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HealthInvest
HRA

Response to:

State of Nebraska
SLEBC VEBA Pilot Plan
RFP 5837 Z1

May 17, 2018



State of Nebraska, State Purchasing Bureau
Attn: Teresa Fleming
1526 K Street, Suite 130
Lincoln, NE 68508

Gallagher Benefits Services, Inc. (Gallagher) appreciates the opportunity to submit a proposal to offer its HealthInvest HRA for consideration by the State of Nebraska for the State Law Enforcement Bargaining Council (SLEBC) pilot plan. Service and management of HealthInvest HRA is provided by Gallagher's Spokane, Washington branch. Gallagher has designed its HealthInvest HRA Plan based on over 30 years' experience and expertise in evaluating, developing, and providing services to HRA plans and trusts for many governmental employers across the country.

Here are only a few of the reasons Gallagher and the HealthInvest HRA Plan are an excellent fit for you:

- HealthInvest HRA's integrated solution and customized administration and recordkeeping platform
- Gallagher Spokane's award-winning customer service and employer support center
- Our 30+ years of experience providing funded HRAs for over 1,100 governmental employers
- The extensive amount and quality of services included in our HealthInvest HRA solution
- Flexible plan design and contribution funding options

Throughout the selection process, you will find that our top differentiators are our people, our customized HRA platform, our team of top-shelf service providers, and our ability to provide unsurpassed client service. We have built our reputation on the highest level of commitment and service to our clients and believe our references will speak to that.

Please contact us for any additional information or clarification to aid you in making your partner selection.

Thank you again for your time and consideration.

Dutch Ross, National Sales Director
Gallagher
906 W 2nd Avenue, Suite 400 - Spokane, WA 99201
(303) 889-2768 | (303) 889-2769 Fax
Dutch_Ross@ajg.com



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TAB 1 - Required Forms

- Request for Proposal for Contractual Services Form
- Form A Bidder Contact Sheet

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that bidder maintains a drug free work place.

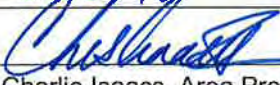
Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

 X NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this RFP.

 I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

 I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. §71-8611 and wish to have preference considered in the award of this contract.

FORM MUST BE SIGNED USING AN INDELIBLE METHOD (NOT ELECTRONICALLY)

FIRM:	Gallagher Benefit Services, Inc.
COMPLETE ADDRESS:	906 W. 2nd Ave, Suite 400, Spokane, WA 99201
TELEPHONE NUMBER:	(800) 888-8322
FAX NUMBER:	(509) 838-5613
DATE:	3-15-18
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	Charlie Isaacs, Area President

Form A
Bidder Contact Sheet
Request for Proposal Number 5837 Z1

Form A should be completed and submitted with each response to this RFP. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	Gallagher
Bidder Address:	906 W 2nd Ave., Suite 400 Spokane, WA 99201
Contact Person & Title:	Dutch Ross, HealthInvest HRA National Sales Director
E-mail Address:	Dutch_Ross@ajg.com
Telephone Number (Office):	(303) 889-2768
Telephone Number (Cellular):	
Fax Number:	(509) 838-5613

Each bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	Gallagher
Bidder Address:	906 W. 2nd Ave., Suite 400 Spokane, WA 99201
Contact Person & Title:	Dutch Ross, HealthInvest HRA National Sales Director
E-mail Address:	Dutch_Ross@ajg.com
Telephone Number (Office):	(303) 889-2768
Telephone Number (Cellular):	
Fax Number:	(509) 838-5613

TAB 2 – Company Overview

- Attachment A – Resumes for Key Personnel

Company Overview

The Corporate Overview section of the Technical Proposal should consist of the following subdivisions:

a. **BIDDER IDENTIFICATION AND INFORMATION**

The bidder should provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business and whether the name and form of organization has changed since first organized.

HealthInvest HRA is a proprietary health reimbursement arrangement (HRA) program developed and marketed on a national basis by Gallagher Benefit Services, Inc. (GBS). GBS is a corporation organized under the laws of Delaware whose principal place of business is located at 2850 Golf Rd, Rolling Meadows, IL 60008. GBS is a wholly-owned subsidiary and the Benefits and HR Consulting practice of Arthur J. Gallagher & Co. (AJG or "Gallagher").

Arthur J. Gallagher & Co. was founded in 1927 and today is the one of the world's largest insurance brokerage and risk management services firms with more than 26,000 employees. We offer a broad range of client-service capabilities, operating from over 710 office locations in 33 countries worldwide.

Gallagher became a public company in 1984, trading on the NASDAQ before moving to the NYSE in 1987. The company has grown steadily through strong business retention, new business development, and ongoing acquisitions. Our acquisition strategy continues to add outstanding employee benefits professionals to our talent pool, which enables us to better serve clients through an expanding local office presence, as well as our national and multinational practice and service groups. We were recently added to the Fortune 500 List of Largest U.S. Companies.

b. **FINANCIAL STATEMENTS**

The bidder should provide financial statements applicable to the firm. If publicly held, the bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The State may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

An audited financial statement for Arthur J. Gallagher & Co. is available in our SEC Form 10-K filing for the fiscal year ended December 31, 2017. Due to the size of the SEC Form 10-K, we have not included it as a printed attachment. This filing may be accessed at ajg.com > Investor Relations > SEC Filings (filing date 02/12/18). We are happy to provide a copy of this filing in electronic form upon request.

The Gallagher representative to contact for more information about our stability and financial strength is Raymond Iardella, Vice President of Investor Relations for Gallagher. Raymond is located in Gallagher's corporate headquarters at 2850 Golf Road, Rolling Meadows, IL, 60008, and can be reached at (630) 285-3661.

We are aware of no condition that might materially affect the viability and stability of the organization, including any judgment, pending or expected litigation, or other real or potential financial reversal. Arthur J. Gallagher & Co. and its affiliates may be involved in multiple court actions at any given time that are proportionate in number for a company of our size and profile. Gallagher treats these matters as confidential, and SEC guidelines prohibit us from providing material information in this RFP response that is not currently disclosed to the public. Any material items are noted in reports to the SEC, which are available on investor.ajg.com under Investor Relations > SEC Filings.

c. CHANGE OF OWNERSHIP

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

No change in ownership or control of the company is anticipated during the twelve months following the proposal due date.

d. OFFICE LOCATION

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

The Spokane, WA branch of Gallagher manages and operates HealthInvest HRA. Gallagher's Spokane branch office is located at 906 W. 2nd Ave., Suite 400, Spokane, WA 99201.

e. RELATIONSHIPS WITH THE STATE

The bidder should describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the State, the bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

Gallagher has had no dealings with the State over the past five (5) years. None of the parties named in this proposal, including Gallagher, have contracted with the State in the previous five years.

f. BIDDER'S EMPLOYEE RELATIONS TO STATE

If any Party named in the bidder's proposal response is or was an employee of the State within the past six (6) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a Subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

None of the parties named in this proposal, including Gallagher, have within the past six (6) months employed anyone who was an employee of the State.

g. CONTRACT PERFORMANCE

If the bidder or any proposed Subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party.

As a provider of funded HRA plan and trust services, including HealthInvest HRA, Gallagher's Spokane branch and the subcontractors named in this proposal have not had a contract terminate during the past five years, for default, convenience, non-performance, non-allocation of funds, or any other reason.

This response is limited only to the Spokane, WA branch of Gallagher and the service providers engaged by Gallagher for the HealthInvest HRA program. Due the size and multiple geographic locations of Gallagher Benefit Services, Inc. and its parent company, Arthur J. Gallagher & Co., with approximately 50 acquisitions each year and over 25,000 employees in 33 countries, data with respect to the termination of consulting or brokerage contracts of other Gallagher offices is not centrally maintained.

h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE

The bidder should provide a summary matrix listing the bidder's previous projects similar to this RFP in size, scope, and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder should address the following:

- i. Provide narrative descriptions to highlight the similarities between the bidder's experience and this RFP. These descriptions should include:*

- a) *The time period of the project;*
 - b) *The scheduled and actual completion dates;*
 - c) *The Contractor's responsibilities;*
 - d) *For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and*
 - e) *Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a bidder performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget*
- ii. *Contractor and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.*
- iii. *If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, Subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.*

	Spokane Public Schools	Weber School District	Mason County PUD #3
Time Period	6 weeks	10 weeks	8 weeks
Number of Participants	3,700	900	140
Scheduled Completion	10/15/2016	12/31/2015	05/08/2018
Actual Completion	10/10/2016	12/30/2015	05/02/2018
Budget	Implementation work performed by Contractor and Subcontractors on behalf of a non-profit, multiple-employer, governmental VEBA trust at no additional charge. Plan sponsors' internal resource allocation is always minimal with Gallagher-managed transitions.	Implementation work performed by Contractor and Subcontractors at no additional charge on behalf of VALIC, the program provider for a national-scope, governmental HRA plan and trust program. Plan sponsors' internal resource allocation is always minimal with Gallagher-managed transitions.	Implementation work performed by Contractor and Subcontractors on behalf of a non-profit, multiple-employer, governmental VEBA trust at no additional charge. Plan sponsors' internal resource allocation is always minimal with Gallagher-managed transitions.
Contractor and Subcontractor Responsibilities	This was a fairly quick implementation driven by collective bargaining agreement requirements.	This was a complicated implementation to complete on schedule. It was a transfer from another provider. Funds and participant	Contractor was responsible for: developing the implementation timeline; onboarding the plan sponsor;

	<p>Contractor was responsible for: developing the transition timeline; helping the plan sponsor develop and execute a communication plan; conducting participant educational workshops; coordinating subcontractor activities; obtaining participant data files; and overall management of the project in conjunction with the plan sponsor.</p> <p>Subcontractor duties included: setting up group in system; testing of sample data files; entry and/or upload of final data files; deposit and investment of transferred funds; and mailing new participant communication.</p> <p>Contractor and subcontractor work occurred simultaneously during the transition time period. All work was performed at no additional charge to the plan sponsor or participants.</p>	<p>data were received untimely and in bits and pieces from the former administrator. This was challenging, but the implementation was ultimately successful and occurred on time.</p> <p>Contractor was responsible for: helping the plan sponsor execute the communication plan; conducting participant educational workshops and consultations; and enrolling new participants.</p> <p>Subcontractor duties included: developing a transition timeline; setting up and onboarding the plan sponsor; helping develop a communication plan; coordinating subcontractor and prior administrator deliverables; obtaining participant data files; testing of sample data files; upload of final data files; deposit and investment of transferred funds; and facilitating welcome packet mailings.</p> <p>Contractor and subcontractor work occurred simultaneously during the transition time period. All work was performed at no additional charge to the plan sponsor or participants.</p>	<p>helping develop and execute a communication plan; conducting participant educational workshops; coordinating deliverables from multiple parties; obtaining participant data files; and overall management of the project.</p> <p>Subcontractor duties included: setting up plan sponsor in system; testing of sample data files; upload of final data files; deposit and investment of participant funds; and facilitating new enrollment notice and welcome packet mailings.</p> <p>Contractor and subcontractor work occurred simultaneously during the transition time period. All work was performed at no additional charge to the plan sponsor or participants.</p>
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References	Cindy Sharp Lead Benefits Specialist cindysha@spokaneschools.org P: (509) 354-7280 F: (509) 354-7325	Robert Petersen Business Administrator/CFO rpetersen@wsd.net P: (801) 476-7841 F: (801) 476-8139	Sherry Speaks Finance Manager / Treasurer sherrys@masonpud3.org P: (360) 426-8255 x5304 F: (360) 432-5696
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i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

The bidder should present a detailed description of its proposed approach to the management of the project.

The bidder should identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this RFP. The names and titles of the team proposed for assignment to the State project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The bidder should provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the RFP in addition to assessing the experience of specific individuals.

Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

HealthInvest HRA is a turnkey HRA program that will give the State peace of mind knowing that the right people are at the helm. With HealthInvest HRA, Gallagher becomes the State's HRA service manager and single point of contact that oversees all of the daily plan operation. We provide plan adoption assistance; plan compliance; maintenance of plan documents, forms, and plan literature; employer and participant communication; and customer care center services. For other services, such as recordkeeping, claims processing, and financial reporting, we have engaged carefully-selected third parties with extensive experience providing these services for funded HRAs. We are the experts working with the right parties doing what they do best. The State can rest assured that its plan will be easy to use, compliant, and hassle-free.

HealthInvest HRA is designed based on our 30+ years of experience and expertise in developing and providing services to HRA plans and trusts for governmental and non-profit organizations across the country. We are excited about offering our experience and expertise to assist the State in accomplishing its intended goals.

HealthInvest HRA's full-service, turnkey program includes:

1. Plan and trust formation and implementation;
2. Contribution, enrollment, investment election, financial reporting, and claims processing;
3. Regulatory compliance and reporting;
4. Ongoing administration services using a customized platform built specifically for funded HRAs;

5. Maintenance and updating of all plan documents, forms, and plan literature;
6. Investment options managed by Gallagher Fiduciary Advisors; and
7. Employer and participant customer service for our HRA plan clients.

Service of the State's HealthInvest HRA program will be provided by Dutch Ross, with support from Jessica Haguewood. Dutch will be the primary relationship manager for the State's plan and serve as a resource for the State and the SLEBC. Jessica will provide ongoing, plan sponsor-level support and assist with the resolution of escalated participant and plan sponsor issues. Dutch and Jessica interact on a daily basis to assist in the servicing of the HealthInvest HRA Plan to ensure issues and concerns are addressed in a timely manner.

As the HealthInvest HRA service manager, Gallagher uses a team approach for oversight of all plan operations. Dutch and Jessica will serve as the primary points of contact for the State and will service as the liaisons to Gallagher's HealthInvest HRA team. Our HRA team includes the following members, all of whom are dedicated solely to servicing funded HRAs.

- Six senior-level HRA consultants, including two attorneys specializing in HRA plan design and compliance
- Ten customer service representatives in our dedicated Customer Care Center
- Five support staff members
- Three communications specialists dedicated to marketing materials, plan literature and forms, and other plan communications

Key personnel who will assist Dutch and Jessica with the implementation of the State's pilot VEBA plan for SLEBC employees are Mark Wilkerson, Sheilla Jones, and John Fulbright.

- **Mark** will provide plan and trust design and strategic consulting services for the State's plan. Mark is one of the most experienced HRA consultants in the industry, providing HRA plan and trust design, implementation, and operation services for over 30 years. His experience includes development and consulting for customized HRA plan and trust programs serving over 1,100 governmental employers.
- **Sheilla** manages Gallagher's HRA consulting team and will provide plan and trust design, as well as compliance and strategic consulting services for the State's plan. Services provided by Sheilla and the Gallagher HRA team will include drafting and application for tax-exemption of the VEBA trust document all other plan documents, monitoring and compliance with all applicable federal laws regarding HRA plans and trusts, and assisting the State with complex compliance and consulting issues.
- **John** will oversee the implementation activities. Additionally, as director of communications for HealthInvest HRA, John will oversee all plan communication and much of the technical writing of HRA plan literature, correspondence, and forms.

Resumes for Dutch Ross, Jessica Haguewood, Mark Wilkerson, Sheilla Jones, and John Fulbright are included in **Attachment A**. Replacement of any personnel assigned to provide support for the State's HRA plan will be with personnel of equal or greater ability and qualifications.

j. **SUBCONTRACTORS**

If the bidder intends to Subcontract any part of its performance hereunder, the bidder should provide:

- i. name, address, and telephone number of the Subcontractor(s);
- ii. specific tasks for each Subcontractor(s);
- iii. percentage of performance hours intended for each Subcontract, and
- iv. total percentage of Subcontractor(s) performance hours.

HealthInvest HRA leverages a unique combination of expertise in analysis, design, and

implementation of funded HRA plans and related trust structures, together with specialized consulting, administration, recordkeeping, investment management, compliance, trust, and custodial services. Our specialized HRA customer care and online services, together with our network of experienced service providers, will enhance the overall HealthInvest HRA plan and trust package for the State. Through direct subcontractor arrangements, Gallagher has engaged for its HealthInvest HRA team several companies that are leaders in the HRA industry and experts in the administration and servicing of funded governmental HRA plans. On a combined basis, Gallagher estimates that services performed by these subcontractors represent approximately 55% of the total performance hours for the State's plan.

Gallagher Fiduciary Advisors, LLC (GFA) – Performance hours estimated at 5%

GFA's investment management services for the HealthInvest HRA's standard fund lineup include development of investment objectives, initial selection, and ongoing monitoring of the Plan's standard investment line-up, and quarterly reporting and evaluation of the performance of each fund manager.

GFA is the Institutional Investment & Fiduciary Services practice of Gallagher. GFA has extensive experience in institutional investment consulting and fiduciary decision-making regarding traditional and alternative investments. GFA is a registered investment advisor under the Investment Advisers Act of 1940 and serves as investment manager and the investment fiduciary for HealthInvest HRA's standard (or fixed) fund lineup.

GFA is comprised of seasoned professionals complemented with highly qualified support staff. GFA has approximately 50 employees in three offices: Newark, NJ; Pittsburgh, PA; and Washington, DC. Of the 50 employees, GFA has 23 investment consultants at the Area Vice President level and above, with an average of more than 15 years of investment experience. GFA investment consultants have broad and deep backgrounds in investments, finance, accounting, internal controls, banking, corporate treasury, trustee and fiduciary responsibility, and ERISA. Additionally, of GFA's approximately 50 employees, 13 have earned the Chartered Financial Analyst (CFA) designation, one has earned the Chartered Alternative Investment Analyst (CAIA) designation, three are attorneys, one is a Certified Public Accountant (CPA), and eight have a Master of Business Administration (MBA).

Gallagher Fiduciary Advisors, LLC

1667 K Street, N.W., Suite 1270
Washington, D.C. 20006
(202) 312-5429
Attention: John Murphy

Washington Trust Bank (WTB) – Performance hours estimated at 5%

WTB serves as the bank, master trustee, and investment custodian for the HealthInvest HRA master trust and provides the services listed below.

- Holds title to financial securities and maintains physical custody of plan assets on behalf of HealthInvest HRA plan sponsor trusts
- Invests, reinvests, and liquidates plan and trust assets according to instructions and transactions of the State and its participants
- Works with the record-keeper to report daily investment valuations
- Serves as the federal tax and regulatory reporting entity on behalf of HealthInvest HRA and its participating plan sponsors

WTB is the oldest and largest locally-owned commercial bank in both Washington and Idaho, with branches also located in Oregon.

WTB has been providing wealth management and banking services since 1902, including trustee,

custodial, and administrative services to employee benefit plans since 1954. WTB maintains custody of securities, provides checking accounts and services, and executes securities (fund) purchases and sales for HealthInvest HRA, in addition to serving as the nondiscretionary, directed master trustee for the HealthInvest HRA master trust. Most plan sponsors elect to use HealthInvest HRA's standardized trust document for their primary plan sponsor trusts, for which WTB serves as trustee, a service that is included in HealthInvest HRA's overall pricing.

Washington Trust Bank

717 W. Sprague Ave.
Spokane, WA 99201
(509) 353-4204
Attention: Steve Sherman

OneBridge Benefits (OneBridge) – Performance hours estimated at 35%

OneBridge provides the recordkeeping, financial reporting, and claims and enrollment processing services listed below.

- Establish and maintain separate participant accounts
- Track the daily value of each account
- Post and allocate contributions for new and existing participants
- Process participant-directed investment elections
- Provide debit card services
- Perform daily recordkeeping of contributions, investment gains and losses, claims paid, and Plan fees and expenses
- Perform daily investment valuation
- Deduct daily, monthly, or annual Plan fees from participant accounts
- Generate and deliver statements in paper or electronic form, as elected by participants
- Perform administrative processing, including eligibility, enrollment, and claims
- Process forfeitures in accordance with the State's plan design and applicable regulatory requirements
- Conduct withholding, reporting, and payment of applicable federal fees and taxes
- Report coverage information as required under applicable law, including Medicare and the Affordable Care Act
- Deliver required notices to plan sponsors and participants as required by applicable regulations, including the Affordable Care Act, HIPAA, and COBRA

OneBridge also provides HealthInvest HRA with highly-valued online services through a plan administration system that has been custom-designed for funded HRA plans according to Gallagher's specifications. Key features help provide an effortless online experience for participants and plan sponsors.

- Single platform that integrates all facets of plan administration, including investment fund elections and changes, into one real-time system
- Integrated customer service, enrollment, contributions, claims, recordkeeping, communication, and online participant and plan sponsor portals
- Real-time information available to customer care representatives, claims processors, administrative specialists, plan sponsors, and participants
- Custom-designed functionality with unique HRA operation, compliance, and administration needs in mind
- Robust online platform that will enable the State to:
 - Enroll participants electronically and eliminate the hassle of paper enrollment forms
 - View its participant roster with effective dates, separation dates, claims-eligibility

dates, and more

- Create new contribution reports or update and use previous reports
- Access contribution history
- Submit participant status changes in lieu of using paper forms
- Access reports containing aggregate investment and benefit (claims) information

OneBridge has proven to be a reliable and innovative service partner for Gallagher. Its senior management team consists of highly motivated individuals from the healthcare sector with strong backgrounds in technology, finance, and operations. OneBridge's senior management team has a combined 38 years of experience in servicing funded HRAs, and they have hand-picked their leadership team based on a shared commitment to quality and client service. With prior professional experience at large employers such as Ernst and Young, Aetna Inc., and Hearst Corporation, they understand what is necessary to service organizations like the State. As a privately held company, OneBridge is able to provide a more tailored, high-touch, and responsive approach to all aspects of client service.

OneBridge Benefits

410 Main Street, Suite 5
Buffalo, NY 14202
(716) 245-6100
Attention: Nick Knab

Kaye-Smith Enterprises, Inc. – Performance hours estimated at 5 %

Kaye-Smith, with offices located in Renton, WA and Portland, OR, provides print services, including fulfillment of HealthInvest HRA participant statements, explanation of benefits, and other mailings and notices.

Kaye-Smith

4101 Oakesdale Ave. SW
Renton, WA 98057
(425) 228-8600
Attention: Steve Pudists

Spectrum Information Services NW, Inc. (SIS) – Performance hours estimated at 5 %

SIS, with offices located in Seattle, WA and Portland, OR, provides document management and scan services. SIS securely scans and uploads all incoming participant and employer documents into HealthInvest HRA's administration system for further handling and processing by our administration and customer service teams.

SIS NW, Inc.

2414 SW Andover St., #E140
Seattle, WA 98106
(206) 686-2810
Attention: Glen Odell

Attachment A

Resumes for Key Personnel

DUTCH ROSS

National Sales Director, HealthInvest HRA
906 W. 2nd Ave, Suite 400, Spokane, WA 99201
(303) 889-2768 | Dutch_Ross@ajg.com

Understanding of Project

I confirm my understanding of the State of Nebraska's pilot VEBA project for the SLEBC. Gallagher has designed its Health/*invest* HRA based on over 30 years' experience in evaluating, developing, and providing services to HRA (VEBA) plans and trusts for hundreds of governmental, non-profit, and for-profit organizations across the country.

Our team's diverse yet relevant backgrounds combine to bring you the highest level of expertise in the industry. We will take time to learn and understand your unique needs and preferences. We will partner with you to evaluate the advantages and disadvantages of available plan design options based upon your unique needs and preferences. This type of personalized focus provides our clients with trust and confidence that we can deliver these very specialized services to help ensure the ongoing success of their programs.

Experience

- | | |
|--------------|--|
| 2017-present | National Sales Director, HealthInvest HRA, <i>Gallagher</i> <ul style="list-style-type: none">• Manages Health/<i>invest</i> HRA sales and customer relations• Serves as a member advocate and liaison for plan sponsors• Serves on Gallagher's public sector niche leadership team |
| 2010-2017 | Area Assistant Vice President & Senior Client Consultant, <i>Gallagher</i> <ul style="list-style-type: none">• Directed business development and revenue growth across a 22-state area, with concurrent management of a growing book of business focused on large public sector clients (schools, cities, counties, utilities, etc.) and commercial enterprises• Defined and led the area sales strategy, managed resources and administration, and ensured all financial and service-level goals were met or exceeded |
| 2009-2010 | Principal, <i>Ross Benefits Consulting</i> <ul style="list-style-type: none">• Provided employee benefits consulting and brokerage services to predominantly mid-market public sector clients throughout Colorado |



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Academic Background

1987-1992 *University of Colorado Boulder*
· BA in Philosophy

Professional Certifications

- Certified Employee Benefits Specialist (CEBS) (in progress)
- Group Benefits Associate (GBA)
- Life and Health producer licenses in Colorado, Oregon, Iowa, and Wyoming
- Property and Casualty producer license in Colorado

References

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Randy Peck, Personnel Manager
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citypers@cityofdubuque.org



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JESSICA HAGUEWOOD, CEBS®

Client Compliance Consultant
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Understanding of Project

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Experience

- | | |
|--------------|---|
| 2016-present | Client Compliance Consultant, <i>Gallagher</i> <ul style="list-style-type: none">· Provides ongoing, plan sponsor-level support· Coordinates with Health/<i>invest</i> HRA compliance team on plan design, administration, and maintenance concerns· Expertise in funded HRAs including regulatory compliance and reporting, plan operating and administration, and escalated participant and plan-sponsor issue resolution |
| 2014-2016 | Senior Account Representative, <i>Gallagher</i> <ul style="list-style-type: none">· Provided high level support to the consulting, compliance, and communications teams· Assisted in the implementation and ongoing training of the Health/<i>invest</i> HRA recordkeeping and administrative platform· Specific responsibilities include technical assistance, plan design consultation and review, and ongoing plan compliance |
| 2012-2014 | Client Consultant, <i>Gallagher</i> <ul style="list-style-type: none">· Managed over 160 clients throughout central Washington and Oregon· Specific responsibilities include client service, plan design strategy, organic growth, and relationship management |



Insurance | Risk Management | Consulting

Academic Background

- 2007-2011 *Gonzaga University*
· Magna cum laude with BA in Psychology with minors in Communications and Sociology
- 2011-2013 *Gonzaga University*
Summa cum laude with M.A. in Organizational Leadership

Professional Certifications

- Certified Employee Benefits Specialist (CEBS)
- Retirement Plans Associate (RPA)
- Group Benefits Associate (GBA)
- Life and Disability producer license in Washington

References

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Amy Onopas, County Benefits Plan Administrator
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Beverly Freeman, Benefits Manager
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MARK WILKERSON

Senior HRA & VEBA Strategic Consultant
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Understanding of Project

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Experience

- | | |
|--------------|---|
| 2017-present | <p>Senior HRA & VEBA Strategic Consultant, <i>Gallagher</i></p> <ul style="list-style-type: none">· Provides in-depth consulting to employers and plan sponsors regarding tax compliance, proper structure, and operation of health and welfare plans with tax-exempt and non-taxable trusts· Experience extends to over 30 years in funded HRA plan design and program management experience· Practical experience includes legal and regulatory compliance, plan design construction, plan sponsor considerations and governance concerns, service provider selection and integration, plan implementation and plan marketing execution, as well as plan participant communication drafting and delivery |
| 2012-2017 | <p>Area President, <i>Gallagher</i></p> <ul style="list-style-type: none">· Provided expert assistance to state legislative bodies, and large governmental employers on how HRA programs can be implemented and managed |
| 1986-2012 | <p>Owner and President, <i>VEBA Service Group, LLC / Wilkerson & Associates, Inc.</i></p> <ul style="list-style-type: none">· Designed successful, customized HRA solutions for single employer plans and large multiple employer plans using both VEBAs and governmental 115 trusts· Provided financial planning and investment related services· Held Series 7 Registered Representative and Certified Financial Planning licenses· Managed and built nation's first customized, funded HRA consulting firm and programs |



Insurance | Risk Management | Consulting

Academic Background

1987-1989 *Eastern Washington University*
· BBA in Marketing and Finance, and a minor in Economics

Professional Certifications

· Life and Disability producer license in Washington

References

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Understanding of Project

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Experience

- | | |
|--------------|--|
| 2012-present | Area Counsel / Senior HRA Plan and Trust Consultant, <i>Gallagher</i> <ul style="list-style-type: none">· Principal designer of Gallagher's proprietary funded HRA program, <i>HealthInvest</i> HRA· Manager over Gallagher's HRA compliance and consulting team· Expertise in funded HRAs including plan and trust design, regulatory compliance and reporting, plan operation and administration, and drafting of plan and trust documents |
| 2003-2012 | Outside Counsel, <i>The Variable Annuity Life Insurance Company (VALIC)</i> <ul style="list-style-type: none">· Provided legal and consulting services for VALIC's health reimbursement arrangement (HRA) plan and trust programs -- State of Indiana HRA and HealthSecure HRA -- including plan and trust design, corporate governance, regulatory compliance and reporting, plan operation and administration, as well as negotiation and documentation of a variety of related business relationships and transactions |
| 2002-2003 | Of Counsel, <i>Vinson & Elkins</i> <ul style="list-style-type: none">· Of Counsel in Structured Transactions and Finance Practice Group |
| 1998-2001 | Deputy General Counsel, <i>American International Group, Inc. (AIG)</i> <ul style="list-style-type: none">· Deputy General Counsel over the investment management/finance legal department and providing additional support to parent and subsidiary companies for general legal and corporate governance matters, regulatory compliance, mergers and acquisitions, and negotiation and documentation of various business transactions |



- 1991-1997 **Associate Attorney, *Vinson & Elkins***
- Associate Attorney in Structured Transactions and Finance Practice Group
 - Primary practice included:
 - Representation of lenders and borrowers in the structuring, negotiation and documentation of a variety of specialized finance transactions to achieve specific borrower goals, including asset securitizations and monetizations of long-term commodities contracts, synthetic lease transactions, and other project finance transactions
 - Representation of lead banks, syndicate banks, and borrowers in complex syndicated finance transactions
 - Representation of letter of credit banks providing liquidity for tax-exempt bond offerings in the 501(c)(3) and municipal bond markets
 - Representation of purchasers and sellers in asset and entity acquisitions

Academic Background

- 1982-1986 *Baylor University*
- BBA in finance
- 1988-1991 *University of Houston Law Center*
- Doctorate of Jurisprudence: J.D., cum laude, Order of the Coif
 - Chief Research Editor, *Houston Law Review*

Professional Certifications

- Licensed to practice law in Texas

References

Kathryn Smith, Vice President – Strategic Initiatives
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Richard A. Turner, Vice President and Associate General Counsel
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JOHN FULBRIGHT

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Experience

2005-present **Senior Client Manager, *Gallagher***

- Oversees new HRA (VEBA) plan implementations and transitions; coordinates third-party service provider activities to ensure on-time deliverables
- Provides high-level service and critical-issue resolution to employers and plan sponsors in multiple states
- Helps maintain relationships with key HRA (VEBA) plan sponsors, professional association leadership, and governing board members
- Oversees all plan communication and performs much of the technical writing of HRA (VEBA) plan literature, correspondence, and forms for single- and multiple-employer programs
- Manages surveys and targeted email campaigns aimed at measuring satisfaction levels, increasing awareness and participation in available services, and enhancing the overall HRA (VEBA) participant experience

1998-2005 **Service Representative, *Gallagher***

- Represented HRA (VEBA) plans for Washington State agencies, higher education institutions, counties, cities, school districts, and other governmental employers
- Provided local, on-site service to all participating employers in the Western Washington region
- Communicated HRA (VEBA) plan updates and the latest IRS and other federal and state guidance



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- Conducted sales presentations for union leadership, benefits committees, and other decision makers; conducted employee educational workshops and participated in state retiree seminars
- 1995-1998 **Sales Representative II, *Washington National Insurance***
- Represented short- and long-term salary insurance plans endorsed by the Washington Education Association
 - Provided regularly-scheduled onsite service to participating employers
 - Conducted sales and educational presentations for employers and employees
 - Coordinated targeted sales and marketing initiatives among participating employer groups on a county-by-county basis throughout Washington; participated in out-of-state sales campaigns
- 1992-1995 **Benefits Coordinator, *Highline School District***
- Managed all employee benefit plans and programs for all collective bargaining groups and non-represented employees (3,000+ employees), including medical, dental, vision, disability, and life insurance, HRA (VEBA) plans, health and dependent care FSAs, tax-sheltered annuity contributions, and COBRA
 - Worked closely with broker and carriers to resolve escalated issues
 - Conducted all new employee orientations and retiree exit interviews; assisted employees and retirees with making proper insurance and benefit plan choices
 - Consulted with area school districts to help them improve the success of certain employee benefit programs and activities, such as new employee orientations, retiree exit interviews, FSAs, benefits fairs, etc.
 - Conducted state-wide workshops in Washington for public school human resources and employee benefits personnel
- 1987-1992 **Payroll Technician, *Highline School District***
- Processed payroll and benefits for certificated and classified staff from approximately 20 elementary and high schools and other large district departments, such as food service and maintenance
 - Led the annual sick leave and vacation cash out processes; implemented revised processes to improve accuracy and reduce processing time from five staff members over four days to just one staff member over one day

Academic Background

- 1987 *Marturios Christian Academy*
- High School Diploma



References

Doug Detling, Chairman
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Amy Cummings, District Vice President
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Amy.Cummings@valic.com

Jim Nowlin, Finance and Operations Supervisor
Marysville School District
4220 80th St. NE, Marysville, WA 98270
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Debbie Lund, Human Resources & Communication Manager
Jefferson County PUD
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dlund@jeffpud.org



TAB 3 – Section II: Terms and Conditions

- Attachment B – Health/Invest HRA Adoption Packet



Terms and Conditions

A. GENERAL

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	Please see Gallagher's proposed alternative language. Gallagher has included its HealthInvest HRA Adoption Packet in Attachment B , which is required for the State's adoption of HealthInvest HRA, in lieu of or in connection with the Contract and Addendum One to Contract.

The contract resulting from this RFP shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the RFP;
3. Questions and Answers;
4. Contractor's proposal (RFP and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable ;
- 5-6. The HealthInvest HRA Adoption Packet; and,
- 6-7. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) the HealthInvest HRA Adoption Packet, 34) Amendments to RFP and any Questions and Answers, 54) the original RFP document and any Addenda, and 65) the Contractor's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.



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B. NOTIFICATION

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

C. GOVERNING LAW (Statutory)

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	<p>Please see Gallagher's proposed alternative language.</p> <p>Also, please note that the VEBA trust that will be created for the HealthInvest HRA program in connection this Contract will be a multiple-employer, multi-state VEBA created under and governed by laws of the state of Washington and the federal laws of the United States. In addition, the HealthInvest HRA Master Trust, through which investment management and regulatory reporting is provided on behalf of all HealthInvest HRA plans, is created under and governed by the laws of the state of Washington. Washington Trust Bank serves as the nondiscretionary, directed trustee for the HealthInvest HRA Master Trust.</p>

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations applicable to such Party in connection with its rights and obligations set forth in the collective documents that constitute the final contract among the Parties.

D. BEGINNING OF WORK

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Contractor. The Contractor will be notified in writing when work may begin.

E. CHANGE ORDERS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the RFP. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost or fees sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs or fees, if any. If there is a dispute regarding the cost or fees, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

F. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

G. BREACH

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess costs or fees occasioned thereby.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

H. NON-WAIVER OF BREACH

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

I. SEVERABILITY

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

J. INDEMNIFICATION

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	<p>Please see Gallagher's proposed alternative language.</p> <p>Also, please note that HealthInvest HRA and the services provided by Gallagher for HealthInvest HRA do not include licensing of software to the State.</p>

1. GENERAL

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("~~losses~~~~the claims~~"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligent ~~act~~ ee, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the ~~losses~~claims.

2. INTELLECTUAL PROPERTY

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. ~~The Contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.~~

If a judgment or settlement is obtained or reasonably anticipated against the ~~State's~~ use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor's sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses ~~on the State's behalf~~ to provide the necessary rights ~~to the State~~ to eliminate the infringement, or provide ~~the State with~~ a non-infringing substitute that provides ~~the State substantially~~ the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State ~~may receive the remedies provided under this RFP~~ shall have the right to terminate this Contract.

3. PERSONNEL

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

4. SELF-INSURANCE

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

5. The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

6. LIMITATION OF LIABILITY

Notwithstanding the foregoing provisions of this Section J, to the fullest extent permitted by applicable law (1) the Contractor shall not be liable for any punitive, consequential, special, or indirect losses, whether or not the likelihood of such losses was known by the Contractor and (2) the aggregate liability of the Contractor hereunder shall not exceed \$20,000,000.

K. ATTORNEY'S FEES

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	Please see Gallagher's proposed alternative language.

Subject to Section J.6 above, In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if order by the court, including attorney's fees and costs, if the other Party prevails.

L. ASSIGNMENT, SALE, OR MERGER

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor's business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

M. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

N. FORCE MAJEURE

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

O. CONFIDENTIALITY

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

P. EARLY TERMINATION

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			The termination provisions below are acceptable to Gallagher. Please note that the HealthInvest HRA Adoption Packet, which is required for the State's adoption of HealthInvest HRA, contains additional termination and unwind provisions tailored for the type of services proposed by the Contractor.

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its

- e. employees, officers, directors, or shareholders;
- f. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
- g. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
- h. Contractor intentionally discloses confidential information;
- i. Contractor has or announces it will discontinue support of the deliverable; and,
- j. In the event funding is no longer available.

Q. CONTRACT CLOSEOUT

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			The contract closeout provisions below are acceptable to Gallagher. Please note that the HealthInvest HRA Adoption Packet, which is required for the State's adoption of HealthInvest HRA, contains additional termination and unwind (contract closeout) provisions tailored for the type of services proposed by the Contractor.

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

Attachment B

HealthInvest HRA Adoption Packet



Gallagher

Insurance | Risk Management | Consulting

Adoption Packet

- Part 1: Trust Adoption Documents
- Part 2: Plan Adoption Documents

Congratulations!

You've made a wise decision to adopt Gallagher's Health/*Invest* HRA Plan.

As Plan Sponsor, please complete and sign the **Trust** and **Plan** adoption documents contained in this packet. Simply follow the instructions on pages 4 and 49.

Upon execution of all required documents, Gallagher Benefit Services, Inc. will serve as your Plan's HRA Service Manager. We will follow up with a welcome packet, which will include certain administrative tools and instructions to help you get started with the enrollment and contribution processes.

We look forward to providing you and your participants with excellent service. If you have questions, please contact your Gallagher representative or our Health/*Invest* HRA Customer Care Center at **1-844-342-5505** or **employercare@healthinvesthra.com**. Any one of our friendly—and award-winning—representatives will be happy to help, or direct you to the appropriate person.



Insurance | Risk Management | Consulting

Contents

Part 1: Trust Adoption Documents 3

- Instructions
- Master Trust Adoption Agreement

By executing these documents, you will create or provide, as applicable, your **Plan Sponsor Trust** and join HealthInvest HRA's **Master Trust**. See **Instructions** on **page 4** for more details.

Part 2: Plan Adoption Documents 48

- Instructions
- Plan Sponsor Contact Information Form
- Plan Adoption Agreement

With this set of documents you will **provide contact information and establish your plan**. You will also sign the **HIPAA Business Associate Agreement**. See **Instructions** on **page 49** for more details.

Part 1

Trust Adoption Documents

Items listed in **bolded blue text** and marked with an asterisk (*) are documents that must be completed and/or signed by an authorized officer of the Plan Sponsor. Read **Instructions** on page 3 for more details.

Instructions	4
Master Trust Adoption Agreement*	5
Exhibit A: Plan Sponsor Trust Agreement*	12
Exhibit B: Master Trust (Agreement and Declaration)	29
Exhibit C: Contact Information for Notices	47

*This is the primary trust to hold your plan's assets in safekeeping. This must be an previously executed trust document approved by the HRA Service Manager or our form of trust document that is completed and/or signed by an authorized officer of the Plan Sponsor.

Capitalized terms used throughout this set of **Trust Adoption** documents and not otherwise defined herein shall have the meaning given to such terms in the **Plan Documents**, as amended from time to time. The **Plan Documents** are provided separately.

In addition to this set of **Trust Adoption** documents, you must also execute the **Plan Adoption** documents.



Instructions

Please carefully follow the instructions below. All actions are required unless otherwise noted.

For your convenience, all documents are designed to be executed electronically, including the signature pages. Just click any signature box and follow the prompts.

Your completed set of Trust Adoption documents will be reviewed and countersigned by Gallagher Benefit Services, Inc. (GBS) as the HRA Service Manager. We will maintain an electronic countersigned copy and email a duplicate copy to you or your designated contact. You, as Plan Sponsor, should keep all executed documents on file.

- ☐ Page 12 **Create your Plan Sponsor Trust:** Complete and sign the HealthInvest HRA form of **Plan Sponsor Trust Agreement** (Exhibit A).

This is the primary trust agreement created for the safekeeping of your HRA Plan assets. This trust will become a Participating Trust under the HealthInvest HRA Master Trust pursuant to the Master Trust Adoption Agreement.

- ☐ Page 5 **Join the Master Trust:** Complete and sign the **Master Trust Adoption Agreement**.

Execution of the Master Trust Adoption Agreement causes your primary trust to become a Participating Trust under the Master Trust for purposes of participation in and administration of the HealthInvest HRA Plan.

- ☐ **Return your completed documents:** Email completed set of **Trust Adoption** documents, along with completed **Plan Adoption** documents, to: **employercare@healthinvesthra.com**.

HealthInvest HRA

MASTER TRUST ADOPTION AGREEMENT FOR THE HEALTHINVEST HRA MASTER TRUST

THIS MASTER TRUST ADOPTION AGREEMENT by and among Washington Trust Bank, a trust bank chartered under the laws of the State of Washington ("Master Trustee"), Gallagher Benefit Services, Inc. ("Gallagher"), a Delaware corporation, in its capacity as the HRA Service Manager under the HealthInvest HRA Plan Documents (the "HRA Service Manager"), and the Plan Sponsor, and the Participating Trust Signatory identified on the signature page hereto is effective as of the Effective Date set forth on the signature page hereto.

W I T N E S S E T H:

WHEREAS, the Plan Sponsor desires to utilize Gallagher's proprietary HealthInvest HRA plan documents and the services of Gallagher as the HRA Service Manager for one or more of the Plan Sponsor's health reimbursement arrangement (HRA) plans (each HRA plan individually and collectively, an "HRA Plan" or "Plan") established or to be established for the benefit of employees eligible to participate in the Plans;

WHEREAS, pursuant to a Plan Adoption Agreement between the Plan Sponsor and Gallagher, the Plan Sponsor has entered into a relationship with Gallagher whereby Gallagher provides nondiscretionary and ministerial administration support services as the HRA Service Manager of the HRA Plan by utilizing Gallagher's proprietary Plan Documents;

WHEREAS, the Plan Sponsor, as Administrator, administers the HRA Plan with the assistance of the HRA Service Manager at the direction of the Administrator; and

WHEREAS, pursuant to a trust document attached hereto as Exhibit A, the Plan Sponsor has established a trust (the "adopting trust") to fund contributions to the Plan to be held on behalf of the employees participating in the Plan and administered in accordance with the Plan Documents; and

WHEREAS, the Plan Sponsor and the Participating Trust Signatory described on the signature page hereto desire for the adopting trust to adopt and become a "Participating Trust" under that certain Master Trust established by the Master Trustee pursuant to the Agreement and Declaration of Master Trust attached hereto as Exhibit B (the "Master Trust");

WHEREAS, the Plan Sponsor and Participating Trust Signatory further desire to appoint the Master Trustee as a custodian, transfer agent, and nondiscretionary, directed trustee under the Master Trust to the extent that assets of the Participating Trust are held by the Master Trustee from time to time on behalf of the Participating Trust in connection with the administration of the HRA Plan;

WHEREAS, the Participating Trust Signatory and the Plan Sponsor further desire to authorize the use of the Master Trust to make, file, or report information on behalf of the HRA Plans, as provided in the Plan Documents and as otherwise directed by the HRA Service Manager or the Administrators of the HRA Plans; and

WHEREAS, the Master Trustee and HRA Service Manager accept the adopting trust as a Participating Trust in the Master Trust.

NOW, THEREFORE, the parties hereby represent and agree as follows:

1. Definitions and Terms Incorporated by Reference.

(a) The term "Plan Documents" shall include this Master Trust Adoption Agreement, the Master Trust, each IHealthInvest HRA plan document defining the terms and conditions for coverage under the Plan, and with respect to each employee participating in the Plan, the enrollment file, which contains information required to enroll the employee in the Plan.

(b) Any capitalized terms not specifically defined in this Adoption Agreement shall have the meanings ascribed to them in the Master Trust or the other Plan Documents. In the event there is a conflict in the definition ascribed to any term in two or more Plan documents, the definition ascribed to such term within any particular document shall apply for interpretation of that document, and if not defined therein, the meaning that shall apply for interpretation of a document shall be determined by reference first to the Trust Instrument, then to the Master Trust, then to this Master Trust Adoption Agreement, then to the applicable HRA Plan Document, then to the applicable Plan Adoption Agreement, and then to the applicable Enrollment File.

2. Representations, Warranties, Covenants and Other Undertakings of the Plan Sponsor and Participating Trust Signatory. As of the date hereof and continuously while the Participating Trust participates in the Master Trust, the Participating Trust Signatory hereby agrees, represents, warrants and covenants as follows:

(a) The Participating Trust Signatory has full power and authority under the Participating Trust and the provisions of the HRA Plans relating to the Participating Trust to execute and deliver this Master Trust Adoption Agreement and to accept the terms of the Master Trust, to authorize the Master Trustee, Administrator, and HRA Service Manager as provided in the Master Trust, and to perform the obligations and agreements undertaken by it and the Participating Trust under the Master Trust and this Master Trust Adoption Agreement, and this Master Trust Adoption Agreement constitutes the valid and binding undertaking of the Participating Trust and the Participating Trust Signatory in accordance with its terms;

(b) Copies of the Participating Trust's formation and governing documents, as amended to date (the "Participating Trust Documents"), have been provided to the Master Trustee and the HRA Service Manager, and that the Participating Trust Signatory or the Administrator will provide the Master Trustee and HRA Service Manager with copies of

all future amendments to the Participating Trust documents that may affect any party's rights, powers or responsibilities hereunder promptly after their adoption.

(c) The Participating Trust is used to fund the HRA Plan maintained by the Plan Sponsor;

(d) The Participating Trust is, and will continue to be as long as it is a Participating Trust [check the one that is applicable]:

- ☐ i. a Trust exempt, under Section 501(c)(9) of the Code, from United States federal income taxation, or
- ☐ ii. a Trust exempt under Section 115 of the Code, from United States federal income taxation, or
- ☐ iii. a Trust exempt from United States federal income taxation based upon

(e) The Plan Sponsor and Participating Trust Signatory will not change the tax-exempt status of the Participating Trust without prior notification to the HRA Service Manager and Master Trustee in accordance with Section 3 hereof and hereby agree that the Participating Trust shall cease to be a Participating Trust immediately upon the loss or removal of tax-exempt status by the Participating Trust.

3. Duty to Notify. The Participating Trust Signatory agrees that it shall notify the Master Trustee and the HRA Service Manager before or immediately upon any change in federal or state law or amendment to the Participating Trust Documents or the occurrence of any event which: (i) causes a change in any of the representations and warranties made by it or the Participating Trust under this Master Trust Adoption Agreement; (ii) makes participation by the Participating Trust in the Master Trust unlawful or otherwise contrary to the governing documents of the Participating Trust; (iii) changes the tax exemption of the Participating Trust or could jeopardize the tax exemption or qualification of the Participating Trust or the Master Trust; or (iv) could operate to limit or terminate the authority of the Participating Trust Signatory or the Master Trustee with respect to the Master Trust. The Participating Trust Signatory and Plan Sponsor agree that, in the event any of the above shall occur, (1) the Master Trustee and the HRA Service Manager shall have the right to resign from their roles as Master Trustee and HRA Service Manager and (2) the Participating Trust shall cease to be a Participating Trust.

4. Agreement to Be Bound. The Plan Sponsor and Participating Trust Signatory each agree, for itself and the Participating Trust, and any of their agents, representatives, successors, and assigns, to be bound by the terms of the Master Trust including with those terms that pertain to the authority of the Administrator or HRA Service Manager to direct the Master Trustee as to certain matters specified therein.

5. Designation and Authorization. The Participating Trust Signatory and Plan Sponsor hereby: (i) appoint the Master Trustee as a custodian, transfer agent, and nondiscretionary directed trustee with respect to those assets of the Participating Trust that are transferred or contributed from time to time as part of the Master Trust; and (ii) authorize the Master Trustee, the Administrator, and the HRA Service Manager to do and perform any and all acts with respect to the Master Trust and Participating Trust that the Master Trustee or the HRA Service Manager are authorized, required or permitted to do and perform under the Master Trust and the other Plan Documents.

6. Indemnification. The Participating Trust and the Administrator will, to the extent permitted by applicable law, indemnify and hold harmless the Master Trustee and the HRA Service Manager against all actions and proceedings, claims, demands, costs and expenses which may be brought, threatened or incurred by any of them, arising out of an action or inaction that is contrary to the terms of the Participating Trust, the Plan Documents, or applicable law or the failure of the representations and warranties given hereunder by the Participating Trust or by the Participating Trust Signatory on its own behalf or on behalf of the Participating Trust to be true, complete and accurate in all material respects. This indemnity will survive the termination of this Master Trust Adoption Agreement and the Master Trust.

7. Term and Amendment. The term of this Master Trust Adoption Agreement shall run from the date hereof until the date the Participating Trust ceases to be a Participating Trust in the Master Trust as provided therein. This Master Trust Adoption Agreement may only be amended in writing signed by the parties hereto. If any provision that is part of this Master Trust Adoption Agreement shall be found to be void or unenforceable, it shall not affect the remaining provisions which shall remain in full force and effect.

8. Authorizations, Etc. The Master Trustee, Plan Sponsor, and the Participating Trust Signatory agree to furnish (or cause its authorized designees to furnish) each other with such authorizations, information and documentation as the other may reasonably request in writing from time to time to enable each of said parties to carry out its obligations under this Master Trust Adoption Agreement and the Master Trust.

9. Counterparts. This Master Trust Adoption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which together will constitute one and the same agreement. Facsimile delivery transmission or electronic delivery in portable document format (".pdf") or tagged image file format (".tif") by any party hereto of its executed counterpart shall constitute the valid and binding execution hereof by such party. The parties hereto agree that electronic signatures constitute a valid and binding execution by the party electronically signing this Master Trust Adoption Agreement.

10. Notices. Any notices, reports or other communications permitted or required to be given by or to the Master Trustee, the HRA Service Manager, the Participating Trust Signatory,

the Participating Trust or the Administrator under the Master Trust or this Master Trust Adoption Agreement shall be deemed given to the affected party if delivered in writing to the addresses as set forth in the attached Exhibit C as it may be amended from time to time.

11. Governing Law. This Adoption Agreement and the undertakings herein for the benefit of the parties shall be governed by the laws of the State of Washington, without regard to any conflict of laws.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Participating Trust Signatory, Plan Sponsor, Master Trustee, and HRA Service Manager have executed this Master Trust Adoption Agreement as of the date and year set forth below:

Description of Participating Trust: *[Below please describe the trust document creating the Participating Trust (e.g., Section 115 Trust of City of XYZ or VEBA Trust for the Association of XYZ Worker's Union). This description is to provide helpful information that may not be apparent based on the legal name.]*

Legal Name and Effective Date of Participating Trust:

Taxpayer Identification Number for Participating Trust: (For a governmental entity utilizing the HealthInvest Form of Section 115 Trust or other Section 115 trust, the Tax Identification Number will be that of the governmental entity who is the Plan Sponsor.)

Participating Trust Signatory

(The signatory of the Participating Trust or such other person designated to have authority under the Participating Trust to adopt the Master Trust. This is typically the Plan Sponsor or trustee under the Participating Trust)

By: _____

Name:

Title:

Date:

(Name of Plan Sponsor of the related HRA Plans)

By: _____

Name:

Title:

Date:

Accepted by: WASHINGTON TRUST BANK, as Master
Trustee

By: _____

Name:

Title:

Date:

By: _____

Name:

Title:

Date:

Accepted by: GALLAGHER BENEFIT SERVICES, INC.,
as HRA Service Manager

By: _____

Name:

Title:

Effective Date:

*[Insert the Plan Effective Date set forth in the Plan
Adoption Agreement]*

Exhibit A

Plan Sponsor Trust Agreement

IRC SECTION 115
TRUST AGREEMENT

FOR ONE OR MORE

HEALTH REIMBURSEMENT ARRANGEMENT
PLANS

The Name of this Trust shall be:

The HealthInvest HRA Participating Trust of

[Insert Plan Sponsor Name]

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THIS TRUST AGREEMENT (hereinafter the "Trust") is made as of the Effective Date set forth on the signature page hereto, by and among WASHINGTON TRUST BANK, a trust bank chartered under the laws of the State of Washington, acting in its capacity as a nondiscretionary, directed trustee and custodian (the "Trustee") and the Plan Sponsor named on the title page hereto (the "Plan Sponsor") who hereby establishes and becomes settlor of this Trust.

WHEREAS, the Plan Sponsor desires to establish and become a settlor of the Trust to hold assets for the benefit of employees who are eligible to participate in one or more of the Employer's health reimbursement arrangement (HRA) plans (collectively, the "HRA Plan" or "Plan");

WHEREAS, the Plan Sponsor has entered into a relationship with Gallagher Benefit Services, Inc., ("Gallagher") to provide nondiscretionary and ministerial administration support services as the HRA Service Manager of the HRA Plan by utilizing the HealthInvest HRA Plan Documents;

WHEREAS, the Plan Sponsor, as Administrator, will administer the HRA Plan with the assistance of the HealthInvest HRA Manager at the direction of the Administrator (each such plan may be referred to herein individually or collectively, as the "Plan"); and

WHEREAS, the Plan Sponsor desires to appoint Washington Trust Bank, a trust bank chartered under the laws of the State of Washington, as the initial nondiscretionary, directed trustee and custodian of such trust, and Washington Trust Bank has accepted such appointment; and

NOW, THEREFORE, the parties agree that the Trustee shall hold all funds and other property from time to time contributed or transferred to it pursuant to the provisions hereof, as the same may be amended from time to time, together with all the increments, proceeds, investments, and reinvestments thereof, and the income therefrom, in trust, for the uses and purposes and upon the terms and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 Definitions. As used in this agreement, the following terms shall have the meaning hereinafter set out:

"Administrator" shall mean the Plan Sponsor in its capacity as the administrator of the HRA Plan.

"Code" shall mean the Internal Revenue Code of 1986, as the same has been or may hereafter be amended.

"Effective Date" of this Trust is set forth on the signature page hereto.

"Employer" shall mean, as applicable, either (a) if the HRA Plan is a single-employer plan, the Plan Sponsor or (b) if the HRA Plan is a multiple-employer plan, a

"Participating Employer", as such term is defined in the Plan Adoption Agreement of the Plan Sponsor.

“HRA Plan” or “Plan” is defined in the recitals to this Trust Agreement.

“HRA Plan Document(s)” shall mean one or more of the plan documents that define the terms and conditions of participation and benefits under the HRA Plan, as the same may be amended or amended and restated from time to time.

“HRA Service Manager” shall mean Gallagher in its capacity as a provider of nondiscretionary and ministerial administration support services on behalf of the Administrator as provided in the Plan Documents.

“Master Trust” shall mean the trust created by Washington Trust Bank, as Master Trustee through the Agreement and Declaration of Trust establishing the Master Trust effective as of September 1, 2017 for the HealthInvest HRA Plans funded in one or more trusts participating in the Master Trust.

“Master Trust Adoption Agreement” shall mean the Master Trust Adoption Agreement for the HealthInvest HRA Master Trust executed by the Plan Sponsor, in its capacity as the “Participating Trust Signatory” for this Trust and in its capacity as the Administrator.

“Participant” shall mean any “Participant” as defined in the HRA Plan Documents.

“Plan” or “HRA Plan” is defined in the recitals to this Trust Agreement.

“Plan Documents” shall mean, collectively, this Trust Agreement, the Master Trust Adoption Agreement, the Master Trust, the Plan Adoption Agreement, one or more HRA Plan Documents, and as applied to a particular Participant, the Enrollment File for the Participant, as the same may be amended or amended and restated from time to time.

“Qualified Investment Manager” shall mean an investment advisor as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974.

“Securities” shall include registered, unregistered and exempt securities issued in accordance with applicable laws, including common and preferred stocks, mutual funds, fixed or variable annuity contracts, contractual obligations of every kind, whether secured or unsecured, equitable interests in real or personal property, and intangible property of every description and howsoever evidenced.

“Tax” or “Taxes” shall mean any tax, taxes, fee or other cost or obligation imposed by any governmental or other similar entity and shall be deemed to include any interest or penalties assessed in respect to such taxes.

“Trust” shall mean the trust established and maintained under this agreement, as the same may be amended, modified, supplemented, restated, or terminated from time to time.

1.2 Construction. Where necessary or appropriate to the meaning thereof, the singular shall be deemed to include the plural, the plural to include the singular, the masculine to include the feminine, the feminine to include the masculine.

1.3 Terms Incorporated by Reference. Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the other Plan Documents. In the event there is a conflict in the definition ascribed to any term in two or more Plan documents, the definition ascribed to such term within any particular document shall apply for interpretation of

that document, and if not defined therein, the meaning that shall apply for interpretation of a document shall be determined by reference first to the Trust Agreement, then to the Master Trust Agreement, then to the Master Trust Adoption Agreement, then to the HRA Plan Document, then to the applicable Plan Adoption Agreement, and then to the applicable Participant Enrollment File.

ARTICLE II

PURPOSE

2.1 Purpose. The Trust has been established to hold assets for the benefit of employees who are eligible to participate in one or more of the Plans, to the extent such Employees are eligible to receive benefits under the Plan, and to provide such other permissible payments as may be determined from time to time.

2.2 Use of Trust Assets. Except as otherwise provided in the Plan or in the Plan Adoption Agreement, the Trust assets shall be used exclusively to pay benefits under the Plan and to defray reasonable expenses of administering the Plan and Trust.

ARTICLE III

PARTICIPATION

3.1 Eligibility for Participation. For so long as an Employee is a Participant in the Plan, such Employee shall be bound by all provisions of this Trust Agreement.

ARTICLE IV

FUNDING

4.1 Contributions. The Employer shall contribute or transfer to the Trust such amount or amounts, if any, as the Employer may determine from time to time. All contributions and transfers shall be held, administered, and distributed, in trust, under the terms of this agreement. The Trustee shall not be under any duty to inquire into the timeliness or correctness of the amounts contributed, transferred and delivered to the Trustee hereunder; nor shall the Trustee or any other person be under any duty to enforce the payment of the contributions to be made hereunder and the Plan Sponsor agrees to indemnify and hold harmless the Trustee in connection therewith. The Trustee shall not be responsible for the calculation or collection of any contributions under or referred to by the Plan and shall have no duties, except as specified under this agreement, for the administration of the Trust. Nothing in this agreement shall entitle any Trustee or Participant to inquire into or demand the right to inspect the books of the Employer. Notwithstanding any provision of this agreement to the contrary, no Employer shall be required to continue to fund benefits under any Plan through the Trust.

4.2 Irrevocability of Trust Assets.

(a) In General. Except as provided in this Section 4.2(a) and Section 4.2(b), all Trust Assets, including contributions and transfers made to the Trust, shall be irrevocable:

[check any one or more, or none]

- ☐ Trust assets allocated to any Employer Account may be returned to the Plan Sponsor or Participating Employer, as applicable, at any time. (If this option is selected, Plan assets may not be counted as employer assets for meeting the requirements of GASB 74/75.)
- ☐ Trust assets, or the portion thereof allocable to a designated class of Participants, may be returned to the Plan Sponsor for the purpose of providing health benefits to Participants, or such class of Participants, under a successor health plan.
- ☐ All forfeited Plan assets, or the portion thereof allocable to a designated class of Participants, may be returned to the Plan Sponsor at any time.

(b) Mistake of Fact. If a contribution or transfer or any portion thereof is made to the Trust due to a good faith mistake of fact or administrative error, then the Administrator may in its discretion direct the Trustee to return within one (1) year of the date of payment of such contribution or transfer to the Trust an amount equal to the excess of (i) the amount of such contribution or transfer, over (ii) the amount which would have been contributed or transferred had a mistake of fact not occurred, to the contributor or transferor. The amount(s) of any contributions(s) or transfer(s) to be returned to the contributor or transferor in accordance with this subsection shall be limited to Trust assets attributable to such contribution or transfer.

4.3 Assets Held with Respect to a Particular Employer Account or Participant Account. The Trustee shall receive the contributions from the Employer (and to the extent permitted by applicable law and determined by the Plan Sponsor, also from Employees) or transfers in cash or other property acceptable to it. All consideration received by the Trust, together with all assets in which such consideration is invested or reinvested, all income, earnings profits, and proceeds thereof from whatever source derived (including, without limitation, any proceeds derived from the sale, exchange or liquidation of such assets and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be), shall, in accordance with the terms of the Plan and this Trust, irrevocably be held separately with respect to the Employer or each Participant for all purposes, subject only to the rights of creditors of the Trust, and shall be so recorded upon the books of account of the Trust. The consideration, assets, income, earnings, profits and proceeds thereof, from whatever source derived, (including, without limitation, any proceeds derived from the sale, exchange or liquidation of assets, and any funds or payments derived from any reinvestment of proceeds, in whatever form the same may be) are herein referred to as "assets held with respect to" each Employer Account or Participant Account (each referred to as an "Account"). In the event that there are any assets, income, earnings, profits and proceeds thereof, funds or payments that are not readily identifiable as assets held with respect to any Account (collectively "General Assets"), the Trustee shall allocate General Assets to, between or among any one or more of the Accounts in a manner and basis as the Trustee, in its sole discretion, deems fair and equitable, and any General Assets so allocated to an Account shall be held with respect to that Account. Each allocation by the Trustee shall be conclusive

and binding upon the Employer and Participants for all purposes. The Administrator shall maintain separate and distinct sub-accounting records for each Account, and the Administrator shall hold and account for the assets with respect to each Account separately from the assets held with respect to all other Accounts.

4.4 Liabilities Associated with Respect to a Particular Employer Account or Participant Account. The liabilities, expenses, costs, charges, and reserves associated with each particular Account shall be charged against the assets of the Trust held with respect to that particular Account. Any liabilities, expenses, costs, charges and reserves of the Trust that are not readily identifiable as being associated with any particular Account ("General Liabilities") shall be allocated and charged by the Trustee to and among any one or more of the Accounts in a manner and basis as the Trustee, in its sole discretion, deems fair and equitable, and any General Liabilities so allocated to a particular Account shall be charged against the assets of that Account. All liabilities, expenses, costs, charges and reserves so charged to an Account are herein referred to as "liabilities associated with" that Account. Each allocation of liabilities, expenses, costs, charges and reserves by the Trustee shall be conclusive and binding upon the Employer and Participants for all purposes. Without limiting the foregoing, but subject to the right of the Trustee to allocate liabilities, expenses, costs, charges or reserves as herein provided, the liabilities, costs, charges and reserves incurred, contracted for or otherwise associated with a particular Account shall be enforceable against the assets held with respect to that Account only and not against the assets of the Trust generally or against the assets held with respect to any other Account. The Administrator shall maintain separate and distinct sub-accounting records for each Account, and the Administrator shall hold and account for the liabilities with respect to each Account separately from the liabilities held with respect to all other Accounts.

ARTICLE V

POWERS AND DUTIES OF THE TRUSTEE

5.1 Trust Property and Investments.

(a) In addition to all powers and duties otherwise expressly set forth in this agreement and subject to the provisions of Section 5.5, the Trustee shall have the following powers:

- (i) to invest and reinvest all or any part of the Trust, including both principal and income, in Securities and other property;
- (ii) to insure the payment of benefits under a contract or contracts with an insurance company or companies, and hold and retain such contract or contracts as part of the Trust;
- (iii) to sell, lease, exchange, or otherwise dispose of all or any part of the Trust;
- (iv) to exercise, buy, or sell rights of conversion or subscription;
- (v) to enter into or oppose any plan of consolidation, merger, reorganization, capital readjustment, or liquidation of any corporation or other issuer of Securities held hereunder including any plan for the sale, lease, or mortgage of any of its property or the adjustment or liquidation of any of its

indebtedness and, in connection with any such plan, to enter into any other such agreement, and to pay assessments or subscriptions from the other assets held hereunder;

(vi) to retain in cash or otherwise in a form unproductive of income such portion of the Trust as is necessitated by the cash requirements of the Plan; provided, however, that, to the extent feasible, such amounts shall be held in forms of investment which are productive of income but are sufficiently liquid to meet such cash requirements;

(vii) to deposit Securities held hereunder in any depository;

(viii) to deposit all or any part of the Trust, including both principal and interest, in any bank organized under the national banking laws of the United States or under the laws of any State;

(ix) to contribute or otherwise transfer the assets of the Trust to a Master Trustee by becoming a Participating Trust in a Master Trust for which the Trustee is the Master Trustee.

(b) Any Qualified Investment Manager for the Plan shall direct the Trustee which investment options shall be available for the holding and investment of Trust assets. By providing the direction to the Trustee in the previous sentence, the Qualified Investment Manager shall be responsible for evaluating and monitoring the performance of those options and the Trustee shall have no duty or obligation to the Plan Sponsor, the Administrator, Employer, Participant or any other individual or entity with respect to the evaluation and monitoring of the performance of the investment options available. To the extent that the Trustee has not received any direction from the Qualified Investment Manager regarding which investment options available for holding and investment of Trust assets, the Trustee shall oversee which investment options shall be available for the holding and investment of Trust assets as well as evaluate and monitor the performance of those options. The Administrator shall direct the Trustee in writing as to what percentage of which Participant Accounts should be invested in which investment option based upon the elections of Participants and in accordance with the provisions of the Plan. If no such direction is received from the Administrator, the Trustee shall invest the Trust assets associated with that account in a default investment designated by the Qualified Investment Manager. Separate investments shall not be required to be maintained with respect to separate Participant Accounts or Employer Accounts; rather, investment options elected for each Employer Account and each Participant Account may be aggregated and invested on an omnibus basis, together with assets of other health reimbursement arrangement plans and trusts administered for other employers utilizing the HealthInvest HRA Plan Documents and the services of the Trustee and the HRA Service Manager. The Administrator shall maintain for the Trustee separate and distinct sub-accounting records for each Employer Account and each Participant Account such that each shall have a divided interest in specific securities held by the Trust. No Participant nor the Employer shall have any interest in the specific securities held by the Trust on behalf of any other Participant or the Employer, as applicable.

(c) The Administrator may appoint one or more Qualified Investment Managers to direct the Trustee with respect to investment of Trust assets, in which case

the Administrator or the HRA Service Manager shall notify the Trustee of such appointment. In such case, the Qualified Investment Manager shall have the power to direct the Trustee with respect to such investments, and the Trustee shall be under no duty to question, and shall not incur any liability on account of following, any direction of a Qualified Investment Manager with respect to such investments. The Trustee shall be under no duty to review the investment guidelines, objectives and restrictions established, or the specific investment instructions given, by the Administrator to such Qualified Investment Manager or to make suggestions to the Administrator in connection therewith.

5.2 Claims Against Trust. Subject to the provisions of Section 5.5, and except as regards benefits under the Plan, the Trustee is empowered to compromise and adjust any and all claims, debts, or obligations in favor of or against the Trust, whether such claims be in litigation or not, and to reduce the rate of interest on, to extend or otherwise modify, or to foreclose upon default, or otherwise enforce any such claim, debt, or obligation.

5.3 Borrowing. Subject to the provisions in Section 5.5, the Trustee is empowered to borrow money in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Trust and to pledge any Securities or other property for the repayment of any such loan; provided, however, no such loan shall be made by the Trustee individually other than a temporary advancement to the Trust on a cash or overdraft basis.

5.4 Registration of Securities; Nominees. The Trustee is empowered to register Securities in its own name, or in the name of its nominee, agent, or custodian without disclosing the Trust, or to hold the same in bearer form, and to take title to other property in its own name or in the name of its nominee, agent, or custodian without disclosing the Trust; but the Trust shall be responsible for the acts of its nominee, agent, or custodian.

5.5 Powers of and Directions from Administrator. To the extent permitted by applicable law, the powers conferred upon the Trustee in this agreement, including Sections 4.3, 4.4 and 5.1 with respect to the investment of the assets of any Participant Account or any Employer Account and allocations of assets and liabilities, shall at all times be subject to the direction of the Administrator, which shall direct the Trustee as to all such matters based upon elections by the Employer for any Employer Account and the Participant for any Participant Account. The Administrator shall, at any time and from time to time, certify to the Trustee in writing the name or names of any person authorized to act for the Administrator, with respect to the exercising of any one or more of such powers of the Administrator. Toward that end, the HRA Service Manager and any of its designees, officers, employees, subcontractors, agents, and representatives, are hereby designated by the Administrator as persons authorized to act on behalf of the Administrator with respect to exercising any one or more powers of the Administrator as specifically set forth in the Plan Documents or as otherwise directed by the Administrator. Until the Administrator notifies the Trustee that any such person is no longer authorized to act for the Administrator, the Trustee may continue to rely on the authorization of such person. The Trustee shall be under no duty or obligation to review any instruction it so receives, except that the Trustee shall have no obligation by reason of any such direction to make any advance or loan in its banking capacity. The Trustee shall have no liability or responsibility for acting without question on the direction of, or failing to act in the absence of any action, unless the Trustee has knowledge that by such action or failure to act it will be participating in or undertaking to conceal a breach of fiduciary duty. The Administrator agrees to indemnify and hold

harmless the Trustee for acting in accordance with this Section 5.5.

5.6 Agents, Attorneys, Actuaries, Consultants, Administrators and Accountants. The Trustee is empowered to employ, upon the authorization or direction of the Administrator such agents, attorneys (including attorneys who may be counsel to the Administrator), actuaries, consultants, administrators, accountants and other service providers as may be deemed necessary or proper in connection with its duties hereunder, and to determine and pay out of the assets of the Trust the reasonable compensation and expenses of such agents, attorneys, actuaries, consultants, administrators, accountants and other service providers.

5.7 Other Authority. The Trustee is authorized to execute and deliver any and all instruments and to perform any and all acts which may be necessary or proper to enable it to discharge its duties under this agreement and to carry out the power and authority conferred upon it.

5.8 Directions to the Trustee. The Trustee may rely on any written direction, request, approval, or other document purporting to have been signed on behalf of the Administrator by the person authorized to act for the Administrator.

5.9 Payment of Taxes; Indemnity. The Trustee is empowered to pay out of the assets of the Trust, as a general charge thereon, any and all Taxes or governmentally imposed fees and charges of whatsoever nature assessed on or in respect thereto; provided, however, that if the Administrator shall notify the Trustee in writing that any such Tax or governmentally imposed fee or charge is not lawfully or properly assessed, or is questionable, the Trustee, if so requested by the Administrator, shall contest the validity of such Tax in any manner deemed appropriate by the Administrator. Unless the Trustee shall first have been indemnified to its satisfaction by the Administrator, the Trustee shall not be required to contest the validity of any Tax, to institute, maintain, or defend against any other action or proceeding, or to incur any other expense in connection with the Trust, except to the extent that the same is sufficient therefor.

5.10 Compensation and Expenses. The Trustee shall be entitled to such compensation for its service and reimbursement for all reasonable expenses incurred by the Trustee in the administration of the Trust, in accordance with the terms of the Plan Adoption Agreement between the Plan Sponsor and the HRA Service Manager or as otherwise agreed in writing between the Trustee and the Plan Sponsor. Such compensation and expenses shall be paid from the Trust unless the Administrator, in its discretion, elects to pay such compensation and expenses.

5.11 Records and Statements. The Trustee shall keep accurate records of all receipts, disbursements, and other transactions affecting the Trust, which, together with the assets comprising the Trust and all evidences thereof, shall be available during the Trustee's usual business hours for inspection or for the purposes of making copies or reproductions thereof by the Administrator, upon the Administrator's reasonable request. The Trustee shall render to the HRA Service Manager monthly statements of receipts, disbursements, and all transactions during the preceding month affecting the Trust. The Trustee further shall render to the HRA Service Manager annually a statement of all assets then held by it hereunder.

5.12 Court Action Not Required. All the powers and authority herein conferred upon the Trustee shall be exercised by it without the necessity of applying to any court for leave or confirmation. No person dealing with the Trustee shall be required to ascertain whether the Trustee

shall have obtained the approval of any court or of any person to any action which it may propose to take hereunder, but every such person may rely solely upon the deed, transfer, or assurance of the Trustee.

5.13 Disputes. If a dispute arises as to the payment of any funds or delivery of any assets by the Trustee, the Trustee may withhold such payment or delivery until the dispute is resolved by a court of competent jurisdiction or finally settled in writing by the concerned parties.

ARTICLE VI

DISPOSITION OF TRUST ASSETS

6.1 Payments from the Trust. Unless and until the Plan is terminated as therein provided, the Trustee shall make payments from the Trust for the benefit of Participants or to pay reasonable expenses of administering the Plan or Trust, as directed by the Administrator.

6.2 Excess Assets. Any excess assets remaining in the Trust upon satisfaction of all liabilities and requirements of the Trustee hereunder, shall be disposed of or transferred by the Trustee, as directed by the Administrator. In no event, however, will any Trust assets be transferred or distributed to any person other than an entity the income of which is excluded from gross income under the Code and as permitted by law.

ARTICLE VII

SUCCESSION TO THE TRUSTEESHIP

7.1 Resignation of the Trustee. Any Trustee acting hereunder may resign at any time by giving notice in writing to the HRA Service Manager on behalf of the Administrator at least ninety (90) days before such resignation is to become effective, unless the HRA Service Manager on behalf of the Administrator shall accept as adequate a shorter notice.

7.2 Removal of the Trustee. Based upon the authority granted to the HRA Service Manager in the HealthInvest HRA Plan Documents or as otherwise directed by the Administrator of each HRA Plan, the HRA Service Manager on behalf of the Administrator may remove, with or without cause, any Trustee acting hereunder by giving notice in writing to such Trustee at least ninety (90) days before such removal is to become effective, unless the Trustee shall accept as adequate a shorter notice.

7.3 Appointment of a Successor Trustee. If for any reason a vacancy should occur in the trusteeship, the HRA Service Manager on behalf of the Administrator shall forthwith appoint a successor Trustee. A successor Trustee may be either a corporation authorized to carry on a trust business or a national banking association or such person or persons or committee as deemed appropriate by the HRA Service Manager. Any successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the HealthInvest HRA Manager and the predecessor Trustee an instrument in writing accepting such appointments hereunder. Such successor Trustee thereupon shall become vested with the same title to the Trust property, and the same powers and duties with respect thereto, as are hereby vested in the predecessor Trustee. The HealthInvest

HRA Manager shall deliver to the Administrator, the Plan Sponsor, and the Employers, if any, notice of any replacement Trustee within 90 days after the effective date thereof. The predecessor Trustee shall execute all such instruments and perform all such other acts as the successor Trustee shall reasonably request to effectuate the provisions hereof. The successor Trustee shall have no duty to inquire into the administration of the Trust for any period prior to its succession. No Trustee shall have any liability, duty, or other obligation with respect to actions or omissions of any successor or predecessor Trustee.

ARTICLE VIII

AMENDMENT AND TERMINATION

8.1 Right of Amendment. Subject to the terms of the Plan, the Plan Sponsor may amend the terms of this Trust agreement from time to time, subject to acceptance of such amendment by the Trustee and the HRA Service Manager. Any such amendment may be prospective or retroactive as provided therein.

8.2 Right to Terminate. In the event of a discontinuance of contributions by the Employer, the assets of the Trust shall be held, administered, and distributed by the Trustee in accordance with the terms of the Plan and this agreement.

ARTICLE IX

MISCELLANEOUS

9.1 Validity of Agreement; Counterparts. The validity of this agreement shall be determined and this agreement shall be construed and interpreted in accordance with the laws of the State of domicile of the Plan Sponsor. If any provision of this agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of the agreement unless such illegality or invalidity prevents accomplishment of the objectives and purposes of the Trust. In the event of any such holding, the parties may immediately, and if in accordance with appropriate law retroactively, amend the agreement as is necessary to remedy any such defect. This agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which together will constitute one and the same agreement. Facsimile delivery transmission or electronic delivery in portable document format (".pdf") or tagged image file format (".tif") by any party hereto of its executed counterpart shall constitute the valid and binding execution hereof by such party. The parties hereto agree that electronic signatures constitute a valid and binding execution by the party electronically signing this agreement.

9.2 General Indemnification. To the extent permitted by applicable law, the Administrator shall indemnify and hold the Trustee harmless from any loss or expense (including reasonable attorneys' fees) arising (a) out of an authorized action hereunder taken in good faith by the Trustee or any matter as to which this Trust provides that the Trustee is directed, protected, not liable, or not responsible or (b) by reason of any breach of any statutory or other duty owed to the HRA Plan by the Employer, Plan Sponsor, Administrator (if different than the Plan Sponsor), the HRA Service Manager or any Qualified Investment Manager or any delegate of any of them (and for the purposes of this sentence the Trustee shall not be considered to be such a

delegate) whether or not the Trustee may also be considered liable for that other person's breach under federal, state, local or other law, unless such other person's breach for which the Trustee is considered liable arose out of the gross negligence or willful misconduct of the Trustee.

9.3 Tax Status of Trust. Neither the HRA Service Manager nor the Trustee makes any representation regarding the tax treatment of the Trust. The Plan Sponsor hereby represents that it understands the tax status of this Trust and the HealthInvest HRA Plan Documents and has had the opportunity and is encouraged to have its own tax advisors advise the Plan Sponsor regarding the tax implications of establishing this Trust and the HealthInvest HRA Plan Documents.

9.4 No Guarantees. Neither the HRA Service Manager, the Plan Sponsor, the Administrator, the Employer, nor the Trustee guarantees the Trust from loss or decline in value, nor the payment of any amount which may become due to any person hereunder. Nothing contained in the Trust shall constitute a guarantee by the HRA Service Manager, the Plan Sponsor, the Administrator, the Employer, or the Trustee that the assets of the Trust will be sufficient to pay any benefit to any person or make any other payment; payments to be paid from the Trust are limited to the assets remaining in the applicable Participant Account or Employer Account at the time payment is made. Prior to the time that distributions are made in conformity with the Plan and the Trust, no Employees, Participants, or other persons shall receive any distribution of cash or other thing of current or exchangeable value, either from the HRA Service Manager, the Administrator, the Plan Sponsor, the Employer or the Trustee on account of, or as a result of the Trust fund created hereunder.

9.5 Duty to Furnish Information. The Administrator and the Trustee each shall furnish to the other any documents, reports, returns, statements, or other information that the other reasonably deems necessary to perform its duties imposed under the Plan or this agreement or otherwise imposed by law. The Trustee shall furnish to the Administrator any documents, reports, returns, statements, or other information that the Administrator reasonably deems necessary to perform its duties and exercise its rights hereunder, under the Plan Adoption Agreement, and otherwise under the Plan.

9.6 Taxes. The Trustee shall withhold any Tax which by any present or future law is required to be withheld from any payment hereunder.

9.7 Rebates and Adjustments. In the event a benefit is provided or a disbursement is made from the Trust and it is determined by the Administrator that such benefit should not have been provided or disbursement made, the Administrator may make a contribution or arrange for a contribution to reimburse the Trust or engage in efforts to seek the return of the benefit or disbursement. The Trustee shall be under no duty or obligation to inquire into the correctness of any determination made by the Administrator resulting in a direction to the Trustee under this provision.

9.8 Inalienability of Benefits. Except as may otherwise be provided herein, the right of any Participant or other person or entity to any benefit or payment from the Trust shall not be subject to voluntary or involuntary transfer, alienation, pledge, assignment or other disposition and shall not be subject to attachment, execution, garnishment, sequestration or other legal or equitable process. Any attempt to transfer, alienate, pledge, assign or otherwise dispose of such right or any attempt to subject such right to attachment, execution, garnishment, sequestration or other legal or equitable process shall be null and void, unless such action is approved by the Plan Sponsor and undertaken in accordance with the terms and provisions of the Plan and the Trust.

9.9 No Implied Rights. Neither the establishment of the Trust nor any modification thereof, nor the creation of any fund, trust or account thereunder, shall be construed as giving any Participant or other person or entity any legal or equitable right unless such right shall be specifically provided for in the Plan and the Trust or conferred by affirmative action of the Plan Sponsor, the Administrator, or the Trustee in accordance with applicable law and the express written terms and provisions of the Trust and the other Plan Documents.

9.10 Status of Employment Relations. The adoption and maintenance of the Trust shall not be deemed to constitute a contract between the Employer and its Employees or any representative thereof or to be consideration for, or an inducement or condition of, the employment of any person. Nothing contained herein shall be deemed to:

- (i) give to any Employee the right to be retained in the employ of the Employer;
- (ii) affect the right of the Employer to discipline or discharge any Employee at any time; or
- (iii) affect any Employee's right to terminate his employment at any time.

9.11 Parties Bound. This agreement shall be binding upon the parties hereto, all Employees, Participants, the Employer, the HRA Service Manager, any Qualified Investment Manager, the Administrator and, as the case may be, the Dependents, heirs, executors, administrators, successors, and assigns of each of them.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Trustee and Plan Sponsor have each caused this agreement to be executed by its duly authorized officers as of the Effective Date set forth below.

Effective Date: _____
[Insert the Plan Effective Date set forth in the Plan Adoption Agreement]

WASHINGTON TRUST BANK, a trust bank
chartered under the laws of the State of
Washington

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Plan Sponsor

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

Master Trust *(Agreement and Declaration)*

AGREEMENT AND DECLARATION OF TRUST
ESTABLISHING THE
HEALTHINVEST HRA MASTER TRUST
EFFECTIVE AS OF
September 1, 2017
FOR
HEALTHINVEST HRA PLANS
FUNDED IN ONE OR MORE TRUSTS
PARTICIPATING IN THE MASTER TRUST

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This AGREEMENT AND DECLARATION OF TRUST is made as of the Effective Date set forth on the title page hereto, by WASHINGTON TRUST BANK, a trust bank chartered under the laws of the State of Washington, acting in its capacity as a custodian, transfer agent, and nondiscretionary, directed trustee and custodian (the “Master Trustee”).

WHEREAS, Gallagher Benefit Services, Inc., (“Gallagher”) provides nondiscretionary and ministerial administration support services as the HRA Service Manager, acting on behalf of employers or plan sponsors who have adopted one or more health reimbursement arrangement (HRA) plans (each an “HRA Plan” or “Plan” and referred to collectively as the HealthInvest HRA) utilizing Gallagher’s proprietary Plan Documents and the services of Gallagher as the HRA Service Manager.

WHEREAS, Gallagher has requested, and Washington Trust Bank has agreed, to create the HealthInvest HRA Master Trust, which shall consist of and become incorporated as a part of one or more separate sub-trusts or participating trusts through which the HRA Plans are funded, for purposes of holding title to HRA Plan assets, including investment assets in one or more custodial accounts and other non-income producing bank accounts and to assist the HRA Service Manager in making certain regulatory filings and reports on behalf of the HRA Plans, based upon direction and authorization of the adopting sub-trusts and adopting plan sponsors.

NOW, THEREFORE, the Master Trustee hereby undertakes through this Agreement and Declaration of Trust to act as Master Trustee on behalf of the HRA Plans and Participating Trusts (1) to make, file, or report information on behalf of the HRA Plans, as provided in the HealthInvest HRA Plan Documents and as otherwise directed by the HRA Service Manager or the Administrators of the HRA Plans and (2) to hold in safekeeping as custodian, transfer agent, and nondiscretionary, directed trustee any funds and other property from time to time contributed or transferred to it pursuant to the provisions hereof, as the same may be amended from time to time, together with all the increments, proceeds, investments, and reinvestments thereof, and the income therefrom, in trust, for the uses and purposes and upon the terms and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 Definitions. As used in this agreement, the following terms shall have the meaning hereinafter set out:

“Administrator” shall mean, with respect to any Participating Trust, any Plan Sponsor who has adopted the HealthInvest HRA Plan, the assets of which are held the Participating Trust, to the extent such Plan Sponsor is acting in its capacity as the administrator for the HRA Plan either directly or through one or more service providers to whom the Administrator has delegated some or all of its ministerial and nondiscretionary duties. The term “Administrator” used herein may refer to an individual Administrator or refer to all Administrators collectively, as the context indicates.

“Code” shall mean the Internal Revenue Code of 1986, as the same has been or may hereafter be amended.

“Effective Date” of this Agreement and Declaration of Trust is set forth on the title page hereto.

“Employer” shall mean, with respect to any Participating Trust and HRA Plan, as applicable, either (a) if the HRA Plan is a single-employer plan, the Plan Sponsor or (b) if the HRA Plan is a multiple-employer plan, a “Participating Employer”, as such term is defined in the Plan Adoption Agreement of the Plan Sponsor.

“HRA Plan Document(s)” shall mean one or more of the plan documents that define the terms and conditions of participation and benefits under an HRA Plan, as the same may be amended or amended and restated from time to time.

“Master Trust Adoption Agreement” shall mean the required form of Master Trust Adoption Agreement executed by a Participating Trust Signatory and accepted in writing by the Master Trustee and the HRA Service Manager.

“Master Trust” shall mean the trust created by this Agreement and Declaration of Master Trust, as amended from time to time.

“Master Trustee” is defined in the recitals to this Master Trust.

“Participating Trust” shall mean any HRA Plan assets held in a trust that executes the Master Trust Adoption Agreement electing to participate in the Master Trust.

“Participating Trust Instrument” shall mean the written agreement or document that creates and defines the terms and conditions of any Participating Trust.

“Participating Trust Signatory” shall mean, with respect to a Participating Trust, the Administrator for the underlying HRA Plans, or such other person or entity authorized under the Participating Trust to adopt and participate in this Master Trust.

“Plan” or “HRA Plan” is defined in the recitals to this Master Trust Agreement.

“Plan Documents” shall mean, with respect to any Participating Trust and HRA Plan, collectively, this Master Trust, the Master Trust Adoption Agreement, the Participating Trust Instrument, the Plan Adoption Agreement, one or more HRA Plan Documents, and as applied to a particular Participant, the Enrollment File for the Participant, as they same may be amended or amended and restated from time to time.

“Qualified Investment Manager” shall mean an investment advisor as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974.

“Securities” shall mean and include registered, unregistered and exempt securities issued in accordance with applicable laws, including common and preferred stocks, mutual funds, fixed or variable annuity contracts, contractual obligations of every kind, whether secured or unsecured, equitable interests in real or personal property, and intangible property of every description and howsoever evidenced.

“Tax” or “Taxes” shall mean any tax, taxes, fee or other cost or obligation imposed by any governmental or other similar entity and shall be deemed to include any interest or penalties assessed in respect to such amounts.

1.2 Construction. Where necessary or appropriate to the meaning thereof, the singular shall be deemed to include the plural, the plural to include the singular, the masculine to include the feminine, the feminine to include the masculine.

1.3 Terms Incorporated by Reference. Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the other Plan Documents. In the event there is a conflict in the definition ascribed to any term in two or more Plan documents, the definition ascribed to such term within any particular document shall apply for interpretation of that document, and if not defined therein, the meaning that shall apply for interpretation of a document shall be determined by reference first to the Trust Instrument, then to this Agreement and Declaration of Trust, then to the Master Trust Adoption Agreement, then to the applicable HRA Plan Document, then to the applicable Plan Adoption Agreement, and then to the applicable Participant Enrollment File.

ARTICLE II

PURPOSE

2.1 Purpose. The Master Trust has been established to act as a reporting entity on behalf of the HRA Plans for purposes of making certain regulatory filings and reports and to hold title to certain non-interest bearing bank accounts, funds, and other property on behalf of each of the HRA Plans and Participating Trusts for the purpose of administering and facilitating contributions, payment of benefits, and payment of expenses on behalf of the HRA Plans.

2.2 Grantor Trust. The Trust is intended to be a grantor trust, of which each Participating Trust is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Code, as amended, and shall be construed accordingly.

2.3 Use of Trust Assets. The Master Trust assets shall be used exclusively to hold title to assets of the Participating Trusts and to facilitate allocation of contributions and payment of benefits and expenses under the HRA Plans and to defray reasonable expenses of administering the Master Trust.

ARTICLE III

PARTICIPATING TRUSTS

3.1 Eligibility for Participation. A trust through which an HRA Plan is funded may become a Participating Trust if the Participating Trust Signatory of such trust executes a Master Trust Adoption Agreement, and both the Master Trustee and the HRA Service Manager provide written acceptance of such trust as a Participating Trust. Participation in the Master Trust shall commence on the date the applicable Master Trust Adoption Agreement is accepted in writing by both the Master Trustee and the HRA Service Manager.

3.2 Termination of Participation. A Participating Trust shall cease to be a Participating Trust on the date on which:

(a) The Participating Trust Signatory, or the Administrator for the underlying HRA Plan, notifies the HRA Service Manager or the Master Trustee in writing of its desire to terminate participation of the Participating Trust in the Master Trust.

(b) The Master Trust is terminated.

3.3 Non-assignability. A Participating Trust may not assign or transfer its interest in the Master Trust or in any part thereof without prior written consent of the HRA Service Manager and Master Trustee.

ARTICLE IV

FUNDING

4.1 Contributions. Participating Trusts and their underlying HRA Plans shall contribute or transfer to the Master Trust such amount or amounts determined through the operation and administration of the HRA Plans in accordance with the HealthInvest HRA Plan Documents. All contributions and transfers shall be held, administered, and distributed, in trust, under the terms of this agreement. The Master Trustee shall not be under any duty to inquire into the timeliness or correctness of the amounts contributed, transferred and delivered to the Master Trustee hereunder; nor shall the Master Trustee or any other person be under any duty to enforce the payment of the contributions to be made hereunder and each Participating Trust agrees to indemnify and hold harmless the Master Trustee in connection therewith. The Master Trustee shall not be responsible for the calculation or collection of any contributions under or referred to by HRA Plans and shall have no duties, except as specified under this agreement, for the administration of the Master Trust. Nothing in this agreement shall entitle any Master Trustee or any other person or entity to inquire into or demand the right to inspect the books of the Employers, Administrators, or Trustees of the HRA Plans or Participating Trusts. Notwithstanding any provision of this agreement to the contrary, no Employer, Administrator, or Participating Trust shall be required to continue to fund benefits under any HRA Plan through the applicable Participating Trust or this Master Trust.

4.2 Revocability of Contributions. All contributions and transfers made to the Master Trust shall be revocable and shall be returned to the Participating Trust upon request of the Participating Trust Signatory or upon termination of the Participating Trust's participation in this Master Trust.

4.3 Assets Held with Respect to a Particular Participating Trust. The Master Trustee shall receive the contributions from each Participating Trust or transfers in cash or other property acceptable to it. All consideration received by the Master Trust, together with all assets in which such consideration is invested or reinvested, all income, earnings profits, and proceeds thereof from whatever source derived (including, without limitation, any proceeds derived from the sale,

exchange or liquidation of such assets and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be), shall, in accordance with the terms of the HealthInvest HRA Plan Documents and this Master Trust, be held separately with respect to each Participating Trust for all purposes, subject only to the rights of creditors of the Master Trust, and shall be so recorded upon the books of account of the Master Trust. The consideration, assets, income, earnings, profits and proceeds thereof, from whatever source derived, (including, without limitation, any proceeds derived from the sale, exchange or liquidation of assets, and any funds or payments derived from any reinvestment of proceeds, in whatever form the same may be) are herein referred to as "assets held with respect to" each Participating Trust. In the event that there are any assets, income, earnings, profits and proceeds thereof, funds or payments that are not readily identifiable as assets held with respect to any Participating Trust (collectively "General Assets"), the Master Trustee shall allocate General Assets to, between or among any one or more of the Participating Trusts in a manner and basis as the Master Trustee, in its sole discretion, deems fair and equitable, and any General Assets so allocated to a Participating Trust shall be held with respect to that Participating Trust. Each allocation by the Master Trustee shall be conclusive and binding upon the Participating Trusts under their underlying HRA Plans for all purposes. The HRA Service Manager, or its designee, shall maintain separate and distinct sub-accounting records for each Participating Trust on behalf of the Master Trustee, and the HRA Service Manager, or its designee, shall hold and account for the assets with respect to each Participating Trust separately from the assets held with respect to all other Participating Trusts.

4.4 Liabilities Associated with Respect to a Particular Participating Trust. The liabilities, expenses, costs, charges, and reserves associated with each particular Participating Trust shall be charged against the assets of the Master Trust held with respect to that particular Participating Trust. Any liabilities, expenses, costs, charges and reserves of the Master Trust that are not readily identifiable as being associated with any particular Participating Trust ("General Liabilities") shall be allocated and charged by the Master Trustee to and among any one or more of the Participating Trusts in a manner and basis as the Master Trustee, in its sole discretion, deems fair and equitable, and any General Liabilities so allocated to a particular Participating Trust shall be charged against the assets of that Participating Trust. All liabilities, expenses, costs, charges and reserves so charged to a Participating Trust are herein referred to as "liabilities associated with" that Participating Trust. Each allocation of liabilities, expenses, costs, charges and reserves by the Master Trustee shall be conclusive and binding upon the Participating Trusts and their underlying HRA Plans for all purposes. Without limiting the foregoing, but subject to the right of the Master Trustee to allocate liabilities, expenses, costs, charges or reserves as herein provided, the liabilities, costs, charges and reserves incurred, contracted for or otherwise associated with a particular Participating Trust shall be enforceable against the assets held with respect to that Participating Trust only and not against the assets of the Master Trust generally or against the assets held with respect to any other Participating Trust. The HRA Service Manager, or its designee, shall maintain separate and distinct sub-accounting records for each Participating Trust on behalf of the Master Trustee, and the HRA Service Manager, or its designee, shall hold and account for the liabilities with respect to each Participating Trust separately from the liabilities held with respect to all other Participating Trusts.

ARTICLE V

POWERS AND DUTIES OF THE MASTER TRUSTEE

5.1 Trust Property and Investments. In addition to all powers and duties otherwise expressly set forth in this agreement and subject to the provisions of Section 5.5, the Master Trustee shall have the following powers:

(a) to invest and reinvest all or any part of the Master Trust, including both principal and income, in Securities and other property;

(b) to insure the payment of benefits under a contract or contracts with an insurance company or companies, and hold and retain such contract or contracts as part of the Master Trust;

(c) to sell, lease, exchange, or otherwise dispose of all or any part of the Master Trust;

(d) to exercise all voting rights, tender or exchange rights, any conversion privileges, subscription rights, and other rights and powers available in connection with any Securities or other property at any time held hereunder;

(e) to enter into or oppose any plan of consolidation, merger, reorganization, capital readjustment, or liquidation of any corporation or other issuer of Securities held hereunder including the exercise of any option, the making of any agreements or subscriptions and the payment of expenses, assessments or subscriptions, plan for the sale, lease, or mortgage of any of its property or the adjustment or liquidation of any of its indebtedness and, in connection with any such plan, to enter into any other such agreement, and to pay assessments or subscriptions from the other assets held hereunder;

(f) to retain in cash or otherwise in a form unproductive of income such portion of the Master Trust as is necessitated by the cash requirements of the HRA Plans; provided, however, that, to the extent feasible, such amounts shall be held in forms of investment which are productive of income but are sufficiently liquid to meet such cash requirements;

(g) to invest in collective investment funds maintained by Washington Trust Bank of Spokane or by other banks for the investments of assets of employee welfare benefit plans, whereupon the instruments establishing such funds, as amended, shall be deemed part of this Master Trust and incorporated herein by reference;

(h) to deposit securities held hereunder in any depository;

(i) to deposit all or any part of the Master Trust, including both principal and interest, in any bank organized under the national banking laws of the United States or under the laws of any State, including Washington Trust Bank of Spokane.

Separate assets, custodial accounts, bank accounts, and title in other properties shall not be required to be maintained with respect to separate Participating Trusts; rather, the same may be aggregated on an omnibus basis, together with assets, custodial accounts, bank accounts, and property of all Participating Trusts. On behalf of the Master Trustee, the HRA Service Manager shall maintain for the Master Trustee separate and distinct sub-accounting records for the Participating Trusts such that each shall have a divided interest in specific assets and property held by the Master Trust. No Participating Trust shall have any interest in the specific assets or property held by the Master Trust on behalf of any other Participating Trust.

The Master Trustee shall transmit to the Qualified Investment Manager, all notices of conversion, redemption, tender, exchange, subscription, class action, claim in insolvency proceedings or other rights or powers relating to any of the Securities held hereunder, which notices are received by the Master Trustee from its agents or custodians, from the issuers of the Securities in question and from the party (or its agents) extending such rights. The Master Trustee shall have no obligation to determine the existence of any conversion, redemption, tender, exchange, subscription, class action, claim in insolvency proceedings or other rights or powers relating to any of the Securities held hereunder of which notice was given prior to the purchase of such Securities held hereunder, and shall have no obligation to exercise any such right or power unless the Master Trustee is informed of the existence of the right or power.

The Master Trustee shall not be liable for any untimely exercise or assertion of such rights or powers described in the paragraph immediately above in connection with Securities or other property held hereunder at any time unless (i) it or its agents or custodians are in actual possession of such securities or property and (ii) it receives directions to exercise any such rights or powers from the Qualified Investment Manager, and both (i) and (ii) occur at least three business days prior to the date on which such rights or powers are to be exercised.

If the Master Trustee is directed by a Qualified Investment Manager to purchase Securities issued by any foreign government or agency thereof, or by any corporation or other entity domiciled outside of the United States, it shall be the responsibility of the Qualified Investment Manager, as the case may be, to advise the Master Trustee in writing with respect to any laws or regulations of any foreign countries or any United States territory or possession which shall apply in any manner whatsoever to such Securities, including, without limitation, receipt by the Master Trustee of any dividends, interest or other distributions on such Securities.

5.2 Claims Against Trust. Subject to the provisions of Section 5.5, and except as regards benefits under the HRA Plans, the Master Trustee is empowered to compromise and adjust any and all claims, debts, or obligations in favor of or against the Master Trust, whether such claims be in litigation or not, and to reduce the rate of interest on, to extend or otherwise modify, or to foreclose upon default, or otherwise enforce any such claim, debt, or obligation.

5.3 Borrowing. Subject to the provisions in Section 5.5, the Master Trustee is empowered to borrow money in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Master Trust and to pledge any Securities or other property for the repayment of any such loan; provided, however, no such loan shall be made by the Master Trustee individually other than a temporary advancement to the Master Trust on a cash or overdraft basis.

5.4 Registration of Securities; Nominees; Account Signatories.

(a) The Master Trustee is empowered to register Securities in its own name, or in the name of its nominee, agent, or custodian without disclosing the Master Trust, or to hold the same in bearer form, and to take title to other property in its own name or in the name of its nominee, agent, or custodian without disclosing the Master Trust; but the Master Trust shall be responsible for the acts of its nominee, agent, or custodian.

(b) The Master Trustee is empowered to authorize the HRA Service Manager or its designee as signatory to any bank accounts established on behalf of the Participating Trusts and their underlying HRA Plans for purposes of administration and facilitation of the allocation of contributions and payment of benefits and expenses for the HRA Plans. Each Participating Trust, Participating Trust Signatory, Plan Sponsor, and Administrator agrees, to the fullest extent permitted by law, to indemnify and hold the Master Trustee harmless for damages resulting from the acts of the HRA Service Manager or its designee in their capacity as agent or signatory on such accounts.

5.5 Directions From HRA Service Manager. To the extent permitted by applicable law, the powers conferred upon the Master Trustee in this agreement, including Sections 4.3, 4.4 and 5.1, shall at all times be subject to the direction of the Administrator for each Plan, which shall direct the Master Trustee as to all such matters relating to administration of the Master Trust as specified in the Plan Documents. The Administrator for each Plan shall, at any time and from time to time, certify to the Master Trustee in writing the name or names of any person authorized to act for the Administrator, with respect to the exercising of any one or more of such powers of the Administrator. Toward that end, pursuant to the Plan Adoption Agreement, the HRA Service Manager and any of its designees, officers, employees, subcontractors, agents, and representatives, are designated by the Administrator for each Plan as persons authorized to act on behalf of the Administrator with respect to exercising any one or more powers of the Administrator as specifically set forth in this agreement and the other Plan Documents or as otherwise directed by the Administrator. Until the Administrator notifies the Master Trustee that any such person is no longer authorized to act for the Administrator, the Master Trustee may continue to rely on the authorization of such person. The Master Trustee shall be under no duty or obligation to review any instruction it so receives, except that the Master Trustee shall have no obligation by reason of any such direction to make any advance or loan in its banking capacity. The Master Trustee shall have no liability or responsibility for acting without question on the direction of, or failing to act in the absence of any action, unless the Master Trustee has knowledge that by such action or failure to act it will be participating in or undertaking to conceal a breach of fiduciary duty. The Participating Trusts agree to indemnify and hold harmless the Master Trustee and the HRA Service Manager for acting in accordance with this Section 5.5.

5.6 Agents, Attorneys, Actuaries, Consultants, Administrators and Accountants. The Master Trustee is empowered to employ such agents, attorneys, actuaries, consultants, administrators, accountants and other service providers as may be deemed necessary or proper in connection with its duties hereunder, and, upon the written authorization or direction of the Administrator, to determine and pay out of the assets of the Master Trust the reasonable

compensation and expenses of such agents, attorneys, actuaries, consultants, administrators, accountants and other service providers.

5.7 Other Authority. The Master Trustee is authorized to execute and deliver any and all instruments and to perform any and all acts which may be necessary or proper to enable it to discharge its duties under this agreement and to carry out the power and authority conferred upon it.

5.8 Directions to the Master Trustee. The Master Trustee may rely on any written direction, request, approval, or other document purporting to have been signed on behalf of the Administrator by the person authorized to act for the Administrator.

5.9 Payment of Taxes; Indemnity. The Master Trustee is empowered to pay out of the assets of the Master Trust, as a general charge thereon, any and all Taxes or governmentally imposed fees and charges of whatsoever nature assessed on or in respect thereto; provided, however, that if an Administrator shall notify the Master Trustee in writing that any such Tax or governmentally imposed fee or charge is not lawfully or properly assessed, or is questionable, the Master Trustee, if so requested by the Administrator, shall contest the validity of such Tax in any manner deemed appropriate by the Administrator. Unless the Master Trustee shall first have been indemnified to its satisfaction by the Administrator and the applicable Participating Trust(s), the Master Trustee shall not be required to contest the validity of any Tax, to institute, maintain, or defend against any other action or proceeding, or to incur any other expense in connection with the Master Trust, except to the extent that the same is sufficient therefor.

5.10 Compensation and Expenses. The Master Trustee shall be entitled to such compensation for its service and reimbursement for all reasonable expenses incurred by the Master Trustee in the administration of the Master Trust, in accordance with the terms of the Plan Adoption Agreement between each Plan Sponsor and the HRA Service Manager or as otherwise agreed in writing between the Trustee and the Plan Sponsor. Such compensation and expenses shall be paid from the assets of the Participating Trusts or as otherwise agreed in writing by the Plan Sponsor of such Participating Trust.

5.11 Records and Statements. The Master Trustee shall keep accurate records of all receipts, disbursements, and other transactions affecting the Master Trust, which, together with the assets comprising the Master Trust and all evidences thereof, shall be available during the Master Trustee's usual business hours for inspection or for the purposes of making copies or reproductions thereof by the HRA Service Manager, upon the HRA Service Manager's reasonable request. The Master Trustee shall render to the HRA Service Manager, monthly and annually, statements of receipts, disbursements, and all transactions during the preceding period affecting the Master Trust and a statement of all assets then held by it hereunder.

5.12 Court Action Not Required. All the powers and authority herein conferred upon the Master Trustee shall be exercised by it without the necessity of applying to any court for leave or confirmation. No person dealing with the Master Trustee shall be required to ascertain whether the Master Trustee shall have obtained the approval of any court or of any person to any action which it may propose to take hereunder, but every such person may rely solely upon the deed, transfer, or assurance of the Master Trustee.

5.13. Disputes. If a dispute arises as to the payment of any funds or delivery of any assets by the Master Trustee, the Master Trustee may withhold such payment or delivery until the dispute is resolved by a court of competent jurisdiction or finally settled in writing by the concerned parties.

ARTICLE VI

DISPOSITION OF TRUST ASSETS

6.1 Payments from the Trust. Unless and until the Master Trust is terminated as provided herein, the Master Trustee shall make payments from the Master Trust for the benefit of each Participating Trust and its underlying HRA Plan or to pay reasonable expenses of administering the Master Trust, as directed by the Administrator.

6.2 Excess Assets. Any excess assets remaining in the Master Trust upon satisfaction of all liabilities and requirements of the Master Trustee hereunder, shall be applied by the Master Trustee as directed.

ARTICLE VII

SUCCESSION TO THE TRUSTEESHIP

7.1 Resignation of the Master Trustee. Any Master Trustee acting hereunder may resign at any time by giving notice in writing to the HRA Service Manager on behalf of the Administrator for each HRA Plan at least ninety (90) days before such resignation is to become effective, unless the HRA Service Manager on behalf of the Administrators shall accept as adequate a shorter notice.

7.2 Removal of the Master Trustee. Based upon the authority granted to the HRA Service Manager in the HealthInvest HRA Plan Documents or as otherwise directed by the Administrator of each HRA Plan, the HRA Service Manager on behalf of the Administrator may remove, with or without cause, any Master Trustee acting hereunder by giving notice in writing to such Master Trustee at least ninety (90) days before such removal is to become effective, unless the Master Trustee shall accept as adequate a shorter notice.

7.3 Appointment of a Successor Trustee. If for any reason a vacancy should occur in the master trusteeship, the HRA Service Manager on behalf of the Administrators shall forthwith appoint a successor Master Trustee. A successor Master Trustee may be either a corporation authorized to carry on a trust business or a national banking association or such person or persons or committee as deemed appropriate by the HRA Service Manager. Any successor Master Trustee appointed hereunder shall execute, acknowledge, and deliver to the HRA Service Manager and the predecessor Master Trustee an instrument in writing accepting such appointments hereunder. Such successor Master Trustee thereupon shall become vested with the same title to the Master Trust property, and the same powers and duties with respect thereto, as

are hereby vested in the predecessor Master Trustee. The HRA Service Manager shall deliver to the Administrators, Plan Sponsors, and Employers notice of any replacement Master Trustee within 90 days after the effective date thereof. The predecessor Master Trustee shall execute all such instruments and perform all such other acts as the successor Master Trustee shall reasonably request to effectuate the provisions hereof. The successor Master Trustee shall have no duty to inquire into the administration of the Master Trust for any period prior to its succession. No Master Trustee shall have any liability, duty, or other obligation with respect to actions or omissions of any successor or predecessor Master Trustee.

ARTICLE VIII

AMENDMENT AND TERMINATION

8.1 Right of Amendment. The Master Trustee may amend the terms of this Master Trust from time to time, subject to acceptance of such amendment by the HRA Service Manager on behalf of the Administrator and Participating Trusts in accordance with the terms of the Plan Documents or as otherwise directed by the Administrator. Any such amendment may be prospective or retroactive as provided therein.

8.2 Termination of HRA Plans. In the event of a termination of all of the HRA Plans pursuant to the Plan Documents, the assets of the Master Trust shall be held, administered, and distributed by the Master Trustee in accordance with the terms of the Plan Documents and this Master Trust.

ARTICLE IX

MISCELLANEOUS

9.1 Validity of Agreement. The validity of this agreement shall be determined and this agreement shall be construed and interpreted in accordance with the laws of the State of Washington. If any provision of this agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of the agreement unless such illegality or invalidity prevents accomplishment of the objectives and purposes of the Master Trust. In the event of any such holding, the parties may immediately, and if in accordance with appropriate law retroactively, amend the agreement as is necessary to remedy any such defect.

9.2 No Guarantees. Neither the HRA Service Manager, the Plan Sponsor, the Administrator, the Employer, nor the Master Trustee guarantees the Master Trust from loss or decline in value, nor the payment of any amount which may become due to any person hereunder. Nothing contained in the Master Trust shall constitute a guarantee by the HRA Service Manager, the Plan Sponsor, the Administrator, the Employer, or the Master Trustee that the assets of the Master Trust will be sufficient to pay any benefit to any person or make any other payment; payments to be paid from the Master Trust are limited to the assets remaining in the applicable Participant Account or Employer Account at the time payment is made. Prior to

the time that distributions are made in conformity with the Plan and the Master Trust, no Employees, Participants, or other persons shall receive any distribution of cash or other thing of current or exchangeable value, either from the HRA Service Manager, the Plan Sponsor, the Administrator, the Employer or the Master Trustee on account of, or as a result of the trust fund created hereunder.

9.3 Duty to Furnish Information. The Administrator and the Master Trustee each shall furnish to the other any documents, reports, returns, statements, or other information that the other reasonably deems necessary to perform its duties imposed under the Plan or this agreement or otherwise imposed by law. The Master Trustee shall furnish to the Administrator any documents, reports, returns, statements, or other information that the Administrator reasonably deems necessary to perform its duties and exercise its rights hereunder, under the Plan Adoption Agreement, and otherwise under the Plan.

9.4 Reliance of Communications. The Master Trustee may rely upon a written certification of the HRA Service Manager with respect to any instruction, direction or approval of the HRA Service Manager and may rely on the written certification of the Administrator as to any matter relating to this Master Trust. The Master Trustee shall be fully protected and indemnified by the Administrator in acting upon any instrument, certificate or paper of the HRA Service Manager or Administrator believed by the Master Trustee to be genuine and to be executed or presented by any authorized person of the HRA Service Manager or Administrator, and the Master Trustee shall be under no obligation or duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as fully authorized by the HRA Service Manager or Administrator. Moreover, the Master Trustee shall be fully protected and indemnified in relying upon a written certification of any Qualified Investment Manager appointed by Plan Sponsor with respect to the person or persons authorized to give any instructions or directions on behalf of such Qualified Investment Manager and may continue to rely on the written certification until a subsequent written certification is filed with the Master Trustee.

9.5 Taxes. The Master Trustee shall withhold any Tax which by any present or future law is required to be withheld from any payment hereunder.

9.6 Rebates and Adjustments. In the event a benefit is provided or a disbursement is made from the Master Trust and it is determined by the Master Trustee or the Administrator that such benefit should not have been provided or disbursement made, the applicable Administrator or the HRA Service Manager may arrange for a contribution from one or more Participating Trusts to which the disbursement was made, to reimburse the Master Trust or engage in efforts to seek the return of the benefit or disbursement. The Master Trustee shall be under no duty or obligation to inquire into the correctness of any determination made by the Administrator resulting in a direction to the Master Trustee under this provision.

9.7 Inalienability of Benefits. Except as may otherwise be provided herein, the right of any Participant or other person or entity to any benefit or payment from the Master Trust shall not be subject to voluntary or involuntary transfer, alienation, pledge, assignment or other disposition and shall not be subject to attachment, execution, garnishment, sequestration or other legal or equitable process. Any attempt to transfer, alienate, pledge, assign or otherwise dispose

of such right or any attempt to subject such right to attachment, execution, garnishment, sequestration or other legal or equitable process shall be null and void, unless such action is approved by the Master Trustee and the Administrator and undertaken in accordance with the terms and provisions of this Master Trust, the Participating Trust, and the Plan Documents.

9.8 No Implied Rights. Neither the establishment of the Master Trust nor any modification thereof, nor the creation of any fund, trust or account thereunder, shall be construed as giving any Participant or other person or entity any legal or equitable right unless such right shall be specifically provided for in the HRA Plan and the Master Trust or conferred by affirmative action of the Plan Sponsor or Employer in accordance with applicable law and the express written terms and provisions of the Master Trust and the other Plan Documents.

9.9 Status of Employment Relations. The adoption and maintenance of the Master Trust shall not be deemed to constitute a contract between any Employer and its Employees or any representative thereof or to be consideration for, or an inducement or condition of, the employment of any person. Nothing contained herein shall be deemed to:

- (a) give to any Employee the right to be retained in the employ of his or her Employer;
- (b) affect the right of the Employer to discipline or discharge any Employee at any time; or
- (c) affect any Employee's right to terminate his employment at any time.

9.10 Parties Bound. This agreement shall be binding upon the Master Trustee, the HRA Service Manager, and all Participating Trusts, Participating Trust Signatories, Plan Sponsors, Administrators, Employers, Employees, Participants, and, as the case may be, the Dependents, heirs, executors, administrators, successors, and assigns of each of them.


[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Washington Trust Bank has caused this Agreement and Declaration of Trust to be executed by its duly authorized officers and respective seals to be hereunder affixed as of August 28th, 2017.

ATTEST:



Name: Steve Sherman, Vice President



Name: Chad LeGate, Vice President

WASHINGTON TRUST BANK, a trust bank chartered under the laws of the State of Washington

By: 

Name: Robert Blume

Title: Senior Vice President

Date: August 30th, 2017

Exhibit C

Contact Information for Notices

1. The address for delivery of all communications to the HRA Service Manager shall be:

ATTN: HRA Service Manager
Gallagher Benefit Services, Inc.
906 W 2nd Ave Ste 400
Spokane, WA 99201-4502
(509) 838-5571

2. The address for delivery of all communications to the Master Trustee shall be:

ATTN: Steve Sherman, Vice President
Washington Trust Bank
Wealth Management & Advisory Services
PO Box 2127
Spokane, WA 99210-2127
(509) 353-4106

3. The address for delivery of all communications to the Plan Sponsor is set forth in the Plan Adoption Agreement.

Part 2

Plan Adoption Documents

Items listed in **bolded blue text** and marked with an asterisk (*) are documents that must be completed and/or signed by an authorized officer of the Plan Sponsor. Read **Instructions** on page 49 for more details.

Instructions	49
Plan Sponsor Contact Information Form*	50
Plan Adoption Agreement*	51
Plan Design Elections and Administration	
Addendum A: Plan Design Elections*	60
Addendum B: Participant Account Elections	64
Addendum C: Administrative Fees Schedule and Plan Representatives	69
Investment Management	
Addendum D: Investment Management Services	72
HIPAA	
Addendum E: HIPAA Business Associate Agreement*	77

*Must be completed and/or signed by an authorized officer of the Plan Sponsor.

Capitalized terms used throughout this set of **Plan Adoption** documents and not otherwise defined herein shall have the meaning given to such terms in the **Plan Documents**, as amended from time to time. The **Plan Documents** are provided separately.

In addition to this set of **Plan Adoption** documents, you must also execute the **Trust Adoption** documents.

Instructions

Please carefully follow the instructions below. All actions are required unless otherwise noted.

For your convenience, all documents are designed to be executed electronically, including the signature pages. Just click any signature box and follow the prompts.

Your completed Plan Adoption documents will be reviewed and countersigned by Gallagher Benefit Services, Inc. (GBS) as the HRA Service Manager. We will maintain an electronic countersigned copy and email a duplicate copy to you or your designated contact. You, as Plan Sponsor, should keep all executed documents on file.

- ☐ Page 50: **Provide your contact information:** Complete the **Plan Sponsor Contact Information** form.
- ☐ Page 51: **Establish your Plan:** Sign the **Plan Adoption Agreement**.
- ☐ Page 60: **Design your Plan:** Make your **Plan Design Elections** (Addendum A).
- ☐ Page 64: **Define your Participant Account types:** Make your **Participant Account Elections** (Addendum B).
- ☐ Page 77: **Agree to terms regarding the use and/or disclosure of Protected Health Information:** Complete and sign the **HIPAA Business Associate Agreement** (Addendum E).
- ☐ **Return your completed documents:** Email completed set of **Plan Adoption** documents, along with completed **Trust Adoption** documents, to: **employercare@healthinvesthra.com**.

HealthInvest HRA

PLAN SPONSOR CONTACT INFORMATION

1. EMPLOYER (PLAN SPONSOR) INFORMATION

Plan Sponsor Name: _____

Plan Sponsor Address: _____
Street Address City State Zip

Plan Sponsor Phone: _____ Plan Sponsor Fax: _____

Plan Sponsor Tax Identification Number: _____

2. CONTACT INFORMATION

a) Contact for Enrollment/Payroll/Contribution Matters⁽²⁾

Contact Name: _____ Title: _____

Phone: _____ E-mail: _____

⁽²⁾ This person will receive a copy of the Plan Sponsor Welcome Kit and will be contacted by the HRA Service Manager or other Plan representative to confirm enrollment and contribution procedures.

b) Contact for General Plan Communications⁽³⁾

Contact Name: _____ Title: _____

Phone: _____ E-mail: _____

⁽³⁾ Here please identify the principal business or administrative contact who will need to receive official Plan communications (such as Plan amendments) and other time sensitive administrative and operational communications and information. This person will receive the counter-signed Adoption Agreement and Plan Sponsor Welcome kit.

c) Contact for Plan Sponsor Account Matters⁽⁴⁾

Contact Name: _____ Title: _____

Phone: _____ E-mail: _____

⁽⁴⁾ If applicable, please identify the administrative or operational contact who will need to receive information regarding any Plan Sponsor Account established under the Plan, such as account statements, confirmations, etc.

c) Identify Plan Sponsor's Privacy and Security Officials⁽⁵⁾

Contact Name: _____ Title: _____

Phone: _____ E-mail: _____

Contact Name: _____ Title: _____

Phone: _____ E-mail: _____

⁽⁵⁾ Please identify the person or persons who serve as the Plan Sponsor's Privacy and Security Official for the HRA Plan. The Privacy and Security Official will be the primary contact for all HIPAA privacy and security matters affecting the Plan.

3. HRA SERVICE MANAGER INTERNAL USE ONLY (to be completed by GBS consultant)

GBS Client Consultant Name: _____

GBS Office: _____

Outside Consultant Name (if any): _____

HealthInvest HRA

PLAN ADOPTION AGREEMENT

1. **Formal Authorization and Adoption of Plan by Plan Sponsor.** The Plan Sponsor, by formal action of its governing body or other authorized action, has formally approved the establishment of an employee benefit plan pursuant to which it or its Participating Employers will make contributions to one or more health reimbursement arrangement “HRA” plans (referred to herein individually and collectively as the “Plan”) funded in a trust (the “Participating Trust”) established pursuant to a trust document provided or executed in connection herewith, as the same may be amended or restated or replaced from time to time. The Plan Sponsor has also approved the use of the GBS proprietary “HealthInvest HRA” plan documents to implement its HRA plan and the engagement of certain service providers for the HealthInvest HRA Plan to assist the Plan Sponsor in the administration of its HRA plan.

2. **Pursuant to the governing authority of the Plan Sponsor:**

(a) The Plan Sponsor hereby adopts the HealthInvest HRA Plan set forth in the GBS proprietary HealthInvest HRA Plan Documents, subject to the further terms and conditions contained in this Agreement and the applicable provisions of each Plan, as the same may be amended, restated, or replaced from time to time as set forth therein. The Plan Sponsor agrees that it may utilize the HealthInvest HRA Plan Documents only while GBS is engaged hereunder and under the Plan Documents as the HRA Service Manager pursuant to hereto. Upon resignation by or removal of GBS as the HRA Service Manager as provided herein and in the Plan Documents, the Plan Sponsor shall no longer have the right to utilize the proprietary GBS HealthInvest HRA Plan Documents and agrees to indemnify and hold harmless GBS and its affiliates, agents and sub-contractors, and each of their officers, employees, successors, and assigns against all costs, expenses, liabilities and damages resulting from any use of the HealthInvest HRA Plan Documents by the Plan Sponsor or any Participating Employer after the resignation by or removal of GBS as the HRA Service Manager.

(b) The Plan Sponsor shall serve as the plan administrator responsible for overseeing and supervising the administration of the Plan (the “Plan Administrator” or the “Administrator”) and may designate one or more representatives who may act on behalf of the Plan Sponsor in its capacity as the Plan Administrator. Without relieving the Administrator of any of its obligations under the Plan, the Plan Sponsor hereby engages GBS to provide ministerial and non-discretionary administration support services as specified herein and in the other Plan Documents or otherwise at the direction of the Plan Sponsor or Administrator (in such capacity, GBS shall be referred to herein and in the Plan Documents as the “HRA Service Manager”). The Plan Sponsor authorizes and directs the HRA Service Manager to assist the Administrator in the performance and execution all of the duties, powers, and responsibilities of the Administrator specifically defined in the Plan Documents, subject to the approval and direction of the Administrator or Plan Sponsor for any such duties, powers, or responsibilities that require the discretion of the Administrator or that are not otherwise specifically prescribed in the Plan Documents, such assistance to include without limitation the specific non-discretionary and ministerial Plan

Administration Support Services described in the Plan Documents. The HRA Service Manager acknowledges and agrees that the performance of the services hereunder by the HRA Service Manager and its agents and subcontractors shall be performed in a manner reasonably intended to comply with applicable law and the terms of the Plan and with a standard of care, skill, and diligence consistent with practices and procedures used in well-managed operations performing services comparable to the services to be performed by the HRA Service Manager hereunder. In addition, the HRA Service Manager will, and will cause each of its subcontractors to, obtain and maintain at its own cost all licenses and registrations required by state and federal law to operate its business and to perform the its services hereunder. The Plan Sponsor acknowledges and agrees that the appointment of the HRA Service Manager to perform its services is not intended to transfer fiduciary liability to the HRA Service Manager.

(c) The Plan Sponsor agrees to execute and direct the authorized signatory for the Participating Trust to execute the Master Trust Adoption Agreement pursuant to which the Participating Trust adopts and enters into the Master Trust, through which the Master Trustee will serve as a custodian and directed trustee on behalf of the Participating Trust and the Plan.

(d) The Plan Sponsor hereby agrees to the appointment and engagement of the investment management firm identified in Addendum D (the "Investment Manager"), as a fiduciary and, if the Plan is governed by ERISA, as an ERISA 3(38) investment manager with respect to the services expressly set forth in Addendum D. The authority and responsibility of Investment Manager in such capacity shall be subject to the terms and conditions set forth in Addendum D, and except as expressly provided in Addendum D and the Master Trust, nothing in this Plan Adoption Agreement or the HealthInvest Plan Documents authorizes the Investment Manager to participate in, exercise or perform, and the Investment Manager shall not be responsible for nor participate in, exercise or perform, any duties or matters except as set forth in Addendum D. Except as specifically set forth in Addendum D, the HRA Service Manager shall have no duty to the Plan Sponsor, Participating Employers, Participants or any covered individual or beneficiary under the Plan to monitor the performance of such Investment Manager.

(e) In addition to the appointment of the Master Trustee, the Investment Manager, and any other agents or subcontractors directly engaged by the Plan Sponsor or Plan Administrator to perform services under the Plan, the Plan Sponsor hereby authorizes the HRA Service Manager to designate one or more agents or sub-contractors to carry out any administrative services to be performed by the HRA Service Manager, including one or more HealthInvest Plan Representatives identified in Addendum C attached hereto to provide record-keeping, financial and regulatory reporting, customer service, and claims and contribution processing services. The Plan Sponsor authorizes the HRA Service Manager, and the HRA Service Manager agrees, to engage or change and otherwise deal directly with all such agents or sub-contractors, as specified in the Plan Documents, and further authorizes the HRA Service Manager to arrange for the reasonable and necessary compensation and expenses of all Plan service providers (including those engaged directly by the Plan Sponsor or the Administrator) to be paid out of the fees of the HRA Service Manager or out of Plan assets by assessment of Participant Accounts and Employer Accounts, as Plan administration expenses, all of which are either (i) identified as

Administrative Fees and Expenses in Addendum C hereto or (ii) otherwise approved in writing by the Plan Sponsor to be properly payable out of Plan assets.

(f) The Plan Sponsor hereby agrees to contribute to a custodial account established by the Master Trustee, and directs the HRA Service Manager to cause all Plan and Trust assets to be deposited, invested, and distributed in accordance with and subject to the provisions, limitations, and requirements, of the Plan Documents. Contributions to the Plan shall be deposited with the Master Trustee directly from the Plan Sponsor by wire transfer or as otherwise directed by the Plan Sponsor in writing. Plan assets held with the Master Trustee may be registered or deposited in the name of the Master Trustee, the HRA Service Manager, or other custodian, nominee, or agent, without disclosing the name of the Plan Sponsor, the Administrator, or the Plan and, for any Accounts allocated to individual Participants and Employers for directed investing, shall be invested based upon the investment directions of such Participants and Employers.

(g) It is understood and agreed by the Plan Sponsor that the GBS proprietary HealthInvest HRA Plan Documents, as amended, restated, or replaced from time to time, will be used by multiple plan sponsors and employers who have adopted the HealthInvest HRA Plan and for which the HRA Service Manager and other service providers to the Plan provide administrative support services, and that unilateral amendments requested by the Plan Sponsor may not be accepted by the HRA Service Manager if the HRA Service Manager determines that it would be unable to amend all such plans or would be unable to effectively provide such services to the Plan Sponsor's plan or plans of other plan sponsors in the light of such proposed amendment. Accordingly, any Plan amendment proposed by the Plan Sponsor must be submitted to the HRA Service Manager, and such amendment shall not take effect until the HRA Service Manager delivers written acceptance of such amendment. The Plan Sponsor's right to unilaterally amend the Plan is subject to the HRA Service Manager's right to resign and the Plan Sponsor's right to remove the HRA Service Manager pursuant hereto and the Plan Documents.

(h) The HRA Service Manager may resign and terminate this Plan Adoption Agreement at any time by giving notice in writing to the Plan Sponsor at least one hundred-eighty (180) days before such resignation is to become effective, unless such notice is waived by the Plan Sponsor. The Plan Sponsor may remove the HRA Service Manager and terminate this Plan Adoption Agreement, with or without cause, by giving notice in writing to the HRA Service Manager at least ninety (90) days before such removal is to become effective, unless such notice is waived by the HRA Service Manager. The HRA Service Manager shall not be liable for the acts or omissions of any Administrator or successor service provider to the HRA Service Manager providing similar services to the Plan, and the Plan Sponsor indemnifies and holds harmless the HRA Service Manager for any losses, damages, or other liability incurred by the HRA Service Manager as a result of the actions or omissions of any Administrator or successor service provider to the HRA Service Manager providing similar services to the Plan to the fullest extent permitted by applicable law. The Plan Sponsor's right to remove or replace the HRA Service Manager and certain other HealthInvest Plan Representatives may be subject to certain requirements set forth in the Plan Documents.

(i) In connection with any termination of this Plan Adoption Agreement by either party hereto, the HRA Service Manager will use best efforts to cooperate with the Plan Sponsor and any Administrator or service provider that is the successor to the HRA Service Manager to comply with reasonable requests to accomplish an orderly transition of business and, on or before the termination date, transfer of functions, books, records, documentation, data, monies and other plan assets. Prior to the termination date, the HRA Service Manager will provide all necessary staff, services, and assistance required for such orderly transfer, including participation by appropriate personnel in periodic conference calls to effect a smooth transition. For a period of seven years following any termination of this Plan Adoption Agreement, the HRA Service Manager will (i) maintain all participant-level paperwork and documentation and, upon request and at the Plan Sponsor's expense, deliver or make-available to the Plan Sponsor all or any portion of such paperwork and documentation in a manner reasonable acceptable to Plan Sponsor and (ii) cooperate and assist with any audit, examination, review, or inspection of the Plan Sponsor's HRA Plan for which the HRA Service Manager is maintaining such records.

3. **Plan Design.** Specific terms of the Plan, including the Plan Effective Date, Plan Year, revocability options, the class or classes of employees to be covered by the Plan, and the contribution policies for each class of employees, are specified in Addendums A and B hereto. The Plan Sponsor agrees that, annually, and otherwise upon the reasonable request from the HRA Service Manager, the Plan Sponsor will provide the HRA Service Manager with any census reports, current collective bargaining agreements, employment contracts, employer policies, or other information requested by the HRA Service Manager to assist the HRA Service Manager in the performance of its duties under the Plan Documents. The Plan Sponsor further agrees that the HRA Service Manager shall have the right to rely on information provided by the Plan Sponsor with respect to employee eligibility and contribution funding policies in the performance of its duties hereunder and under the Plan Documents but shall have no obligation to confirm the Plan Sponsor's or a Participating Employer's compliance with such agreements, contracts, or policies or whether such agreements, contracts, or policies comply with applicable law.

4. **Contributions.**

(a) The Plan Sponsor acknowledges and agrees that contribution(s) to the Plan will be made in accordance with obligations, policies or procedures that have been incurred or established by the Plan Sponsor or Participating Employers (pursuant to contractual agreements, collective bargaining, employer policy, or otherwise) and that neither the HRA Service Manager, nor its officers, representatives, employees, agents, or sub-contractors, or anyone acting on behalf of or with respect to the Plan, has the right, duty or power to determine the amount to be contributed or to collect the amount to be contributed.

(b) The Plan Sponsor acknowledges and agrees that, except for premiums for COBRA continuation coverage or mandatory or other forms of employee contributions permitted by applicable law, no direct or indirect employee contributions or salary reduction contributions will be made to the Plan based upon voluntary elections by individual employees.

(c) At the time any contribution is made to the Plan, the Plan Sponsor or Participating Employer shall direct the HRA Service Manager as to the amount of such contribution to be allocated to each Participant Account and to any Employer Account. If there is a predetermined method or formula for such allocations set forth in Addendums A and B, the Plan Sponsor's or Participating Employer's allocation instruction shall be consistent therewith. However, the Plan Sponsor acknowledges and agrees that it shall be the Plan Sponsor's and/or Participating Employer's responsibility to determine the amount allocated to each Participant Account and any Employer Account, and the HRA Service Manager shall make such allocations solely in accordance with the Plan and the Plan Sponsor's or Participating Employer's specific directions and shall not be required to verify that such contribution instructions are consistent with Addendums A and B.

5. Indemnification and Liability. The Plan Sponsor and the HRA Service Manager (each an Indemnifying Party) agree, to the fullest extent permitted by applicable law, to indemnify and hold harmless the other (the "Indemnified Party") and its affiliates, agents and sub-contractors, and each of their officers, employees, successors, and assigns against all costs, expenses, liabilities and damages ("Losses") resulting from any negligent action or inaction, intentional misconduct, or breach of this Plan Adoption Agreement, the Plan, any Plan Document, or violation of any applicable law or rules, policies or procedures established or adopted in connection therewith on the part of the Indemnifying Party, or any of its officers, employees, agents, or Participating Employers (if applicable). Neither the HRA Service Manager, nor any agent or sub-contractor of the HRA Service Manager, nor any of their affiliates, officers, employees, successors, or assigns, shall have any liability, duty or other obligation with respect to actions or omissions of the Plan Sponsor or any of its Participating Employers (including incomplete or incorrect data provided by the Plan Sponsor or any Participating Employer or Participant) or of any custodian, trustee, investment advisor or other service provider that is not acting under the direction or control of the HRA Service Manager. Notwithstanding anything in this Plan Adoption Agreement to the contrary, neither Indemnifying Party shall be liable for any punitive, consequential, special, or indirect Losses, whether or not the likelihood of such Losses was known by that party. Furthermore, the aggregate liability hereunder of either Indemnifying Party to the other for claimed Losses or damages shall not exceed \$20,000,000. This provision applies to the fullest extent permitted by applicable law.

6. No Guarantees. The Plan Sponsor acknowledges and agrees that there may be loss or depreciation of the value of any investment due to the fluctuation of market values and that neither the HRA Service Manager, Investment Manager, nor any other service provider to the Plan guarantees the Plan or any Participant Account or Employer Account thereof from loss or decline in value, or the payment of any amount that may become due to any person thereunder. Nothing contained in the Plan or any trust document shall constitute a guarantee by the HRA Service Manager, Investment Manager, or any other person that the assets of the Plan will be sufficient to pay any benefit to any person or make any other payment; payments to be paid to Participants or the Plan Sponsor or a Participating Employer from the Plan are limited to the assets remaining in the applicable Participant Account or Employer Account at the time payment is made and such other limits as may apply based upon the Plan Sponsor's plan design and applicable law.

7. Compensation and Expenses. The Plan Sponsor accepts and agrees to the schedule of fees and expenses set forth in Addendum C and acknowledges and agrees that, to the extent permitted by law, and except as otherwise specified in Addendum C, such fees and expenses

will be paid out of Plan assets, to be allocated to Participant Accounts and Employer Accounts in the manner described in Addendum C or as otherwise determined by the Plan Sponsor. The HRA Service Manager shall provide the Plan Sponsor advance written notice of any increase or decrease in fees or expenses of the Plan, including any increases or decreases attributable to changes in elections under this Agreement, and the Plan Sponsor agrees that it shall be deemed to have approved any such change in fees or expenses, subject to the Plan Sponsor's right to remove the HRA Service Manager and the HRA Service Manager's right to resign as provided herein and in the Plan document.

8. Plan Sponsor Amendments to Plan Elections. The Plan Sponsor may amend its elections under this Plan Adoption Agreement at any time, provided, however, that (1) no such amendment may be inconsistent with the terms of the Plan, (2) any such amendment shall be subject to acceptance by the HRA Service Manager (including confirmation that the HRA Service Manager can continue to provide administration support services on behalf of the Plan Sponsor and participating plan sponsors) and the Plan Sponsor's acceptance of any additional fees or charges that may result from such changes by the Plan Sponsor in its Plan elections, (3) to the extent that contributions have been made on behalf of any Participant and have vested prior to the effective date of the amendment, such amendment may not increase the term of any vesting schedule with respect to such contributions, unless participant or his or her bargaining representative agree to the increase and (4) with respect to Plan contributions made before the effective date of the amendment, such amendment may not modify the revocability elections of Addendum A hereto to allow additional amounts to be returned to the Plan Sponsor.

9. Governing Documents. The Plan Sponsor hereby adopts and establishes such rules, policies and procedures as are set forth in the Plan Documents or Plan forms and materials, as the same may be amended from time to time. To the extent not set forth therein, and subject to the Plan Sponsor's right to remove the HRA Service Manager herein and in the Plan Documents, the HRA Service Manager is hereby authorized and directed to establish such rules, policies, practices and procedures as it deems appropriate for the administration of the Plan, all of which shall govern the Plan and be binding upon the Plan Sponsor, Plan Administrator, Participating Employers, Participants, and other individuals who may be entitled to Benefits from a Participant Account.

10. Construction of Documents. The Plan, the Plan Adoption Agreement, and each Enrollment File are all parts of a single, integrated employee benefit system and shall be construed together.

11. Prior or Contemporaneous Agreements. This Plan Adoption Agreement supersedes all prior or contemporaneous agreements or understandings between the Plan Sponsor and GBS, whether oral or written, regarding the matters pertaining hereto that are not specifically referenced and made a part of this Plan Adoption Agreement. This Plan Adoption Agreement may be amended only in writing, and no purported oral agreement or understanding, or conduct or course of conduct, will be binding on any party hereto, unless reduced to writing and executed by authorized officers of all parties hereto.

12. Notices. Any notice required or permitted under this Agreement or the Plan Documents shall be in writing and shall be deemed delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the respective parties

at the addresses set forth below and in Addendum C with respect to the Investment Manager and in the other Plan Documents for any other Plan Representative engaged directly by the Plan Sponsor.

(a) The address for delivery of all communications to the Plan Sponsor are set forth on the Plan Sponsor Data Sheet attached to this Plan Adoption Agreement.

(b) The address for delivery of all communications to the HRA Service Manager shall be:

ATTN: HRA Service Manager
Gallagher Benefit Services, Inc.
906 W 2nd Ave Suite 400
Spokane, WA 99201-4502
(509) 838-5571

13. HIPAA Requirements and Certification; Applicability of State Laws; and Applicability of Nondiscrimination Rules.

(a) Plan Sponsor acknowledges that the Plan is a “Covered Entity” and meets the definition of a “Health Plan,” as such terms are defined under the Health Insurance Portability and Accountability Act of 1996, as the same may be amended from time to time (“HIPAA”) and the regulations thereunder, as the same may be amended from time to time (“HIPAA Regulations”). The Plan Sponsor agrees to execute the HIPAA Business Associate Agreement attached hereto as Addendum E and to execute any amendments thereto or replacements thereof as required by law. Plan Sponsor and its Participating Employers may be required to adopt certain policies and procedures on behalf of the Plans that are prescribed by HIPAA and the HIPAA Regulations. Plan Sponsor accepts responsibility for compliance with HIPAA and the HIPAA Regulations for itself and on behalf of any Participating Employers. The Plan Sponsor hereby acknowledges that the Plan incorporates the provisions of 45 C.F.R. § 164.504(f)(2)(ii), and the Plan Sponsor hereby agrees to the conditions of disclosure described therein.

(b) Plan Sponsor acknowledges that various state laws applicable to the Plan Sponsor or Participating Employers may affect certain aspects of the Plan or the Plan Sponsor’s ability to adopt the Plan. These may include, without limitation, state laws regarding the investment of public funds, the permissibility of the Plan Sponsor to act as a trustee or fiduciary, conflicts with other statutory or state-sponsored plans, state agency reporting requirements, and the applicability of state income taxes. Plan Sponsor should seek the advice of its own legal or tax counsel for such state-law issues.

(c) Plan Sponsor acknowledges that IRC § 105(h) prescribes nondiscrimination rules with respect to eligibility and the contributions to and benefits of the Plan. Plan Sponsor acknowledges that neither the HRA Service Manager, nor any of its affiliates, sub-contractors, agents, representatives, officers, or employees accepts any responsibility for Plan Sponsor’s compliance with IRC § 105(h) and that the Plan Sponsor will review its

own collective bargaining agreements, and eligibility and contribution policies with its own legal and tax counsel to confirm compliance with these legal requirements.

14. **Counterparts**. This Plan Adoption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which together will constitute one and the same agreement. Facsimile delivery transmission or electronic delivery in portable document formation (".pdf") or tagged image formation (".tiff") by any party hereto of its executed counterpart shall constitute the valid and binding execution hereof by such party. The Plan Sponsor and HRA Service Manager agree that electronic signatures constitute a valid and binding execution by the party electronically signing this Plan Adoption Agreement.

15. **Assignability**. This Agreement calls for the personal services of the HRA Service Manager and for certain financial and other specified obligations of Plan Sponsor. The HRA Service Provider shall not assign its rights or obligations hereunder, without the prior written consent of the Plan Sponsor. The Plan Sponsor shall not assign its rights or obligations hereunder, without the prior written consent of the HRA Service Provider. Notwithstanding the foregoing, the HRA Service Provider shall have the right to assign this Agreement to any successor to all or substantially all of its assets and business by dissolution, merger, consolidation, transfer of assets or otherwise, or to any entity owned or controlled by Arthur J. Gallagher & Co., without the prior consent of the Plan Sponsor.

17. **Successors and Assigns**. This Plan Adoption Agreement shall be binding upon and shall inure to the benefit of the parties hereto and each of their respective successors and assigns to the extent permitted hereby.

16. **Governing Law; Jurisdiction**. This Plan Adoption Agreement shall in all respects be interpreted, enforced and governed in and under the laws of the State of Washington, without reference to choice of law principles. Should any provision of this Plan Adoption Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts shall not be affected thereby and the illegal or invalid part shall be deemed not to be a part of this Plan Adoption Agreement. Any dispute arising under or in connection with this Plan adoption Agreement shall be subject to the exclusive jurisdiction of the state or federal courts located in Washington.

IN WITNESS WHEREOF, the Plan Sponsor hereby executes and delivers this Plan Adoption Agreement, as evidenced by the signature below of authorized officer thereof and upon written acceptance by the HRA Service Manager below, shall be effective as of the Plan Effective Date.

Name of Plan Sponsor:

As "Plan Sponsor" and "Administrator"

By: _____
authorized signatory

Printed Name: _____

Title: _____

Dated: _____

Accepted by the HRA Service Manager

Gallagher Benefit Services, Inc.
As the HRA Service Manager

By: _____
authorized signatory

Printed Name: _____

Title: _____

Dated: _____

ADDENDUM A

Plan Design Elections and Administration

HealthInvest HRA

PLAN DESIGN ELECTIONS

Plan Sponsor agrees to deliver to the HRA Service Manager written amendments to this Addendum A from time to time as employee groups to be covered by the Plan and eligibility requirements change.

General Plan Options

1. **Effective Date.** The Plan Effective Date for the Plan shall be _____.
2. **Plan Year.** For regulatory reporting and compliance under federal law, the HealthInvest HRA Plan Year is based upon the calendar year. Depending on the date of adoption, the first Plan Year for certain Plans may be less than 12 months.

3. **Transfers.** [check one only]

- (a) ☐ No transfer of assets from another plan is contemplated.
- (b) ☐ The following transfer of assets from one or more other plans is contemplated:
[describe] *

**Transfers of assets from other plans shall be on terms acceptable to, and pursuant to rules, policies and procedures established by, the HRA Service Manager.*

4. **Employer Account(s).** [check one only]

An Employer Account can be used to hold assets to be applied to future obligations or contributions of the employer and/or to offset other post-employment benefits (OPEB) liabilities resulting from Governmental Accounting Standards Board Statement No. 74/75 (GASB 74/75) accounting rules. An Employer Account, if established, can also be used for the purpose of accepting Participant Account forfeitures due to a Participant's death, failure to meet vesting requirements, if any, and other terms and conditions of the Plan.

- (a) ☐ Plan Sponsor is establishing one or more Employer Accounts for itself or establishing one or more Employer Accounts as elected by each Participating Employer.
- (b) ☐ Plan Sponsor is not establishing any Employer Account.

5. **Limited Reversion and Revocability Elections.**¹ No Plan assets (other than contributions made by mistake of fact or administrative error) shall be returned to the Plan Sponsor except upon satisfaction of all liabilities to provide benefits under the Plan and in the following additional circumstances. [check any one or more, or none]

- ☐ Plan assets allocated to any Employer Account may be returned to the Plan Sponsor or Participating Employer, as applicable, at any time, to the extent permitted by the applicable Participating Trust. (If this option is selected, Plan assets may not be counted as employer assets for meeting the requirements of GASB 74/75.)
- ☐ All Plan assets, or the portion thereof allocable to a designated class of Participants, may be returned to the Plan Sponsor for the purpose of providing health benefits to Participants, or such class of Participants, under a successor health plan, to the extent permitted by the applicable Participating Trust.
- ☐ All forfeited Plan assets, or the portion thereof allocable to a designated class of Participants, may be returned to the Plan Sponsor at any time to the extent permitted by the applicable Participating Trust.
- ☐ Other (specify). _____

The Plan Sponsor certifies that the reversion and revocability elections above are permitted by the Participating Trust and the Plan Sponsor assumes, and holds the Master Trustee and HRA Service Manager harmless from, all liability, including adverse tax consequences associated with such elections.

¹ Reversion elections are not permitted for plan assets funded through a VEBA trust and may not be permitted by the terms of other types of trust instruments. Plan Sponsors should consult with legal counsel.

6. **Participant Account Types.** The Plan Sponsor shall designate the description, eligibility, benefits, and other approved terms and conditions for one or more Participant Account types to be established for each employee group of Participating Employer as described in Addendum B.

7. **Please specify** below any other specific instructions or Plan limitations.
[Subject to acceptance of such terms by the HRA Service Manager]

ADDENDUM B

Participant Account Elections

In this Addendum, follow the instructions to make elections for each Participant Account Type.



HealthInvest HRA

INSTRUCTIONS FOR PARTICIPANT ACCOUNT ELECTIONS

This Addendum B allows a Plan Sponsor to:

- Establish one or more Participant Account types
- Indicate which eligible Employee group(s) will be receiving contributions to one or more Participant Account types
- Provide a brief description for each Participant Account type as you would want it to appear on Participant Communication. Descriptions are usually based on either the type of contribution, type of coverage, or eligible employee group. For example: Monthly Contributions (In-service Benefits); Annual Contributions (Post-separation Benefits Subject to Vesting); Separation Pay; Executive Premium-only Coverage; Administrators; Professional Staff; Support Staff; etc.
- Choose the benefits for each Participant Account type

The number of Participant Account types a Plan Sponsor establishes may be dependent upon its chosen or negotiated Plan design, compliance with certain Affordable Care Act (ACA) rules, or compliance with applicable nondiscrimination rules when making contributions on behalf of highly compensated individuals (HCIs), etc.

Participant Account Types.

The In-service HRA Plan pays benefits (subject to vesting requirements) while the employee is actively employed and continuing after retirement or other separation from service from the Employer. The Post-separation HRA Plan pays benefits only after eligible Employees meet all vesting requirements and also retire or otherwise separate from service from the Employer. The Post-separation, premium-only plan design is generally used to provide additional benefits to highly compensated employees and pays benefits only for qualified premiums incurred after eligible Employees meet all vesting requirements and also retire or otherwise separate from service from the Employer.

Multiple Account Options — It is possible that one or more eligible Employee groups (or certain eligible Employees within the same Employee group) may receive contributions to more than one Participant Account type. For example, you may make a \$100 per month contribution into the In-service HRA Plan for all eligible employees and an additional \$75 dollars per month for HCIs into the Post-separation HRA Plan that is limited to executive premium-only benefits and subject to vesting.

On the Enrollment File for each eligible group, the Plan Sponsor or Participating Employer must specify the one or more Participant Account types into which the Participants are enrolling. The Plan Sponsor must also submit separate or combined contribution remittance reports for each Participant Account type into which contributions are being made based upon the number (division code) assigned to each Participant Account type by the HRA Service Manager (e.g., “001”, “002” or “003”, etc.).

Default Post-separation Contributions — For contributions to the In-service HRA Plan for a particular Employee group, some Employees may not meet the ACA integration requirements that require the Employee to be covered by a group health plan at the time the contribution is credited. This will result in some eligible Employees within the same group receiving contributions into the In-service HRA Plan and other eligible Employees receiving contributions into the Post-separation HRA Plan, which is not subject to the ACA integration requirements.

Example: The Plan Sponsor or Participating Employer intends to make a contribution of \$100 per month into the In-service HRA Plans with 100% vesting. From time to time, if any Employees within that group do not meet the ACA integration requirements under any of the In-service HRA Plans, applicable law requires that the \$100 monthly contribution for these Employees must be directed into a separate Participant Account type with 100% vesting under the Post-separation HRA Plan. ***These contributions are referred to as “Default Post-separation Contributions.”*** This Default Post-separation Participant Account type will be automatically established by the HRA Service Manager to accommodate Default Post-separation Contributions on behalf of any Employees who do not meet the ACA integration requirements from time to time.

HealthInvest HRA

PARTICIPANT ACCOUNT ELECTIONS

(If establishing more than six Participant Account Types, please complete and attach additional copies of this form)

1. Establishment of Participant Account Type(s). [Participant Account type number (division code) will be assigned by the HRA Service Manager and communicated to the Plan Sponsor or Participating Employer]

Participant Account Type Description: Insert a brief description of your choosing, as you would want it to appear on Participant Communication.

Eligible Employee Group(s): List each Employee group eligible for contributions to the respective Participant Account Type.

Benefits: Check only one Benefits option for each Participant Account Type. *Do not elect "Post-separation HRA Plan coverage" below if the only contributions to the Post-separation HRA Plan will be "Default Post-separation Contributions" (defined in Item 6 of Addendum B-1 Plan Design Elections). If you choose any of the "In-service HRA Plan coverage" options below, a separate, corresponding "Post-separation HRA plan coverage" Participant Account type for "Default Post-separation Contributions" (defined in Item 6 above) will be automatically set up on behalf of eligible employees, if any, who do not meet the integration requirements under any of the In-service HRA Plan versions.*

Participant Account Type Description	Eligible Employee Group(s)	Benefits (type of coverage)					
		Post-separation HRA Plan Coverage				In-service HRA Plan Coverage	
		100% Vested	Subject to Vesting	Premium-only 100% Vested	Premium-only Subject to Vesting	100% Vested	Subject to Vesting
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Claims Eligibility Date. The Claims Eligibility Date for Participant Account Types with Post-separation HRA Plan Coverage shall be the Participant's date of retirement or separation from employment. The Claims Eligibility Date for Participant Account Types with In-service HRA Plan Coverage shall be the Participant Eligibility Date or, if subject to vesting, the date after the Participant Eligibility Date on which the applicable vesting requirements have been met by the Participant.
3. Vesting. [Describe below, or in an attachment to this Addendum B-2, the vesting policy for each eligible employee group subject to vesting, if any.]

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(Please note that Plan Sponsors and Participating Employers are responsible for tracking Employee vesting and notifying the HRA Service Manager or its designee of vested amounts when Employees separate or as applicable.)

4. Forfeitures. If the balance in any Participant Account is forfeited in accordance with the terms of the Plan, such account balance will be transferred, reallocated, or re-contributed in accordance with written directions of the Plan Sponsor or Participating Employer, as applicable.

ADDENDUM C

**Administrative Fees Schedule and
Plan Representatives**

HealthInvest HRA Plan
ADMINISTRATIVE FEE SCHEDULE
FOR

Plan Sponsor

The following schedule of administrative fees will apply. Administrative fees include expenses for routine operation, administration, and regulatory compliance for the Plan.

1. Monthly Per Participant Account Fee:

This amount will be deducted once per calendar month from Participant Accounts unless Employer elects below to pay this fee.

- ☐ Check here if Employer will pay. Monthly account fees will be invoiced to Employer monthly. Invoiced amounts shall be due and payable by Employer within 30 days.

2. Annualized Participant Account Fee:

This fee will be prorated and deducted from Participant Accounts on a daily basis at a rate of 1/365 of the listed annualized fee unless Employer elects below to pay this fee.

- ☐ Check here if Employer will pay. Annualized Participant fees will be calculated and invoiced to Employer monthly. Invoiced amounts shall be due and payable by Employer within 30 days.

3. Annual Patient-Centered Outcomes Research Institute (PCORI) Fee:

The PCORI fee is an annual per-participant fee assessed by the federal government as required under federal healthcare reform regulations. The PCORI fee increases each year (through Plan Years beginning in 2019) based on increases in the projected per capita amount of national health expenditures.

For non-ERISA Plans that are subject to this fee, the account of any Participant who is eligible to file claims will be charged a prorated portion of this annual fee once every three months during the Plan Year beginning in 2017 through the Plan Year beginning in 2019, or as otherwise mandated by federal law.

For ERISA-governed plans that are subject to this fee, the fee will be calculated by the HRA Service Manager and payable by the Plan Sponsor. The fee applies to claims-eligible participants only and does not include their spouses and dependents. The amounts collected will be remitted to the federal government to fund patient-centered outcomes research.

This Administrative Fee Schedule does not include investment fund operating expenses. Fund operating expenses vary by fund and are expressed in Plan literature as an annualized percentage of assets. Fund operating expenses are applied at the fund level.

PLAN REPRESENTATIVES

- **Gallagher Benefits Services, Inc. (“GBS”)**, in its capacity as the HRA Service Manager and subcontractor of GBS.
- **Washington Trust Bank**, in its capacity as the Master Trustee.
- **Gallagher Fiduciary Advisors, LLC**, in its capacity as the Investment Manager for Plans utilizing the HealthInvest HRA Standard Fund Lineup.
- Any other Plan Representative that is required for the uniform management and administration of the HealthInvest HRA Plan and which is identified in the Plan Adoption Agreement or otherwise designated in writing by the HRA Service Manager as a HealthInvest Plan Representative.

ADDENDUM D

Investment Management Services

Following this page are the scope of services and terms and conditions relating to the Investment Management Services to be provided by the Investment Manager.

HealthInvest HRA

INVESTMENT MANAGEMENT SCOPE OF SERVICES

Pursuant to the Plan Adoption Agreement, the Plan Sponsor has agreed to the appointment and engagement of Gallagher Fiduciary Advisors, LLC (“GFA”), a wholly-owned subsidiary of GBS to perform the services specifically described in this Addendum D and subject to the terms and conditions set forth in this Addendum D and elsewhere in this Plan Adoption Agreement. As a fiduciary, GFA shall provide the following services regarding the Assets to the HealthInvest HRA Service Manager:

(a) Develop a Statement of Investment Objectives (the “Statement”) or review and revise, as appropriate, the existing Statement.

(b) Report to the HRA Service Manager on a quarterly basis the performance of each Investment Manager in the HealthInvest HRA fund lineup. This includes providing a quarterly evaluation report in writing. In addition, GFA will attend one meeting by telephone per year with the HRA Service Manager. Each report shall set forth separately the performance of each Investment Manager, including an evaluation of the returns achieved against suitable benchmarks for performance and risk. GFA hereby gives the HRA Service Manager permission and authority to deliver a current copy of such written reports to the Plan Sponsor either in hard copy or electronic form and to make a copy of the same available to the Plan Sponsor on the HealthInvest HRA Plan website or employer portal.

(c) Evaluate and report to the HealthInvest HRA Manager on the investment impact of plan amendments that may be considered, subject to receipt of reasonable advance notice of proposed amendments and sufficient additional input from the Trustees and appropriate Service Providers.

(d) Evaluate and decide which, if any, of the Investment Managers is appropriate to manage which, if any, portion of the Assets, consistent with the Statement and with the investment guidelines.

(e) Identify, evaluate and select additional Investment Managers (including, as appropriate, one or more “transition managers” to effectuate the transfer of Assets among Investment Managers in the event of the termination or addition of a Manager or a reallocation of the assets) and/or Pooled Investment Funds consistent with the Statement including but not limited to selection of investment funds to which the Plan’s participants may direct their accounts. Identification, evaluation and selection will include Pooled Investment Funds the underlying assets of which are considered to be Assets of the Plan under ERISA (if the Plan is governed by ERISA), for which GFA will have the sole responsibility as 3(38) investment fiduciary to evaluate, select and appoint the individual or entity responsible for management of each such Pooled Investment Fund.

(f) Prudently monitor all Investment Managers and all Pooled Investment Funds and decide whether and when to terminate any Investment Manager and whether and when to withdraw from any Pooled Investment Fund.

(g) Exercise rights (including, without limitation, voting rights and redemption rights) of the Master Trust as a limited partner, member, shareholder, unitholder, participant or similar capacity in the commingled investment vehicles in which the Master Trust invests and such other Pooled Investment Funds in which GFA may determine to invest the Assets in pursuant to (g) above.

(h) Negotiate and execute on behalf of Master Trust or direct the Master Trustee or Administrator to execute such investment management agreements and other agreements and instruments which GFA determines are appropriate to carry out its determinations with respect to the Assets of the Plan. GFA shall have the right to engage legal counsel as needed to review and comment on such agreements at its own cost.

HealthInvest HRA

INVESTMENT MANAGEMENT TERMS AND CONDITIONS

The following sets forth the terms and conditions of GFA's obligations as a fiduciary and an ERISA 3(38) investment fiduciary with respect to the services set forth in Addendum D to this Plan Adoption Agreement.

1. **Definitions.**

(a) **Assets:** All investment assets of the Plan Sponsor's HRA Plan utilizing the HealthInvest standard fund lineup and held by the Master Trustee within the Master Trust on behalf of the Plan and the Participating Trust.

(b) **Investment Manager or Manager:** Any current or future bank, registered investment advisor, or insurance company selected to manage a portion of the Assets, including any investment manager retained which satisfies the requirements to constitute an "investment manager" pursuant to Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated pursuant thereto ("ERISA").

(c) **Pooled Investment Fund:** Mutual fund, collective investment fund, or any other pooled investment vehicle that is selected or may be select in the future for investing the Assets.

2. **Representations of GFA.** GFA represents and warrants that:

(a) It is a registered investment advisor under the Investment Advisers Act of 1940 and is lawfully empowered to perform or provide the services which, pursuant to this Plan Adoption Agreement and its agreement with the HRA Service Manager, it has agreed to perform or provide;

(b) In performing services described in this Addendum D, it will comply with all applicable laws including ERISA (if the Plan is subject to ERISA).

3. **Form ADV.** In compliance with Rule 204-3(b) promulgated under the Investment Advisers Act, GFA has delivered to the HRA Service Manager the Part 2A Brochure of the Form ADV, covering GFA, as currently in effect. GFA agrees to make available to the HRA Service Manager each year that Assets of the Plan remain in the Master Trust, an updated copy of the Part 2A Brochure as then in effect, which can be provided to the Plan Sponsor via email or on the Plan portal. GFA hereby gives the HRA Service Manager permission and authority to deliver a current copy of the Part 2A Brochure of Form ADV to the Plan Sponsor either in hard copy or electronic form with the Plan Sponsor's welcome packet and to make a copy of the same available to the Plan Sponsor on the HealthInvest HRA Plan website or employer portal.

4. **ERISA Fiduciary, as Applicable.** If the Plan is governed by ERISA, GFA acknowledges that in performing its duties under this Addendum D, that it shall be deemed an

ERISA 3(38) investment manager of the Plan and Master Trust with respect to the services under Addendum D.

5. **No Delegation by GFA or Performance by Individuals**. The Plan Sponsor acknowledges that the services being provided and obligations undertaken hereunder are being provided and undertaken by GFA as an entity and not by any individual officer, director, employee, agent, shareholder or agent of GFA (each a "GFA Individual"). Neither the Master Trust, Participating Trust, Plan Sponsor, Administrator, or HRA Service Manager, nor any fiduciary of the Plan or Master Trust has entered into any agreement to the effect that (i) one or more GFA Individuals, as opposed to GFA, is providing services to the Trust or its fiduciaries, or (ii) the work performed for or advice communicated to the Plan Sponsor or HRA Service Manager by any one or more GFA Individuals is the work or advice of such GFA Individual(s), as opposed to the work or advice of GFA. GFA represents and the Plan Sponsor acknowledges that GFA will not delegate to any GFA Individual GFA's fiduciary obligations and responsibilities owed to the Plan or Master Trust.

6. **This Agreement cannot be assigned by any Party without the consent of the other Parties**.

7. **Notices**. The address for delivery of all communications to GFA shall be:

Gallagher Fiduciary Advisors, LLC
1667 K Street, N.W., Suite 1270
Washington, D.C. 20006
Attention: Area President

With copy to:
Gallagher Fiduciary Advisors, LLC
24 Commerce Street, Suite 1827, Newark, NJ 07102
Attention: Area Assistant Counsel

8. **Liability**. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which any party may have under any federal securities laws. Except insofar as may be required by ERISA, GFA shall not be liable for liabilities, losses, claims, fees or expenses incurred by the Plan or the Master Trust, or any of its participants or beneficiaries outside scope of this Addendum D.

9. **Litigation Proceedings**. GFA shall not serve as an expert consultant or witness in regard to any civil or criminal judicial proceedings or arbitration or as an expert witness in any such regard, except as may otherwise be agreed in writing by GFA and the HRA Manager, Master Trustee, or Plan Sponsor, as applicable.

ADDENDUM E

HIPAA Business Associate Agreement

Following this page is the executed HIPAA Business Associate Agreement between the Plan Sponsor on behalf of the Plan, as Covered Entity and Gallagher Benefit Services, Inc., as the HRA Service Manager.



HealthInvest HRA

HIPAA BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("**Agreement**") is entered into by and between Gallagher Benefit Services, Inc., as HRA Service Manager ("**Business Associate**") on behalf of one or more HealthInvest HRA health reimbursement arrangement (HRA) plans of

(Plan Sponsor)
(each such plan referred to herein singularly and collectively as "**Covered Entity**") and shall be effective as of the Effective Date of the Plan Adoption Agreement for the Covered Entity (the "Effective Date").

RECITALS:

WHEREAS, Covered Entity and Business Associate mutually desire to outline their individual responsibilities with respect to the use and/or disclosure of Protected Health Information ("**PHI**") as mandated by the Privacy Rule promulgated under the Administrative Simplifications subtitle of the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") including all pertinent regulations issued by the U.S. Department of Health and Human Services as outlined in 45 C.F.R. Parts 160, 162 and 164 ("**HIPAA Privacy Rules and/or Security Standards**"); and

WHEREAS, Covered Entity and Business Associate understand and agree that the HIPAA Privacy Rules and Security Standards requires the Covered Entity and Business Associate enter into a Business Associate Agreement which shall govern the use and/or disclosure of PHI and the security of PHI and ePHI.

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. When used in this Agreement and capitalized, the following terms have the following meanings:

(a) "**Breach**" shall have the same meaning as the term "Breach" in 45 C.F.R. §164.402.

(b) "**Electronic Protected Health Information**" or "**ePHI**" shall mean Protected Health Information transmitted by electronic media or maintained in electronic media.

(c) "**Individual**" shall have the same meaning as the term "Individual" in 45 C.F.R. §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. §164.502(g).

(d) "**Privacy Rule**" shall mean the Standards for Privacy of Individual Identifiable Health Information as set forth at 45 C.F.R. Parts 160 and 164 Subparts A and E.

(e) **"Protected Health Information"** or **"PHI"** shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

(f) **"Required by Law"** shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(g) **"Secretary"** shall mean the Secretary of the Department of Health and Human Services or his or her designee.

(h) **"Security Incident"** shall mean any attempted or successful unauthorized access, use, disclosure, modification or destruction of information or systems operations in an electronic information system.

(i) **"Security Rule"** shall mean the Standards for Security of PHI, including ePHI, as set forth at 45 C.F.R. Parts 160 and 164 Subparts A and C.

(j) **"Unsecured Protected Health Information"** shall mean protected health information that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology specified by the Secretary.

Terms used but not defined in this Agreement shall have the same meaning as those terms in the HIPAA regulations.

2. Obligations and Activities of Business Associate Regarding PHI.

(a) Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Agreement or as Required by Law.

(b) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.

(c) Business Associate agrees to ensure that any agents, including sub-contractors (excluding entities that are merely conduits), to whom it provides PHI agree to the same restrictions and conditions that apply to Business Associate with respect to such information.

(d) Business Associate agrees to provide access, at the request of Covered Entity, and in a reasonable time and manner designated by Covered Entity, to PHI in a Designated Record Set that is not also in Covered Entity's possession, to Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.524.

(e) Business Associate agrees to make any amendment to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 in a reasonable time and manner designated by Covered Entity.

(f) Business Associate agrees to make internal practices books and records relating to the use and disclosure of PHI available to the Secretary, in a reasonable time and manner as designated by the Covered Entity or Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule. Business Associate shall immediately notify Covered Entity upon receipt or notice of any request by the Secretary to conduct an investigation with respect to PHI received from the Covered Entity.

(g) Business Associate agrees to document any disclosures of PHI that are not excepted under 45 C.F.R. § 164.528(a)(1) as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

(h) Business Associate agrees to provide to Covered Entity or an Individual, in a time and manner designated by Covered Entity, information collected in accordance with paragraph (g) above, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

(i) Business Associate agrees to use or disclose PHI pursuant to the request of Covered Entity; provided, however, that Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

3. Permitted Uses and Disclosures of PHI by Business Associate.

(a) Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of, Covered Entity provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.

(b) Business Associate may use PHI for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate.

(c) Business Associate may disclose PHI for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate if:

(i) such disclosure is Required by Law, or

(ii) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that such information will remain confidential and used or further disclosed only as Required by Law or for the purposes for which it was disclosed to the person, and the person agrees to notify Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.

(d) Business Associate shall limit the PHI to the extent practicable, to the limited data set or if needed by the Business Associate, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request subject to exceptions set forth in the Privacy Rule.

(e) Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

4. Obligations of Covered Entity Regarding PHI.

(a) Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. § 164.520, as well as any changes to such notice.

(b) Covered Entity shall provide Business Associate with any changes in, or revocation of, authorization by an Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.

(c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, if such restrictions affect Business Associate's permitted or required uses and disclosures.

(d) Covered Entity shall require all of its employees, agents and representatives to be appropriately informed of its legal obligations pursuant to this Agreement and the Privacy Rule and Security Standards required by HIPAA and will reasonably cooperate with Business Associate in the performance of the mutual obligations under this Agreement.

5. Security of Protected Health Information.

(a) Business Associate has implemented policies and procedures to ensure that its receipt, maintenance, or transmission of all PHI, either electronic or otherwise, on behalf of Covered Entity complies with the applicable administrative, physical, and technical safeguards required protecting the confidentiality, availability and integrity of PHI as required by the HIPAA Privacy Rules and Security Standards.

(b) Business Associate agrees that it will ensure that agents or subcontractors agree to implement the applicable administrative, physical, and technical safeguards required to protect the confidentiality, availability and integrity of PHI as required by HIPAA Privacy Rules and Security Standards.

(c) Business Associate agrees to report to Covered Entity any Security Incident (as defined 45 C.F.R. Part 164.304) of which it becomes aware. Business Associate agrees to report the Security Incident to the Covered Entity as soon as reasonably practicable, but not later than 10 business days from the date the Business Associate becomes aware of the incident.

(d) Business Associate agrees to establish procedures to mitigate, to the extent possible, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement.

(e) Business Associate agrees to immediately notify Covered Entity upon discovery of any Breach of Unsecured Protected Health Information (as defined in 45 C.F.R. §§ 164.402 and 164.410) and provide to Covered Entity, to the extent available to Business Associate, all information required to permit Covered Entity to comply with the requirements of 45 C.F.R. Part 164 Subpart D.

(f) Covered Entity agrees and understands that the Covered Entity is independently responsible for the security of all PHI in its possession (electronic or otherwise), including all PHI that it receives from outside sources including the Business Associate.

6. Term and Termination.

(a) **Term.** This Agreement shall be effective as of the Effective Date and shall remain in effect until the Business Associate relationship with the Covered Entity is terminated and all PHI is returned, destroyed or is otherwise protected as set forth in Section 6(d).

(b) **Termination for Cause by Covered Entity.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall provide an opportunity for Business Associate to cure the breach. If Business Associate does not cure the breach within 30 days from the date that Covered Entity provides notice of such breach to Business Associate, Covered Entity shall have the right to immediately terminate this Agreement and the underlying services agreement between Covered Entity and Business Associate.

(c) **Termination by Business Associate.** This Agreement may be terminated by Business Associate upon 30 days prior written notice to Covered Entity in the event that Business Associate, acting in good faith, believes that the requirements of any law, legislation, consent decree, judicial action, governmental regulation or agency opinion, enacted, issued, or otherwise effective after the date of this Agreement and applicable to PHI or to this Agreement, cannot be met by Business Associate in a commercially reasonable manner and without significant additional expense.

(d) **Effect of Termination.** Upon termination of this Agreement for any reason, at the request of Covered Entity, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall not retain any copies of the PHI unless return or destruction is deemed infeasible. If the return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. For purposes of illustration only and not to limit the set of circumstances that could

potentially make return or destruction infeasible, it would be infeasible for Business Associate to return or destroy certain PHI that is part of work product that must be retained for document retention/archival purposes, as well as PHI that is stored as a result of backup e-mail systems that store e-mails for emergency backup purposes.

7. Amendment.

(a) The parties may agree to amend this Agreement from time to time in any other respect that they deem appropriate. Except as provided in sub-paragraph 7(b), this Agreement shall not be amended except by written instrument executed by the parties.

(b) If Business Associate submits to Covered Entity a proposed amendment to this Agreement that is required by applicable law, and after reasonable attempts to obtain execution of such amendment from the Covered Entity, Business Associate is unable to obtain execution by Covered Entity, then such amendment to this Agreement executed by Business Associate shall be effective to amend this Agreement but only to the extent the provisions of such amendment are required for Business Associate or Covered Entity to comply with applicable law.

8. Indemnification.

Business Associate shall indemnify and hold harmless Covered Entity from and against any and all costs, expenses, claims, demands, causes of action, damages, attorneys' fees and judgments that arise out of or that may be imposed upon, incurred by, or brought against Covered Entity to the extent directly resulting from a breach of this Agreement or any violation of the Privacy Rule or other applicable HIPAA regulations by Business Associate. The indemnification obligations provided for in this Section will commence on the effective date of this Agreement and will survive its termination.

Covered Entity shall indemnify and hold harmless Business Associate from and against any and all costs, expenses, claims, demands, causes of action, damages, attorneys' fees and judgments that arise out of or are imposed upon, incurred by, or brought against Business Associate to the extent directly resulting from a breach of this Agreement or any violation of the Privacy Rule or other applicable HIPAA regulations by Covered Entity. The indemnification obligations provided for in this Section will commence on the effective date of this Agreement and will survive its termination.

9. Severability.

The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement is to any extent declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law; and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision, the Covered Entity and the Business Associate agree that the court making such determination

will have the power to modify such provision, and such modified provision will then be enforceable to the fullest extent permitted by law.

10. Notices.

All notices, requests, consents and other communications hereunder will be in writing, will be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and will be either (i) delivered by hand, (ii) made facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail or certified mail, return receipt requested, postage prepaid.

If to the Covered Entity, use the address of the Plan Sponsor set forth in the Plan Adoption Agreement.

If to the Business Associate:

Gallagher Benefit Services, Inc.
906 West 2nd Avenue, Suite 400
Spokane, WA 99201
Ph: (509) 838-5571
Fax: (509) 838-5613
Email: employercare@healthinvesthira.com

11. Regulatory References.

A reference in this Agreement to a section in the Privacy Rule means the referenced section or its successor, and for which compliance is required.

12. Headings and Captions.

The headings and captions of the various subdivisions of the Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

13. Entire Agreement.

This Agreement sets forth the entire understanding of the parties with respect to the subject matter set forth herein and supersedes all prior agreements, arrangements and communications, whether oral or written, pertaining to the subject matter hereof.

14. Binding Effect.

The provisions of this Agreement shall be binding upon and shall inure to the benefit of both Parties and their respective successors and assigns.

15. No Waiver of Rights, Powers and Remedies.

No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, will operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, will preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto will not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement will entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent will be deemed to be or will constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver or consent.

16. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Illinois.

17. Interpretation.

It is the Parties' intent to comply strictly with all applicable laws, including without limitation, HIPAA, state statutes, or regulations (collectively, the "Regulatory Laws"), in connection with this Agreement. In the event there shall be a change in the Regulatory Laws, or in the reasoned interpretation of any of the Regulatory Laws or the adoption of new federal or state legislation, any of which are reasonably likely to materially and adversely affect the manner in which either Party may perform or be compensated under this Agreement or which shall make this Agreement unlawful, the Parties shall immediately enter into good faith negotiations regarding a new arrangement or basis for compensation pursuant to this Agreement that complies with the law, regulation or policy and that approximates as closely as possible the economic position of the Parties prior to the change. In addition, the Parties hereto have negotiated and prepared the terms of this Agreement in good faith with the intent that each and every one of the terms, covenants and conditions herein be binding upon and inure to the benefit of the respective Parties. To the extent this Agreement is in violation of applicable law, then the Parties agree to negotiate in good faith to amend this Agreement, to the extent possible consistent with its purposes, to conform to law.

IN WITNESS WHEREOF, the parties have executed this Business Associate Agreement as of the Effective Date.

BUSINESS ASSOCIATE:

GALLAGHER BENEFIT SERVICES, INC.

By: _____

Name: _____

Title: _____

COVERED ENTITY:

*The HealthInvest HRA Plan of the Plan Sponsor
named on the Introduction of this Agreement*

By: _____

Name: _____

Title: _____



Insurance | Risk Management | Consulting

Investment advisory, named and independent fiduciary services are offered through Gallagher Fiduciary Advisors, LLC, an SEC Registered Investment Adviser. Gallagher Fiduciary Advisors, LLC may pay referral fees or other remuneration to employees of AJG or its affiliates or to independent contractors; such payments do not change our fee. This document contains confidential and proprietary information that belongs to Gallagher Fiduciary Advisors, LLC and is protected by copyright, trade secret and other State and Federal laws. Any copying, redistribution or retransmission of any of the contents without the written consent of Gallagher Fiduciary Advisors, LLC is expressly prohibited. Gallagher Fiduciary Advisors, LLC is a single-member, limited liability company, with Gallagher Benefit Services, Inc. as its single member. Neither Arthur J. Gallagher & Co., Gallagher Fiduciary Advisors, LLC nor their affiliates provide accounting, legal or tax advice.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as Gallagher Benefit Services of California Insurance Services and in Massachusetts as Gallagher Benefit Insurance Services. Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.

TAB 4 – Section III: Contractor Duties



HealthInvest
HRA

Contractor Duties

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	Please see Gallagher's proposed alternative language.

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

~~Replacement of any~~ By-name personnel commitments made in the Contractor's proposal shall ~~not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be~~ with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor, and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law; and
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees.
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)



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If the Contractor intends to utilize any subcontractor for a material portion of the services defined in the bidder's proposal ("material subcontractor"), the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior notification to written authorization of the State.

The State reserves the right to terminate the contract in accordance with its terms if require the Contractor replaces any to reassign or remove from the project any Contractor or material subcontractor with a subcontractor (other than the Contractor) that is not acceptable to the State employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
The completed United States Attestation Form should be submitted with the RFP response.
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for services to be covered by any contract resulting from this RFP.

D. COOPERATION WITH OTHER CONTRACTORS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals, and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

E. PERMITS, REGULATIONS, LAWS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

F. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	<p>Please see Gallagher's proposed alternative language, which Gallagher is willing to negotiate further.</p> <p>This provision does not appear to be applicable to the services requested in the RFP, which do not include creation for or delivery to the State of any intellectual property or software. More specifically, if the State awards the contract to Gallagher, please note that the HealthInvest HRA program, including the style and content of all plan documents, literature, forms and communication; educational material; system software; websites; and HealthInvest HRA-related copyrights and trademarks are proprietary property of Gallagher or its subcontractors. However, to the extent that the State engages Gallagher to create customized content, artwork, or other work product, etc., Gallagher is willing to negotiate reasonable terms relating to the State's rights with respect to such work product.</p>

During the term of the Contract, The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State acknowledges that the HealthInvest HRA program, including the style and content of all plan documents, literature, forms and communication; educational material; system software; websites; and HealthInvest HRA-related copyrights and trademarks are proprietary property of Contractor or its subcontractors. However, to the extent that the State engages Gallagher to create customized content, artwork, software, or other work product, etc., The State shall own and hold exclusive title to any deliverable developed as a result of such engagement this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

G. INSURANCE REQUIREMENTS

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
		CBI	<p>Subcontractor Coverages: Except as indicated, Gallagher maintains the coverages and limits of liability required below. In addition, Gallagher requires coverages of its subcontractors that are commercially reasonable based upon the subcontractor's line of business and services the subcontractor provides for HealthInvest HRA. Subcontractor coverages may not in all cases meet all the insurance requirements of the Contractor as stated below.</p> <p>Waiver of Subrogation: Gallagher requests removal of the waiver of subrogation requirement, but would be willing to negotiate a mutual waiver of subrogation.</p> <p>Gallagher does not provide copies of insurance policies but can provide additional clarification or information upon request.</p>

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance coverage that is commercially reasonable based upon the subcontractor's line of business and services provided for HealthInvest HRA and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any Subcontractor to commence work until the Subcontractor has equivalent insurance as indicated above. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within one (1) year of termination or expiration of the contract, the contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and one (1) year following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

1. WORKERS' COMPENSATION INSURANCE

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the Subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. ~~The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.~~ The

amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor ~~and any Subcontractor~~ performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter.** The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

REQUIRED INSURANCE COVERAGE		
COMMERCIAL GENERAL LIABILITY		
General Aggregate		\$2,000,000
Products/Completed Operations Aggregate		\$2,000,000
Personal/Advertising Injury		\$1,000,000 per occurrence
Bodily Injury/Property Damage		\$1,000,000 per occurrence
Medical Payments		\$10,000 any one person
Damage to Rented Premises (Fire)		\$300,000 each occurrence
Contractual		Included
Independent Contractors		Included
Abuse & Molestation		Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>		
WORKER'S COMPENSATION		
Employers Liability Limits		\$500K/\$500K/\$500K
Statutory Limits- All States		Statutory - State of Nebraska
USL&H Endorsement		Statutory
Voluntary Compensation		Statutory
COMMERCIAL AUTOMOBILE LIABILITY		
Bodily Injury/Property Damage		\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability		Included
Motor Carrier Act Endorsement		Where Applicable
UMBRELLA/EXCESS LIABILITY		
Over Primary Insurance		\$5,000,000 per occurrence
PROFESSIONAL LIABILITY		
Professional liability (Medical Malpractice)		Limits consistent with Nebraska Medical Malpractice Cap
Qualification Under Nebraska Excess Fund		
All Other Professional Liability (Errors & Omissions)		\$1,000,000 Per Claim / Aggregate
COMMERCIAL CRIME		
Crime/Employee Dishonesty Including 3rd Party Fidelity		\$1,000,000

CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"Commercial General Liability & Commercial Automobile Liability policies policy shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

If the mandatory COI subrogation waiver language or mandatory COI liability waiver language on the COI states that the waiver is subject to, condition upon, or otherwise limit by the insurance policy, the State may request further information to confirm a copy of the relevant sections of the policy must be submitted with the COI so the State can review the limitations imposed by the insurance policy.

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Buyer, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

State of Nebraska – Materiel
Division Attn: Buyer
1526 K Street, Suite 130
Lincoln, NE 68508

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Contractor shall replace any cancelled or renewed policy with no coverage gap and submit a current certificate of insurance to the contract manager listed above. Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

4. DEVIATIONS

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, mutual waiver of subrogation, and the type of automobile coverage carried by the Contractor.

H. ANTITRUST

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

I. CONFLICT OF INTEREST

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

By submitting a proposal, bidder certifies that there does not now exist a relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this RFP or project.

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or an appearance of conflict of interest.

The bidder certifies that it will not knowingly employ any individual known by bidder to have a conflict of interest.

The Parties shall not knowingly, for a period of two years after execution of the contract, recruit or employ any employee or agent of the other Party who has worked on the RFP or project, or who had any influence on decisions affecting the RFP or project.

J. ADVERTISING

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

K. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

L. DISASTER RECOVERY/BACK UP PLAN

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under the specifications in the contract in the event of a disaster.

M. DRUG POLICY

Accept	Reject	Reject & Provide Alternative within RFP Response	Notes/Comments:
CBI			

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

TAB 5 – Section VI: Project Overview and Bidder Requirements

- Attachment C – HealthInvest HRA Summary Plan Description
- Attachment D – SSAE 16 SOC 1, Type 2 Audit Report
- Attachment E – Investment Fund Overview (as of 3/31/18)

Project Overview and Bidder Requirements

A. PROJECT OVERVIEW

In order to comply with the 2017-2019 State Law Enforcement Bargaining Council (SLEBC) and State of Nebraska Labor Contract, the State of Nebraska is seeking a Contractor to provide a VEBA Pilot Plan. The VEBA Pilot Plan will be funded through sick leave accrual cash outs at the time of SLEBC employees' retirement. The SLEBC members who work at Game and Parks and Fire Marshal can retire at 55. SLEBC members at the State Patrol can retire at 55 or at age 50 if they have more than 25 years of service.

Currently, there are 87 SLEBC employees that could retire. The average rate of pay of these members is \$36.00 per hour (based on the July 1, 2018 rates) and if you calculate using the maximum amount of sick leave that could be contributed to the plan (up to 400 hours), the State would be looking at an investment of approximately \$14,400 per person or up to \$1,252,800 if all 87 people would retire.

In 2019, the State could add another 20 to the list of eligible employees and if no one retires in 2018 there may be an investment of \$14,800 (average rate of pay will be \$37.00 per hour in 2019) per person or up to \$1,583,600 if all 107 people would retire.

On average, the State has about 15 people under SLEBC retire per year which could result in about \$219,000 in total yearly investment.

B. BIDDER REQUIREMENTS

Bidders must provide a proposal that indicates a general description of the techniques, approaches and methods to be used to satisfy the following scope of the requirements and specifications in the following areas:

1. Plan Design and Set Up

- a. Describe the participation requirements/restrictions for the Plan – including any requirements between and among different employee groups?

Bidder Response: HealthInvest HRA does not have minimum requirements or restrictions regarding participation in the Plan. Group designations should be based upon reasonable classifications or collective bargaining group representation.

When identifying participating groups, plan sponsors should consider:


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1. **Individual Choice.** Employee group designations should not be designed to allow for individual choice. This means employees cannot be given a choice between an HRA contribution and cash or other taxable benefits.
2. **Non-Discrimination.** The Plan's design cannot provide for more favorable contributions or benefits for highly compensated individuals (HCIs). Contributions that discriminate in favor of HCIs can disqualify the tax-exemption of an IRC § 501(c)(9) trust, and any benefits received by an HCI that are in excess of benefits of non-HCIs are taxable to the HCI.

Gallagher can assist the State in setting up group participation to avoid individual choice and non-discrimination compliance issues.

- b. Describe the contribution requirements/restrictions for the Plan (e.g., minimums, maximums, only funds converted upon termination of employment).

Bidder Response: HealthInvest HRA does not have minimum requirements or maximum restrictions regarding contributions to the Plan.

Plan sponsors who adopt HealthInvest HRA may vary the plan design for each employee group. For example, contributions for one employee group may be funded through mandatory leave cash-outs upon retirement, while another group may receive an incentive contribution for employees who enroll in a high-deductible health plan.

Common funding methods for the HealthInvest HRA Plan are listed below.

- Unused leave cash-outs (annually, at separation, or retirement)
- Excess or leftover benefit dollars
- Lower-cost medical plan incentive
- Medical opt-out dollars
- Direct employer contributions
- Mandatory employee contributions (group salary reduction)
- Wellness participation incentive
- Early retirement incentive

Similarly to group participation design, Gallagher can assist the State in setting up group participation to avoid individual choice and non-discrimination compliance issues.

- c. Does your Plan specifically provide for public sector employers to pre-fund post-employment health care expenses utilizing Section 501(c)(9) as the funding mechanism of the Plan?

Bidder Response: Yes, HealthInvest HRA is designed to allow public sector employers to pre-fund post-employment health care expenses utilizing an IRC § 501(c)(9) trust as the funding mechanism for the Plan.

- d. Does your Plan integrate with insurance companies? If so, please list the carriers and explain the connectivity.

Bidder Response: HealthInvest HRA does not currently integrate with any insurance companies. However integrating benefit information from carriers for HealthInvest HRA participants is a key initiative for the HealthInvest HRA IT team over the next three years.

- e. Does the investment vehicle associated with the Plan consist of an allocation of funds to an individual employee account? Are investments daily valued? If so, please describe.

Bidder Response: Yes, contributions from the State will be directed to an HRA account for the participant. Investments for the HealthInvest HRA are participant directed. Participants may change their investment allocation up to once per calendar month.

Yes, investment valuation is performed daily.

- f. Describe the requirements/restrictions regarding the definitions of spouse and eligible dependents for purposes of reimbursement under the Plan.

Bidder Response: The HealthInvest HRA Plan reimburses eligible medical care expenses and premiums for the participant, his or her spouse, and qualified dependents. The definition of spouse for HRAs includes opposite and same-sex marriages performed in the United States or a foreign country where the marriage is recognized as legal by at least one state, possession, or territory of the United States.

An individual who is in a registered domestic partnership, civil union, or other similar formal relationship with a participant that is not considered a legal marriage under federal law is not eligible for HRA benefits, unless the individual meets the definition of a qualified tax dependent at the time the medical care expense was incurred. Generally, dependents must satisfy the definition of Qualifying Child or Qualifying Relative at the time the expenses were incurred, in order to be eligible for the benefits under the Plan. These requirements are defined by IRC § 105(b) and summarized below.

A Qualifying Child is an individual who:

1. Is the participant's son or daughter, stepchild, foster child; and
2. Is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico; and
3. Is either:
 - a. Age 26 or younger at the end of the calendar year in which expenses were incurred; or
 - b. Permanently and totally disabled.

OR _____

Is a brother, sister, stepbrother, stepsister, or a descendent of the participant's son, daughter, stepchild or foster child; and

1. Is either:
 - a. Under age 19; or
 - b. Under age 24 and a full-time student; or
 - c. Permanently and totally disabled; and
2. Is younger than the participant; and
3. Lives with participant for more than half the year; and
4. Does not provide more than half of his or her own support; and
5. Will not file a joint tax return for the year in which the expense was incurred; and
6. Is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico.

Qualifying Child of Divorced or Separated Parents. A participant's child is treated as the dependent of both parents for the purposes of health plan coverage if during

the calendar year in which expenses were incurred: (1) the participant's child is in the custody of the participant or their other parent for more than half the year; (2) the participant's child receives over half of his or her support during the year from the participant or their other parent.

A Qualifying Relative is an individual who:

1. Is the participant's:
 - a. Son, daughter, stepchild, foster child, or a descendant of any of them (for example, a grandchild); or
 - b. Brother, sister, or a son or daughter of either of them; or
 - c. Father, mother, or an ancestor or sibling of either of them (for example, the participant's grandmother, grandfather, aunt, or uncle); or
 - d. Stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or
 - e. Any other person (other than the participant's spouse) who lived with the participant all year as a member of the household if such relationship did not violate local law; and
2. Will not be a qualifying child (see Qualifying Child above) of any other person as of the last day of the calendar year in which expenses were incurred; and
3. For whom the participant provided over half the support for the calendar year; and
4. Has a gross income for the year that is less than the maximum identified in IRS Publication 501; and
5. Is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico.

g. Describe how you propose to handle the application of COBRA including but not limited to alternative(s) to COBRA coverage.

Bidder Response: The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides eligible participants and those covered by the HealthInvest HRA Plan the right to continue to make contributions and/or file claims for a specified time period if such rights are lost due to certain qualifying events. A COBRA qualifying event for an HRA is an event resulting in the loss of continued contributions or access to benefits to which the individual would have otherwise been entitled to under the Plan.

Below is a description of the common qualifying events for the HealthInvest HRA Plan and the application of COBRA in each instance. The application below is based on the State's Project Overview, which indicates employees will only receive a one-time contribution upon retirement. The Plan's COBRA Notice is included in the Summary Plan Description provided as **Attachment C**.

Employee is voluntarily or involuntarily termination (other than for gross misconduct)

Employees who voluntarily or involuntarily terminate would not need or become eligible for COBRA coverage. Based on the State's plan design, termination of employment does not result in a loss of continued contributions or a loss of access to benefits. SLEBC employees only receive a one-time contribution at retirement and are not receiving ongoing, continued contributions to HealthInvest HRA. Additionally, a loss of access to benefits does not occur as the employee and his or her spouse and dependents continue to have access to the HRA account balance until it is exhausted, even after the employee no longer works for the State.

Employee experiences a reduction of hours affecting eligibility

Employees who experience a reduction of hours affecting eligibility would not need or become eligible for COBRA coverage. Based on the State's plan design, a reduction of hours does not result in a loss of continued contributions or a loss of access to benefits. SLEBC employees only receive a one-time contribution at retirement and are not receiving ongoing, continued contributions to HealthInvest HRA. Additionally, a loss of access to benefits does not occur as the employee and his or her spouse and dependents will continue to have access to the HRA account balance until it is exhausted, even if the employee is no longer eligible for a contribution.

Divorce or legal separation of the participant and the participant's spouse

In the event of a divorce or legal separation, the participant's ex-spouse would lose access to the account. Upon notification of a divorce or legal separation, the Plan sends a COBRA Election Notice to the ex-spouse. The ex-spouse can elect continued access to the participant's account through COBRA for a period of up to 36 months. This is subject to the ex-spouse paying the applicable monthly COBRA rate, which is paid with after-tax dollars and includes an administration fee of 2%. Please note that COBRA coverage for an ex-spouse can result in a race between the participant and ex-spouse to spend-down the available account balance. The Plan does not monitor or enforce the use of the account between a participant and an ex-spouse. It is up to the participant and his or her ex-spouse to monitor their respective spending of the account.

As an alternative, the participant's account may be split upon divorce as part of a divorce decree, court order, or similar agreement. Coverage for the ex-spouse is taxable. Taxable income attributed to the ex-spouse for each year of coverage is based upon the applicable monthly COBRA rate for the Plan times the number of months of coverage during the tax year.

Participant passes away

The participant's surviving spouse and dependents do not need to elect COBRA coverage in order to continue accessing to the participant's HRA account. When a participant passes away, the HRA account will transfer to his or her surviving spouse and dependents. The participant's surviving spouse and dependents can continue filing claims for qualified medical care expenses and premiums until the account is exhausted.

Child reaches age limitation and no longer meets the definition of a dependent child under Plan terms

In the event a child no longer meets the definition of a qualifying child, the Plan sends a COBRA Election Notice to the participant. The child can elect continued access to the participant's account through COBRA for a period of up to 36-months. This is subject to the child paying the applicable COBRA rate, which is paid with after-tax dollars and includes an administration fee of 2%. Please note, the Plan does not monitor how much of the participant's account balance the child uses for reimbursements during the continuation period.

- h. Describe what happens to the assets in an account following the employee's death or divorce.

Bidder Response: If a participant passes away with a vested, positive account balance and is survived by a spouse or qualified dependents, the participant's spouse and/or dependents may submit claims for medical care expense reimbursements until the account

is exhausted. In the unlikely event a participant passes away with an unused account balance and has no eligible survivors, the executor of the participant's estate can spend down the account by filing claims for any unreimbursed medical care expenses the participant or his or her spouse and dependents may have incurred prior to the participant's death. Any funds remaining after all final claims have been reimbursed would then be forfeited and re-contributed per the terms of the State's HealthInvest HRA Plan document or otherwise applied as directed by the State. IRS rules do not permit the payment of benefits to non-dependent heirs or beneficiaries under the Plan.

In the event the participant becomes divorced, the ex-spouse may elect COBRA coverage or the account may be split as part of a divorce decree, court order, or similar agreement as described in the response to Question 1.g above.

2. Vendor Information

- a. Has the bidder or any proposed subcontractor ever been involved in a voluntary or involuntary bankruptcy action or ever made any assignment for the benefit of its creditors? If yes, provide additional details.

Bidder Response: No, neither Gallagher nor any of its subcontractors has not been involved in a voluntary or involuntary bankruptcy action and have never made any assignment for the benefit of creditors.

- b. Has the bidder or any proposed subcontractor ever been cited or threatened with citation within the last three years by federal or any employer regulators for violations of any employer or federal law or pending regulations? If the answer is yes, please describe fully.

Bidder Response: No, neither Gallagher nor any of its subcontractors has not been cited or threatened with citation within the last three years by federal or any employer regulators for violations of any employer or federal law or pending regulations.

- c. Briefly describe record keeping abilities and methodology. Describe experience in interfacing on a daily basis with a variety of investment companies.

Bidder Response: HealthInvest HRA uses an integrated recordkeeping platform to manage all aspects of the Plan's administration. All aspects of the Plan are integrated on this platform, including the online participant portal, online plan sponsor portal, and HRAgo® mobile app.

The recordkeeping platform maintains all participant level account activity and balances. On a daily basis, the Plan receives aggregate investment balances and related gains and losses from the HealthInvest HRA master trustee, who serves as custodian and transfer agent for all HealthInvest HRA invested assets. These gains and losses are allocated to individual participant accounts based on the participant's pro-rata ownership of the aggregate investment. Once a participant's account is rebalanced, the recordkeeping platform aggregates all pending trading activity (contributions, claims, fees, etc.) and executes bulk trades through the HealthInvest HRA master trustee using extended trading. All information exchanged with our trading partner is executed through file exchanges using SFTP. On behalf of all of its trust and wealth management clients, the HealthInvest HRA master trustee interfaces and trades on a daily basis with all publicly-traded investment fund companies.

- d. Do you provide quarterly participant statements of account? In the past 12 months, what percentage of statements were not mailed on the normal mail date because of an unresolved discrepancy?

Bidder Response: Yes, quarterly electronic statements are made available to all HealthInvest HRA participants. These e-statements can be viewed and printed from the online participant portal. When electronic statements become available online, the Plan sends email notification to all participants who have elected e-communication and have a valid email address on file. Paper statements are mailed annually in January to all participants who have not elected e-communication.

Electronic statements are typically available within 10-15 business days after the close of the reporting period. Paper statements are typically received by participants within 15-20 business days after the close of the reporting period. In the past 12-months, 100% of statements were delivered within the timeframe mentioned above.

- e. What advisory services can you provide in conformance with the appropriate laws and regulations?

Bidder Response: Our offering includes assistance with plan and trust implementation, regulatory compliance, ongoing administration, maintenance of plan documents, forms and literature, and plan sponsor-level customer service. We also have extensive experience assisting our clients in evaluating the advantages and disadvantages of available plan and trust options based upon each client's unique needs and preferences. This personalized focus results in our clients' trust and confidence that we can deliver these very specialized services at the highest level in the industry.

No other firm has a comparable dedicated HRA consulting team devoted to meeting the highest standards of full-service delivery. Gallagher Spokane's staff includes six senior-level client HRA consultants, including two attorneys, who are fully employed to provide the following array of compliance and consulting services to our plan and trust clients:

- **Plan adoption assistance** – Initial adoption and ongoing employer-level support for the State and assistance to its employees who have complex regulatory questions regarding their HRA plan
- **Plan sponsor support** – Specialized plan sponsor consulting and service on plan and trust administration, regulatory, and compliance matters
- **Compliance services** – Analysis and ongoing monitoring of applicable legal and compliance issues and regulatory changes, including the Affordable Care Act, HIPAA, COBRA, Internal Revenue Code, and other laws and regulations applicable to funded HRA plans and trusts
- **Plan document maintenance** – Development and maintenance of plan documents, plan forms, and educational plan literature and other resources
- **Regulatory reporting** – Production, filing, and/or delivery of all regulatory reports and notices required under federal law for HRA plans
- **Website customization** – Messaging (rotating banner ads) displayed on our online employer and participant portal dashboards can be customized. We can help the State draft the content and also design the look and feel of these images. This is a great way to communicate information that is specific to the State's participants.
- **Effective plan operation and third-party oversight** – Management over and coordination with bundled services, including recordkeeping, reporting, banking, custodial, investment, and trust service providers

- **Extensive plan communication and information services** – Drafting, maintenance, and delivery of all plan communications, including plan literature and newsletters, quarterly benefit statements, enrollment notices and welcome packets, participant forms, and the Summary Plan Description. This also includes other communications required by law or necessary to provide the most effective operation of the State's HealthInvest HRA Plan, such as Summary of Benefits and Coverage, COBRA, HIPAA, Medicare, and ACA notices.

Legal counsel with Gallagher's HRA team has over 25 years of experience, including applicable HRA plan and trust law, commercial transactions, and contracts. Although we cannot provide legal advice, we can provide assistance to the State's counsel in the analysis of Plan-related legal and compliance issues. Gallagher continually enhances its expertise by consulting with outside legal experts who specialize in the formation, tax-exemption, and administration of health and welfare benefit plans and trusts.

In addition to Gallagher's HealthInvest HRA compliance and consulting team, we have one of the leading internal legal and compliance groups in the country available to help our clients navigate the challenges of funding and administering their benefit plans. Gallagher's legal and compliance department consists of over 20 full-time health and welfare benefits attorneys and a national team of compliance specialists, who are recognized experts in the industry. These teams work directly with Gallagher's HealthInvest HRA compliance and consulting teams to ensure seamless delivery of our specialized, as well as big picture, regulatory and compliance consulting services. This support will be an important benefit to the State in the ever-evolving regulatory and compliance environment.

- f. Who is the Plan Trustee? How long has the Trustee provided fiduciary services for employee benefits plans (e.g., pension, profit sharing, and other retirement plans; self-insured medical, cafeteria plan medical reimbursement, and other health/welfare plans)?

Bidder Response: Washington Trust Bank (WTB) will serve as a nondiscretionary, directed trustee for the multiple-employer VEBA trust that will be established in order for the State to fund its Plan. In addition, WTB also serves as the nondiscretionary, directed trustee for the HealthInvest HRA Master Trust, under which the VEBA trust will become a Participating Trust and through which investment trading and regulatory reporting is provided on behalf of all HealthInvest HRA plans.

WTB has been providing wealth management and banking services since 1902, including trustee, custodial, and administrative services to employee benefit plans since 1954. WTB maintains custody of securities, provides checking accounts and services, and executes securities (fund) purchases and sales for HealthInvest HRA, in addition to serving as the nondiscretionary, directed master trustee for the HealthInvest HRA master trust and for primary trusts adopted by plan sponsors.

- g. Have you completed an SSAE 16 SOC procedural controls audit specific to the VEBA/115 HRA investment recordkeeping and claims processing operations you perform? If so, please provide a copy of the most recent audit results.

Bidder Response: Yes, an SSAE 16 SOC 1, Type 2 audit for the recordkeeping platform utilized by the HealthInvest HRA Plan was last completed for the period of July 1, 2016 to June 30, 2017. A copy is included as **Attachment D**.

- h. Describe your ongoing process to continue SSAE 16 SOC procedural controls audits?

Bidder Response: An SSAE 16, SOC 1, Type 2 audit is performed annually on the recordkeeping platform utilized by the HealthInvest HRA Plan.

3. Federal and State Regulations

- a. Do you currently administer an Internal Revenue Code ("Code") Section 501(c)(9) trust(s) and corresponding Plan(s) for the sole benefit of Public Sector Employees?

Bidder Response: Yes, Gallagher consults on and assists in the administration of multiple IRC § 501(c)(9) trusts and corresponding plans for the sole benefit of public sector employees. HealthInvest HRA's full-service, turnkey design can utilize a number of trust vehicles, including an IRC § 501(c)(9) trust.

- b. How do you handle compliance with the Code?

Bidder Response: HealthInvest HRA includes full-service compliance with the Code and all other federal laws applicable to HRA plans and their related trust vehicles. Our dedicated team of compliance and consulting team members monitors all legal and regulatory developments and is responsible for implementing any changes required by law or that improve the available benefits, plan design flexibility, or administration of the HealthInvest HRA program.

Our full-service compliance and consulting services include compliance with and consulting assistance for the following applicable laws and regulations:

- Affordable Care Act
 - Integration and post-separation exemption requirements
 - Section 6055 reporting
 - Premium Tax Credit coordination and education
 - PCORI fee administration
 - Claims and appeals requirements
- HIPAA and HITECH
 - Privacy and security policies and notices
 - Business Associate Agreements
 - HIPAA security and privacy risk assessments
 - Breach analysis and reporting
- Medicare
 - Section 111 reporting
 - Medicare Part D notices and reporting
 - Coverage coordination
- Other Compliance Services
 - COBRA administration
 - Plan Document and SPD maintenance
 - Internal Revenue Code and other regulatory monitoring
- Complicated HRA Issues
 - Non-discrimination rules
 - IRC § 105(h) for HRAs
 - IRC § 505 for VEBA trusts

- Post-separation plan issues
 - Retiree rehire benefits
 - Optional limited in-service coverage
- Benefit Plan Coordination
 - HSA contribution eligibility
 - Medicare coordination
 - Medicare opt-out contribution issues
 - Premium Tax Credit eligibility
- Cadillac Tax solutions for your HRA
- Constructive receipt issues
 - Individual election rules
 - Opt-out arrangements
- 457(f) proposed regulations
 - Designing bona fide sick and vacation leave contributions
 - Designing bona fide retirement incentive contributions
- Survivor benefits
 - Spouse or qualified dependents only
 - Taxable benefits for aged-out dependents
- Taxable benefits for ex-spouse with divorce as alternative to COBRA

c. Has the Section 501(c)(9) sought and received from the Internal Revenue Service (IRS) a favorable determination letter(s) or private letter ruling regarding the tax status of the trust(s)? If yes, please provide copies of any letters received. When was the first determination letter issued?

Bidder Response: HealthInvest HRA does not currently have an IRC § 501(c)(9), or VEBA, trust for the State's pilot VEBA plan for the SLEBC. The State indicated in Addendum One, Questions and Answers, that it would consider and evaluate a bidder offering an IRC § 501(c)(9) trust that would be created for the purposes of implementing the State's pilot program. Included with this proposal, Gallagher will establish the IRC § 501(c)(9) trust and will submit and handle all aspects of the application to the IRS for a Letter of Determination.

d. Does the Section 501(c)(9) satisfy the requirements of GASB 43 as a qualified trust or equivalent arrangement for pre-funding post-employment benefit obligations?

Bidder Response: Yes, the IRC § 501(c)(9) trust Gallagher will establish for the State's pilot program will satisfy the requirements of GASB 43 (which has now been replaced with GASB 74) as a qualified trust for pre-funding post-employment benefit obligations.

e. Does delivery of all services comply with all federal and state regulations, including but not limited to the Health Insurance Portability and Accountability Act ("HIPAA"), the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and the Patient Protection and Affordable Care Act ("PPACA")? If not, please specify

Bidder Response: Yes, delivery of all HealthInvest HRA Plan services complies with all federal regulations applicable to HRA plans and trusts, including, but not limited to, HIPAA, COBRA, and PPACA. In addition, to the extent state law is applicable to the delivery of services for the State's HRA plan or the State's ability to provide the HealthInvest HRA Plan to its employees, HealthInvest HRA's consulting and compliance team will assist the State in identifying solutions to ensure compliance with these state laws.

4. Client and Customer Service

- a.** Describe your client service philosophy? Will each client be assigned an individual who is responsible for client relations?

Bidder Response: The HealthInvest HRA program is administered as a team. Dutch Ross and Jessica Haguewood will serve as the primary points of contact for the State and will serve as liaisons to Gallagher's HealthInvest HRA team. Our HRA team includes the following members, all of whom are dedicated solely to servicing funded HRAs.

- Six senior-level HRA consultants, including two attorneys specializing in HRA plan design and compliance
- Ten customer service representatives in our dedicated Customer Care Center
- Five support staff members
- Three communications specialists dedicated to marketing materials, plan literature and forms, and other plan communications

Additionally, the State and its participants may contact the HealthInvest HRA Customer Care Center for assistance. All of our Customer Service Representatives are knowledgeable about the Plan and have access to the administrative and recordkeeping platform. All of our friendly—and award-winning—customer care representatives are specially trained and equipped to assist the State and its participants.

- b.** Describe how you monitor client satisfaction.

Bidder Response: We conduct targeted surveys designed to measure satisfaction with service delivery, such as claims processing, online tools, and customer care. This approach enables us to target those who are utilizing or receiving the service being measured. Survey results and feedback are specific to the particular survey topic as opposed to broad generalizations. We use the data received to identify additional training opportunities, modify processes and procedures, and enhance provided services. Our service model and framework is fluid, and we are always looking for ways to improve and exceed our client's expectations.

- c.** Where is your customer service center located? Will your record keeping, claims processing and administrative services also be processed at this location? If not, where will these services be provided?

Bidder Response: The HealthInvest HRA Customer Care Center is located in Spokane, WA. Recordkeeping, claims processing, and administrative functions are performed by OneBridge Benefits in its Buffalo, NY location. Please refer to item J in the Company Overview for a full description of OneBridge Benefits' services and its relationship with Gallagher.

All HealthInvest HRA customer care representatives have access to and are fully trained on the Plan's administrative and recordkeeping platform. This means representatives can assist the State and its participants with all telephone and email inquiries and issues, including reprocessing of claims, investment allocations, and other administrative services.

d. Describe your ongoing customer service representatives training procedure regarding legislative and regulatory updates?

Bidder Response: Customer Care Center representatives must undergo a rigorous training program we call "HRA University." HRA University is a six-week training program covering all aspects of funded HRA plan design and compliance. This training program consists of live instruction, self-study homework assignments, and cumulative testing, and it is supplemented with call shadowing, mock call, system, and email training. New hires are probationary and are not retained on our customer service team unless they successfully complete this program within designated timeframes.

Additionally, representatives must demonstrate ongoing mastery of weekly and monthly training to remain up-to-date with the latest plan administration, design, and compliance changes. The HealthInvest HRA consulting and compliance team also administers ad hoc training for Customer Care Center representatives and develops internal resources to assist the team with servicing the Plan.

e. Are individuals' calls recorded? How long are recordings kept? Are other methods used to create a record of employee inquiries and transactions?

Bidder Response: Yes, all inbound and outbound calls are recorded and kept on file for seven years. In addition to the phone recordings, the administrative and recordkeeping platform creates a call log that records information about the caller, their reason for calling, and notes from the customer care representative regarding the discussion. All customer care representatives can view the call logs and search them for reference to ensure we provide cohesive and unified service to callers no matter how many times they call for assistance or who they talk to.

f. What languages, other than English, are available for those requesting service?

Bidder Response: The following languages are available via an interpreter for phone translation: Arabic, Armenian, Bengali, Bosnian, Cambodian, Cantonese, Chinese, Farsi, French, Haitian Creole, Japanese, Korean, Mandarin, Polish, Portuguese, Russian, Somali, Spanish, Swahili, and Vietnamese.

5. System Support

a. Does your system support on-line inquiry and transactional capabilities? What on-line services are provided? When is the system available? How do you control system access?

Bidder Response: HealthInvest HRA offers a robust, secure online and mobile experience for the State and its participants. The online and mobile experience is fully integrated with the Plan's administration and recordkeeping platform, which has been designed specifically for funded HRAs. Virtually all administrative, customer care, and recordkeeping functions are fully-integrated and updated in real time. This means information submitted via the online portal will appear in our HRAgo® mobile app and the HealthInvest HRA administration system almost instantaneously. This is an added value when participants are submitting claims online for the first time as they can call the Customer Care Center to receive help and confirmation when the claim is submitted successfully.

Participant Portal

After enrolling in the HealthInvest HRA Plan, participants are encouraged to register online. Registration and use of the online portal is optional. During registration, participants are required to create a username and password. Passwords must be eight characters in length and include at least one uppercase letter, lowercase letter, and number.

Online services for participants include:

- Access to plan literature and educational materials
- Manage e-communication and direct deposit elections
- Set up an automatic premium reimbursement
- Submit claims
- Check and update account information (e.g., covered individuals, address, and phone)
- View account activity, including balance, daily investment earnings/losses, contribution history, and claims history
- Check and update investment allocations
- View explanations of benefits, account statements, and tax forms

Plan Sponsor Portal

Upon adoption of HealthInvest HRA, the State will identify one individual as the web administrator. This individual will have the ability to grant and remove access to the State's online portal. All individuals with access to the portal will have the same level of permission, allowing them to submit contribution reports, participant status changes, and generate reports, as well as view plan data.

Online services for plan sponsors include:

- Access administrative and educational materials, including forms
- Access on-demand reports containing investment and benefit (claims) information
- Enroll participants
- Submit contribution reports
- Submit participant status changes
- View contribution and deposit history
- View participant roster with effective dates, separation dates, claims-eligibility dates, and more

Online Portal Availability

The HealthInvest HRA online participant and plan sponsor portals and HRAgo® mobile app are available 24-hours a day, seven days a week. The HealthInvest HRA IT team currently completes development releases (updates) on a quarterly basis and prides itself on updating its solution for modern technologies, client needs, and regulatory changes. System downtimes are typically less than 24-hours and occur overnight on a weekend when usage is low. Prior to system releases, notification is posted in the online portals informing users when the system will be offline and for approximately how long. On the day of deployment, all system components are taken offline while the updates are implemented.

Control of System Access

Access to all HealthInvest HRA systems are governed by our global technology procedures. Access to the plan administration solution is protected by firewalled data

connections and dual-method authentication. Additionally, specific system credentials are restricted to only required functions in order for employees with Gallagher and the Plan's Customer Care Center and record-keeper to perform their respective roles. Individuals are not permitted to remove data from any facility using any device. Any participant data required to be printed for internal analysis or to perform service functions must be locked in a secure location when not in use and destroyed when no longer required to perform the analysis or service function.

b. How do you handle changes to pending transactions on your on-line system?

Bidder Response: Pending transactions in the online system (e.g., claims, contributions, etc.) cannot be changed. Below is a summary of the changes that may be made to a transaction following processing:

- **Enrollment.** If the enrollment information provided by the State is incorrect, it may be updated in the online plan sponsor portal for the earlier of 30 days from the enrollment date or the date the participant registers online. Following this period, the State or participant may contact the Customer Care Center via email or phone to make a change.
- **Contributions.** If a contribution is made in error, the State may submit a Mistake of Fact form to request a return of the funds to the State.
- **Claims and Automatic Premium Reimbursements (APRs).** If a claim or APR was denied due to an incomplete form or insufficient documentation, the participant may resubmit additional documentation through the online participant portal, HRAgo® mobile app, or by re-submitting the paper form.
- **Account Updates.** If a participant submits a change to his or her account information, they may submit a subsequent change at any time. Changes to account information may be completed after logging in online, or by contacting the Customer Care Center via phone or email.
- **Investment Allocation Changes.** Participants may update their investment allocation up to once per calendar month. Following the processing of an allocation change request, the participant will need to wait until the following calendar month to execute another change.

c. Does your system allow mobile inquiry and transactional capabilities? If so, please describe.

Bidder Response: The HealthInvest HRA mobile application, HRAgo®, is fully integrated with the Plan's administration and recordkeeping platform and the online participant portal. Changes submitted through HRAgo® are updated in real-time. HRAgo® makes it easy for participants to manage their accounts "on-the-go."

- Submit claims
- Manage e-communication and direct deposit elections
- Check and update account information (e.g., covered individuals, address, and phone)
- View account activity including balance, daily investment earnings/losses, contribution history, and claims history
- Check and update investment allocations

- d. How do you ensure the Plan is in balance daily? Do you use share or unit accounting methodology for daily valuations? Does the daily valuation accounting involve estimation? If so, how often are accounts reconciled?

Bidder Response: The HealthInvest HRA platform uses unit accounting methodology. The daily valuation does not involve estimation. All investment and cash balances on the HealthInvest HRA platform are reconciled as part of the daily processing cycle. If an event occurs that creates a reconciling difference on any single day, the system prevents our finance administration team from moving forward until the reconciling item is resolved appropriately.

- e. Describe procedures for correcting erroneous contributions? If an error is attributable to the action or inaction of you, will you make the individual whole at its expense (i.e., not at the Plan's expense)?

Bidder Response: If a contribution is made to HealthInvest HRA in error, the State will notify the Plan using a Mistake of Fact form and the funds will be returned. In some cases, contributions made in error and not reported within one year of the contribution date may not be eligible for distribution to an employer from a VEBA trust. In these cases, the erroneous contribution can be allocated to a suspense account within the trust and, at the employer's direction, used for permitted VEBA benefits or applied against future contributions.

For financial errors attributable to any HealthInvest HRA service provider, the State or the participant must provide notice of financial error to the Plan within 90 days from the date the error was first reflected on an account statement or other plan publication or communication received or viewed online. Financial errors are those that result in inaccurate dollar amounts being paid, reallocated, or otherwise attributed to the fault of Gallagher or any of its HealthInvest HRA subcontractors. If the Plan is notified of a financial error within 90 days and the error is attributable to the action or inaction of Gallagher or any of its HealthInvest HRA subcontractors, Gallagher will correct the error and make the participant whole at our expense.

- f. Describe your information technology infrastructure including back-up, security, and disaster recovery procedures? Are files archived and stored at an off-site location?

Bidder Response: The HealthInvest HRA recordkeeping and administration platform's infrastructure consists of a combination of on-premise and cloud resources. The physical network is housed in a single location in Buffalo, NY, and a virtual network in a Microsoft Azure cloud environment, which hosts most of our servers. There is an encrypted VPN tunnel connecting the Buffalo office to the cloud network, and external access to the environment can only be done via a secured VPN connection. Starting in May, employees with VPN access will be required to provide a second factor of authentication along with their username and password in order to access the network from outside of the Buffalo office.

All data and files considered critical are backed up on a regular basis. Copies are kept on geo-redundant storage in Microsoft Azure as well as locally on encrypted internal storage devices. This includes, but is not limited to, client data stored in SQL Server, source code backups, process and procedure documentation, business and technical requirements documentation, financial documentation, etc.

The network is protected using a combination of devices and products including a

FortiGate NextGen firewall device, FortiNet wireless access point, McAfee Endpoint Protection for employee devices, and Windows Defender for server resources. Devices that have no need to connect to network resources are segmented to an area of the network with internet-only access, preventing those devices (e.g., employee phones) from ever having access to network resources.

PC and server operating systems and software are updated on a regular basis to ensure the latest security fixes are applied.

High-risk data, such as Social Security numbers and bank account information, are encrypted in the database and cannot be read without a key. This extra layer of encryption ensures that even in the unlikely event of a network breach, unauthorized individuals cannot access this information.

All company laptops are equipped with hard drive encryption. The hard drive cannot be accessed and read without entering proper employee or administrator password credentials, which protects data in the unlikely event that a laptop is lost or stolen.

Documented disaster recovery planning is a requirement for all HealthInvest HRA service providers in order to ensure that the HealthInvest HRA platform and services can continue in the event of an unforeseen disaster. These procedures outline roles, responsibilities, and backup locations for providing network access, customer care, and other services.

6. Cost and Fees

- a. Describe in detail all cost and fees that will be assessed by the plan participant for FY18-19, FY19-20 and FY 20-21.

There will NOT be any contributions made by the State and the State will not pay any administrative fees. All contributions will be made by the employee at retirement through sick leave cash outs and any administrative fees shall be paid by the employees.

Bidder Response: HealthInvest HRA participants will be charged a \$2.00 per-participant-per-month (PPPM) administrative fee, plus a 0.40% annualized, asset-based fee. The PPPM will be deducted from participant accounts monthly, and the asset-based fee will be prorated and applied daily on a 1/365 basis.

Administrative fees quoted do not include investment fund operating expenses, which vary by fund, or regulatory fees, assessments, or taxes, including the Patient-Centered Outcomes Research Institute (PCORI) fee, which may be deducted from participant accounts or as otherwise required by applicable law. Please refer to the Investment Fund Overview in **Attachment E** for the operating expense for each fund in the HealthInvest HRA standard fund line-up.

7. Implementation

- a. Describe in detail the plan for implementation and provide an estimated timeline. Include any information that the State would need to provide prior and during the implementation process.

Bidder Response: Please refer to the implementation timeline provided in the grid below.

Timeline	Activity	Notes
Within 4 weeks following award of contract	Execute VEBA trust agreement	Finalize and obtain execution of VEBA trust agreement by Washington Trust Bank, as trustee for the primary VEBA trust
	Finalize all contract requirements	Finalize all contract requirements between Gallagher and the State relating to awarded proposal
Within 5 weeks following award of contract	Execute the HealthInvest HRA adoption packet	Assist the State with completion and execution of HealthInvest HRA adoption packet
	Submit completed IRS form 1024 application	Submit completed IRS form 1024 application to IRS for VEBA trust tax-exemption; Gallagher may need to obtain certain plan and census information from the State relating to the VEBA pilot program for purposes of the Form 1024 application
8 weeks out from "go live" date	Hold initial planning meeting with the State; schedule follow up meetings or conference calls as necessary	Meet with the State to go over expected implementation activities and timeline; define next steps, follow ups, etc.
	Schedule employee educational workshop(s) as necessary	One or more onsite educational workshops can be conducted by a Gallagher representative, as needed.
4 weeks out from "go live" date	Receive sample enrollment data file (spreadsheet) from the State	An Excel template is available for this purpose. Data fields needed: Social Security Number, First Name, Last Name, Date of Birth, Address1, Address2, City, State, ZIP, Phone Number, and Email Address.

	Email/mail participant communication	<p>Advance email or paper communication to employees or retirees is usually the plan sponsor's responsibility. However, Gallagher personnel are available to help draft and/or review content and may be able to assist with distribution, provided necessary participant contact information is received in advance from the State.</p> <p>Key information for participants:</p> <ol style="list-style-type: none"> 1. Description of the benefit and how it will help them; 2. When to expect communication from HealthInvest HRA and in what form (email or mail); and 3. What upcoming actions they should be prepared to take when directed to do so.
2 weeks out from "go live" date	Email reminder to participants (optional)	This notice would remind participants about the implementation and upcoming enrollment communication. Could include an attachment or link to the initial communication piece.
1 week out from "go live" date	Receive and upload final enrollment data file (spreadsheet) from the State	This data file should include all information needed to automatically enroll participants in the HealthInvest HRA Plan—no paper enrollment forms required.
	Receive contribution data file (spreadsheet) and funds from the State and deposit into new participant accounts	<p>An Excel template is available for this purpose. Data fields needed: Division Code, Account Number or Social Security Number, First Name, Last Name, and Amount.</p> <p>This initial contribution will be allocated to the default investment fund. The paper welcome letter (described below) will direct participants to check and update their investment allocations.</p>

"Go-live" week	Email new enrollment notices to participants	New enrollment notices will include a temporary login link for online registration. They will also instruct participants to check and update their contact information, covered individual (dependent) information, and account preferences. The notices will also invite participants to contact HealthInvest HRA's Customer Care Center if they have questions.
	Mail paper welcome packets to participants	<p>Welcome letters will direct participants to register online, review their account information, check their investment allocation, and download the mobile app, HRAgo®. The letters will also invite participants to contact HealthInvest HRA's Customer Care Center if they have questions or need assistance.</p> <p>A Your HRA Dashboard enclosure will contain certain account and eligibility information, plan information, participant information, and investment allocation. In addition, a Summary Plan Description will be enclosed.</p>
	Go live! Wrap up any open items.	Participants' new HealthInvest HRA accounts will be visible online. Everything fully up and running.

Attachment C

HealthInvest HRA Summary Plan Description

Summary Plan Description

Welcome

Your employer or plan sponsor may not have elected to include all of the benefits or plan features described in this SPD. Your welcome letter for each HRA account established for you confirms benefits eligibility and any limitations. You may also login online at healthinvesthra.com if you have questions about which benefits and plan features are included in your plan.

You are now an eligible participant in the HealthInvest Health Reimbursement Arrangement (HRA) plan. Please carefully review this Summary Plan Description (SPD) regarding your HRA account and keep it in a safe place for future reference.

This SPD is intended to provide a summary of the Plan's benefits and the rules that apply regarding the availability of benefits. In the event of a discrepancy or conflict between this SPD and the actual plan document for your Plan, the document will control. This SPD will be amended from time to time. For the most current version of the SPD, please log into your account at healthinvesthra.com and click **Resources** on the menu bar or contact our Customer Care Center at customercare@healthinvesthra.com or 1-844-342-5505.

For any HRA account established for you, you will receive a **welcome letter** after you are enrolled, which contains additional plan information, including account information, your coverage type, claims-eligibility, and whether your Plan is subject to the Employee Retirement Income Security Act (ERISA) and its regulations under federal law. If you misplace your welcome letter, you may request a replacement copy from our Customer Care Center.

The most current SPD supersedes any previously published plan information materials.

By participating in the HealthInvest HRA Plan, you agree to the Terms and Conditions set forth within this SPD under Part XI.



Insurance | Risk Management | Consulting



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Customer Care Center

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P.O. Box 80967 Seattle, WA 98108

Fax (206) 686-1402

customercare@healthinvesthra.com

www.healthinvesthra.com



Part I

Plan information

The name of the Plan is the HealthInvest HRA Plan ("Plan"). The assets of the Plan are held in a custodial account and master trust established by Washington Trust Bank, who serves as the HealthInvest HRA Master Trustee, a non-discretionary, directed trustee. Plan administration support services are provided by Gallagher Benefit Services, Inc., the HealthInvest HRA Service Manager, at the direction of the plan sponsor for your plan.

Washington Trust Bank
Attn: Private Banking
717 W. Sprague Avenue
P.O. Box 2127
Spokane, WA 99210-2127

HealthInvest HRA Service Manager
Attn: Gallagher Benefit Services, Inc.
902 West 2nd Ave., Suite 400
Spokane, WA 99201

Notice of legal process may be delivered to the HealthInvest HRA Service Manager, the HealthInvest Master Trustee, or your plan sponsor.

This Plan is a welfare benefit plan that provides medical benefits only and not retirement income or a deferral of income. The medical reimbursement benefits for a participant in the Plan depend solely on the value of the employer's contribution to the Plan on the participant's behalf. Accordingly, the law does not require this Plan to be insured by the Pension Benefit Guaranty Corporation.

The Plan year is the 12-month period from January 1 through December 31.

Requests for benefits under the Plan must be made in writing to the Plan in accordance with the claims procedure. Requests for benefits that are denied may be appealed in writing to the Plan.

Non-governmental plans may be subject to the Employee Retirement Income Security Act of 1974 (ERISA).

If your welcome letter states that your Plan is subject to ERISA:

You will also receive with your welcome letter and with any update to this SPD, a supplement to this SPD (the ERISA SPD Supplement) containing additional information regarding your Plan and your rights under the Plan as required by ERISA. You may also receive a Summary of Material Modifications (SMM) from time to time, which is required by ERISA to provide you with timely notice of certain material changes to the Plan or information required to be included in the SPD. You may obtain a copy of the most current SPD and any SMMs by logging into your account at healthinvesthira.com and clicking Resources. You should read this SPD (as updated from time to time), any SMMs, your welcome letter, and your ERISA SPD Supplement, together to fully understand your benefits and your rights under the HealthInvest HRA Plan.

Unless otherwise indicated in your welcome letter or in an ERISA SPD Supplement, your employer is the plan sponsor and the plan administrator for your Plan.

Part II

Questions and answers

What is the HealthInvest HRA Plan?

The HealthInvest HRA Plan is a funded health reimbursement arrangement (HRA).

What is an HRA?

An HRA or health reimbursement arrangement is a type of welfare benefit plan or group health plan that reimburses qualified out-of-pocket medical care expenses and insurance premiums.

The Internal Revenue Code defines an HRA as an arrangement that is funded solely by the employer and reimburses employees (participants) for medical care expenses incurred by the employee, the employee's spouse, and qualified dependents. To understand who qualifies as a dependent, see **Appendix A** for our **Definition of Dependent** information.

What is a funded HRA?

A funded HRA is designed so that your employer contributes funds in to an individual account on your behalf.

Your plan sponsor may have established a trust for the safekeeping of your HRA funds. Funds for all plans and trusts participating in the HealthInvest HRA program are contributed to a custodial account and master trust established by Washington Trust Bank, who serves as the HealthInvest HRA Master Trustee, a non-discretionary, directed trustee.

All contributions, investment earnings, and reimbursements (benefit payments) are tax-free. Contributions to your HealthInvest HRA account are not subject to federal income tax or FICA tax. Investment earnings credited to your HealthInvest HRA account are not subject to federal income tax.

Reimbursements paid out as qualified medical expenses on behalf of participants, spouses, and qualified dependents are also excluded from tax. HRA contributions will not be reported on IRS Form W-2 from your employer. You do not report HRA contributions, earnings, or benefit payments (reimbursements) on your individual IRS Form 1040 federal income tax return either.

Who is the plan sponsor for my Plan?

That depends on your plan sponsor's plan design elections and whether your Plan is a single-employer plan or is established for more than one contributing employer. For most single-employer plans, the employer is the plan sponsor and plan administrator for the plan. For plans established for more than one contributing employer, the plan sponsor may be a board, committee, association, or third-party other than your employer. Unless otherwise indicated in your **welcome letter** or in an **ERISA SPD Supplement**, your employer is the plan sponsor and the plan administrator for your Plan.

What type(s) of benefits coverage do I have?

Based upon current guidance issued under federal law, the HealthInvest HRA offers three different types of benefits coverage: **In-service Benefits coverage**, **Post-separation Benefits coverage**, and **Limited HRA coverage**. Each of these plan coverages is designed to be exempt from the annual and lifetime dollar-limit restrictions for group health plans. This means that your benefits under the Plan are limited by your account balance at the time you file any claim for reimbursement of qualified medical care expenses.

Some employers or plan sponsors may establish and contribute funds on your behalf to more than one HRA account, and each account may provide a different coverage type.

For any HRA account established for you, you will receive a **welcome letter** that confirms your benefits coverage type at the time of enrollment.

However, your coverage could change based upon restrictions under applicable law or coverage election changes that you make. You can always login at healthinvesthra.com to confirm current your benefits coverage for each account.

What is In-service Benefits coverage?

In-service Benefits coverage is designed to be "integrated" with each employer's qualified group health plan that complies with certain requirements under federal law. Under the terms of the In-service Benefits Plan document, a participant's HRA account is considered integrated with the employer's qualified group health plan and eligible to receive employer contributions only if, at the time the participant becomes eligible for such contribution, the participant is eligible to enroll in his or her employer's qualified group health plan and either (a) is actually enrolled in or covered by the employer's qualified group health plan or (b) has provided written confirmation of enrollment in or coverage under another qualified group health plan. Read the **What is a Qualified Group Health Plan?** handout to learn more. To get a copy, log in at healthinvesthra.com and click **Resources**, or contact our Customer Care Center at customercare@healthinvesthra.com or 1-844-342-5505.

Please note that HRA accounts of participants who are offered coverage through the purchase of individual policies (as opposed to employer-sponsored group coverage) are not considered integrated with the employer's qualified group health plan and are not eligible to receive contributions to an account that allows In-service Benefits.

What is Post-separation Benefits coverage?

Post-separation Benefits coverage is designed to provide benefits only after a participant separates from service or retires. Post-separation (retiree-only) HRAs are not subject to the annual and lifetime limits restrictions

and certain other provisions of federal law. The HealthInvest HRA Plan can accept contributions into an account limited to Post-separation Benefits on behalf of any eligible employee, including those who are not eligible to receive contributions to an In-service Benefits account.

What is Limited HRA coverage?

Limited HRA coverage is designed to provide limited forms of benefit coverage based upon plan design elections by your plan sponsor, restrictions governed by federal law, or certain elections made by you as further described below. For information about Limited HRA coverage based upon plan design or restrictions governed by federal law, read **Are there any restrictions?** below. For more information about Limited HRA coverage based upon elections made by you, read **What is Limited HRA coverage, and why might I need it?** below.

Where can I find the forms I will need for my HRA plan?

All the HRA forms that you will need in order to file claims, change investment allocations, change personal information, and make other elections can be obtained by logging into your account online at healthinvesthra.com or from our Customer Care Center upon request.

When and how can I get money out of my HRA account?

Your eligibility to file claims depends on plan design elections by your plan sponsor. For HRA accounts that allow In-service Benefits, employees may file claims while they are currently employed (in-service), for expenses they incur after they are enrolled. HRA accounts limited to Post-separation Benefits require employees to separate from service or retire (and, in some cases, satisfy employer vesting requirements) before becoming eligible to file claims for expenses incurred after separation from service.



For any HRA account established for you, you can confirm your claims eligibility and any vesting requirements by referencing your **welcome letter** or by logging in at **healthinvesthra.com**. If you are not immediately eligible to file claims, you will be notified when you do become eligible.

After becoming claims-eligible, and depending on the eligibility terms of your HRA account, you may begin filing claims for qualified out-of-pocket medical care expenses incurred by you, your spouse, and any qualified dependents.

You may file claims for any amount, but reimbursements are limited to your available HRA account balance. Eligible benefits will be paid until your HRA account is exhausted. Your employer's plan design, IRS rules, or certain elections made by you may limit dependent coverage, as well as when and what expenses may be reimbursed.

Claims payment is efficient and hassle-free. To expedite the process, you may sign up for direct deposit instead of waiting to receive paper check reimbursements in the mail. Automatic reimbursement of recurring qualified insurance premiums is also available.

Participant forms, including **Claim Forms**, **Direct Deposit Enrollment Forms**, and **Automatic Premium Reimbursement Forms**, are all available online after logging in to your account at **healthinvesthra.com** or upon request from our Customer Care Center.

What expenses are eligible for reimbursement?

Eligible expenses generally include qualified medical, dental, and vision expenses (not covered by your insurance plans) and premiums for medical, dental, or vision, insurance or for Medicare premiums and expenses, and tax-qualified long-term care insurance. To be eligible for reimbursement, over-the-counter (OTC) medicines and drugs (except insulin and contact lens solution) must be prescribed by

a medical professional or accompanied by a note from a medical practitioner recommending the item or service to treat a specific medical condition. Eligible expenses are defined in Internal Revenue Code § 213(d). A list of common **qualified expenses and premiums** is available after logging in to your account at **healthinvesthra.com** or upon request from our Customer Care Center.

IRS regulations provide that insurance premiums may not be reimbursed by your plan if they are (1) paid by an employer, (2) eligible to be deducted through your employer's Section 125 cafeteria plan, or (3) subsidized by the premium tax credit. When requesting reimbursement of premiums deducted from your paycheck after tax, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available to you. Qualified premiums deducted from your spouse's paycheck after tax are eligible for reimbursement regardless of whether a pre-tax option exists for your spouse.

Qualified expenses that may be reimbursed from your HRA for you and your dependents will depend on the plan design elections for each HRA account established for you, IRS rules, or certain elections you may make to limit your HRA coverage. For example, some plan designs limit reimbursements to qualified insurance premiums only. Under certain circumstances (discussed later in this Section), expenses for your spouse and dependents may be limited based upon rules imposed under federal law. Also, if you have elected limited HRA coverage (discussed later in this section), the types of expenses eligible for reimbursement are limited.

Are there any restrictions?

Reimbursements (claims) may never exceed your available account balance at the time you file the claim. Depending on the plan design for any HRA account established for you, your account may be subject to vesting requirements or be limited to Post-separation

Benefits coverage. Also, some employers or plan sponsors limit reimbursements to qualified insurance premiums only.

Some employers or plan sponsors may establish and contribute funds on your behalf to more than one type of HRA account, and each account may be subject to different limitations as further described in this Section.

Your **welcome letter** for each HRA account established for you confirms your benefits eligibility and any restrictions on your account. You may also login at healthinvesthra.com to confirm whether your plan has any limitations on reimbursable expenses.

If your plan sponsor has established an HRA account for you that is limited to Post-separation Benefits coverage, IRS rules require that your claims eligibility be limited to reimbursement of expenses and premiums for dental, vision, and qualified long-term care ("Excepted Benefits") during any period that you are subsequently re-employed with the employer that made contributions to your HRA account. For some Post-separation Benefits plans, the plan design for your HRA account may permit reimbursement for Excepted Benefits during active employment, while other employer Post-separation Benefits plans may not.

If you have an In-service Benefits HRA account (meaning your account permits In-service Benefits coverage), spouse and dependent integration rules issued under federal law will apply. This means that certain expenses for your spouse and dependents may not be reimbursable while you are employed, unless your spouse and dependents are covered under a group health plan (GHP) at the time the expense is incurred. The spouse and dependent integration rules **only** apply if you are still working for the employer who contributed to your account. You can confirm GHP coverage for your spouse or dependent(s) on your claim form when you submit a claim. If your spouse

or dependent(s) are not covered by a GHP, you can still use your HRA to reimburse you for their:

- Dental expenses and premiums;
- Vision expenses and premiums; and
- Tax-qualified long-term care expenses and premiums.

Can my HRA account automatically reimburse my insurance premiums?

Yes. Simply submit a completed and signed **Automatic Premium Reimbursement** form with proper documentation. Based on your instructions, the Plan will reimburse insurance premiums from your account on an automatic basis. Direct deposit of reimbursements is available and recommended.

What happens if my claim for reimbursement is denied?

If your claim for reimbursement of expenses is denied, then you have the right to be notified of the denial and to appeal the denial, both within certain time limits. The rules regarding denied claims are discussed in Part III of this document.

What is limited HRA coverage, and why might I need it?

Limited HRA coverage is an election that limits the types of expenses and premiums that are eligible for reimbursement from your HRA. If you are claims eligible, you may want to limit your HealthInvest HRA account if:

1. You are a current employee and you, your spouse, or a dependent have Medicare coverage that you want to be primary to your HRA coverage;
2. You, your spouse, or a dependent would like to be eligible to make or receive contributions to a health savings account (HSA); or
3. You, your spouse, or a dependent want to become eligible to receive a premium tax credit through a marketplace exchange.

HSA coordination. IRS rules allow you to have an HRA and an HSA, though certain restrictions apply. If you are claims-eligible, you can use either your HRA or HSA to reimburse your qualified expenses (there are no ordering rules regarding which account must pay first). However, if you have a claims-eligible HRA account, current IRS rules require that you limit that HRA coverage if you want to make or receive contributions to an HSA. Keep in mind that limiting your HRA account is not the only HSA contribution eligibility requirement.

Only the following types of expenses and premiums are eligible for reimbursement while your HRA account is limited for HSA coordination purposes:

- Dental (including orthodontia)
- Qualified high-deductible health plan (HDHP) premiums
- Vision

Medicare coordination. If you have a claims-eligible HRA account and are still working for your contributing employer, Medicare Coordination of Benefits rules may require your HRA pay first. If you are retired or separated from your HRA contributing employer, the Medicare Coordination of Benefits rules will **not** apply to your HRA account. Read Part VI for more information about your HealthInvest HRA account and Medicare. If Medicare Coordination of Benefits rules do apply to your HRA account, you may limit your HRA account until you separate from service so that Medicare instead pays first.

Only the following types of expenses and premiums are eligible for reimbursement while your HRA account is limited for Medicare coordination purposes:

- Dental (including orthodontia)
- Vision
- Medicare and Medicare supplement premiums

Premium Tax Credit eligibility. For any month that you are claims-eligible and have a positive account balance in any HRA account, you may not qualify for the premium tax credit unless you take certain action. Please refer to Part V for more information.

Only the following types of expenses and premiums are eligible for reimbursement while your HRA account is limited for premium tax credit eligibility purposes:

- Dental (including orthodontia)
- Qualified long-term care (subject to IRS limits)
- Vision

To elect limited HRA coverage, simply submit a completed **Limited HRA Coverage Election** form. Forms are available online after logging in to your account at healthinvesthra.com or from our Customer Care Center upon request. If you have any questions, please contact our Customer Care Center.

What happens if I get divorced?

In the event that you become divorced or legally separated, your account may be split as part of a divorce decree, court order, or similar agreement. Coverage for an ex-spouse is taxable. Contact the Customer Care Center for more information.

What if I pass away before I use up my HRA account?

If you pass away with a vested, positive account balance and you are survived by a spouse or qualified dependents who are covered under your HRA plan, your spouse and/or dependents (or their guardians) may submit claims for medical expense reimbursements until your account is exhausted. In the unlikely event you pass away with an unused account balance and have no eligible survivors, the executor of your estate can spend down your account by filing claims for any unreimbursed medical care



expenses you may have incurred prior to your death. Remaining funds (if any) after all final claims have been reimbursed would then be forfeited and re-contributed per the terms of your plan sponsor's HealthInvest HRA Plan document or otherwise applied as directed by your plan sponsor. IRS rules do not permit the payment of benefits to non-dependent heirs or beneficiaries under your plan.

Are there any other forfeiture provisions?

Yes a claims eligible HRA account may be forfeited and redistributed according to instructions from your plan sponsor if, during a period equal to the lesser of the applicable unclaimed property period or three years, at least two communications from the Plan to the Participant have been returned as undeliverable, no contributions to or reimbursements (claims) from the participant account have occurred, and no communications or other expressions of interest have been received from or on behalf of the participant.

Is my HRA account vested?

That depends upon your employer's policy or collective bargaining agreement, whichever is applicable. Some HRA accounts limited to Post-separation Benefits may be subject to vesting requirements of your employer. Your **welcome letter** for each HRA account established for you confirms whether vesting requirements apply to your account. You can also check with your employer or plan sponsor to confirm whether one or more of your HRA accounts are subject to vesting.

For any HRA account that are subject to vesting, your employer or plan sponsor will notify the Plan when you separate from service and confirm whether you are partially or fully vested. The Plan will then notify you of your vested amount that is available to reimburse claims for qualified expenses.

How are my HRA funds invested?

You may invest your HRA account using any combination of the available investment funds. You may change your investment allocations as often as once per calendar month after logging in to your account online at healthinvesthra.com or by calling our Customer Care Center.

An **Investment Fund Overview** with investment performance history and fund objectives is updated quarterly and available after logging you're your account online at healthinvesthra.com. In addition, you may view up-to-date fund fact sheets and prospectuses on the fund websites, which are listed on the Investment Fund Overview.

Will I receive a statement of my HRA account?

Yes. Participant account statements, which detail all of your account activity, are updated quarterly and available for viewing online after logging in at healthinvesthra.com. If you are signed up for e-communication, you will receive quarterly email notifications as soon as your statements are available for online viewing. If you are not signed up for e-communication, paper statements will be mailed annually to your address on file. You may contact our Customer Care Center to request copies of your statements at any time.

Can I view my HRA account information online?

Yes. You may view your personal account information online after logging in to your account at healthinvesthra.com. Information available online includes account details and preferences, investment performance, contribution and claims history, and participant forms. You can also set up an automatic premium reimbursement, update account preferences, and update your personal information (name, address, etc.).

Are any fees or expenses deducted from my HRA account?

Plan expenses include costs for plan administration services, including enrollment and claims processing, plan management, recordkeeping, legal, compliance, printing, banking and custodial, web management, investment management, postage, etc. These Plan expenses are paid from Plan administrative fees. Fee structures vary by plan sponsor, and usually include a flat monthly account fee and/or an annualized asset-based fee deducted from your account or paid by your employer or plan sponsor. Fees that are deducted from your account are listed on your account statements under **Important Notes**. It is possible that these fees could exceed your investment return. Investment fund manager fees and other fund expenses are based on the investment fund(s) you select. To view these fees, refer to the **Investment Fund Overview** for your employer's plan. You can get a list of fees applicable to your Plan and a copy of the Investment Fund Overview online after logging in at healthinvesthra.com and clicking **Resources**.

Part III

Procedure for disputed claims

If you have a question or complaint regarding how one of your claims was adjudicated, please reach out to our Customer Care Center. A Customer Service Representative is happy to look into your claim and address your questions or concerns. Our Customer Care Center is often able to help resolve the matter and alleviate any frustrations.

When must I receive a decision on my claim?

You are entitled to notification of the decision on your claim within 30 days after the Plan's receipt of the claim. The 30-day period may

be extended by an additional period of up to 15 days if the extension is necessary due to conditions beyond the control of the Plan. The Plan is required to notify you of the need for the extension and the time by which you will receive a determination on your claim. If the extension is necessary because of your failure to submit the information necessary to decide the claim, then the Plan will notify you regarding what additional information you are required to submit, and you will be given at least 45 days after such notice to submit the additional information. If you submit the additional information, the Plan will notify you of the decision on your claim within 15 days after the date of receipt of such information. If you do not submit the additional information, the claim will be deemed to be denied immediately following such 45-day period. The notice from the Plan requesting additional information may also contain a provisional denial of the claim in the event the additional information is not received within the 45-day period.

What information will a notice of denial of a claim contain?

If your claim is denied, the notice that you receive from the Plan will include the following information:

- > The specific reason or reasons for the denial and sufficient information to identify the claim involved, if any, including the date of service, the healthcare provider, and the claim amount (if applicable);
- > Specific references to pertinent plan provisions or IRS rules and regulations on which the denial is based;
- > An explanation of your right to appeal the denial;
- > A description of any additional material or information necessary for you to perfect the claim or appeal the denial and an explanation of why such material or information is necessary;

- > An explanation of your right to review the claim file and to present additional evidence, comments, or testimony as part of the appeals process;
- > A description of available internal appeals procedures, including information regarding how to request an internal review of your denial and the time frame within which to submit such a request;
- > An explanation of the availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman to assist with the internal claims and appeals and external review procedures.

If you do not receive an approval or denial of your claim within the initial time period for review of your claim, your claim will be deemed to have been denied.

Do I have the right to appeal a denied claim?

Yes, you have the right to an internal appeal and, if applicable, an external review by an independent review organization.

Do I have to appeal a denied claim before I can go to court?

You will not be allowed to take legal action against the Plan, your employer or plan sponsor, the administrator, or any other entity to whom administrative or claims processing functions have been delegated unless you exhaust your internal appeal rights. But you do not have to pursue external review in order to preserve your right to file a lawsuit, and a final external review decision does not prevent you from pursuing other state or federal law remedies if they are available.

Is there a deadline for requesting my internal appeal?

Yes. Your internal appeal must be delivered to the Plan within 180 days from the date you receive notice that your claim was denied or from the date your claim was deemed to be

denied. If you do not file your internal appeal within this 180-day period, you lose your right to appeal.

How will my internal appeal be reviewed?

Any time before the deadline to request an internal appeal, you may submit copies of all relevant documents, records, written comments, testimony, and other information to the Plan. The Plan is required to provide you with reasonable access to and copies of all documents, records, and other information related to the claim. When reviewing your internal appeal, the Plan will take into account all relevant documents, records, comments, and other information that you have provided with regard to the claim, regardless of whether or not such information was submitted or considered in the initial determination.

If the Plan relies on, generates, or considers new or additional evidence in connection with its final internal adverse benefit determination, other than evidence that you have provided to it, you will be provided with this information within 30 days after the date the Plan received your request for internal appeal, and given a reasonable opportunity (15 days) to respond to the evidence or rationale before the due date for the Plan's internal review decision. If you do not respond to the new or additional evidence or rationale considered in denying your claim within the time period permitted to respond, your claim will be deemed to have received a final internal adverse benefit determination immediately following such time period. The notice from the Plan with such additional evidence or rationale may also contain a provisional final internal adverse claim determination in the event the additional information is not received within the specified time period.

The internal appeal determination will be conducted by someone who is not (1) the individual who made the original determination; or (2) an individual who is a subordinate of the individual who made the initial determination.

When will I be notified of the decision on my internal appeal?

The Plan must notify you of the decision on your internal appeal within 60 days after receipt of your request for review.

What information is included in the notice of the denial of my internal appeal?

If you receive a final internal adverse benefit determination, the notice that you receive from the Plan will include the following information:

- > The specific reasons for its decision and sufficient information to identify the claim involved, including the date of service, the healthcare provider, and the claim amount (if applicable);
- > Specific references to the pertinent plan provisions or IRS rules and regulations on which the decision is based;
- > A description of available external review procedures, including information regarding how to request an external review of the internal appeals decision and the time frame within which to submit such a request; and
- > The availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman to assist you with the external review procedures.

If you do not receive an approval or denial of your appeal within the initial time period for review of your appeal, your appeal will be deemed to have received a final internal adverse benefit determination subject to external review.

Do I have the right to seek a review of a final internal adverse claim determination to an external third party?

You have the right to an external review of the Plan's denial of your internal appeal, unless the denial was based on your (or your spouse's or dependent's) failure to meet the Plan's eligibility requirements.

Is there a deadline for filing my request for external review?

Yes. You must file your request for external review not later than the first day of the fifth month after you received notice from the Plan of, or are deemed to receive, a final internal adverse benefit determination. If you do not file your request for external review within this period, you lose your right to external appeal. For example, if you received or are deemed to receive your final internal adverse benefit determination on January 3 of any year, you must request external review by June 1 of the same year (or, if that is not a business day, the next business day thereafter).

What is the process for my external appeal?

Within five business days after receiving the external review request, the Plan must complete a preliminary review to determine if:

- > You are covered under the Plan;
- > You provided all the information and forms necessary to process the external review;
- > You followed and exhausted the internal appeals procedures; and
- > The denial of your claim related to you (or your spouse or dependent) not meeting the eligibility requirements under the Plan, as claim denials based upon a failure to meet eligibility requirements are not subject to external review.

Within one business day after completion of its preliminary review, the Plan will provide you with written notice of the outcome of its review. If your request for external review is complete but the claim denial is not eligible for external review, the notice must state the reasons for ineligibility and include contact information for Employee Benefits Security Administration of the Department of Labor. If your request for external review is incomplete, the notice must describe the information and materials needed to complete the request, and you will be permitted to complete the request not later than the

deadline for filing a request for external review, or 48 hours after your receipt of the Plan's preliminary review notice, whichever is later.

If the Plan receives a timely, completed, and eligible request for external review, the Plan will assign an independent review organization (IRO) to review the claim and you will receive written notice from the IRO that your request is eligible for external review and has been assigned to such IRO.

You will have the right to submit additional information in writing to the IRO within 10 business days after the date you receive notice from the IRO and, if the IRO receives any additional information within 10 business days after you receive such notice, then (1) the IRO must consider the additional information in its external review, and (2) the IRO is required to forward the additional information submitted by you to the Plan within one business day after the date the IRO receives the information.

Within five business days after the date the IRO receives the external review assignment, the Plan is required to provide the IRO with all documents and information considered by the Plan in making its decision to deny the claim and internal appeal.

Upon receiving from the IRO any additional information submitted by you, the Plan may reconsider its previous decision. If the Plan reverses its decision upon such review, it will notify you and the IRO within one business day after making its reversal, and the IRO must terminate its external review.

The IRO is not bound by the prior decision of the Plan in making its external review decision.

When will I be notified of the decision on my external appeal?

The external reviewer must notify you and the Plan of its decision on your external appeal within 45 days after its receipt of your request for external review.

What information will be included in the IRO's decision on my external appeal?

The notice to you of the IRO's external appeal decision will include the following information:

- > A general description of the reason for the external review request, including information sufficient to identify the claim, including the date(s) of service, the provider, the claim amount (if any), and the reason for the prior denial;
- > The date the IRO received the assignment to conduct the external review, and the date of the IRO's decision;
- > References to the evidence or documentation considered in reaching the decision, including specific coverage provisions and evidence-based standards;
- > A discussion of the principal reason(s) for the IRO's decision, including the rationale for its decision and any evidence-based standards relied on in making the decision;
- > A statement that the IRO's decision is binding, unless other remedies are available to you or the Plan under state or federal law;
- > A statement that judicial review may be available to you; and
- > A phone number and other current contact information for any applicable office of health insurance consumer assistance or ombudsman.

Is the external reviewer's decision binding?

The external reviewer's decision is binding upon the parties but does not terminate or preempt your right or the Plan's right to pursue other state or federal law remedies. However, such remedies may or may not exist. Therefore, unless another legal right exists for your claim, the external reviewer's decision will be binding.

Part IV

Investment Fund Information

Investment risk

Accounts invested in stock or bond funds are not guaranteed and will fluctuate in value on a monthly basis. Benefit withdrawals from these types of funds may be worth more or less than your original deposit.

You should periodically review your selected investment fund choice(s). Should your investment objectives change, you should reevaluate your fund selection(s) and submit any changes to our Customer Care Center. Remember, there have been numerous loss periods in the past in these types of funds and there will be others in the future. Please remember that investment returns, particularly over shorter time horizons, are highly dependent on trends in various investment markets. Thus, you may determine that stock or bond investments are more suitable as longer-term investments rather than for short-term purposes.

Using multiple funds

You may have your HRA account allocated to a single fund, or any combination of two or more available funds.

Transfers

You may transfer among the funds once each calendar month. Transfers are effective within two to three business days of receipt of your request.

Reimbursements (claims)

If you have multiple funds, reimbursements made from your account will be pro-rated, based on your fund allocation percentage on file with the Plan.

Investment funds

You may view information regarding the available investment funds, including performance and a link to each fund company's fund fact sheet and prospectus at healthinvesthra.com.

Additional information

You may view additional information regarding the funds (including performance, risk, holdings, management, fund prospectuses, etc.) on the Internet at:

BlackRock
www.blackrock.com

Vanguard Funds
www.vanguard.com

Western Asset Core
www.leggmason.com

US Core Equity
www.us.dimensional.com

Lazard US Equity
www.lazardnet.com

American Funds
www.americanfunds.com

Investment advice

You are encouraged to seek advice regarding these investment funds from your personal financial advisor. The Plan service providers and Customer Care Center do not give investment advice.

Fund operating expenses

Fund operating expenses are deducted from fund assets and include management fees, distribution (12b-1) fees, and other expenses.

Part V

Premium Tax Credit and Your HRA

You may qualify for the premium tax credit (subsidy) if you or a family member purchase health insurance through a state or federal marketplace exchange (sometimes referred to as "Obamacare"). The premium tax credit subsidizes a portion of the premiums you pay for health insurance purchased through an exchange. If you are eligible for the premium tax credit, you can choose to take it in advance, which will lower your out-of-pocket premium amount, or you can wait until you file your tax return.

If you purchase insurance through a marketplace exchange and want to qualify for the premium tax credit, you should know:

1. Marketplace exchange premiums that are not subsidized by the premium tax credit are reimbursable from a full-coverage HRA.
2. Marketplace exchange premiums that are subsidized by the premium tax credit cannot be reimbursed from your HRA.
3. You may not qualify for the premium tax credit for any month during which you have a full-coverage HRA. If you have a full-coverage HRA, are claims-eligible, and have a positive HRA balance or are receiving ongoing HRA contributions, then it may make sense for you to either use up or limit your HRA, as described in more detail below. If you decide to take one of these actions, you should do so before taking the premium tax credit in advance.

IMPORTANT: Keep in mind that, depending on your circumstances, you may not need to take any action at all. For example, if any of the following factors are true, then you cannot qualify for the premium tax credit and you do not need to use up or limit your HRA:

1. You are eligible for coverage in an employer-sponsored group health plan that meets the affordability and minimum value requirements under federal healthcare reform law. (If you are not sure whether this applies to you, check with your employer.);
2. You are eligible for coverage under a governmental plan such as Medicaid, Medicare, CHIP, or TRICARE;
3. Your total family income (including income from investments, retirement benefits, and Social Security) exceeds the maximum amount for eligibility for the premium tax credit (400% of the federal poverty level);
4. You are married but do not file a joint tax return; or
5. You are claimed as a dependent on someone else's tax return.

What can I do if my full-coverage HRA is the only thing keeping me from becoming eligible for the premium tax credit?

If you are claims-eligible and your full-coverage HRA is the only reason you cannot qualify for the premium tax credit, you may consider one of the below options.

1. **Using up your HRA before taking the premium tax credit.** You do not have to take the premium tax credit right away. You could first use up your HRA to reimburse your non-subsidized premiums (and any other qualified medical care expenses incurred since your claims-eligibility date). Then, you could begin taking the premium tax credit in advance to lower your monthly premium, or wait and claim it on your tax return, but only for premiums you paid after using up your HRA. Keep in mind that, if you receive any additional HRA contributions after using up your balance, you will lose eligibility for the premium tax credit for any months during which you have (or had) a positive balance in your HRA.

2. **Electing limited HRA coverage.** If you elect limited HRA coverage, your HRA will reimburse only certain dental, vision, and long-term care expenses and premiums (subject to IRS limitations). If you elect limited HRA coverage for premium tax credit eligibility, you can switch your HRA back to full coverage for any period that you are not taking the premium tax credit. Limited HRA coverage is designed as an "excepted benefits plan" and is not considered "minimum essential coverage" under federal healthcare reform law. To elect limited HRA coverage, submit a **Limited HRA Coverage Election** form. To access paper forms, log in at healthinvesthra.com and click **Resources** on the menu bar, or contact our Customer Care Center at customercare@healthinvesthra.com or 1-844-342-5505.

Consider your options carefully

You should consider your options carefully and seek advice from a tax professional. The best decision may vary depending on your individual circumstances, including the amount in your HRA compared to the premium tax credit amount you could receive.

Keep in mind that if you take the premium tax credit without first using up or limiting your HRA as described above, you will likely not qualify for the premium tax credit and may be required to pay it back when you file your tax return for the year.

Where can I get more information?

This plan summary is intended to provide you with general information about the premium tax credit and the options available to you under the HealthInvest HRA Plan. For more information, go to www.irs.gov and type "premium tax credit" in the search bar.

Part VI

Coordination of Benefits with Medicare and MMSEA Section 111 Reporting

If you are entitled to Medicare and are claims-eligible under your HRA account, federal law governs whether your HRA account or Medicare pays or reimburses your medical expenses first. The following summarizes the priority of claims payment as between your HRA account and Medicare unless you have elected limited HRA coverage. For more information about electing limited HRA coverage, refer to Part I.

To comply with federal law you should file your claims in accordance with these primary and secondary payer rules if you have a claims-eligible HRA account and **have not** elected limited HRA coverage.

- > If you or your spouse are entitled to Medicare benefits due to your age, and you are currently employed and have a claims-eligible HRA account through your employer, your HRA account is primary to Medicare. You should file claims against your HRA account prior to submitting expenses or claims to Medicare.
- > If you, your spouse, or dependents are entitled to Medicare benefits due to a disability, and you are currently employed and have a claims-eligible HRA account through your employer, your HRA account is primary to Medicare. You should file claims against your HRA account prior to submitting expenses or claims to Medicare.
- > If you, your spouse, or dependents are entitled to Medicare benefits due to end-stage renal disease (ESRD), and you have an active HRA account (regardless of your employment or retirement status), your account is primary to Medicare for the

first 30 months of your Medicare eligibility. During the first 30 months of your Medicare eligibility you should file claims against your HRA account prior to submitting expenses or claims to Medicare.

MMSEA Section 111 Reporting

Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), a federal law that became effective for HRA plans for plan years beginning on or after October 1, 2010, requires the Plan to report specific information about your HRA account to CMS (Centers for Medicare and Medicaid Services) unless you have either elected limited HRA coverage or certain other exceptions apply. For more information about electing limited HRA coverage, refer to Part I.

To comply with this federal law, the policies and procedures of the Plan will now require you to provide information necessary to comply with the MMSEA Section 111 reporting requirements in order to file claims under your HRA account. In addition, in submitting claims for reimbursement or coverage under your HRA account and Medicare, you should follow the priority of payment rules summarized above. If you have any questions about MMSEA Section 111 reporting or about who should pay first, you should contact our Customer Care Center or you can call the Medicare Coordination of Benefits Contractor at 1-800-999-1118. TTY users should call 1-800-318-8782.

Part VII

Medicare Part D Notice of Non-creditable coverage

To participants, spouses, and dependents eligible or becoming eligible for Medicare. Important notice regarding your prescription drug coverage under this plan and Medicare Part D.

Introduction

Please read this notice carefully and keep it where you can find it. This notice contains information about prescription drug coverage provided by this plan and Medicare Part D prescription drug coverage available for everyone with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

Medicare Part D prescription drug coverage became available in 2006.

You may have heard about Medicare's prescription drug coverage and wondered how it will affect you. Medicare prescription drug coverage became available to everyone with Medicare in 2006. All Medicare Part D prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

You might want to consider enrolling in Medicare prescription drug coverage.

Prescription drug coverage provided by this plan is limited to your available account balance and is considered non-creditable. In other words, coverage provided by this plan is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay. The Plan is required to give you this notice to ensure you carefully consider your options, including potentially enrolling in a Medicare prescription drug plan.

If you don't enroll when first eligible, you may pay more and have to wait to enroll.

Generally, individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15 through December 31. If, after becoming eligible for Medicare, you go 63 days or longer without creditable coverage (prescription drug coverage that is at least as good as Medicare's prescription drug coverage),

your premium will go up at least 1% per month for every month that you did not have creditable coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go 19 months without creditable coverage, your premium will always be at least 19% higher than what many other people pay.

If you or your spouse, or qualified dependents are currently Medicare eligible, you need to make a decision.

The terms of this plan will not change if you choose to enroll in a Medicare prescription drug plan. This plan will continue to reimburse all qualified premiums and expenses, including prescription drug costs not payable under the Medicare prescription drug plan, subject to the terms of the Plan and limited to your available account balance.

When making your decision whether to enroll, you should compare your current coverage, including which drugs are covered, with the coverage offered by the Medicare prescription drug plans in your area.

Information resources

More detailed information about Medicare plans that offer prescription drug coverage is contained in the Medicare & You handbook from Medicare available online at www.medicare.gov. You may also be contacted directly by Medicare-approved prescription drug plans. Obtain additional information by:

1. Visiting www.medicare.gov for personalized help;
2. Calling your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for telephone numbers); or
3. Calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Find out more by visiting the Social Security Administration online at www.socialsecurity.gov, or by calling 1-800-772-1213 (TTY 1-800-325-0778).

Note: You might receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage and when necessitated by coverage changes. You may also request a copy at any time from our Customer Care Center.

Part VIII

COBRA Notice, USERRA Rights and FMLA Notice

COBRA NOTICE

Important information regarding COBRA continuation coverage rights for all participating employees, spouses, and covered dependents.

Introduction

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) is a federal law that provides eligible participants and those covered by this plan the right to continue to make contributions and/or file claims for a specified time period if such rights are lost due to certain qualifying events.

You, your spouse, and covered dependents should carefully read this notice. It is intended to generally explain your COBRA continuation coverage rights and the responsibilities of you and your employer as described by the law. This notice is a summary only. It is not an exhaustive description.

Questions regarding your COBRA continuation coverage rights and responsibilities should be directed to the Plan's Customer Care Center.

General information

A qualifying event is an event resulting in the loss of continued employer contributions and/or access to benefits to which you would have otherwise been entitled under the Plan.

Individuals losing coverage due to a qualifying event are known as qualified beneficiaries. Qualified beneficiaries have a right to elect COBRA continuation coverage; however, either the employer or qualified beneficiary is required to notify the Plan within certain time limits for COBRA continuation coverage rights to apply.

COBRA continuation coverage must begin on the day coverage would otherwise end; no lapse in coverage is permitted. Qualified beneficiaries electing COBRA continuation coverage must pay a monthly premium for such coverage.

Qualifying events

> **Participating employee.** If you are a participating employee, you will become a qualified beneficiary if continued employer contributions to the Plan are lost due to any of the following qualifying events:

1. you are voluntarily or involuntarily terminated (other than for gross misconduct); or
2. you experience a reduction in hours affecting eligibility.

> **Spouse.** If you are the spouse of a participating employee, you will become a qualified beneficiary if continued employer contributions and/or access to benefits to which you would have otherwise been entitled under the Plan are lost due to any of the following qualifying events:

1. employee is voluntarily or involuntarily terminated (other than for gross misconduct);
2. employee experiences a reduction of hours affecting eligibility;

3. you become divorced or legally separated from employee; or
4. employee passes away.

> **Dependents.** Qualified dependents of a participating employee will become qualified beneficiaries if continued employer contributions and/or access to benefits to which they would have otherwise been entitled under the Plan are lost due to any of the following qualifying events:

1. employee is voluntarily or involuntarily terminated (other than for gross misconduct);
2. employee experiences a reduction of hours affecting eligibility;
3. employee and spouse become divorced or legally separated;
4. child reaches age limitation or no longer meets the definition of qualifying child; or
5. employee passes away.

Qualifying event notification

The Plan will offer COBRA continuation coverage to qualified beneficiaries after being notified within allowable time limits.

When the qualifying event is due to an active participating employee's

- > voluntary or involuntary termination (other than for gross misconduct);
- > reduction of hours of employment affecting eligibility; or
- > death, the employer must notify the Plan within 30 days of the occurrence of such event.

All other qualifying events (divorce or legal separation, or child reaches age limitation or no longer meets the definition of qualifying child) require that the participating employee or qualified beneficiary notify the Plan within 60 days of the occurrence of such event, using the

COBRA Event Notice form. The Notice must be mailed or hand delivered to the Plan, and is available upon request upon calling 1-844-342-5505. A divorce decree or decree of legal separation is required if the COBRA qualifying event is due to divorce or legal separation and additional documentation may be required. If the Notice is late, incomplete, or is not submitted as outlined in the Notice of Procedures provided on the aforementioned form, no qualified beneficiary may be offered the opportunity to elect COBRA coverage.

COBRA continuation period

The COBRA continuation period is the maximum period of time during which a qualified beneficiary may continue coverage under COBRA.

COBRA continuation coverage can last for up to 18 months when the qualifying event is due to a participating employee's

- > voluntary or involuntary termination (other than for gross misconduct); or
- > reduction of hours of employment affecting eligibility.

A maximum of up to 36 months is allowed when the qualifying event is due to a participating employee's

- > legal separation or divorce;
- > death; or
- > when a child reaches age limitation or no longer meets the definition of qualifying child.

18-month COBRA continuation period extension

If you or any other family member covered under the Plan is determined by the Social Security Administration to be disabled within the first 60 days of an 18-month COBRA continuation period, an 11-month extension, for a total of up to 29 months, is allowable for all covered individuals. To receive the extension, you or the qualified beneficiary(ies) must notify the Plan

within 60 days of the disability determination and before the end of the original 18-month COBRA continuation period.

Also, if a second qualifying event occurs during an 18-month COBRA continuation period involving the participating employee's legal separation or divorce, or child reaches age limitation (no longer meets the definition of a qualifying child), or death, the covered spouse and/or covered dependents may continue coverage for up to the number of months totaling a maximum 36-month COBRA continuation period. To be eligible for the extension, the qualified beneficiary(ies) must notify the Plan within 60 days of the occurrence of the second qualifying event.

Information resources

Questions concerning your COBRA continuation coverage under this Plan (including the cost of such coverage and when payments are due) should be directed to the Plan's Customer Care Center, or you may visit www.dol.gov/ebsa to view more information or locate a U.S. Department of Labor Employee Benefits Security Administration (EBSA) office near you.

USERRA RIGHTS

If you are on military leave that is governed by the Uniformed Services Employment and Re-employment Rights Act (USERRA), you may continue to file claims for qualified expenses for you and your qualified dependents.

If you were entitled to receive a future contribution, but will not receive the contribution due to the military leave, you or your qualified dependents may elect to continue contributions to the Plan for the lesser of 24 months or the period ending on the date in which you could, but fail to, apply for or return to a position of employment with your participating employer. If you make this election, you will generally be required to pay 102% of the contributions to which you were entitled.



Should you have any questions regarding USERRA rights, please contact the Plan's Customer Care Center.

FMLA NOTICE

The HealthInvest HRA Plan qualifies as a group health plan under the Family and Medical Leave Act (FMLA). If you are receiving monthly or other recurring contributions to your HealthInvest HRA account, you may be entitled to continued contributions paid by your employer should you go out on FMLA leave. For additional information regarding FMLA, contact your benefits/payroll office or the Wage and Hour Division of the U.S. Department of Labor at 1-866-4US-WAGE (1-866-487-9243) or visit www.wagehour.dol.gov.

Part IX Privacy Notice

Introduction

This Privacy Notice (the "Notice") describes the legal obligations of HealthInvest HRA (the "Plan") and your legal rights regarding your protected health information held by the Plan under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH Act). Among other things, this Notice describes how your protected health information may be used or disclosed to carry out treatment, payment, or health care operations, or for any other purposes that are permitted or required by law. We are required to provide this Notice to you pursuant to HIPAA.

The HIPAA Privacy Rule protects only certain medical information known as "protected health information" or "PHI." Generally, PHI is health information, including demographic information, collected from you or created or received by the Plan from which it is possible to individually identify you and relates to: (1) your past, present

or future physical or mental health or condition; (2) the provision of health care to you; or (3) the past, present, or future payment for the provision of health care to you.

Questions about this Notice or our privacy practices should be directed to the Plan's Customer Care Center at 1-844-342-5505 or customercare@healthinvesthra.com.

Who will follow this Notice

The Plan and any service providers that assist in the administration of Plan claims are required by law and by contract with the Plan to follow this Notice. A record of your health care claims reimbursed under the Plan is kept for administration purposes only. This Notice applies to all medical records we maintain.

Effective date

This Notice is effective September 30, 2017.

Privacy pledge – our responsibility

We are required by law to (1) make sure PHI identifying you is kept private; (2) give you certain rights with respect to your protected health information; (3) provide this Notice of our legal duties and privacy/security practices concerning protected health information about you; and (4) follow the terms of the Notice currently in effect.

We reserve the right to change the terms of this Notice and to make new provisions regarding your PHI that we maintain, as allowed or required by law. If we make a material change to the Notice, we will provide you with a copy of our revised Privacy Notice by posting the updated Notice on the Plan website, and include information about the revised Notice and how you can obtain it in your next eligible participant account statement delivery.

How we may use and disclose PHI about you

The following categories describe various ways we use and disclose PHI. Explanations and

examples are provided for each category of uses or disclosures. Not every use or disclosure is listed. However, all the ways we are permitted to use and disclose information will fall within one of the categories.

- > **For payment (as described in applicable regulations).** We may use and disclose PHI about you to determine eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from healthcare providers, to determine benefit responsibility under the Plan, or to coordinate Plan coverage. For example, we may tell your healthcare provider about your medical history to determine whether a particular treatment is medically necessary, or to determine whether the Plan will cover the treatment. We may also share PHI with another entity to assist with the adjudication or subrogation of health claims, or with another health plan to coordinate benefit payments.
- > **For healthcare operations (as described in applicable regulations).** We may use and disclose PHI about you for other Plan operations necessary to run the Plan. For example, we may use PHI in connection with conducting quality assessment and improvement activities; other activities relating to Plan coverage; conducting or arranging for legal services, audit services and fraud and abuse detection programs; business planning and development such as cost management; and business management and general Plan administrative activities.
- > **To Business Associates.** We may contract with individuals or entities known as Business Associates to perform various functions on our behalf or to provide certain types of services. In order to perform these functions or to provide these services, Business Associates will receive, create, maintain, transmit, use, and/or disclose your PHI, but only after they agree in writing with us to

implement appropriate safeguards regarding your PHI.

- > **As required by law.** We will disclose PHI about you when required to do so by federal, state, or local law. For example, we may disclose PHI when required by a court order in a litigation proceeding such as a malpractice action.
- > **To avert a serious threat to health or safety.** We may use and disclose PHI about you, when necessary, to prevent a serious threat to your health and safety, or the health and safety of the public or another person, but only to someone able to help prevent the threat. For example, we may disclose PHI about you in a proceeding regarding the licensure of a physician.
- > **To Employers or Plan Sponsors.** For the purpose of administering the Plan, we may disclose PHI to certain employees of your employer or plan sponsor. However, those employees will only use or disclose that information as necessary to perform plan administration functions or as otherwise permitted by HIPAA, unless you have authorized further disclosures. Your PHI cannot be used for employment purposes without your specific authorization.

Special situations

In addition to the above, the following categories describe other possible ways that we may use and disclose your PHI without your specific authorization.

- > **Military and veterans.** If you are a member of the armed forces, we may release PHI about you as required by military command authorities. We may also release PHI about foreign military personnel to the appropriate foreign military authority.
- > **Workers' compensation.** We may release PHI about you for workers' compensation or similar programs providing benefits for work-related injuries or illness.

- > **Public health risks.** We may disclose PHI about you for public health activities such as to (1) prevent or control disease, injury or disability; (2) report births and deaths; (3) report child abuse or neglect; (4) report reactions to medications or problems with products; (5) notify people of recalls of products they might be using; (6) notify a person who might have been exposed to a disease or might be at risk for contracting or spreading a disease or condition; or (7) notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect, or domestic violence (we will only make this disclosure if you agree or when required or authorized by law).
- > **Health oversight activities.** We may disclose PHI to a health oversight agency for activities authorized by law. For example: audits, investigations, inspections, and licensure necessary for the government to monitor the healthcare system, government programs, and compliance with civil rights laws.
- > **Lawsuits and disputes.** If you are involved in a lawsuit or a dispute, we may disclose PHI about you in response to a court or administrative order, or in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request, or to obtain an order protecting the information requested.
- > **Law enforcement.** We may release PHI if asked to do so by a law enforcement official (1) in response to a court order, subpoena, warrant, summons, or similar process; (2) to identify or locate a suspect, fugitive, material witness, or missing person; (3) about the victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement; (4) about a death we believe may be the result of criminal conduct; (5) about criminal conduct at the hospital; and (6) in emergency circumstances to report a crime, the location of the crime or victims, or the identity, description, or location of the person who committed the crime.
- > **National security and intelligence activities.** We may release PHI about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.
- > **Inmates.** If you are an inmate of a correctional institution or under the custody of a law enforcement official, we may release PHI about you to the correctional institution or law enforcement official necessary (1) for the institution to provide you with healthcare; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

Required disclosures

The following is a description of disclosures of your PHI we are required to make.

- > **Government audits.** We are required to disclose your PHI to the Secretary of the United States Department of Health and Human Services when the Secretary is investigating or determining our compliance with the HIPAA privacy rule.
- > **Disclosures to you.** When you request, we are required to disclose to you the portion of your PHI that contains medical records, billing records, and any other records used to make decisions regarding your health care benefits. We are also required, when requested, to provide you with an accounting of most disclosures of your PHI if the disclosure was for reasons other than for payment, treatment, or health care operations, and if the PHI was not disclosed pursuant to your individual authorization.

Other disclosures

- > **Personal representatives.** We will disclose your PHI to individuals authorized by you, or to an individual designated as your personal representative, attorney-in-fact, etc., so long as you provide us with a written notice/authorization and any supporting documents (i.e., power of attorney). Note: Under the HIPAA privacy rule, we do not have to disclose information to a personal representative if we have a reasonable belief that: (1) you have been, or may be, subjected to domestic violence, abuse, or neglect by such person; or (2) treating such person as your personal representative could endanger you; and (3) in the exercise of professional judgment, it is not in your best interest to treat the person as your personal representative.
- > **Spouses and other family members.** With only limited exceptions, we will send all mail to the employee. This includes mail relating to the employee's spouse and other family members who are covered under the Plan, and includes mail with information on the use of Plan benefits by the employee's spouse and other family members and information on the denial of any Plan benefits to the employee's spouse and other family members. If a person covered under the Plan has requested Restrictions or Confidential Communications (see below under "Your rights regarding PHI about you"), and if we have agreed to the request, we will send mail as provided by the request for Restrictions or Confidential Communications.
- > **Authorizations.** Other uses or disclosures of your PHI not described above will only be made with your written authorization. For example, in general and subject to specific conditions, we will not use or disclose your psychiatric notes; we will not use or disclose your PHI for marketing; and we will not sell your PHI, unless you give us a written authorization. You may revoke written

authorizations at any time, so long as the revocation is in writing. Once we receive your written revocation, it will only be effective for future uses and disclosures. It will not be effective for any information that may have been used or disclosed in reliance upon the written authorization and prior to receiving your written revocation.

Your rights regarding PHI about you

You have the following rights regarding PHI we maintain about you.

- > **Right to inspect and copy.** You have the right to inspect and copy PHI that may be used to make decisions about your Plan benefits. If the information you request is maintained electronically, and you request an electronic copy, we will provide a copy in the electronic form and format you request, if the information can be readily produced in that form and format; if the information cannot be readily produced in that form and format, we will work with you to come to an agreement on form and format. If we cannot agree on an electronic form and format, we will provide you with a paper copy. To inspect and copy such information, you must submit a written request to our Customer Care Center. We may charge a fee for the costs of copying, mailing, or other supplies associated with your request. We may deny your request to inspect and copy in certain very limited circumstances, in which case you may request that the denial be reviewed.
- > **Right to amend.** If you feel that PHI we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Plan. To request an amendment, you must submit a written request to our Customer Care Center including a reason that supports your request. Your request may be denied if it is not in writing or does not include a reason to support the request, or

if you ask us to amend information that (1) is not part of the PHI kept by or for the Plan; (2) was not created by us, unless the person or entity that created the information is no longer available to make the amendment; (3) is not part of the information which you would be permitted to inspect and copy; or (4) is already accurate and complete. If we deny your request, you have the right to file a statement of disagreement with us and any future disclosures of the disputed information will include your statement.

- > **Right to an accounting of disclosures.** You have the right to request an "accounting" of certain disclosures of your PHI. The accounting will not include: (1) disclosures for purposes of treatment, payment, or health care operations; (2) disclosures made to you; (3) disclosures made pursuant to your authorization; (4) disclosures made to friends or family in your presence or because of an emergency; (5) disclosures for national security purposes; and (6) disclosures incidental to otherwise permissible disclosures.

To request this list or accounting of disclosures, you must submit your request in writing to our Customer Care Center. Your request must state the time period you want the accounting to cover, which may not be longer than six years before the date of the request. Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12-month period will be provided free of charge. For additional lists, we may charge you for the costs of providing the list. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

- > **Right to request restrictions.** You have the right to request a restriction or limitation on the PHI we use or disclose about you for treatment, payment, healthcare operations,

or to someone who is involved in your care or the payment for your care, like a family member or friend. For example, you could ask that we not use or disclose information about a surgery you had. Except as provided later in this paragraph, we are not required to agree to your request. However, if we do agree to the request, we will honor the restriction until you revoke it or we notify you. We will comply with any restriction request if (1) except as otherwise required by law, the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment); and (2) the PHI pertains solely to a health care item or service for which the health care provider involved has been paid in full. To request restrictions, you must submit a written request to our Customer Care Center detailing (1) what information you want to limit; (2) whether you want to limit our use, disclosure or both; and (3) to whom you want the limits to apply (i.e., your spouse).

- > **Right to request confidential communications.** You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail. To request confidential communications, you must submit a written request to our Customer Care Center specifying how or where you wish to be contacted. We will not ask the reason and will accommodate all reasonable requests.
- > **Right to be notified of breach.** You have the right to be notified in the event that we (or a Business Associate) discover a breach of your unsecured PHI.
- > **Right to a paper copy of this Notice.** You have the right to a paper copy of this Notice at any time, even if you have agreed to receive this Notice electronically. To



obtain a paper copy of this Notice, log in to your account at healthinvesthra.com or contact our Customer Care Center at 1-844-342-5505.

Complaints

If you believe your privacy rights have been violated, you may file a complaint with the Plan or with the Office for Civil Rights of the United States Department of Health and Human Services. To file a complaint with the Plan, contact the HealthInvest HRA Service Manager, at 1-800-888-8322, who will refer you to your Plan's Privacy Official. You will not be penalized or otherwise retaliated against for filing a complaint.

Other uses of PHI

Other uses and disclosures of PHI not covered by this Notice or the laws that apply to us will be made only with your written permission. Such permission may be revoked, in writing, at any time and we will no longer use or disclose PHI about you for the reasons covered by your written authorization. You understand we are unable to take back any disclosures already made with your permission, and that we are required to retain our records of the service we provided you.

Part X

Exemption from annual limit restrictions

The Affordable Care Act prohibits health plans from applying dollar limits on coverage for certain benefits.

Your HRA has been designed based upon exemptions from these annual limits restrictions and in accordance with guidance issued by the Internal Revenue Service and the U.S. Department of Health and Human Services.

Accordingly, your HRA reimbursements (claims) are limited to your available account balance. This means coverage provided to you by this Plan may not reimburse all of the out-of-pocket medical care expenses you may incur.

Part XI

Terms & Conditions

By enrolling and participating in the HealthInvest HRA Plan and taking any action with respect to your HRA benefits under the Plan, you agree to the following Terms & Conditions. You agree that the Plan and the parties involved in this Plan (including, but not limited to, the employer, plan sponsor, plan administrator, bargaining representative, the Master Trustee, the HealthInvest HRA Service Manager Plan service providers, and the agents of each, collectively referred to as the "Plan and its agents") cannot guarantee any federal or state tax results or investment results. Any benefits to which you may become entitled are subject to the terms and conditions of the governing Plan documents and applicable law. The Plan and its agents may withhold from such benefits (and may transmit to the government if required by law) any tax, charge, penalty, assessment, or other amount that is determined to be attributable to or allocable to such benefits or on account of the operations of the Plan. You agree to hold the Plan and its agents harmless with respect to such withholding or any failure to withhold or pay such amounts and any other actions taken in good faith for the operation of the Plan. You understand that for proper administration of the Plan and compliance with applicable law, you must provide true and accurate information to the Plan and regularly confirm and update your enrollment information, including name, address, phone number, dependents, and social security numbers for yourself and your dependents. Information submitted to the Plan fraudulently may result in adverse tax consequences or penalties and/or your termination from the Plan.



You also understand that it is your responsibility to review each statement to confirm that there are no investment or financial errors reflected on your account. Any errors must be reported by you to the Plan within ninety (90) days after the error is first viewed by you online or first reflected in a statement or other written information delivered to you by the Plan and its agents.

E-communication Terms & Conditions. For your e-communication election to be effective, you must provide the Plan with your e-mail address. The electronic documents you will receive include e-statement notifications and newsletters, explanations of benefits (EOBs) notices, and other important Plan information. Please note the following:

- You may withdraw your consent for electronic documents at any time at no charge
- To update your e-communication election or email address, please login to healthinvesthira.com and click on **My Profile** on the menu bar
- It is your responsibility to keep your email address current with the Plan. If your electronic documents are returned to the Plan due to an undeliverable e-mail address, the Plan may remove your e-communication election.
- Any electronically delivered documents will **not** be mailed to you by US Mail
- You can view and print copies of your electronic documents or request paper copies (at no charge) from our Customer Care Center
- You will need Adobe Acrobat Reader software loaded on a computer in order to access electronic documents. A free copy of Adobe Acrobat Reader is available at www.adobe.com

Appendix A

Definition of Dependent

Generally, dependents must satisfy the definition of **Qualifying Child** or **Qualifying Relative** at the time such expenses were incurred to be eligible for benefits under the HRA Plan. These requirements are defined by Internal Revenue Code Section 105(b) and summarized below.

A Qualifying Child is an individual who:

1. Is the participant's son or daughter, stepchild, foster child; and
2. Is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico; and
3. Is either:
 - a. Age 26 or younger at the end of the calendar year in which expenses were incurred; or
 - b. Permanently and totally disabled.

OR

1. Is a brother, sister, stepbrother, stepsister, or a descendant of the participant's son, daughter, stepchild or foster child; and
2. Is either:
 - a. Under age 19; or
 - b. Under age 24 and a full-time student; or
 - c. Permanently and totally disabled; and
3. Is younger than the participant; and
4. Lives with participant for more than half the year; and
5. Does not provide more than half of his or her own support; and
6. Will not file a joint tax return for the year in which the expense was incurred; and
7. Is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico

Qualifying Child of Divorced or Separated Parents.

A participant's child is treated as the dependent of both parents for the purposes of health plan coverage if during the calendar year in which expenses were incurred: (1) the participant's child is in the custody of the participant or their other parent for more than half the year; (2) the participant's child receives over half of his or her support during the year from the participant or their other parent.

A Qualifying Relative is a person who:

1. Is the participant's:
 - a. Son, daughter, stepchild, foster child, or a descendant of any of them (for example, a grandchild); or
 - b. Brother, sister, or a son or daughter of either of them; or
 - c. Father, mother, or an ancestor or sibling of either of them (for example, the participant's grandmother, grandfather, aunt, or uncle); or
 - d. Stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or
 - e. Any other person (other than the participant's spouse) who lived with the participant all year as a member of the household if such relationship did not violate local law; and
2. Will not be a qualifying child (see Qualifying Child above) of any other person as of the last day of the calendar year in which expenses were incurred; and
3. For whom the participant provided over half the support for the calendar year; and
4. Has a gross income for the year that is less than the maximum identified in IRS Publication 501; and
5. Is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico

NOTE: If a dependent receives support from multiple sources or more than one person may claim the dependent as a Qualifying Child, please contact our Customer Care Center for assistance in determining whether the dependent is eligible for benefits under this plan.

Health/Invest HRA Customer Care Center

1-844-342-5505

customercare@healthinvesthra.com

www.healthinvesthra.com



Download our mobile app, HRAgo, today!



Plan Adoption Information

To learn more about adopting Health/Invest HRA for your group, visit www.ajg.com/healthinvesthra or contact:

Dutch Ross

National Sales Director

Health/Invest HRA

1-800-888-8322 | dutch_ross@ajg.com



Health/Invest
HRA

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Attachment D

SSAE 16 SOC 1, Type 2 Audit Report



Empire Innovation Group

**Service Organization Control (“SOC1”) Report on the Suitability of the Design
and Operating Effectiveness of Controls**

Precision 360[®] (“P360”) System

For the Period July 1, 2016 through June 30, 2017

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SKROBACZ & COMPANY CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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Joseph L. Skrobacz, CPA
Robert D. Yalowich, CPA
Sherry A. Mueller, CPA

Section I - Independent Service Auditors' Report

To the Management of Empire Innovation Group, LLC

Scope

We have examined Empire Innovation Group, LLC's ("EIG's") accompanying Description of the Precision 360[®] System provided by Empire Innovation Group, LLC ("Description") for providing administrative services for funded Health Reimbursement Accounts ("HRA") plans throughout the period July 1, 2016 to June 30, 2017, and the suitability of the design and operating effectiveness of controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in Empire Innovation Group, LLC's Assertion. The controls and control objectives included in the description are those that management of Empire Innovation Group, LLC believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the Precision 360[®] System that are not likely to be relevant to user entities' internal control over financial reporting. The Description indicates that certain control objectives specified in the Description can be achieved only if complimentary user entity controls assumed in the design of Empire Innovation Group, LLC's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Empire Innovation Group, LLC uses the Microsoft Azure platform to provide co-location and hosting infrastructure for the Precision 360[®] ("P360") system. Our examination did not extend to controls of the Microsoft Azure platform.

Empire Innovation Group, LLC uses the TSYS Healthcare platform to provide debit card services and transmission of various data exchange for the Precision 360[®] ("P360") system. Our examination did not extend to controls of the TSYS Healthcare platform.

Empire Innovation Group, LLC's Responsibilities

In Section II where the Assertion is presented, Empire Innovation Group, LLC has provided an Assertion about the fairness of the presentation of the Description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the Description. Empire Innovation Group, LLC is responsible for preparing the Description and for the Assertion, including the completeness, accuracy, and method of presentation of the Description and the Assertion, providing the services covered by the Description, specifying the control objectives and stating them in the Description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in

the Assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the Description.

Service Auditors' Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the Description and on the suitability of the design and operating effectiveness of the related controls to achieve the control objectives stated in the Description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's Assertion, the Description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the Description throughout the period July 1, 2016 to June 30, 2017. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a Description of a service organization's system and the suitability of the design and operating effectiveness of controls involves -

- Performing procedures to obtain evidence about the fairness of presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the Description, based on the criteria in management's assertion.
- Assessing the risks that the Description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- Testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the Description were achieved.
- Evaluating the overall presentation of the Description, suitability of the control objectives stated in the Description, and suitability of the criteria specified by the service organization in its Assertion.

Inherent Limitations

The Description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing and reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the Description, or conclusions about the suitability of design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in the accompanying Empire Innovation Group, LLC's Control Objectives, Related Controls and the Independent Service Auditors' Description of tests of controls and results (Description of Tests and Results).

Opinion

In our opinion, in all material respects, based on the criteria described in Empire Innovation Group, LLC's Assertion:

- 1) The Description fairly presents the Precision 360[®] ("P360") system that was designed and implemented throughout the period July 1, 2016 to June 30, 2017.
- 2) The controls related to the control objectives stated in the Description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period July 1, 2016 to June 30, 2017, and if user entities applied the complementary user entity controls contemplated in the design of Empire Innovation Group, LLC's controls throughout the period July 1, 2016 to June 30, 2017.
- 3) The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period July 1, 2016 to June 30, 2017 if complementary user entity controls assumed in the design of Empire Innovation Group LLC's controls operated effectively throughout the period July 1, 2016 to June 30, 2017.

Restricted Use

This report, including the description of tests of controls and results thereof in the Description of Tests and Results, is intended solely for the information and use management of Empire Innovation Group, LLC, user entities of Empire Innovation Group, LLC's Precision 360[®] platform during some or all of the period July 1, 2016 to June 30, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than the specified parties.



SKROBACZ & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Buffalo, New York
September 21, 2017



Section II - Assertion of Empire Innovation Group, LLC

September 21, 2017

We have prepared the Description of Empire Innovation Group, LLC's Precision 360[®] system for providing administrative services for funded HRA Plans throughout the period July 1, 2016 to June 30, 2017 ("Description") for user entities of the system during some or all of the period July 1, 2016 to June 30, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements.

We confirm, to the best of our knowledge and belief, that:

- I) The Description fairly presents the Precision 360[®] ("P360") system made available to user entities during some or all of the period July 1, 2016 to June 30, 2017, for providing administrative services for funded HRA Plans as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. Empire Innovation Group, LLC uses the Microsoft Azure platform to provide co-location and hosting infrastructure for EIG's P360 system. Empire Innovation Group, LLC uses the TSYS Healthcare platform to provide debit card services and transmission of various data exchange for EIG's P360 system. The Description includes only the controls and related control objectives of Empire Innovation Group, LLC and excludes the control objectives and related controls of both the Microsoft Azure and TSYS Healthcare platforms. The criteria we used in making this assertion were that the Description:
 - a) Presents how the System made available to user entities of the System was designed and implemented to process relevant transactions, including, if applicable:
 - i) The types of services provided, including, as appropriate, the classes of transactions processed.
 - ii) The procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to reports and other information prepared for user entities of the System.
 - iii) The information used in the performance of the procedures including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
 - iv) How the System captures and addresses significant events and conditions, other than transactions.

- v) The process used to prepare reports and other information for user entities.
 - vi) The specified control objectives and controls designed to achieve those objectives, including, as applicable, complementary user entity controls contemplated in the design of Empire Innovation Group LLC's controls.
 - vii) Other aspects of our control environment, risk assessment process, information and communication (including related business processes), control activities, and monitoring controls that are relevant to the services provided.
- b) Includes relevant details of changes to the P360 system during the period covered by the Description.
 - c) Does not omit or distort information relevant to the P360 system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors and may not, therefore, include every aspect of the P360 system that each individual user entity of the system and its auditor may consider important in its own particular environment.
- 2) The controls related to the control objectives stated in the Description were suitably designed and operating effectively throughout the period July 1, 2016 through June 30, 2017 to achieve those control objectives. The criteria we used in making this assertion were that:
- a) The risks that threaten the achievement of the control objectives stated in the Description have been identified by management at Empire Innovation Group, LLC.
 - b) The controls identified in the Description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the Description from being achieved.
 - c) The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

The Management of Empire Innovation Group, LLC

Section III - Description of the Precision 360[®] System provided by Empire Innovation Group, LLC

Scope of the Report

Empire Innovation Group, LLC (“EIG”) is responsible for providing administration services for funded HRA Plans. This report on the suitability of the design and operating effectiveness of controls for EIG is intended to provide interested parties with information sufficient to obtain an understanding of those aspects of EIG’s controls supporting its Precision 360[®] (“P360”) system that may be relevant to a user entities internal control as it relates to an audit of financial statements. The scope of the report was limited to the P360 system and the related general computer controls environment.

Company Overview

EIG was formed in 2013 to provide Software as a Service (“SaaS”) solutions to the account-based health plan market. EIG’s software platform Precision 360[®] (“P360”) provides administration and management tools for account-based health plans, coupled with robust participant and employer web and mobile tools on leading-edge software frameworks. EIG’s cloud-based solution can add significant value to small, medium, and large health plans across the country. The current management group has over 50 years of combined experience in finance, software architecture, software development, and plan operations. During 2016, EIG began providing administrative processing services in conjunction with the software framework provided to our clients.

Description of the Control Environment, Information and Communication, Monitoring, and Risk Assessment Processes

Control Environment

The control environment is the foundation for all other areas of internal control. As such, the control environment of EIG sets the tone for the organization and influences control consciousness and employee discipline. Management of EIG emphasizes the importance of controls and ethical behavior throughout the organization.

Management’s Philosophy and Operating Style

EIG is led by the senior management group who serve as the President & CEO, Vice President of Technology & Chief Information Officer (CIO), Vice President of Product Development, and Vice President of Client Relations. Additionally, other members of the management team include Director of Business System Analysis, Director of Operations, Director of Technology, and Controller. The organizational structure of EIG facilitates the flow of appropriately detailed information utilizing an “open door” communication policy. The management group at EIG holds oversight roles in the organization and is actively involved in the day-to-day operations of the company.

Employees have daily access to the senior and tactical management groups at EIG. They hold regular staff meetings at which employee feedback and suggestions are encouraged. There is direct communication between each team and team member and the senior management group on a daily basis conveying the

message that integrity and ethical values cannot be compromised. The senior management group regularly discusses internal control procedures with employees through staff meetings and on-the-job training and coaching. The senior management group consistently stresses the importance of adhering to established control procedures and solicits recommendations from employees on how controls might be enhanced.

The senior and tactical management groups continuously demonstrate, through words and actions, a commitment to high ethical standards. At EIG, each employee is responsible for the consequences of his or her actions. If an employee is unsure of the appropriate action, the employee can take advantage of the owners' open door policy and raise the concern with management.

Assignment of Authority and Responsibility

The management team, consisting of the senior management group and managers, has the ultimate responsibility for all activities within the entity, including the internal control system. This also includes assignment of authority and responsibility for operating activities as well as the establishment of reporting relationships and authorization protocols. When assigning authority and responsibility, management considers the nature of each employee's position while maintaining the appropriate segregations of duties.

The senior management group has given employees the authority to make decisions, based on their knowledge and assigned responsibilities. This has empowered the employees to correct problems and suggest process and management improvements. The employees understand this responsibility and involve management in their decision-making process on an as-needed basis.

Human Resource Policies and Practices

EIG strives to recruit the best staff available for each position within the company. Only candidates holding the proper experience and credentials in their respective areas of responsibility and expertise are considered for positions. Each candidate is interviewed by at least two staff members/managers, with a final interview conducted by some combination of the senior management group. Each applicant's prior employment, experience, and references are thoroughly checked. Additionally, EIG conducts a national criminal background/history report on each employee. New employees receive extensive on the job training and are closely supervised during the first months of employment. Maintaining the appropriate level of knowledge, skill set, and training is essential in being an EIG employee.

EIG hires those individuals meeting the technical job requirements as well as fitting the culture of the company. There has been very low staff turnover at EIG, improving company profitability by reducing repetitive entry level training and improving client service with a more experienced and knowledgeable staff.

All employees receive, at minimum, an annual performance evaluation. During the performance reviews, specific goals are established with timelines for achieving each goal. The achievement of these goals is used in determining promotions and pay increases.

Training

Training is an important part of management's commitment to excellence. Management encourages employee participation in outside continuing education and holds regular in-house training sessions to ensure that employees are appropriately performing their duties and keeping abreast of the latest developments that may affect their roles.

Confidentiality Agreement

All employees are required to review and sign EIG's confidentiality agreement prior to gaining access to client data. The agreement provides employees with clear guidelines of the employee's role in protecting client information. Management reviews the confidentiality guidelines from time-to-time at scheduled staff meetings.

Integrity and Ethics

Management stresses the importance of integrity and ethical values, avoidance of conflicts of interest, and commitment to excellence, upon initial hiring of employees and through staff meetings, training sessions, and on-the-job coaching. In addition, management constantly monitors and evaluates employee actions, decisions, and the general performance of their assigned duties to reinforce its commitment to integrity and ethical behavior.

Commitment to Competence

Competence should reflect the knowledge and skills required to accomplish tasks that define an individual's job. Through consideration of an entity's objectives and the strategies and plans for achievement of those objectives, management specifies the competence levels required for particular jobs and translates those levels into requisite knowledge and skills. EIG management has analyzed and defined the tasks and knowledge requirements that comprise the positions within the organization. They consider such factors to the extent to which individuals must exercise judgment and the extent of related supervision when making hiring decisions. EIG management communicates this to personnel through the interview process, the establishment of performance and development goals, training sessions, and through periodic meetings with personnel. Management ensures that competencies are maintained through periodic performance evaluations.

Information and Communication

EIG utilizes various methods of communication to help ensure employees understand their individual roles and company controls, as well as to guarantee that significant events are communicated timely. Time sensitive information is communicated verbally and by email to all employees. The owners and team managers hold regular staff meetings as needed. Furthermore, employees receive written and verbal instructions through checklists and meeting follow-ups that clearly define roles, responsibilities, and expectations.

EIG has developed, as its primary service offering, a hosted/SaaS ("Software as a Service") platform called Precision 360[®] ("P360"). P360 is a consolidated platform for the administration and servicing of account based benefit plans, such as: Health Reimbursement Accounts ("HRA"), Flexible Spending Accounts ("FSA"), and Health Savings Accounts ("HSA"). Currently, EIG only services HRA plans on its P360 platform. P360 integrates eligibility management, enrollment, claim reimbursement administration including an integrated consumer debit card, contribution management, financial recordkeeping, cash management, adjustment processing, customer service management, and reporting functions with a robust plan participant/employer web and mobile app experience.

EIG clients generally access the P360 platform by authenticating to EIG's network using Microsoft Remote Desktop Services, then subsequently authenticate into the P360 system itself. User logins are separate for network authentication and platform authentication. Safeguarding controls are in place to ensure that only authorized users gain access to the platform.

EIG requires that all new user access requests are approved prior to establishing new account credentials on the platform.

EIG communicates with their clients routinely. Each client has specific employees who are responsible for the various areas of responsibility and own decision making for high to low level operating decisions. At EIG, client communication is primarily owned by the CEO and VP of Client Relations. Communication is routine, both by email, telephone, and in-person presence from time-to-time.

Monitoring

Internal controls are continuously evaluated and monitored by the management team and staff members. In addition to daily on-the-job monitoring of the operation of internal controls, managers and staff have assigned monitoring functions and use established checklists and reporting from P360 to assist them with that monitoring. The management team and staff monitor and report, as needed, to the owners on team functions, performance and compliance with laws and regulations.

The CEO holds regular meetings with the management and staff to maintain oversight of team activities and the Company's financial position.

Risk Assessment

EIG has placed into operation a process to identify and manage risks that could affect its ability to provide reliable services to clients, plan employers, and participants. This process requires management to identify significant risks inherent in the processing and administration of HRA plans housed on EIG's systems and to implement appropriate measures to monitor and manage these risks.

Management meets periodically to discuss the risks the business is facing. These include various aspects of financial, plan administration, and technological risks, including risks introduced by changes in the nature of services provided when applicable. In addition, each manager meets with their staff on a regular basis to discuss any outstanding issues pertaining to the functioning of the team.

Control Objectives and Related Controls

The following section has been created to provide a description of the EIG controls in place to ensure the accurate and complete processing of EIG data. The section is organized to provide an overview of the P360 system. This narrative will explain what happens throughout the cycle, the controls that are in place within the cycle, and who performs the control.

EIG's Description of the System

The primary control objective of EIG is to ensure that transactions are properly initiated, authorized, recorded, processed, reported, and maintained. These controls are evident in every aspect of the business. The core service areas of EIG's P360 platform are client setup, eligibility and enrollment, deposit management, contribution management, claims entry and processing, claims payment, invoice

management, payment processing, daily processing and recordkeeping, debit card transaction reconciliation, financial reporting, and customer service.

Today, EIG operates its business and provides services to its client-base under a multi-faceted, multi-vendor service model. There are several advantages for EIG to provide services to its clients under this model, which include EIG's specialization in its core competencies, and the outsourcing of commodity services to third-parties. The current service model places EIG as a primary vendor to the servicing of the plans on the P360 platform. Under this model, EIG provides core technology, financial services, and transaction data entry and basic substantiation to the plans as the Administrator. Additional primary/key plan services, such as plan consulting and high-contact customer and employer care services are provided by the plan consultant. Secondary services, including document-intake scanning and indexing, debit card authorization and payment, and outbound print fulfillment services are provided by three additional vendors.

EIG's P360 platform is provided under the SaaS model. Under SaaS, EIG hosts all technology components of the platform, such that a user can access the system with industry standard client-end software. EIG has also adopted cloud-based technology infrastructure to host its software systems, largely due to enhanced security controls, cost of operation, improved support capabilities, ease of configuration, quick-to-market timing, continuous core infrastructure enhancements, and emerging shifts in technology paradigms.

P360 is structured with nine key sub-systems which in aggregate make up the platform in totality.

1. Back-end processing users (our "clients") use an administration console hosted by Microsoft Remote Desktop Services.
2. Plan employers and participants access the system from an Internet published web portal, hosted by Microsoft Internet Information Server ("IIS").
3. Plan participants may elect to download a mobile application to their smart devices (e.g. iPhone, iPad, Android-supported devices) which provide many of the same management features as the web portal.
4. A back-end processing server which handles daily batch transaction processing.
5. A back-end fulfillment processing server which handles batch import/export of transaction files and email transmission from the platform to intended recipients.
6. A reporting server/portal hosted by Microsoft SQL Server Reporting Services ("SSRS") used to provide users of the system with different types of reports, including operational, financial, and transactional reports.
7. A web services API hosted by IIS to integrate the mobile application.
8. A web services API hosted by IIS to integrate vendor TSY's Healthcare platform to P360.
9. A web services API hosted by IIS to integrate P360 to vendor TSY's Healthcare API.

EIG's control objectives and related controls are included in "Section IV - Information Provided by Independent Service Auditor" to eliminate the redundancy that would result from listing them in both Sections III and IV.

Although the control objectives and related controls are included in Section IV, they are an integral part of EIG's description of the system.

Description of Transaction Processing

Client Setup

In designing and developing the P360 platform, EIG's approach was to build a flexible, scalable, and extendable solution. It was in this approach, that EIG created a custom business driven rules' ("BDR") engine. The P360 BDR engine allows for the quick and robust configuration of clients, both new and existing, on the system with many additional configurations for plans, plan assets, portfolios, fees, and transaction processing rules. When employer groups are added to the system, EIG can quickly configure these groups with plans and configurations which customize their plan utilization in a means respective of their plan adoption agreement.

A major benefit of the P360 platform utilizing the BDR engine is that it promotes an operating environment where virtually no new "code" implementation is necessary for the launching of new clients or adding new groups to existing clients. This improves competitive advantage relative to other platforms in the market, and reduces the risks in making a platform change when performing routine functions such as adding additional clients or groups.

Eligibility and Enrollment

Information pertaining to plan participants is loaded on to the P360 platform as eligibility and/or enrollment.

Eligibility is basic information about a potential plan participant which has been sent by participating employers to be loaded on to the platform. Eligibility information is generally transmitted to EIG by employers using automated file uploads, or may also be keyed in online via the employer web portal. When applied to the system, this information allows for a would-be plan participant to subsequently enroll "online" into the plan by providing the additional necessary information and completing various acknowledgments to be able to fully service them as a plan participant.

Enrollment is the process by which an eligible would-be plan participant completes the necessary paperwork and acknowledgments to become a plan participant, as described above. This may take place by one of two primary means: 1). Enrollment form is filled out by a participant and submitted to the plan address; 2). Participant fills out an electronic form via the web portal and enrolls electronically.

In performing option #1, the form is received by the plan, electronically scanned, and uploaded into P360 via a nightly batch job. These electronic forms then fall into a processing queue, which is serviced by EIG's operation administrators, and are loaded and keyed into the system by means of data entry. Controls are in place to ensure no form is keyed more than once, as to only create one plan participant in the system.

In performing option #2, the participant enrolls electronically by visiting a secured web portal. The participant completes the electronic enrollment form, and subsequently acknowledges all required notices. Once completed, the eligibility record for this participant is updated to reflect that they are enrolled. A pre-requisite to a would-be participant enrolling in this manner is that their eligibility information must be on file having been uploaded previously by an employer.

Deposit Management

P360 has an integrated deposit management module. In servicing plans on the P360 platform, all account level cash management and reconciliation is performed.

Prior to funds being applied to participant accounts, employers must remit funds and submit contribution reports which instruct how funds are to be applied. The beginning of this process starts with employers issuing a physical check or ACH transaction to the plan's financial custodian. The custodian is the financial institution of record holding actual cash deposits and plan assets in trust. Physical checks are mailed to the plan lockbox located at the custodian and ACH transactions are electronically submitted to the contribution deposit account.

As checks are received at the lockbox, they are deposited into the contribution deposit account, imaged and documented with source information, and applied to transcripts. ACH transactions are also applied to transcripts. Those transcripts are sent to the finance management team at EIG via several secure electronic means. Upon receipt of the transcripts, the finance team will enter those deposits into P360 to be further associated to contribution reports when submitted by employers.

Contribution Management

Contribution reports are employers' instructions as to how remitted funds should be applied against accounts loaded on the P360 platform. Contribution reports can be submitted by one of four different methods: 1) Included with deposits; 2) Via US mail submitted to the plan mailbox; 3) Via the employer portal by standard file format; 4) Via the employer portal by manual keying of report details.

In performing method #1, employers can submit instructions included with their deposits, which then become part of the transcripts submitted to the finance team. When these images are received, the finance team will upload those images as scanned images into the system. The scanned images then fall into the contribution report queue for the operation administrators to link to a deposit and process the report.

In performing method #2, employers can submit contribution reports on paper via US mail to the plan mailbox. Once received, the contribution reports are scanned, indexed as contribution reports, and uploaded into P360 by a daily batch import process. These images fall into the contribution report queue for the eligibility team to link to a deposit and process the report.

In performing method #3, employers fill out a standardized XLS / XLSX file (Excel file format) and submit it online using the employer portal contribution file upload process. This process will accept the file, perform a series of validation checks against the file, and subsequently process the report. Once submitted, the report must be linked to a deposit and submitted for final processing. That function is performed by the operation administrators, who retrieves the contribution report from the contribution report queue, similar to processes #1 and #2.

In performing method #4, employers use a transaction available on the web portal in which they manually key the report in online. Provided to employers are tools to "reuse" a previously entered report and a participant roster/search form to more quickly enter the report. Once the report is filled out and submitted, it is further processed by the operation administrators. Similar to processes #1, #2, and #3, the report must be linked to a deposit and submitted for final processing.

The final processing step of the report consists of daily batch system processing in which contributions from reports are applied to accounts within the P360 system. Specifically, when the daily batch system processing is completed, accounts receive their posted contributions and account balances are updated to reflect the contributions.

Claims Entry and Processing

Claim transactions are those which are generally submitted by plan participants for reimbursement of qualified medical expenses, known as Section 213(d) expenses as defined by the Internal Revenue Service. While most claims are submitted by plan participants, there are some cases where employers can submit claims against specialized employer accounts to receive reimbursement expenses incurred on behalf of participants.

Claims can be submitted by one of three different methods: 1) Via US mail to the plan mailbox; 2) By participants via the online participant portal; 3) By participants via the smart phone app, ("HRAgo®").

In performing method #1, participants complete a claim form which can be either employer provided or downloaded from the participant web portal. Copies of all substantiation documentation along with the claim form (or more than one form in the event of a sizable claim) are mailed via US mail to the plan mailbox. Upon receipt of the documentation, claims, along with the substantiation documents are scanned, indexed as claims and supporting documentation, and uploaded daily in a batch load process into P360.

In performing method #2, participants may log into the participant web portal (requires one-time registration by the participant) and submit an online claim submission transaction. In doing so, participants are required to upload their substantiation documents using the online wizard. Documents may be provided in a number of popular file formats such as PDF and JPG.

In performing method #3, similar to method #2, participants may log in using the smart phone mobile app (requires registration on the participant portal) and submit an online claim submission transaction. The key difference in using this process is that it allows the participant to use images from the device's library or in real-time snap a photo of substantiation documentation with the device's camera.

Once claims have been submitted or uploaded via the daily batch process, the claims are moved into the P360 claim processing queues. EIG's claims processing team processes claims within the queues. In processing claims, the team is responsible for reviewing and evaluating each claim, along with ensuring that the supporting documentation substantiates a qualified expense. For all authorized expenses submitted, the requested amounts are approved. For any unauthorized expenses submitted, one or more denial codes are applied to the expense and the claim is denied.

On a daily basis, during system batch processing, all processed claims with approved amounts are applied against their respective participant and employer accounts for funding if account balances are sufficient to cover all or part of the claim. The claims and their respective amounts are posted against the various accounts, and the various account balances are updated to reflect the change in an account's balance. If the funds are available to cover the respective claims, payments are issued either by check or ACH to the respective participant or employer. In an instance where a partial payment is issued due to inadequate funds to cover the approved amounts, a new pre-processed/pre-approved claim is automatically created by P360 for subsequent daily processing and applied against future contributions.

When a claim is processed, regardless of being approved or denied, an Explanation of Benefits (“EOB”) is issued reflecting all claim expenses, their disposition, and reasons for any denials.

Monthly, the claims processing team performs an audit of the claims processed during the month by taking a random sample generated from the system and ensuring claims were properly entered, processed, and recorded within the system.

Debit Card

The P360 system platform offers an integrated debit card which is serviced by TSYS Healthcare, a division of Total Systems Inc. (“TSYS”). Participants in qualifying plans may utilize debit card services in order to pay for qualified 213(d) medical expenses, those noted above, directly from their account.

Participants elect a debit card during plan enrollment and will receive their card once they’ve met the eligibility requirements as defined by the plan. The P360 system determines when these requirements are met and will generate an eligibility file which will be sent via secure SFTP transfer to TSYS. Thereafter, TSYS will send an acknowledgement and response file indicating all records were received and processed. TSYS produces the cards in-house and mails them via US Postal Service.

Once the card is received, it must be activated by the participant, which may be done via the online portal or telephone (using integrated voice response (IVR)) hosted by TSYS. Once activated, the card is available for use. Participants may elect additional cards for their spouse and dependents.

Debit cards are funded via a monetary file transfer to TSYS during daily batch processing. Initial funding and adjustments are calculated by the P360 system and done based on daily limits established under the plan. Upon receipt of the monetary file, TSYS will send an acknowledgement and response file indicating all records were received and processed.

Participants may use their card to purchase qualified medical expenses sold at healthcare merchants, non-medical merchants who are registered members of SIGIS (Special Interest Group for ILAS Standards,) or self-attested pharmacies selling at least 90% healthcare eligible items. Transactions attempted at merchants not meeting this specified criteria will be declined. Based on plan definitions maintained by TSYS, certain debit card transactions are auto-substantiated at point of sale, requiring no other action by the participant. Conversely, some transactions require manual substantiation post transaction by the participant. They will be notified to submit documentation on the participant portal, via email/letter, or push notification on the mobile application. The EIG claims processing team is responsible for reviewing and evaluating the substantiation to determine if it substantiates as qualified expense. Quarterly, the claims processing team performs an audit of manual substantiated debit card transactions processed during the month by taking a random sample generated from the system and ensuring the transactions were properly entered, processed, and recorded within the system.

Debit card transactions are received real time from TSYS via API web service call, referred to as authorizations. Authorizations provide transaction details including the applicable participant/dependent, approval or denial, merchant name and ID, amount requested, and amount approved. The P360 system logs each authorization and can be viewed in real time within the P360 administration console, the online participant portal, or the smart phone app.

On a daily basis, during system batch processing, all debit card transactions with approved amounts received since the last daily cycle are processed against their respective participant accounts for funding.

The system funds debit card transactions prior to funding manual claims as this money is already spent for all intents and purposes. Funds for settled transactions will be pulled by the debit card association, as discussed below.

Nightly reconciliation files are received from the debit card vendor via SFTP and processed through the P360 system. These files include: 1) a transaction file, which includes detail on all settled transactions that are matched to those maintained in the P360 system. This also generates the ACH debit transaction to fund the debit card swipes; 2) a purse balance file, which details each participant's available debit card balance and that then is reconciled to the expected balance per the P360 system; and 3) card status file, which provides a list of cardholders, card statuses, and activation statuses. Any variances are reviewed by the Finance team daily.

Updates to participant accounts including address changes, reports of a card being lost/stolen, and account closures are sent immediately to TSYS via web service API. This ensures that TSYS and P360 data remains aligned.

Invoice Management

As referred to in the payment fulfillment narrative, the P360 platform has a vendor management/invoice payment feature. This feature allows for the management of vendors who service the plan including invoice entry, approval, and payment. While invoices are managed by the finance team, the payment approval process lies with the plan consultant.

Special accounts on the platform associated to specific plans/clients are used for invoice processing. Fee transactions which are applied against participant and employer accounts supply these expense accounts with funds specifically for these purposes. Fee rates are closely monitored by the finance team and plan consultants to ensure the optimum fee rates are applied based on instruction by plan officers.

Payment Processing

On a daily basis, given the significant number of transactions processed, there will be many payments issued. Those transactions include the following: 1) Claim reimbursements; 2) Invoice payments; 3) Adjustment disbursements; 4) Debit Card transaction funding.

#1 – Claim reimbursement payments are issued as a result of claims being processed and funds liquidated from participant accounts. These payments can be in the form of physical checks or ACH transactions. During the physical check production process, there are additional rules which are applied to “bundle” multiple checks into one physical check in order to reduce printing and mailing costs. ACH transactions are additionally disbursed as one transaction on the same market day for payments being credited to the same account.

#2 – P360 manages invoice payments. These payments are managed by the plan consultant and are issued to cover routine plan expenses by the various vendors handling business for the plans on the platform. All expenses/invoices require approval by senior members of the plan consultant prior to being processed. These transactions can be made through either physical checks or ACH transactions.

#3 – P360 provides a number of adjustment transactions which can be processed against accounts and other assets managed on the platform. These adjustment transactions may be utilized to correct

administrative mistakes or to issue reimbursements for certain types of supported transactions which are not handled as claims. These payments can be made through either physical checks or ACH transactions.

#4 – Settled debit card transactions are funded through an ACH “Pull” or direct debit by the Debit Card Association. On a nightly basis, the system processes a Transaction File from the debit card vendor which identifies all transactions which have settled that day. This processing creates an ACH Pull payment in the P360 system which is matched and cleared by the withdrawal performed by the Debit Card Association.

Daily Processing and Recordkeeping

The P360 platform includes an integrated recordkeeping function that maintains account ledgers for multiple investment categories including mutual funds, stable value funds and cash.

The platform breaks account ledgers into account sub-ledgers for each asset for which an account currently has holdings or at one point in time had holdings. In aggregate, the sum of each sub-ledger under an account forms the basis for the account’s value for a given market day. Additionally, associated to each account is the concept of an account profile which contains the participant elected deposit ratios when new contributions or credit adjustments are applied against a participant’s account.

Transactions against accounts are divided amongst each of the account sub-ledgers. For credit based transactions, the account profile is used to determine how the credits should be applied to the respective sub-ledgers, while for debit based transactions, the current pro-rata amounts for each sub-ledger’s value are used to determine how much of the debit is to be applied against each sub-ledger’s value. Types of transactions include, but are not limited to the following: contributions, claims (including debit card claims), adjustments, fee amounts (both asset based and amount based), as well as daily gain and loss amounts based upon the market fluctuations in overall asset values.

The daily batch processing cycle consists of three core functions: 1) Queue pending transactions; 2) Revaluation and post; 3) Close business day.

#1 – Queue pending transactions is the system process run at the logical opening of daily market trading. This process queries all qualifying transactions, such as contributions, claims (including debit card claims), adjustments, and fees which are eligible to be applied to various accounts for that specific market date. Using standard application rules, the system will apply those transactions against accounts. After the transactions are applied to accounts in batch, the system will provide a report of aggregate market trading instructions. These instructions are sent directly to the investment custodian via an output file that is generated during this process. Trades are automatically processed on the investment custodian’s extended day trading platform.

#2 – Revaluation and post is the system process run at the logical close of daily market trading once all trades have been settled. This process will post all previously applied transactions to their respective accounts/account sub-ledgers. Additionally, when this process is executed, market settlements are entered, calculating applicable earnings/losses on the given market day to each respective aggregate asset. For each account sub-ledger, the system will apply the respective earnings or losses and immediately post the amount. Upon completion of this process, the system will perform a revaluation of each account sub-ledger and each account in order to establish a new ending market day balance (value).

#3 – Close business day is a housekeeping function which re-calculates account status, triggers fulfillment processes to run and generate batch output files, and processes any other events or activities that are required to be processed on a daily basis in order to close the respective day's business.

Financial Reporting

There are two types of financial reports from the P360 platform. These two types are as follows: 1) SQL Server Reporting Services ("SSRS") finance reporting; and 2) External trust level reporting produced by the finance team.

#1 – SSRS finance reporting is the reporting component of the P360 platform in which codified reports are developed and deployed for users with granted permissions to utilize them. These reports include routine daily finance reports, reports used for auditing purposes, and data to export for analysis outside of the P360 platform by the finance and reporting team.

#2 – External reports are those produced generally by the finance or reporting teams for specialized purposes. The data used to generate these reports are generally exported by the SSRS reporting tools. External applications, such as Microsoft Excel is used to consolidate, aggregate, structure, analyze, and format the data into useful information.

Customer Service

P360 includes a customer service and employer relationship management feature. This feature is used primarily to track calls and service interactions made by the customer care team to participants and employers. Information that is tracked includes, but is not limited to, calls, call reasons, call disposition, notes, and call referrals.

Information Technology and Systems Security

EIG provides technological solutions to its clients and understands the critical and sensitive nature of financial, participant, and employer information. Physical access to computer equipment and storage media is restricted to properly authorized individuals. Currently, technology is employed to ensure that data is secure and that appropriate access to information is given only to authorized users. Access to the P360 platform is restricted based on job function. The EIG information technology team is responsible for implementing all software changes. Procedures are in place to review, approve, and properly implement the approved changes to production systems.

Description of EIG's Information Technology (IT) Team

The CIO is responsible for providing appropriate resources and controls to meet the needs of EIG. The CIO, with the assistance of the Director of Technology and senior management, assess the needs of each client and user to determine the hardware and software necessary to efficiently complete required duties. Resources are planned, allocated, and implemented as needed. The CIO has the primary responsibility for implementing the plans.

Description of Computerized Information Systems

EIG's information systems environment is comprised of approximately 25 Windows 2012/2012R2/2016 servers. As noted, EIG utilizes the Microsoft Azure cloud platform for its core infrastructure operation. The combination of cloud based and on premise hardware comprises the majority of EIG's infrastructure.

Description of General Computer Controls

Logical Access

EIG's security team is responsible for managing information security and the risk of data exposure. This is accomplished through security controls that include various tiers of network, server, application, and remote access security technologies, as well as policies and procedures around the management of security-relevant data.

Management has developed and implemented formal information security policies and procedures as a guide for personnel regarding the protection of information assets. These policies and procedures define guidelines for implementing and managing logical access security and controls. These policies are reviewed and approved by management on an as-needed basis.

Authentication

In order to access EIG's production environment, employees are required to have a valid corporate network account. Network access is requested and approved as part of the new hire on-boarding process. All production systems at EIG are strictly controlled and only directly accessible by the production control team ("PCT"). The PCT is a team of EIG personnel with specific access permissions capable of making system changes. Access to production systems is controlled by dual method authentication and is monitored.

System Access Requests

When an employee requires access to P360, a formal request is made through the service desk ticketing system. An electronic ticket is opened by either the manager or the employee for requesting access to P360. Access assignments for the new user are modeled based on the user's job function as identified within the ticket. Once generated, the ticket is approved by the employee's manager before it is sent to the Security Administration team for authorization. The security administration team performs a review of the ticketed request and (1) investigates whether all the relevant sections of the ticket are completed, (2) confirms the request has been properly approved, and (3) verifies the access requested is appropriate depending on the job titles of the new employee. Once the access appropriateness is determined, the security administration team grants access to P360.

EIG requires changes to access, either permissions levels or new user accounts, to be facilitated via the Access Request Process ("ARP".) The ARP is required with any material change to system permissions. All ARP requests must be approved by the EIG management team.

Access to P360 for non-EIG employees (e.g. contractors, temporary employees, etc.) is requested, approved, and provisioned in accordance with EIG's requirements. Individuals who are not employees, contractors, business partners, or consultants shall not be granted a user-ID or otherwise be given privileges to use EIG computers, networks, or systems unless the written approval of the CIO or CEO has

first been obtained, and only after that individual has signed a non-disclosure and confidentiality agreement.

Unique user IDs and passwords are assigned to each individual user. Password rules are established according to EIG's security policy, which requires seven alphanumeric characters with the Windows password complexity requirements enabled. Passwords are systematically required to be changed at least every 90 days. The system administrator sets the user's initial password. The user is required to change the password at the first login.

Individual access capabilities are removed immediately by the CIO or his designee upon the notification of termination of employment, change of responsibilities, or termination of a user with a client of EIG that uses the system. System security access levels are reviewed by the CIO or his designee to ensure individual access rights are appropriate based on job information.

User accounts and access rights are managed on the primary domain controller employing the Internet-standard Kerberos network authentication protocol to authenticate both the client and the network, and to protect against the possibility of unauthorized users impersonating a server to enter the network.

SQL Server 2012 Database software maintains the client database. The database is only accessible through the software application and is protected from unauthorized access. No direct network access is granted to this software or the servers that it operates on to anyone other than those granted by EIG management.

Special system privileges, such as the ability to examine the files of other users or change system configuration, is restricted to those directly responsible for system management and/or security.

Physical Access to Server Room / Cloud Environment

EIG deploys its environments using server virtualization platforms. EIG's P360 platform is provided under the SaaS model. Under SaaS, EIG hosts all technology components of the platform, such that a user can access the system with industry standard client-end software. EIG also has adopted cloud-based technology infrastructure to host its software systems.

Physical Security

EIG's on premise company local area network is exclusively located at its current office location: 410 Main Street, Suite #5, Buffalo, New York 14202. The EIG corporate location hosts limited infrastructure assets related to local telephone, internet and basic operational needs. Although the EIG corporate location serves as the main location for all administration and controls, EIG utilizes the Microsoft Azure cloud platform for core infrastructure operations and processing. The combination of cloud based and on premise hardware comprises the majority of EIG's infrastructure.

Physical security policies and procedures are documented and define requirements for access request, approval, authentication, and monitoring.

Administration of physical access to the EIG location is managed by the CIO who is supported by the EIG security team.

Access to the EIG corporate location is through secured building entrances, requiring off-hours access via a security swipe card, and locked door entry to EIG's explicit offices which can only be open via key. EIG visitors are required to be escorted by an authorized employee.

Environmental Safeguards

EIG secures its corporate space with a motion sensor alarm which utilizes trip devices on doors and windows. In the event of a trip, the EIG management chain is contacted in an approved phone tree for disposition. Additionally, EIG's security practices include entryway security camera closed-circuit recording. EIG maintains a lengthy recorded history of at least one calendar week of recorded footage on all entryways to EIG's office space.

EIG's processing infrastructure assets are located within the Microsoft Azure cloud and are protected by Azure security resources. Access to these assets is restricted to certain key individuals.

Locally maintained infrastructure assets such as local telephone, internet and other basic operational equipment are located in a restricted area that is locked and secured.

Information Safeguards

Data backups for EIG systems fall into two classifications: business data and system data. Since EIG operates in a virtual data center environment, backups are bifurcated into processes which make its operating data recoverable, as well as the recovery of actual server systems. EIG uses geographically redundant storage – as such, backups are maintained in multiple secure locations across multiple data centers.

EIG performs daily backups, using a 7 day rolling rotation, of critical P360 files. The process initiates at 1:00 am Eastern Time, Sunday through Saturday. The process takes complete backups on Sundays and differential backups on all other days with exception to the documents database which is a differential. The previous daily backup media is maintained in a secured Azure storage array, 3 copies local (East US), and 3 copies in the (West US) cloud location.

Job Scheduling

There are mid-day and overnight batch processes which handle the import of scan documents from the scan vendor. Additionally, there is the daily processing cycle which is batch in nature but automatically triggered between 2:00am and 4:00am eastern time. The only users with access to the schedule are the system administrators.

Anti-Virus Procedures

Every computer in use is required to be checked for viruses upon startup (boot up) using software resident on the workstation, resident on the LAN, or on removable media. Anti-virus software is required to be one of the following: McAfee, Symantec, or Windows Defender. Currently, McAfee Endpoint Security is the selected software running on workstations.

One of the following procedures must be followed:

- Load a virus checking program into memory or as an agent on the machine to protect against viruses on an operational basis.
- Set up a virus check that launches a virus check locally from the LAN.

Virus definition updates are applied for all workstations using automated procedures, typically available with anti-virus software. Anti-virus updates are to be applied at least weekly or more frequently, if necessary. In addition, anti-virus tools are used to scan all writeable, removable media for viruses prior to accessing data on the media.

Software Change Management

Change Approval

Any change in the EIG environment requires approval through the change management committee ("CMC"). Changes must be reviewed, assessed, and approved before the requested change is scheduled and implemented. Approval is granted based on criteria including but not limited to: scope, need, commitment, risk, and ability to recover in the event of an issue. Approval is granted upon proper review, evaluation, and a holistic understanding of the change. The CMC is composed of members of the EIG management team and client management team.

Change Risk Assessments

With all changes, except those defined as emergencies, a risk assessment is completed during the Change Management Committee's review of the change. Committee members use all available information, knowledge of the change, understanding of the scope, and thoroughness of the implementation, verification, and rollback plans when determining approval status.

In the case of emergencies or exception based approvals, the same level of diligence is expected. Extra diligence is expected when approvals are given for changes of this level.

New releases are tested internally by the quality assurance team and with several others as needed prior to general release. Major releases occur quarterly, with interim releases as needed.

Changes to production software follow a change management process which requires approval by senior management prior to being released to production. Additionally, the identified deployment team will document the installation steps in a checklist to follow during the process. A release document is prepared by the Director of Business Systems Analysis that contains all the modifications in the release and this document is provided to clients as a reference point.

EIG has separate test databases and system instances which allow for testing of releases without impacting any production clients. These database and system instances provide a complete set of programs to be used in a parallel process. Copies are made of the production databases and will be processed through a parallel process. Any variances are resolved prior to installing the new release in production.

Production systems at EIG are strictly controlled and only directly accessible by the production control team. The production control team is a collection of EIG personnel with specific access permissions capable of making changes to systems or software on respective systems. Access to these production systems is monitored.

The Director of Technology delegates responsibilities during planning sessions for each installation. The process includes a verification step which a delegate of both the deployment and business systems analysis teams (serving as quality control) perform. All changes are moved to production by someone other than the programmer and segregation of duties is properly maintained.

Subservice Organizations

EIG uses several subservice organizations to outsource certain functions or supplement their services. The services provided are described below.

Microsoft Corporation is the software and technology services company that provides EIG with infrastructure services under the Azure platform as well as the core software technology framework, .NET, upon which the P360 platform is built.

TSYS Healthcare provides EIG with debit card processing services including physical card creation, activation via telephone, and transaction processing. The P360 system is integrated via API web services and further EIG utilizes secure file transfer with TSYS to transmit various data exchange.

Control Objectives and Controls

The control objectives specified by EIG and the controls that achieve those control objectives are listed in the accompanying Description of Control Objectives, Controls, Tests and Result of Tests and are considered an integral part of this Description.

Complementary User Entity Controls

P360 is designed with the assumption that certain controls will be implemented by user entities. The application of certain controls by the user entities is necessary to achieve certain control objectives identified in the report. Such controls are called Complementary User Entity Controls. It is not feasible for all of the control objectives related to P360 to be solely achieved by EIG control activities. Accordingly, user entities should establish their own internal controls or procedure to complement those of EIG.

The following Complementary User Entity Controls are an integral part of this Description and should be implemented by user entities to provide additional assurance that the specified control objectives described within this report are met:

General

- Controls should be established to ensure that Plan Consultant users monitor and review reports and other information provided.

Control Objective #2

- Controls should be established to ensure that access to EIG systems by employees of the Plan Consultant is properly authorized and appropriate based upon job responsibilities.
- Controls should be established to ensure that terminated users who are employees of the Plan Consultant are removed or disabled in a timely manner.

Control Objective #6

- Controls should be established to ensure that enrollment information uploaded into the P360 system by employers is complete and accurate and changes are communicated to EIG in a timely manner.
- Controls should be established to ensure that enrollment information uploaded into the P360 system by third party debit card vendor is complete and accurate and changes are communicated to EIG in a timely manner.

Control Objective #7

- Controls should be established to ensure that deposit information provided by the bank or custodian is complete and accurate.

Control Objective #8

- Controls should be established to ensure that contribution reports uploaded by employers are complete and accurate.

Control Objective #9

- Controls should be established to ensure that all debit card transaction claims uploaded into the P360 system from the third-party debit card vendor are complete and accurate.

Control Objective #10

- Controls should be established to ensure that vendors are authorized and appropriate prior to being setup in the P360 system.
- Controls should be established to ensure that the third party consultant enters, reviews, and approves vendor invoices in a timely and accurate manner.
- Controls should be established to ensure that the respective fee rates associated to employer and participant accounts are consistently and accurately monitored and that changes to the fee rates are communicated to the EIG finance team in a timely manner.

Control Objective #12

- Controls should be established to ensure that banking and investment information provided by the bank, custodian, or third party vendors is complete and accurate and that changes are communicated to EIG in a timely manner.
- Controls should be established to ensure that the respective debit card funding limits set up under the debit card plans are consistently and accurately monitored and that changes to the funding limits are communicated to the EIG finance team in a timely manner.
- Controls should be established to ensure that the nightly debit card balance files uploaded into the P360 system by the third party debit card vendor are complete and accurate and changes are communicated to EIG in a timely manner.

EIG's status as an entity separate from its clients provides a certain amount of inherent segregation of functions. EIG's employees are not authorized to initiate transactions or modify client files except through normal production procedures.

Section IV - Empire Innovation Group, LLC's Control Objectives, Related Controls and the Independent Service Auditors' Description of tests of controls and results

Testing performed and Results of Tests of Entity-Level Controls

In planning the nature, timing and extent of our testing of the controls specified by EIG, we considered the aspects of EIG's control environment, risk assessment processes, information and communication and management monitoring procedures and performed such procedures as we considered necessary in the circumstances.

Control Objectives and Related Controls

On the pages that follow, the description of control objectives and the controls to achieve the objectives have been specified by, and are the responsibility of EIG. The testing performed and the results of tests are the responsibility of the service auditor.

Control Objective 1: Controls provide reasonable assurance that physical access to computer equipment and storage media is restricted to properly authorized individuals

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
1.1	EIG physical security policies and procedures are documented and define requirements for access request and approval, authentication and monitoring.	Inspected the EIG Information Technology Policies to determine that documented physical security policies and procedures exist that define requirements for access request and approval, authentication and monitoring.	No deviations noted.
1.2	EIG locks all access to premises during business and non-business hours and during business hours.	Observed the main access door to EIG's 5 th floor offices to determine that the EIG corporate location is always secured and requires a swipe card for entry to EIG's offices, and swipe card access to building after hours. Inspected the swipe card inventory and noted that it was appropriately limited to authorized individuals only.	No deviations noted.
1.3	Visitors to EIG are required to be escorted by an authorized employee.	Observed that visitors to the EIG premise were required to be escorted by an employee as the doors are locked and only opened via swipe-card access.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
1.4	EIG secures its space with recorded video cameras and motion sensor alarms which utilize trip devices on doors and windows. In the event of a trip, the EIG management chain is contacted in an approved phone tree for disposition.	Inquired of the CIO regarding the video camera system records all entrances to EIG's office space and motion sensor alarm to determine that the corporate location was equipped with trip devices configured to alert management as appropriate. Observed video camera, and inspected recording and playback devices were working appropriately. Observed that the corporate location was equipped with trip devices on doors and that a dedicated cellular circuit line is in place for the monitoring service. Inspected the phone tree and vendor contract to determine that management had an effective process in place to securely monitor the location during the examination period.	No deviations noted.
1.5	EIG's infrastructure assets are located within the Microsoft Azure cloud and are protected by Azure security resources. Access to these assets is restricted to certain key individuals.	Inquired of the CIO to determine that all critical EIG production equipment is located in the Microsoft Azure cloud. Inspected the cloud configuration diagrams and network to determine that EIG utilizes the Microsoft Azure Platform for IaaS and PaaS services. Inspected the system-generated user access listings to Azure resources. Inquired of the CIO to verify that access is restricted to authorized IT personnel only.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
1.6	Locally maintained infrastructure assets are located in a restricted area that is limited to authorized and approved individuals in a separate locked and secured room.	Observed that locally maintained infrastructure is located in a locked and secure room in the corporate location. Inquired of the CIO to determine that key access to the local infrastructure is limited to appropriate individuals. Obtained the key inventory and noted that only the authorized and approved individuals have access to the local assets.	No deviations noted.

Control Objective 2: Controls provide reasonable assurance that logical access to programs, data, and system resources is restricted to properly authorized and appropriate personnel.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
2.1	EIG logical access policies and procedures are documented and define requirements for passwords, user administration and system security.	Inspected the EIG Information Technology Policies to determine that documented logical access and system security policies and procedures exist that define requirements for request for users, system security settings, and other system administration protocols.	No deviations noted.
2.2	EIG requires access requests to be submitted through the help desk portal. In some rare cases access may be approved by the CIO or CEO without a written request due to immediate needs. In all cases the CIO or CEO must approve access to be granted.	Obtained the complete list of new users added to the P360 system and inspected the associated help desk form requesting access to the systems.	No deviations noted.
2.3	Systems are protected by dual authentication and password rules are established according to EIG's security policy, which requires seven alphanumeric characters with the Windows password complexity requirements enabled. Active Directory Passwords are systematically required to be changed at least every 90 days.	<p>Inspected screen captures of P360 and Active Directory Password configurations to determine that users were authenticated via both Active directory and P360 user account and password before being granted access.</p> <p>Inspected the password configurations and the password policy to determine that P360 and Active Directory are configured to enforce the password requirements outlined in the policy.</p>	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
2.4	EIG requires management and clients to notify by use of the help desk portal the employees who have been terminated and no longer require access to EIG's systems.	Inspected the network user access listing for a sample of employees terminated during the examination period to determine notification was provided and access was revoked for each terminated employee.	No deviations noted.
2.5	EIG only grants administrative access to employees requiring those rights due to their job functions and upon approval of the CIO.	Inspected the system-generated user access listings for the in-scope system to determine users with administrator access. Inquired of the CIO to verify that access is restricted to authorized IT personnel only.	No deviations noted.
2.6	EIG access to information assets is restricted through the use of unique user IDs assigned to specific individuals.	Inspected the list of active directory users and P360 users to determine that users were assigned unique user IDs.	No deviations noted.

Control Objective 3: Controls provide reasonable assurance that data is retained, backed up completely, appropriately stored and available for restoration.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
3.1	EIG computer operations policies and procedures are documented and define requirements for backups and data recovery.	Inspected the EIG Information Technology Policies to determine that data backup policies and procedures addressed the backup operation procedures.	No deviations noted.
3.2	EIG production P360 system performs nightly backups of at least 7 rolling days and is stored on media which is redundant at least to a factor of 6 times and is secure from unauthorized access.	<p>Inspected the automated backup system configuration and backup job log for a sample of production application datasets during the examination period to determine that an automated backup system performs daily backups of source code and customer data.</p> <p>Inspected a sample of individuals with access to the backup software to ascertain that access was appropriate and limited to authorized individuals.</p>	No deviations noted.
3.3	EIG stores copies of production backup in its cloud storage environment.	Inspected system settings to determine that the backup location (EIGFS2 directory) is appropriately located on the Azure cloud network.	No deviations noted.
3.4	EIG stores copies of production backups and verifies copies can be used for production restores when needed.	Inspected the SQL server restore agent and determined that restores are performed of source code and customer data.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
3.5	Every computer in use is required to be checked for viruses upon startup (boot up) using software resident on the workstation, resident on the LAN, or on removable media. Anti-virus software is required to be one of the following: McAfee, Symantec, or Windows Defender.	Inspected the application used for Anti-virus scan and noted that McAfee Endpoint Security management console was used to provide anti-virus protection on company computer assets.	No deviations noted.
3.6	EIG stores copies of production backups on a locally encrypted set of drives to be used in the event of a Microsoft datacenter disaster. The location of the hardware is in the main office and requires a key for entry.	Observed that locally maintained backup is located in a locked and secure room in the corporate location. Inquired of the CIO to determine that key access to the local infrastructure is limited to appropriate individuals. Obtained the key inventory and noted that only the authorized and approved individuals have access to the local assets.	No deviations noted.

Control Objective 4: Controls provide reasonable assurance that changes to the existing software and implementation of new software is authorized, tested, approved, properly implemented, and results in the complete accurate and timely processing of data.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
4.1	Formal change control policies and procedures are maintained to guide system development, maintenance, and documentation activities.	Inspected the EIG Information Technology Policies and EIG's SDLC process documentation to determine that system development policies and procedures exist that define requirements for request, development approval, and implementation of changes.	No deviations noted.
4.2	Changes in the EIG environment require approval through the change management committee ("CMC"). Changes must be reviewed, assessed, and approved before the requested change is scheduled and implemented.	For a sample of changes, inspected the change documentation to determine that releases were appropriately authorized and reviewed by executive management committee and that a risk assessment is performed prior to moving ahead with the change.	No deviations noted.
4.3	A risk assessment is completed during the Change Management Committee's review of the change.	For a sample of changes, inspected the change documentation to determine that the release was appropriately reviewed through a management risk assessment prior to being moved to production.	No deviations noted.
4.4	All new releases are tested internally by the QA team and other management personnel as needed, prior to general release.	For a sample of changes, inspected the change documentation to determine that the release was appropriately tested by QA and other management prior to being moved to production.	No deviations noted.

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Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
4.5	Changes to production software follow a change management process which requires approval by senior management prior to release to production. Additionally, the identified deployment team will document the installation steps in a checklist to follow during the process.	For a sample of changes, inspected the change documentation to determine that releases were appropriately authorized and reviewed by executive management committee and that a risk assessment is performed prior to moving ahead with the change. Upon further review, we noted that installation steps were verified by management through a release checklist.	No deviations noted.
4.6	EIG documents release notes for each system installation that contain the scope of enhancements and changes to the system.	For a sample of changes, inspected the change documentation to determine that releases were accompanied by release notes that were communicated to end users.	No deviations noted.
4.7	A test environment is utilized that is logically separate from the production environment.	In order to perform a walkthrough of the separate test environments, we obtained screenshots of the test and production environments for P360 environment and the P360 Portal. Upon review of the screenshots, we noted separate environments exist for test and production.	No deviations noted.
4.8	The ability to promote changes to production libraries is restricted to authorized user.	Inspected the listing of users with access to production and inquired of Management to determine that access is restricted to authorized developers.	No deviations noted.

Control Objective 5: Controls provide reasonable assurance that new clients and/or groups within existing clients are set up and converted properly and accurately.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
5.1	<p>EIG utilizes standard forms and checklists to gather plan information for new clients. Checklists include responsible party/owner and identifies action needed at timing thereof.</p> <p>For new clients, EIG utilizes the Administrative Services Agreement "ASA" which is approved by both parties prior to the transition. The ASA contract includes the services to be provided by EIG and the fee structure of the associated services.</p> <p>For new Groups, EIG utilizes the Employer Adoption Agreement and Summary which provides the Client and Group relationship and plan definitions.</p>	<p>Selected one client and inspected the respective administrative service agreements to ensure that they were properly approved by both parties. Examined the respective checklists for the new clients to verify that the checklists were used during client set up and conversion processes.</p> <p>Selected one new group and examined the employer adoption agreement and summary documentation to ensure that the group detail was properly entered into the system by the EIG Administration Team and reviewed and approved by the third party consultant. Examined the respective checklists for the new group to verify that the checklists were used during the new group setup process.</p>	No deviations noted.
5.2	New client set up is reviewed by senior management prior to going live.	<p>Inquired of the Controller to determine that new client set up is reviewed by senior management prior to going live in the P360 system.</p> <p>Inspected the client detail setup screens within the P360 system for one client and verified that the new client detail per the P360 system agreed to the client detail located in the respective enrollment kits.</p>	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
5.3	For transferred assets, EIG performs a detailed reconciliation of beginning asset balances against ending asset balances from the prior system directly following transition down to the participant level. Further, aggregate participant asset balances are reconciled to Custodian balances.	Selected one client and inspected the reconciliation of beginning asset balances against ending asset balances directly following the transition. For that particular client, selected a participant to verify that the participant's beginning asset balance and fund allocation agreed directly to the participant's ending asset balance and fund allocation immediately following the transition. Inspected the reconciliation of the aggregate participant asset balances to the Custodian balances for the client selected.	No deviations noted.

Control Objective Controls provide reasonable assurance that eligibility and enrollments are processed completely and accurately.
6:

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
6.1	The P360 system validates that all information necessary for successful enrollment are provided prior to creating a participant record.	Observed and obtained screen prints of the participant enrollment process in the P360 system to ensure that all of the required information for a new participant was entered before a participant record could be generated.	No deviations noted.
6.2	The P360 system validates the clerical accuracy of critical participant information including SSN, bank information and investment information.	Observed and obtained screen prints of the P360 system validation process for a new participant surrounding verification of the participant's social security number, bank information and investment information in order to successfully create a participant record.	No deviations noted.
6.3	Online enrollment, the P360 system requires a participant to validate information against eligibility information independently provided by their employer (including participant name, SSN and DOB).	Observed and obtained screen prints of the P360 system online enrollment process to ensure that the P360 system requires a participant to validate his/her information (i.e. participant name, date of birth, and social security number) against eligibility information provided by the participant's employer in order to successfully login to a participant account.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
6.4	During daily processing, the P360 system determines the participant's plan effective date and claims eligibility date based upon the respective employer plan design.	Inspected two new participant accounts to test that the contributions made to the respective participant accounts resulted in the P360 system generating an appropriate plan effective date and claims eligibility date for the respective participant (based on the employer plan design assigned to the participant).	No deviations noted.
6.5	During daily processing, the P360 system determines if a participant meets the eligibility requirements to obtain a debit card based on the debit card plan design.	Observed and obtained screen prints of the debit card eligibility requirements within the P360 system along with the third party debit card vendor screen prints for a new participant in order to ensure that the eligibility requirements were properly met for debit card authorization.	No deviations noted.
6.6	The P360 system reconciles new enrollments to response file received from debit card vendor.	Selected a market date within the P360 system and observed and obtained the response file received from the debit card vendor for the market date selected in order to verify that the P360 system properly reconciled all new debit card participants for the selected market date to the response file.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
6.7	To verify the accuracy of new enrollments and participant account updates, on a quarterly basis, the administration team performs a review of new enrollments and participant account updates by reviewing a sample of transactions entered in the system. A sample of 25 items per client is randomly selected by the system.	Selected two quarters and obtained the respective quarterly review testing files in order to inspect and verify that the quarterly review process was being properly performed over both the new enrollments and participant account updates in a timely manner by a member of the administration team. Reviewed each of the sample enrollments and participant account update transactions generated from the P360 system with a member of the administration team noting no discrepancies.	No deviations noted.

Control Objective Controls provide reasonable assurance that deposits are processed completely and accurately.
7:

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
7.1	The P360 system validates that the detail for each deposit report agree to a check total prior to posting.	Observed and obtained screen prints of the daily deposit process for a participant to test that the participant detail for the deposit report is required to agree directly to the check report total prior to the deposit report being available for submission.	No deviations noted.
7.2	Cash accounts are reconciled daily.	Inspected a sample of twenty five daily cash reconciliations to test that the various cash accounts are being reconciled on a daily basis.	No deviations noted.
7.3	The P360 system requires a deposit to be linked to an employer, participant or client prior to posting.	Observed and obtained screen prints of the deposit process for a participant to verify that the deposit was properly associated to an established employer within the P360 system before posting the deposit entry.	No deviations noted.
7.4	Cash reconciliations are reviewed monthly for clerical accuracy.	Inspected a sample of two monthly cash reconciliations to test that the various cash accounts are being reviewed on a monthly basis for accuracy.	No deviations noted.

Control Objective 8: Controls provide reasonable assurance that contribution reports are processed completely and accurately and are appropriately applied against participant accounts.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
8.1	The P360 system provides pre-populated participant information for contribution report creation.	Observed and obtained screen prints of the contribution report entry creation process for a participant to test that the P360 system requires the user to provide only specific information (i.e. participant account / social security number) for the participant in order for the P360 system to recognize and provide pre-populated participant information within the contribution report entry screen.	No deviations noted.
8.2	The P360 system requires that a check total agree to the sum of the individual participant contributions entered before the report is processed.	Observed and obtained screen prints of the contribution report entry creation process for a participant to test the P360 system requirement that the employer contribution report total agrees directly to the individual participant contribution report detail before processing the respective contribution report.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
8.3	The P360 system will only allow for the creation of contribution reports for an employer created through the client setup process. Additionally, the P360 system only allows a user to select an employer who is associated to the respective client.	Observed and obtained screen prints of the contribution report entry creation process within the P360 system for a participant to test that a contribution report can only be created for an established employer that is already set up within the P360 system. During the contribution report entry creation process, observed that the user was only able to select an employer that was affiliated with the specific client for which the contribution report was being created.	No deviations noted.
8.4	The P360 system restricts the posting of employer contributions to participant records associated to that employer.	Observed and obtained screen prints of the contribution report entry creation process for a participant to test that the P360 system will only allow the user to post an employer contribution to a participant's account that is associated to that specific employer.	No deviations noted.
8.5	The P360 system only allows deposits associated to an employer to fund the employer's respective contribution report.	Observed and obtained screen prints of the contribution report entry creation process for a participant to test that the P360 system will only allow deposits linked to a specific employer to fund a contribution report for that particular employer.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
8.6	The P360 system requires that a contribution report be fully funded with an employer's deposit prior to processing.	Observed and obtained screen prints of the contribution report entry creation process within the P360 system for a participant to ensure that the contribution report total must be fully funded by the employer and agree directly to the employer's deposit in order to submit a contribution report.	No deviations noted.
8.7	During the daily processing cycle, the P360 system applies posted contributions to a participant's account based upon the participant's respective investment allocation.	Inspected the daily processing cycle by selecting a specific date and participant in order to test that the P360 system properly applied posted contributions to the participant's account based upon the participant's respective investment allocation.	No deviations noted.

Control Objective 9: Controls provide reasonable assurance that claims are processed in the system completely and accurately and are appropriately withdrawn from participant accounts.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
9.1	The P360 system validates that all information necessary is provided prior to claim submission.	Observed and obtained screen prints of the claim entry process within the P360 system for a participant to test that all information necessary within the claim line screen is required to be entered by the user before claim submission takes place within the P360 system.	No deviations noted.
9.2	When processing claims in the P360 system, there are various data validations that the system performs to ensure the accuracy of the data entered.	Observed and obtained screen prints of the claim entry process within the P360 system for a participant to test that the various data validations found within the claim line screen are met by the user to ensure the accuracy of the data entered prior to claim submission.	No deviations noted.
9.3	When processing claims in the P360 system, the system automatically populates the participant information based on the account number or social security number that is entered.	Observed and obtained screen prints of the claim entry process for a participant to verify that upon entering the participant specific information (account / social security number) within the claim entry screen the P360 system will automatically populate the respective participant information prior to claim submission.	No deviations noted.
9.4	When processing claims in the P360 system, the system will not allow a claim to be processed against a SSN that is not associated to the Trust.	Observed and obtained screen prints of the claim entry process for a participant to test that upon entering a participant claim the P360 system will only allow the user to enter a claim for a participant whose social security number is associated to the respective Trust.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
9.5	When processing claims in the P360 system, the system will auto deny a claim for a participant who is not claims eligible or for a claim with a date of service prior to the claims eligible date.	Observed and obtained screen prints of the claim entry process within the P360 system for a new participant who was not enrolled in the Plan as of a specified date (thus was not claims eligible) noting that the P360 system auto denied the claim as the individual was not yet a participant in the Plan.	No deviations noted.
9.6	When processing claims in the P360 system, the system requires that supporting documentation is linked to a claim in order for the claim to be processed.	Observed and obtained screen prints of the claim entry process within the P360 system for a participant to ensure that a user did not have the ability to access the claim entry form screen (and process a claim) within the system unless supporting documentation was properly linked to the claim.	No deviations noted.
9.7	The P360 system has a claims review queue function that will require claims that meet a certain criteria to be reviewed prior to being processed in the system.	Observed and obtained screen prints of the claims review queue function for two different claims in order to test that the P360 system required that the two claims which meet the specified review criteria (per the associated Trust) were properly included in the claim review queue for review and approval before claim submission occurred within the P360 system.	No deviations noted.
9.8	The P360 system requires a denial code be provided for any denied claim expense.	Observed and obtained screen prints of the claims entry process for a participant's denied claim in order to test that the P360 system required a denial code to be provided for the denied claim in order for the user to proceed with the claim submission process.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
9.9	During the daily processing cycle, the P360 system will withdraw funds from a participant's account for approved expenses based upon the participant's investment make-up.	Selected a market date within the P360 system and observed and obtained screen prints of the daily processing cycle for a participant withdrawal in order to verify that the P360 system properly relieved the funds from the participant's account for the approved expenses based upon the participant's current investment make-up.	No deviations noted.
9.10	Upon receipt of a debit card authorization from the debit card vendor the system will withdraw funds for debit card transactions based upon the participant's investment make-up.	Selected a market date and participant within the P360 system in order to ensure that the P360 system properly released funds for the debit card transaction authorization from the debit card vendor which were based upon the participant's investment make-up. Obtained a screen print of the participant's transaction processed in the debit card vendor software in order to ensure that the transaction was processed timely by the P360 system within the participant's account. Reviewed the participant's current investment makeup and release of funds within the P360 system to ensure that the funds were withdrawn based upon the participant's current investment makeup.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
9.11	The P360 system reconciles processed transactions against nightly transaction file received from debit card vendor to ensure that all transactions were properly processed.	Selected a market date within the P360 system and observed and obtained the nightly transaction file received from the debit card vendor for the market date selected and compared to the daily debit card monitoring checklist file generated from the P360 system in order to verify that the P360 system properly reconciled all processed transactions for the selected market date to the nightly transaction file.	No deviations noted.
9.12	To ensure all debit card transaction activity is properly processed, the P360 system reconciles debit card balances to the nightly debit card balance file received from the debit card vendor. Any reconciling differences are reviewed and corrected in a timely manner.	Selected twenty five market dates within the P360 system in order to verify that the system properly reconciled the debit card balances on each market date to the nightly debit card balance file from the third party debit card vendor. Inspected the nightly debit card balances files from the debit card vendor and compared the nightly balances to both the process purse reconciliation file and daily debit card monitoring report generated from the P360 system in order to verify that the reconciliations were being completed timely and accurately. All reconciling differences were reviewed and corrected by a finance team member in a timely manner.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
9.13	To verify the accuracy of claims processed in the system, the administrative team performs various reviews of claims, APR, and debit card transactions based upon a random sample generated from the system. Claim audits are performed monthly, where APR and debit card transactions are performed quarterly.	<p>Selected two months for claims audits and obtained the respective monthly review testing files in order to inspect and verify that the monthly review process was being properly performed over the claims in a timely manner by a member of the administration team. Reviewed each of the random claims samples generated from the P360 system with a member of the administration team noting no discrepancies.</p> <p>Selected two quarters for both the APR and debit card transaction audits and obtained the respective quarterly review testing files in order to inspect and verify that the quarterly review process was being performed over the APR and debit card transactions in a timely manner by a member of the administration team. Reviewed each of the random APR and debit card transaction samples generated from the P360 system with a member of the administration team noting no discrepancies.</p>	No deviations noted.

Control Objective Controls provide reasonable assurance that vendor invoices are processed completely and accurately.
10:

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
10.1	Vendor invoices can only be entered and processed for established vendors.	Observed and obtained screen prints of the vendor invoice creation process within the P360 system in order to verify that an invoice could only be entered and processed for an established vendor associated to the respective Trust.	No deviations noted.
10.2	EIG's senior management reviews the monthly financial statements for each Trust and any unexpected expenses are investigated.	<p>Selected one month for each Trust and inspected the Monthly Financial Statement Close Checklists and Financial Statement Delivery Documents which were timely completed and reviewed by the respective process owners. Reviewed the Monthly Financial Statement Reporting Packages for clerical accuracy and reasonableness noting that the financial statements were timely prepared and reviewed by the respective process owners.</p> <p>Selected one month for each Trust and inspected the expense review documentation in order to test that the expense review process was being executed timely and properly by senior management.</p>	No deviations noted.

Control Objective 11: Controls provide reasonable assurance that check payments and direct deposits are processed accurately and completely.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
11.1	The P360 system creates a positive pay file for all daily check disbursements which is uploaded to the Trust's bank's system daily.	Selected a market date and inspected the respective P360 system generated Positive Pay file which contained all of the daily check disbursements. Inspected the daily email which highlights the delivery of the Positive Pay file from the Finance Specialist to the Trust's bank in order to verify that the Positive Pay file was emailed to the Trust's bank for the selected market date. Inspected the reply email from the Trust's bank to the Finance Operations Team acknowledging receipt and uploading of the Positive Pay file for the selected market date.	No deviations noted.
11.2	The P360 system creates a daily NACHA file for ACH disbursements for those participants who elected direct deposit.	Selected a market date in order to test the P360 system creation of the daily NACHA file for ACH disbursements for those participants who elected direct deposit. Inspected the daily email from the Finance Specialist to the Trust's bank which highlights the delivery of the daily NACHA files in order to verify that the NACHA files were emailed for the selected market date.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
11.3	When electing direct deposit, the P360 system requires (1) the dual entry of bank information and (2) the routing number is nine digits.	Observed and obtained screen prints of the direct deposit process within the P360 system for a participant in order to verify that the P360 system requires the user to provide both the dual entry of bank information along with a nine digit routing number in order to proceed with the direct deposit election.	No deviations noted.
11.4	EIG's Finance Team requires the confirmation of receipt of all daily disbursement files (Positive Pay File, NACHA (ACH) and Check Print) from the Trust's bank.	Selected twenty five market dates within the P360 system in order to verify the daily confirmation receipt of all daily disbursement files from the Trust's bank. Inspected the respective reply emails from the Trust's bank to the Finance Specialist and acknowledging receipt and uploading of the respective Positive Pay files and NACHA for ACH disbursements. Inspected the respective reply emails from the check print vendor acknowledging receipt of the check files.	No deviations noted.
11.5	EIG's Finance Specialist sends check-totals of both the NACHA file and the Positive Pay file to the Bank via e-mail to ensure what is posted against the accounts is what is expected. All discrepancies are reviewed and resolved in a timely manner.	Selected twenty five market dates within P360 system in order to verify that the Finance Specialist sends check totals of the daily disbursement files to the Bank to ensure what is posted against the accounts is what is expected. Inspected the daily emails from the Finance Specialist to the Bank verifying the check totals for both the NACHA and Positive Pay file totals and agreed the check totals per the respective emails to the daily NACHA and Positive Pay file totals and supporting documentation.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
11.6	Cash accounts are reconciled daily.	Inspected a sample of twenty five daily cash reconciliations to test that the various cash accounts are being reconciled on a daily basis.	No deviations noted.
11.7	Cash reconciliations are reviewed monthly for clerical accuracy.	Inspected a sample of two monthly cash reconciliations to test that the various cash accounts are being reviewed on a monthly basis for accuracy.	No deviations noted.

Control Objective 12: Controls provide reasonable assurance that daily processing is performed appropriately, all accounts are appropriately revalued, and account balances are properly updated.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.1	The Finance Operations team utilizes a monthly checklist to ensure that key processes are completed timely in accordance with the Administrative Services Agreement.	Selected one month and inspected the respective Administrative Services Agreement for both Trusts which detailed out the monthly administrative and financial services duties and timelines for each Trust. Inspected the corresponding Finance Operations Monthly Checklist for both Trusts which detailed out the monthly close processes and responsible parties, noting that the checklists were properly prepared, reviewed and signed off in a timely manner by the process owners.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.2	Investment buys/sells are automatically performed through a data exchange between the P360 system and the investment custodian.	<p>Selected a market date within the P360 system in order to test that investment buys/sells are automatically performed through a data exchange between the P360 system and the investment custodian.</p> <p>Obtained the position file from the third party investment broker along with the daily transaction report and daily reconciliation file which are generated by the P360 system in order to determine that the daily investment buys/sells are in agreement between the investment custodian and P360 system. Inspected and reviewed the daily email notifications from the third party broker confirming delivery of trade files, daily confirmation emails from third party broker confirming that the respective investment trades were processed, and the Finance Operations Team reconciliation of system generated files to the broker files as evidence of the Finance Operations Team daily monitoring.</p>	No deviations noted.
12.3	The P360 system requires that investment activity and gain/loss reconcile to the custodian investment statement each day prior to revaluing participant accounts.	Selected a market date within the P360 system in order to test that the investment activity and gain/loss within the P360 system are properly reconciled to the custodian investment statement on a daily basis prior to revaluing the participant account balances.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.4	The P360 system allocates investment gains and losses to participants based upon each participant's respective percentage of ownership.	<p>Selected both a market date and a participant in order to test that the P360 system had properly allocated investment gains/losses to the selected participant based upon the participant's respective ownership percentage.</p> <p>Inspected the P360 system generated participant data roll forward which categorized all of the daily activity for the participant by account number / investment fund type for the market date selected. Reviewed and recalculated the participant's beginning balance and allocated investment gain per the P360 system and agreed the recalculated participant investment gain to the P360 system allocated gain to the participant.</p>	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.5	During daily processing, the P360 system calculates and withdraws fees based upon the respective fee schedule applicable to a participant's account.	<p>Selected both a market date and a participant in order to test that the P360 system properly calculated and processed fees based upon the fee schedule applicable to the participant selected.</p> <p>Inspected an email from the third party consultant noting the participant fee ratio allocation for the market date selected and compared the participant fee ratio per the email to the participant fee ratio per the P360 system for the respective participant and market date indicating the effective daily fee ratio for the Trust and market date selected. Recalculated the participant daily fee ratio for the selected participant and agreed the ratio to both the fee ratio per the third party consultant email along with the fee ratio per the P360 system.</p>	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.6	The P360 system reconciles participant ending balances to the daily custodian balances prior to updating participant account balances.	<p>Selected both a market date and a participant in order to test that the P360 system properly reconciled the participant ending balances to the daily custodian balances prior to updating the participant account balances.</p> <p>Inspected the P360 system generated participant data roll forward for the market date selected and agreed the closing market values by investment fund type to the market values per the daily investment custodian values report provided by the third party investment custodian. Inspected the P360 system for the market date selected noting that the closing market values (per the investment custodian values report) were properly entered into the P360 system and agreed to the participant ending balances (per the participant data roll forward).</p>	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.7	During daily processing, the P360 system calculates the amount needed to adjust a participant's debit card balance based upon account activity and funding limits set up under the debit card plan.	<p>Selected both a market date and a participant in order to test that the P360 system properly calculated the amount needed to adjust a participant's debit card balance for daily account activity based upon the appropriate funding limits of the plan.</p> <p>Inspected and compared both the third party debit card vendor report and the P360 system generated report for the participant reflecting the participant's daily account activity for the market date selected. Verified that the participant's daily debit card activity along with the market adjustment and participant fee were properly accounted for in both the P360 system and third party debit card vendor report. Recalculated the participant's ending debit card balance based on the daily debit card activity to verify that the P360 system was properly accounting for all transactional activity for the market date selected.</p>	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
12.8	To ensure all debit card transaction activity is properly processed, the P360 system reconciles debit card balances to the nightly debit card balance file received from the debit card vendor. Any reconciling differences are reviewed and corrected in a timely manner.	Selected twenty five market dates within the P360 system in order to verify that the system properly reconciled the debit card balances on each market date to the nightly debit card balance file from the third party debit card vendor. Inspected the nightly debit card balances files from the debit card vendor and compared the nightly balances to both the process purse reconciliation file and daily debit card monitoring report generated from the P360 system in order to verify that the reconciliations were being completed timely and accurately. All reconciling differences were reviewed and corrected by a finance team member in a timely manner.	No deviations noted.

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Control Objective 13: Controls provide reasonable assurance that financial reporting is complete, accurate and timely.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
13.1	EIG's senior management reviews the monthly financial statements for each Trust and any unexpected expenses are investigated.	<p>Selected one month for each Trust and inspected the Monthly Financial Statement Close Checklists and Financial Statement Delivery Documents which were timely completed and reviewed by the respective process owners. Reviewed the Monthly Financial Statement Reporting Packages for clerical accuracy and reasonableness noting that the financial statements were timely prepared and reviewed by the respective process owners.</p> <p>Selected one month for each Trust and inspected the expense review documentation in order to test that the expense review process was being executed timely and properly by senior management.</p>	No deviations noted.
13.2	Cash accounts are reconciled daily.	Inspected a sample of twenty five daily cash reconciliations to test that the various cash accounts are being reviewed on a daily basis for accuracy.	No deviations noted.

Ref	Empire Innovation Group, LLC's Controls	Service Auditors' Tests	Test Results
13.3	The Finance Operations team utilizes a monthly checklist to ensure that financial reporting is completed timely in accordance with the Administrative Services Agreement.	Selected one month for each Trust and inspected the Monthly Financial Statement Close Checklists and Financial Statement Delivery Documents which were timely completed and reviewed by the respective process owners. Inspected the respective Administrative Services Agreements for both trusts to verify that the financial reporting processes were completed in a timely manner and in accordance with the Administrative Services Agreement.	No deviations noted.

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Attachment E

Investment Fund Overview (as of 3/31/18)

Investment Fund Overview

You can invest your **HealthInvest HRA** by choosing from a menu of available fund options. This lets you pick your investments based on what is most important to you.

- ▶ Your tolerance for risk and potential fluctuations in your account value
- ▶ The length of time until you expect to begin using your HRA (in-service versus post-separation HRA coverage)
- ▶ Whether you want to **grow** your account or **preserve** your account
- ▶ Investment management style and fees
- ▶ Diversification
- ▶ Fund objectives
- ▶ Other investments you may have

This **Investment Fund Overview** for your Plan is updated quarterly and contains historical performance data for each available fund. To get a current copy, log in at healthinvesthra.com and click **Resources**. Remember, past performance does not guarantee future results.

You should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. For information about investing, visit www.dol.gov/ebsa/investing.html. You can also view investor education information at www.vanguard.com/investing/how-to-invest/.

Making a Change

To review or change your current investment selection, log in at healthinvesthra.com and click **Investments** on the menu bar.

- Your HRA will remain invested in your plan's default investment fund until you make a change.
- You can use any combination of available funds.
- You can make changes up to once per calendar month.
- If you are in multiple funds, medical care expense reimbursements from your HRA will be prorated based on your balance in each fund.

Investing involves risk, and you could lose money. You should consult with a professional financial advisor before making investment decisions. This Investment Fund Overview does not contain investment advice. HealthInvest HRA representatives do not give investment advice.

Expenses & Fees

Investment fund operating expenses vary by fund as shown in this **Investment Fund Overview**.

Plan administrative fee structures vary by plan sponsor and usually include a flat monthly account fee and/or an annualized asset-based fee. These fees are deducted from your account or paid by your employer or plan sponsor. Fees deducted from your account are listed on your account statements under **Important Notes**. Fees are used to pay plan expenses, such as enrollment and claims processing, plan management, recordkeeping, legal, compliance, printing, banking and custodial, web management, investment management, postage, etc. To the extent permitted or required by law, certain fees, assessments, or other amounts payable to the federal government may also be deducted from your account. It is possible that fees could exceed your investment return.

Fund Name (Ticker) Objective	Asset Category	Risk Level	Fund Operating Expense (%)	Average Annual Returns (%)*							
				YTD 2018	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015	1-Year as of 3/31/18	3-Year as of 3/31/18	5-Year as of 3/31/18	10-Year as of 3/31/18
TARGET ALLOCATION											
BlackRock 20/80 Target Allocation Fund K (BKCPX) Seeks a balance between long-term capital appreciation and high current income, with an emphasis on income. Normal exposure: 20% equity securities; 80% fixed-income securities. www.blackrock.com	Conservative Allocation	Low	0.42	-0.95	8.06	3.09	1.38	4.65	2.82	5.24	5.57
This fund is your Plan's default investment. Your HRA is automatically invested in this fund until you make a change.											
BlackRock 40/60 Target Allocation Fund K (BKMPX) Seeks a balance between long-term capital appreciation and high current income, with an emphasis on income. Normal exposure: 40% equity securities; 60% fixed-income securities. www.blackrock.com	Moderately-Conservative Allocation	Low Moderate	0.43	-0.84	11.68	4.42	0.78	7.13	4.29	6.95	6.22
BlackRock 60/40 Target Allocation Fund K (BKGPX) Seeks long term capital appreciation, and current income is also a consideration. Normal exposure: 60% equity securities; 40% fixed-income securities. www.blackrock.com	Moderate Allocation	Moderate	0.38	-0.68	14.80	5.11	-0.54	9.53	5.11	8.07	6.22
BlackRock 80/20 Target Allocation Fund K (BKAPX) Seeks long term capital appreciation. Normal exposure: 80% equity securities; 20% fixed-income securities. www.blackrock.com	Moderately-Aggressive Allocation	Moderate High	0.30	-0.47	17.49	6.86	-1.48	11.72	6.23	9.72	6.95
MONEY MARKET											
Vanguard Federal Money Market Investor (VMFXX) Seeks to provide current income while maintaining liquidity and a stable share price of \$1. www.vanguard.com	Money Market	Low	0.11	0.33	0.81	0.30	0.04	1.02	0.49	0.30	0.35
BOND											
Vanguard Total Bond Market Index Fund Admiral (VBTIX) Seeks to track the performance of a broad, market-weighted bond index. www.vanguard.com	Intermediate-Term Bond (Passive)	Low	0.05	-1.47	3.57	2.60	0.40	1.12	1.12	1.74	3.57
Western Asset Core Plus Bond I (WACPX) Seeks to maximize total return from a high-quality, U.S. domestic core fixed-income portfolio that can be enhanced by allocations to sectors such as high-yield, non-U.S. and emerging market debt. www.leggmason.com	Intermediate-Term Bond	Low	0.45	-1.08	7.10	4.79	1.31	3.82	3.20	3.54	6.05

Fund Name (Ticker) Objective	Asset Category	Risk Level	Fund Operating Expense (%)	Average Annual Returns (%)*							
				YTD 2018	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015	1-Year as of 3/31/18	3-Year as of 3/31/18	5-Year as of 3/31/18	10-Year as of 3/31/18
DOMESTIC EQUITY											
Vanguard Total Stock Market Index Fund Admiral (VTSAX) Seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. www.vanguard.com	US All Cap (Passive)	High	0.04	-0.60	21.17	12.66	0.39	13.85	10.20	13.02	9.74
US Core Equity 1 Portfolio I (DFEOX) Seeks to achieve long-term capital appreciation. www.us.dimensional.com	US All Cap	High	0.19	-0.59	20.89	14.80	-1.35	14.29	10.01	12.95	10.03
Lazard US Equity Concentrated Portfolio Institutional (LEVIX) Seeks to outperform broad-based securities market indices, such as the S&P 500 Index, the Russell 1000 Index, and the Russell 3000 Index. www.lazardnet.com	US Large Cap	High	0.78	0.39	15.49	7.37	7.00	9.31	8.88	12.89	8.81
US Small Cap Portfolio I (DFSTX) A market-cap-weighted fund that invests in small-cap U.S. stocks while avoiding the most expensive and least profitable names. www.us.dimensional.com	US Small Cap	High	0.37	-1.52	11.52	23.53	-3.29	8.75	8.05	11.61	10.92
INTERNATIONAL EQUITY											
Vanguard Total International Stock Index Admiral (VTIAX) Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. www.vanguard.com	Non-US Equity (Passive)	High	0.11	-0.46	27.55	4.70	-4.24	17.05	6.92	6.41	2.83
American Funds EuroPacific Growth R6 (RERGX) Seeks to provide long-term growth of capital. Invests in companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations. www.americanfunds.com	Non-US Equity	High	0.50	1.03	31.17	1.01	-0.48	21.18	7.93	8.80	4.87

*Returns greater than one year are annualized.

**Performance information obtained from Morningstar.®

You should carefully consider an investment fund's objectives, risks, fees, charges, and expenses before investing. This and other important information is contained in the prospectus for each fund, which you can get at each fund's respective website as listed under **Fund Name** above. Read the prospectuses carefully before investing.

Past performance does not guarantee future results. Funds are not FDIC insured, are not guaranteed by a bank, and may lose value. Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that your account value, when withdrawn, could be worth more or less than its original value. Investment values will fluctuate, and there is no assurance that the objective of any fund will be achieved.

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TAB 6 – Technical Approach: Project Overview and Scope of Work

Technical Approach

The technical approach section of the Technical Proposal should consist of the following subsections:

- a. *Understanding of the project requirements;*
- b. *Proposed development approach; and*
- c. *Technical considerations; and*
- d. *Detailed project work plan including implementation period.*

a. UNDERSTANDING OF THE PROJECT REQUIREMENTS

Gallagher understands the project requirements for the State of Nebraska RFP Number 5837 Z1, VEBA Pilot Plan for SLEBC, including the following, which are more fully described under subsections b, c, and d below.

- Plan Design and Set Up (including creation of a VEBA trust and application for exemption)
- Due diligence, oversight, and disclosure of vendor and subcontractor information
- Compliance with and support regarding federal and state regulations
- System requirements and support
- Disclosure of all costs and fees
- Implementation requirements and timing
- Ongoing service and support

b. PROPOSED DEVELOPMENT APPROACH

Gallagher's proposed development approach is consistent with our promise of full-service, turn-key HRA plan and trust services. Upon being awarded the contract for this proposal, Gallagher will begin the process for developing and implementing an HRA plan and trust program to serve the State's requirements under this RFP. This will involve the following development steps:

- i. Create a multiple-employer VEBA trust that will be exempt from federal income taxation under IRC § 501(c)(9)
 - Gallagher will handle drafting of the trust instrument and completion of the IRS Form 1024 application, and will consult with its outside counsel as needed
 - Expenses associated with creation and obtaining tax-exemption of the VEBA trust will be borne by Gallagher
- ii. Submit and handle all aspects of IRS Form 1024 application for Letter of Determination of tax-exemption for the VEBA trust
 - Gallagher may need to obtain certain plan and census information from the State relating to the VEBA pilot program for purposes of the Form 1024 application

- iii. Assist the State with adoption and plan design elections for HealthInvest HRA, including adoption of the Plan, newly created VEBA trust (which will serve as the primary trust instrument for the State's plan), and HealthInvest HRA Master Trust
 - Gallagher will walk the State through the entire adoption process. However, for general information about how the process works, please refer to the instructions for the HealthInvest HRA Adoption Packet included as **Attachment B**.
 - The adoption process may also involve review of the State's eligibility and funding requirements for the Plan to assist the State with compliance considerations
- iv. Manage Plan implementation
 - Gallagher has years of experience handling implementations of all kinds, whether they are transfers in, transfers out, or new adoptions. We will take a detailed, organized, and proactive approach throughout the implementation process to ensure that the State's launch of its VEBA pilot program for SLEBC occurs smoothly and successfully.
- v. Assistance with onboarding
 - The onboarding process for the State's plan includes: planning and timeline confirmation; data gathering and uploading; training of State HR, benefits, and/or payroll personnel; in-person, phone, and/or webinar educational training for eligible employees; employee communication; etc.
- vi. Ongoing Service
 - Gallagher's development approach does not end with adoption and implementation of the State's Plan. The ongoing support that the State and its participants will receive is really the core of our value proposition and includes award-winning customer service from the HealthInvest HRA Customer Care Center, as well as top-shelf compliance and consulting support from the HealthInvest HRA consulting team.

CCC Services

HealthInvest HRA's Customer Care Center and administration staff are specially trained to provide high-quality, responsive customer service and administration processing. We recruit top-shelf customer care representatives who meet stringent recruiting criteria, are competitively compensated, and highly trained. Our representatives are trained exclusively on funded HRAs and do not serve any other lines of business. We are very proud of our team who has earned a Center of Excellence designation by BenchmarkPortal for 2016 and 2017. In addition, we boast a retention rate of over 94% for 2016-2017 and 100% for 2017, and we were recently named a 2018 Top Contact Center for Best Agent Retention by BenchmarkPortal.

From a service standpoint, we do not pressure our representatives to end calls quickly. Instead, our team is encouraged to assist callers until their issues are resolved fully. HealthInvest HRA does not tier customer support. Our priority is always phones, as this form of direct contact with participants and plan sponsors is a critical service we provide.

Our commitment to retention and empowering this team with the ability to provide high quality and attentive service results in a 99% first-call resolution rate and the assurance that the State and its participants will be served by seasoned and experienced customer service representatives.

Consulting and Compliance Services

Our HRA plan and trust consulting services are where we really shine! Gallagher takes a solution-oriented approach in assisting plan sponsors with complex consulting and compliance issues, including non-discrimination issues, post-separation (retiree) plan considerations, constructive receipt issues, and benefit plan coordination to name a few. In addition, our team is experienced in assisting with critical issue management and will help the State and its advisors navigate changes in applicable state and local law.

The HealthInvest HRA program also includes ongoing (day-to-day) monitoring of all laws applicable to HRA plans and trusts, including the Internal Revenue Code, Affordable Care Act, HIPAA, HITECH, COBRA Medicare coordination and reporting. In addition, we will assist the State with plan and trust implementation, regulatory compliance, ongoing administration, plan document maintenance, communication, and plan sponsor-level consultation and support. We make compliance easy for you by taking it off your plate.

c. TECHNICAL CONSIDERATIONS

Gallagher will assist the State in identifying and resolving any technical considerations that arise in connection with the adoption, implementation, or ongoing administration of its Plan. These technical considerations may include, but are not limited to, those listed below.

- **Debit card considerations** – Cost-benefit analysis for a post-separation funded HRA plan may suggest that debit card utilization and auto-substantiation rates may be lower than those of plans providing in-service benefits
- **Retiree, rehire considerations** – Determining whether to offer limited benefits or to suspend benefits for retired rehires in order to comply with the Affordable Care Act exemptions for retiree-only plans
- **Changes in bargaining language relating to the Plan** – Designating persons responsible for communicating changes in group designations and funding methods in order for Gallagher to assist the State with ongoing compliance and resolution of technical issues
- **State laws** – Helping the State identify and analyze state laws that may affect administration of the Plan or the State's ability to offer or fund the Plan
- **Ability of the State to transfer Plan assets to another provider** – Many providers draft plan and trust provisions that restrict the ability for plan sponsors to transfer assets to another plan and trust provider. We want the State's business, and we want to keep it, but we also want the State to have the flexibility to choose. In evaluating HRA plan and trust service providers, the State's ability to transfer its Plan and trust to another provider in the future should be an important technical consideration.
- **Non-discrimination rules** – Though non-discrimination rules may not be a factor for the State's current group designations and funding methods, the State may face retention and recruitment needs in the future for higher-level personnel. We can assist in developing an executive benefits program that is compliant with applicable non-discrimination rules and that will enhance the State's ability to recruit and retain executive and administrative-level talent.
- **Technical considerations for sick-leave cash-out contributions** – These considerations include avoiding individual choice and making sure that the State's sick-leave accumulation and cash-out policy does not fall under the 457(f) regulations applicable for deferred compensation

d. DETAILED PROJECT WORK PLAN

Below is a detailed project work plan for the State of Nebraska's SLEBC pilot plan, including the implementation period.

Timeline	Activity	Responsible Parties
Within 4 weeks following award of contract	Finalize and obtain execution of VEBA trust agreement by Washington Trust Bank, as trustee for the primary VEBA trust	Gallagher and Washington Trust Bank
	Finalize all contract requirements between Gallagher and the State relating to awarded proposal	Gallagher and State
Within 5 weeks following award of contract	Assist the State with completion and execution of HealthInvest HRA adoption packet	Gallagher and State
	Submit completed IRS form 1024 application to IRS for VEBA trust tax-exemption	Gallagher and State
8 weeks out from "go live" date	Hold initial planning meeting with the State; schedule follow up meetings or conference calls as necessary	Gallagher
	Schedule employee educational workshop(s) as necessary	Gallagher
4 weeks out from "go live" date	Receive sample enrollment data file (spreadsheet) from the State	OneBridge
	Email/mail participant communication	State (or Gallagher at the State's direction)
2 weeks out from "go live" date	Email reminder to participants (optional)	State (or Gallagher at the State's direction)
1 week out from "go live" date	Receive and upload final enrollment data file (spreadsheet) from the State	Gallagher
	Receive contribution data file (spreadsheet) and funds from the State and deposit into new participant accounts	Gallagher
"Go-live" week	Email new enrollment notices to participants	Gallagher
	Mail paper welcome packets to participants	Gallagher
	Go live! Wrap up any open items.	Gallagher