

ADMINISTRATIVE SERVICES PROPOSAL



HSA | FSA | HRA | COMMUTER | COBRA | DISCOVERY MARKETPLACE

OUR PRODUCTS



FLEXIBLE SPENDING ACCOUNTS

1987

A Discovery Benefits flexible spending account lets employees take home more of their paychecks by setting aside a portion of their salary pre-tax to pay for qualified medical or dependent care expenses.



COBRA

1994

COBRA administration through Discovery Benefits allows employers to offer continuation coverage to qualified beneficiaries without worrying about the latest regulatory changes or communication with members and insurance carriers.



COMMUTER BENEFITS

2003

Discovery Benefits' commuter benefit plans include mass transit and parking benefits that save employees up to 40% on their commute to and from the office.



HEALTH SAVINGS ACCOUNTS

2004

A Discovery Benefits health savings account gives employees enrolled in a high-deductible health plan (HDHP) the power to save tax-free dollars to pay for out-of-pocket medical, dental and vision expenses – with no "Use it or Lose it" provision.



HEALTH REIMBURSEMENT ARRANGEMENTS

2004

Discovery Benefits' health reimbursement arrangements are employer-funded accounts that help companies take care of their employees by reimbursing qualified out-of-pocket medical expenses.

RECOGNITION



ONE OF THE FASTEST-GROWING PRIVATE COMPANIES IN AMERICA

INC. 5000 — 2013, 2014, 2015, 2016, 2017

Discovery Benefits has seen unprecedented, organic growth over the years – an accomplishment that has landed us on Inc. 5000's list of Fastest-Growing Private Companies in America for the past five years.



THE FASTEST-GROWING HSA ADMINISTRATOR IN THE COUNTRY

DEVENIR — 2016-2017

According to the most recent HSA trends report by Devenir, Discovery Benefits has taken the lead as the fastest-growing HSA administrator in the country – seeing a greater percentage of HSA asset and account growth from 2016 to 2017 than any other administrator in the nation.

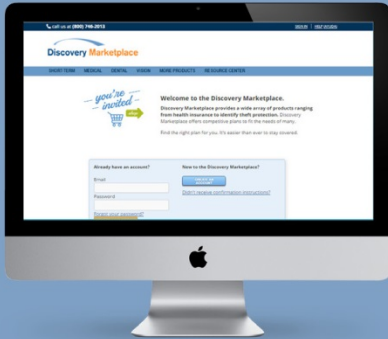


ONE OF THE BEST PLACES TO WORK IN INSURANCE

BUSINESS INSURANCE — 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017

Don't just talk about culture – we live it every day. We've worked hard to build an employee-centered culture and have been recognized for these efforts by Business Insurance Magazine – landing on the Best Places to Work in Insurance list for eight consecutive years.

DISCOVERY MARKETPLACE



AT NO COST TO EMPLOYERS, DISCOVERY MARKETPLACE HELPS CONTINUANTS:



FIND
affordable and customizable alternatives to COBRA for added flexibility



SEARCH
public exchange for individual policies that meet ACA requirements



ACCESS
a subsidy calculator to help with calculating the cost of COBRA and COBRA alternatives



SAVE
on traditional premiums associated with continuing coverage

Check it out at www.DiscoveryMarketplace.com.

PARTNER WITH A TRUE ADVOCATE

Discovery Benefits continues to bring you the best in service, technology and business. Our specialists ensure your plans run smoothly, allowing you and your clients to focus on the more demanding areas of your job.

WHY CHOOSE DISCOVERY BENEFITS?

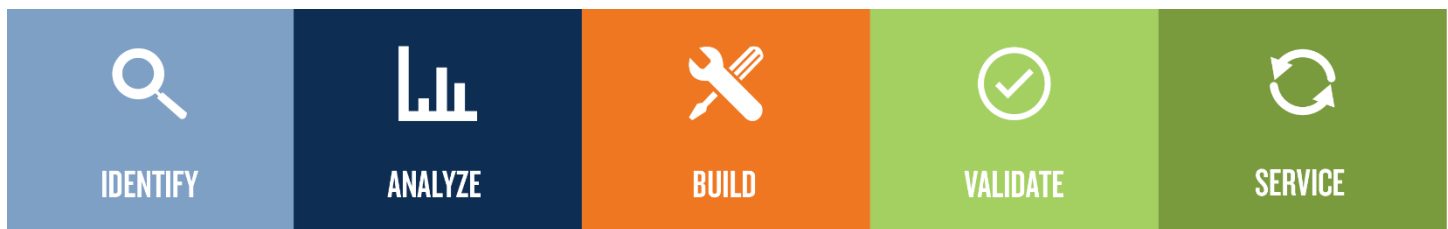
We've invested in world-class technology solutions and streamlined processes that enhance the overall client and participant experience. It's these investments that set us apart in the administration of benefits and COBRA. Here's what we do differently:

PlanAhead™ Implementation and Renewal

Our 5-step PlanAhead™ Implementation process takes a holistic, proactive project management approach to onboarding that sets clear expectations right from the beginning so you know exactly what is expected throughout the entire implementation process. Our 5-phase program offers:

- Predictable onboarding with the ability to track every step of the process
- Clarity surrounding your responsibilities for a successful implementation
- Experienced implementation managers that deliver results
- Increased participation through robust training resources
- Guidance throughout the entire implementation process

During onboarding, the Implementation Manager will hold a call to discuss what you can expect during the account setup process and provide you with tools to easily track tasks leading up to a successful plan setup. The Implementation Manager is available to help throughout all aspects of the plan setup; detailed demonstrations of LEAP and other employer-specific training can be provided upon request.



Take this PlanAhead™ methodology with you through renewal too! Through our intuitive renewal process, you can:

- Automatically renew benefits plans if there are no plan design changes from year-to-year
- Pre-populate previous year plan information to easily make small changes
- Receive communication through the renewal process to stay on track
- Upload COBRA rates for simplified processing
- Get fast resolution to your service requests

Discovery Answers™

We know you want fast answers to day-to-day questions throughout the administration of your plans, and we make that a reality through Discovery Answers™, which consists of a knowledgebase that provides access to real-time information at your fingertips and assisted support for instant access to experts.



DISCOVERY BENEFITS ADMINISTRATIVE SERVICES PROPOSAL

Assisted Support with Case Management

Our case management tool lets you get faster answers to questions by easily submitting questions related to your plan administration online. With online case submission, you can:

- Route questions to specialized experts for faster resolution
- Real-time case status and responses
- Track case wellness to ensure cases are moving toward resolution

Knowledgebase

Through our audience-catered knowledgebase articles, you can:

- Search for instant information at any time
- Rate satisfaction with online content to improve available information
- Direct participants to knowledgebase articles to answer frequently asked questions

Proactive Monitoring

We offer proactive account services that help you maintain the health of your plans. These services include:

- Proactively monitoring account trends and case activity
- Keeping you informed of compliance and regulatory changes as well as new features and process enhancements through timely notifications
- Offering regular opportunities for you to share your feedback with us so we can continuously improve your experience

A Superior Participant Experience

We are deeply invested in providing the best possible employer experience, and a key part of that is providing a great experience for your employees. We simplify the way your participants engage with their benefits by giving them the ability to:

- Get instant answers to questions through a Discovery Answers™ knowledgebase
- Access benefits anytime, anywhere with an easy-to-use mobile app (www.discoverybenefits.com/mobileappvideo)
- Connect with experts in real-time through online chat
- Provide continuous feedback through participant surveys

COBRA Administration

Discovery Benefits has been providing COBRA administration since 1994. Partnering with Discovery Benefits for COBRA administration will help you:

Eliminate Penalties or Legal Disputes

If Discovery Benefits is responsible for a COBRA violation under its control, we are liable for the noncompliance penalties as part of our contract with you.

Eliminate Hassles

Discovery Benefits assumes responsibility for communicating with providers, qualified beneficiaries and their family members regarding COBRA issues.

Reduce COBRA Continuant Claims

Discovery Benefits tracks each qualified beneficiary's eligibility throughout the election and coverage periods to ensure that coverage is provided to those eligible and denied to those ineligible.

Reduce Emotional Burden

Interaction with a former employee or family member can be an emotional experience because of the close personal nature of health coverage. We relieve your staff from this burden and assume the responsibility to work with former employees and their family members in all situations, especially those that may be difficult and emotional.

Simplify Compliance

Employers only need to notify Discovery Benefits when someone is added to group coverage and when there is a COBRA qualifying event. Discovery Benefits does the rest. New employee or COBRA qualifying event information can be keyed by you or sent to us via electronic file.

Onboarding & Plan Design

LEAP Access

During your PlanAhead™ implementation, you'll be granted access to LEAP® by Discovery Benefits. This is your central hub for plan administration, where you can access plan design and renewal guides, company contact information and role permissions, Discovery Answers™ knowledgebase and assisted support and so much more.

File Formats & Testing

Files must be in Discovery Benefits' layout and .csv format. This ensures: 1) a smooth set up, renewal and ongoing administration; 2) the information contained in the file is accurately and effectively communicated; 3) the file imports are turned around in a 48-hour time frame during the plan year.

Files missing required data will be returned to you for completion, extending the turnaround time. The preferred and most secure method for submitting electronic files is through a secure FTP site. Once the COBRA account setup process is complete, a test file should be sent to Discovery Benefits to ensure the file meets the software specifications. We test the file and communicate with your IT representative or third-party file vendor about changes to the file.

Overview of COBRA Processes

Initial Notification

Discovery Benefits sends initial notification of COBRA rights when a new hire is added to coverage, a dependent is added to coverage for the first time or wherever initial notification is required under COBRA regulations.

You would be responsible for notifying us when an employee or a covered dependent first becomes covered under a COBRA-eligible plan. Notification to Discovery Benefits can be made by uploading a file through the employer portal, submitting an electronic file to Discovery Benefits or by keying the information directly into the employer portal.

Qualifying Event

It is the responsibility of the employer to provide complete information to Discovery Benefits within seven days when an employee, spouse and/or dependent experiences a COBRA qualifying event. Notification to Discovery Benefits can be made by uploading a file through the employer portal, submitting an electronic file to Discovery Benefits or by keying the information directly into the employer portal.

It is the responsibility of the employee (or the employee's dependent) to notify Discovery Benefits and the employer within 60 days of the qualifying event in the case of a divorce, legal separation or a child losing dependent status. Notification can be made by completing a COBRA Second Qualifying Event form (available at www.DiscoveryBenefits.com) and sending to Discovery Benefits via email fax, or mail.

Qualifying events submitted via the employer portal prompt the mailing of the COBRA election paperwork the following business day. Qualifying events submitted via electronic file (through the SFTP site) are processed within 48 hours. Discovery Benefits cannot assume responsibility for sending COBRA election paperwork for qualifying events that occurred prior to the effective date of our COBRA administration or for qualifying events supplied with incomplete information.

Open Enrollment

Discovery Benefits will send a standard open enrollment/rate change letter and generic carrier enrollment form at no additional fee and will collect enrollment forms and forward to the carrier for processing.

Standard open enrollment communications will include the following:

- Open enrollment form (1-3 pages)
- Plan change notice

Additional open enrollment materials are provided to members through an open enrollment message on the member portal. The message provides a link to any additional materials.

If you prefer, Discovery Benefits can include a link to your website where the member can also retrieve any additional open enrollment documents or communication. There is no fee for adding a link to the open enrollment/rate change letter.

DISCOVERY BENEFITS ADMINISTRATIVE SERVICES PROPOSAL

Alternatively, additional open enrollment materials can be mailed for \$1.00 per duplex page, with a 25-page maximum. If this service is requested, the material must be provided to Discovery Benefits in an electronic PDF format.

Online Enrollment

Each qualified beneficiary will receive, along with their COBRA election materials, a registration code and instructions for accessing the member portal. On the member portal, the qualified beneficiary may enroll and/or make premium payment.

Quality Assurance

It is the responsibility of the employer to ensure the accuracy and timeliness of the qualifying event and new hire information that is provided to us. In the event of incomplete or insufficient data that is in conflict with the system parameters (e.g. benefits not matching current available benefits, etc.), no COBRA paperwork will be generated. Once notified, Discovery Benefits will work with you to resolve any discrepancies.

Qualified Beneficiary Premium Payments

Once the COBRA election process is complete and the initial payment is made, an enrollment confirmation letter is sent to the qualified beneficiary(ies) along with coupons for making premium payments directly to Discovery Benefits. They may also make payments online via a debit/credit card. A separate processing fee charged and retained by the payment processor is applied to each payment made online via credit/debit card.

Another option for making continuation payments is through an automatic recurring ACH deduction via a checking or savings account. Members who are enrolled and paid current may access the ACH form through the member portal. There is no additional fee charged for processing recurring ACH payments.

Discovery Benefits monitors payment timing to ensure payment is made within the required 30-day grace period. The postmark determines if the COBRA continuant has made the payment in a timely manner. Payments received with a postmark past the 30-day grace period deadline are destroyed and coverage is terminated. Late payment reminders are not sent.

When a partial premium payment is made and the amount due is the lesser of \$50 and 10% of the premium (considered "insignificant"), Discovery Benefits sends a letter to the COBRA continuant advising them they have 30 days to make the remaining payment.

If the short amount is "significant," a letter is sent to the COBRA continuant advising them that full payment must be received by the end of the current payment grace period. If payment is not made, the partially paid premium is refunded and the coverage terminated retroactive to the beginning of that month.

Discovery Benefits is able to handle COBRA premium payments from multiple sources.

Premium Distribution

Discovery Benefits will remit premiums to you via ACH deposit or monthly check. Premiums can be remitted to the carrier(s), with the exception of vision premiums, when the group is fully insured, when benefits end at the end of the month, when the group agrees to sign up for ACH (allowing Discovery Benefits to collect your portion of a premium payment when applicable) and when the carrier(s) provides us with online access to a separate monthly invoice listing only the COBRA qualified beneficiaries.

Premiums remitted to the employer require you to accept responsibility to reconcile the carrier billing to the online remittance report provided through the COBRA employer portal and forward the premiums to the carrier. Due to the fact that many insurers restrict the ability to retroactively terminate COBRA coverage, it is very important that the reconciliation be completed in a timely manner. Discovery Benefits will not accept liability for any loss or damage incurred by the employer or carrier, including premiums, because an employer fails to reconcile the online reports to its carrier billings.

ACH deductions will be used in situations where an employer subsidy agreement is in place and Discovery Benefits is responsible to remit premiums to the carrier. The ACH transaction will occur after we receive the non-subsidized portion (if applicable) from the COBRA continuant and prior to remitting the full premium to the carrier.

Severance/Subsidies

Discovery Benefits offers the following options for administering severance or subsidy programs. If your severance program differs from the options described below, we will need to discuss with you prior to implementing the design of your severance program to ensure proper administration can be provided.

- If the severance program and COBRA run concurrently, the COBRA premium may be subsidized by a percentage of the premium or a flat dollar amount, by benefit.
- Discovery Benefits will collect the non-subsidized portion of the premium from the qualified beneficiary and remit that amount to you for you to remit to the carrier. If you are set up to remit premiums to the carrier(s), Discovery Benefits will initiate an ACH transaction from your bank account to collect the subsidized employer portion. Full premium amount will then be remitted by Discovery Benefits to the applicable carrier(s).
- Subsidized payments can be prorated for the first month but must end on the last day of the month.
- You would be responsible for the 2% COBRA administration fee on the subsidized payment.

Positive Pay - Stale Checks

Discovery Benefits uses a positive pay system to ensure only valid checks are processed. Checks that have cleared the account are compared daily to the positive pay file and any exceptions are reviewed to ensure that only valid checks have cleared Discovery Benefits' account. Checks remain on the positive pay file for 180 days.

Carrier Communication

Discovery Benefits, in conjunction with our COBRA Carrier Operations team, serves as the main point-of-contact for your insurance carriers to update and confirm COBRA continuation eligibility for qualified beneficiaries.

DISCOVERY BENEFITS ADMINISTRATIVE SERVICES PROPOSAL

The goal of our Carrier Operations team is to communicate effectively with your carriers to maintain a smooth transition for COBRA participants when electing, changing or terminating COBRA benefits. We will notify the carrier(s) when the initial COBRA payment is received and when COBRA coverage is terminated.

If the carrier has questions pertaining to COBRA eligibility or payment status, they are supplied a dedicated toll-free number and email address that allows them to communicate quickly and efficiently with our COBRA Carrier Operations team.

Reporting

Real-time, online reporting is available through the employer portal, including reports on:

- Member status
- Carrier notifications (pending and processed)
- Proof of mail
- Plan rate renewal
- Paid through report
- Generated letters report (summary and detail)
- Members without plans
- QB plan members
- Subsidy schedule
- Remittance reports
- Member by Postal Code
- New Plan Member report
- QB Summary report
- SPM Summary report

Terminations

A conversion option letter is sent to COBRA continuants 180 days prior to the end of their coverage period advising them of the upcoming coverage end date.

Member Portal

We offer a secure member portal that lets qualified beneficiaries:

- Online COBRA election
- View payment and coverage status and next payment due date
- View benefits elected and covered dependents
- View and print all letters previously sent
- Make payments via debit/credit card
- Sign up for recurring monthly ACH
- View posted, customizable messages and links to open enrollment materials and other stored documentation

Member Communication

Approved messages may be posted by Discovery Benefits to client's members via the member portal based on member type (QB or SPM), status or plan(s).

IVR System

Qualified Beneficiaries have access to the IVR System at any time. Information available on the IVR System includes:

- Last payment date
- Last payment amount
- Next payment due date
- Next payment amount due