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Idaho Department of Insurance News Release

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Idaho Department of Insurance Announces Plan to Assume Oversight of Idaho School Benefit Trust

BOISE, ID (August 28, 2026) – The Idaho Department of Insurance (DOI) announced that it has filed a petition with the Fourth District Court seeking authority to assume control of the Idaho School Benefit Trust (ISBT).

The Department's action follows the August 25, 2026 order finding that the Trust is insolvent and operating in a hazardous financial condition.

Under Idaho Code, an insolvent self-funded health plan may be treated as an insurer subject to rehabilitation or liquidation proceedings, and continuation of ISBT's current operations has been deemed hazardous to the public and to holders of its certificates. The Department's petition asks the court to appoint the Director as rehabilitator of the Trust, whereby the Department will ensure an orderly transition and continued protection of Idaho school employees who rely on the Trust for health benefits.

"We understand that this situation has created uncertainty for school districts and the employees who rely on these benefits. We want to assure Idaho educators and staff that the Department is acting decisively to protect them," said Dean L. Cameron, Director of the Idaho Department of Insurance. "Taking this matter before the District Court is a responsible step that will provide stability, preserve promised benefits, and ensure strong oversight moving forward. Our commitment is to safeguard Idahoans, support our school communities, and maintain a clear, steady path through this transition."

The Idaho School Benefit Trust issued formal notification to participating school districts on August 20, 2026, detailing the funding shortfall for the 2025–2026 plan year and the total additional contribution requirement of \$13,051,304.64. This communication outlined the impact of higher-than-anticipated medical and dental claims and explained payment options available to districts, including lump-sum or monthly payment plans.

The notification also reaffirmed that, without this arrangement, districts and employees could be directly responsible for portions of unpaid claims and emphasized the requirement under Idaho Insurance Code and the Trust's governing documents that participating school districts share responsibility for covering the shortfall.

The Department of Insurance will provide additional information, including details regarding the expected timeline and implications for participating school districts and beneficiaries. The Trust will continue coordinating with the Department and Blue Cross of Idaho to finalize arrangements on funding and claim run-out processes.

School districts with questions regarding the funding notice may contact Debbie Hainke, Benefits Manager for the Idaho School Benefit Trust, at (208) 996-4701. Districts may also contact the Idaho Department of Insurance at (208) 334-4250.

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About the Department of Insurance

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to serve and protect Idahoans by equitably, effectively and efficiently administering the Idaho Insurance Code and the International Fire Code. For more information, please visit us at doi.idaho.gov or email us at consumeraffairs@doi.idaho.gov.