment, the Governance and Nominating Committee shall forward the proposed amendment with a recommendation to approve or reject the amendment to the Board of Directors.

B. The proposed amendment of the Bylaws and the recommendation of the Governance and Nominating Committee shall be presented to the Board of Directors for consideration at its next meeting. The proposed amendment and the recommendation of the Governance and Nominating Committee shall be provided, in writing, to the members of the Board of Directors not less than fifteen days prior to such meeting. A majority of the members of the Board of Directors shall be required to adopt the proposed amendment. In the alternative, a majority of the members of the Board of Directors (a) may modify the proposed amendment and adopt the amendment as modified or (b) may take any other action with regard to the amendment.

ADOPTION AND EFFECT

The Board of Directors of Blue Cross and Blue Shield of Nebraska, Inc. approved the adoption of these amended Bylaws by appropriate action taken on August 1, 2018.

Blue Cross and Blue Shield of Nebraska

By: 
George G. Beattie, Chairperson of
the Board of Directors



Russell S. Collins, Secretary