

EMPLOYER PARTICIPATION AGREEMENT

For the

WISECHOICE HEALTHCARE ALLIANCE TRUST

This coverage is not insurance and is not offered through and insurance company. This coverage is not required to comply with certain federal market requirements for health insurance, nor is it required to comply with certain state laws for health insurance. Each member shall be liable for his allocated share of the liabilities of the sponsoring association under the health benefit plan as determined by the board of trustees. This means that each member may be responsible for paying an additional sum if the annual premiums present deficit of funds for the trust. The trust's financial documents shall be available for public inspection at (insert website of where sponsoring association documents are posted).

Employer Participation Agreement

This Employer Participation Agreement (“Agreement”) is between the WiseChoice Healthcare Alliance Trust (the “Arrangement”) and _____ (“Participating Employer”) and is effective as of _____ (the “Effective Date”).

1. The Arrangement is a Multiple Employer Welfare Arrangement (“MEWA”) as defined in section 3(40) of the Employee Retirement Income Security Act of 1974 as amended (“ERISA”) and a self-funded Benefits Consortium as defined in Title 59.1, Chapter 55 of the Code of Virginia, that provides group health benefits, on a self-funded basis through a trust established for that purpose. The MEWA is a non-plan MEWA, meaning that it will not be a single ERISA-covered “employee welfare benefit plan” as defined in section 3(1) of ERISA at the MEWA level, but rather each Participating Employer will have its own ERISA-covered employee welfare benefit plan at the individual Participating Employer level. To the extent the Participating Employer is a sole proprietor, the Participating Employer will have its own plan at the individual Participating Employer level.

2. The WiseChoice Healthcare Alliance Trust Trustees shall appoint the Administrator for the Arrangement.

3. The WiseChoice Healthcare Alliance Trust Trustees, as designees of the Participating Employers, shall appoint a Plan Administrator, as such term is defined under Section 3(16)(A) of ERISA, of the individual plans funded by the Arrangement.

4. The WiseChoice Healthcare Alliance Trust Trustees shall appoint a claims administrator to handle claims for medical and pharmaceutical benefits, claims procedures, and payment of claims for benefits (the “Claims Administrator”). The claims administrator shall also establish and maintain the healthcare provider network. At the time of execution of this Agreement, Anthem Health Plans of Virginia (dba Anthem Blue Cross and Blue Shield) is the Claims Administrator. Participating Employer shall receive prior written notice from the Trust in the event a different Claims Administrator is appointed.

5. By signing this Agreement, Participating Employer agrees to be bound by the By-Laws of the Arrangement, as amended from time to time. Participating Employer has the right to request a current copy of the By-Laws from the Arrangement at any time. Participating Employer will be entitled to offer health benefit coverage to its Eligible Employees and their eligible dependents through the Arrangement. “Eligible Employee” is defined in Exhibit 3 to this Agreement. Eligible Employees and any dependents of any Eligible Employees who choose to obtain health coverage through the Arrangement are referred to as “Participants.”

6. During the term of this Agreement, the Participating Employer shall remain a member in good standing with the Virginia Chamber of Commerce (the “Chamber”) or a chamber of commerce or association which has executed an endorsing agreement with the Chamber and met the Chamber’s participation requirements for participation in the Arrangement.

7. The Participating Employer shall comply with the terms of the Arrangement and all applicable federal statutes and regulations and the laws of the State of Virginia (“Applicable Law”). The Participating Employer is solely responsible for complying with all Applicable Laws, including but not limited to ERISA and Internal Revenue Code requirements, with respect to its employee welfare benefit plan. *See* Exhibit 1, Participating Employer Compliance Guide, for some of the applicable requirements; additional requirements may apply.

8. To be eligible to obtain coverage through the Arrangement for its employees, an employer must be an entity that meets the requirements of a “Participating Employer,” as defined in Exhibit 3, Eligibility Requirements. The Participating Employer agrees to immediately notify the Arrangement if it becomes ineligible to participate in the Arrangement.

9. The Participating Employer agrees that it is not entitled to receive protected health information (“PHI”) in any format from the Arrangement.

10. The Participating Employer will have the right to vote, either directly or by proxy, for the Trustees, other than the initial Trustees, of the Arrangement.

11. The Participating Employer will be the Plan Sponsor, as that term is used under ERISA, for its employee welfare benefit plan.

12. The Arrangement is funded by the Participating Employers and enrolled Eligible Employee contributions. The Participating Employer acknowledges the Arrangement is not a fully insured arrangement and is not covered by the Virginia Life, Accident & Sickness Insurance Guaranty Association. The Participating Employer is responsible for remitting payment for the cost for each employee who participates in the Arrangement, such cost to be comprised of the expected cost of paying Participant benefit claims, administrative costs, taxes and assessments, risk margin costs, and excess loss coverage premiums (“Premium Equivalent Rate”). *See* Exhibit 2, Components of Premiums Equivalent Rate.

13. The Participating Employer acknowledges and agrees that it will be charged a product dues amount on a per enrolled employee per month basis to pay for certain costs incurred by the Chamber in connection with the Arrangement.

14. The Participating Employer agrees to comply with any requirements imposed by the Arrangement regarding participation and contribution requirements.

15. The Participating Employer acknowledges that the Premium Equivalent Rate contributed to the Arrangement will be comingled with contributions made by all other Participating Employers in the Arrangement, and that all of the assets, once contributed to the Arrangement, will become plan assets and shall be used to pay benefits for any Participant plus necessary and reasonable expenses. The Participating Employer expressly acknowledges and agrees that neither it nor the Participants have any vested or property right of any Premium Equivalent Rate or in any plan asset, except as required by applicable law.

16. The Participating Employer agrees to notify the Claims Administrator in writing within sixty (60) days of the effective date of any enrollment, termination, or other change such as

a change in the type of coverage for any Participant. Employees shall only be permitted to changes to their coverage elections as a result and consistent with the change in status events described in the regulations under Code Section 125, regardless of whether the employee pays for coverage under a Code Section 125 (also called a cafeteria plan). The Participating Employer will remain responsible for all fees, charges, and claims with respect to such terminated individual, incurred or charged, until such time as the Claims Administrator has processed such notice of termination so long as such processing is completed within its ordinary processing times for voluntary and involuntary terminations. The Participating Employer agrees to provide any data required for coverage to be issued by the Arrangement, including but not limited to records and information for determining eligibility for coverage and/or Premium Equivalent Rates. The Participating Employer is liable for any error made by it in collecting, maintaining, or reporting data that materially affects an employee's eligibility for coverage or coverage under the Arrangement. The Participating Employer acknowledges and agrees that the Arrangement is acting in reliance upon all information the Participating Employer provides at the time of enrollment and thereafter and represents that such information will be true and accurate to the best of Participating Employer's knowledge.

17. The Participating Employer acknowledges and agrees this is an assessable Employer Participation Agreement that provides for assessments of Premium Equivalent Rate funding owed to the Arrangement ("Financial Assessments"). A Participating Employer's Financial Assessments are computed by applying the Premium Equivalent Rate funding for the Participating Employer's health plan benefits during the fiscal year as a percentage of the amount of the total of all Participating Employers' Premium Equivalent Rate funding for the same year. A Participating Employer's Financial Assessments shall be that Participating Employer's percent times the total Financial Assessment levied. Financial Assessments may be made during the term of this Agreement in accordance with Virginia statute. Financial Assessments also may be made at the time the Arrangement is terminated and during the Arrangement's dissolution. The Administrator will invoice Financial Assessments, and the Participating Employer agrees to contribute the Financial Assessments to the Arrangement within five (5) business days of receipt of the invoice. In the event the Participating Employer withdraws or is involuntarily terminated from future participation in the Arrangement, the Participating Employer shall be liable for its allocated portion of all liabilities and obligations of the Arrangement through the date of withdrawal or termination, including any funding deficiency determined to exist after the date of withdrawal or termination attributable to liabilities that existed on or before the date of withdrawal or termination. The Participating Employer's liability shall be limited to the obligations of the Arrangement and the Trust Fund incurred during the Participating Employer's participation in the Arrangement in proportion to the ratio of the Participating Employer's employees covered under the Arrangement at the time of withdrawal or termination to the total number of covered employees of all Participating Employers at such time. Assessment is subject to the Terminal Liability Insurance provision of this Participation Agreement.

18. During the term of this Agreement, the Trustees will secure insurance coverage for Financial Assessments ("Terminal Liability") which will fully indemnify the Participating Employer's liability for Financial Assessments except for any unpaid Premium Equivalent Rate attributable to the Participating Employer's Participants at the time this Agreement terminates. If the Terminal Liability is ever cancelled for any reason, the Administrator will notify the

Participating Employer in writing at least sixty (60) days in advance of the cancellation that Terminal Liability is being cancelled, and the Participating Employer may terminate this Agreement within sixty (60) days after receiving notice of the cancellation of Terminal Liability without any liability for Financial Assessment.

19. The Participating Employer may terminate this Agreement as of the end of any month by providing the Administrator of the Arrangement sixty (60) days advance written notice. The Participating Employer will be liable for any unpaid Premium Equivalent Rate that has accrued but is unpaid as of the date the Participating Employer's participation in the Arrangement ends. The Participating Employer will pay the accrued but unpaid Premium Equivalent Rate in a single lump sum payment within ten (10) days of the date the Participating Employer's participation in the Arrangement ends. The Administrator may terminate this Agreement at any time if the Participating Employer fails to comply with the terms of the Arrangement or Applicable Law. The Administrator may terminate this Agreement if the Participating Employer fails to pay the Premium Equivalent Rate when due. The Administrator may terminate this Agreement at any time if the number of the Participating Employer's Eligible Employees exceeds fifty (50). The Administrator will notify the Participating Employer, in writing, that this Agreement has been terminated.

20. This Agreement will remain in effect until terminated in accordance with Paragraph 19. Regardless of any other provision in this Agreement, this Agreement will automatically terminate in the event: (a) the Arrangement is not able to obtain or does not have a valid license issued by the Virginia State Corporation Commission to operate as a self-funded Benefits Consortium as defined in Title 59.1, Chapter 55 of the Code of Virginia; (b) any legislation, regulation, or court action invalidates or makes illegal or unenforceable the Arrangement; or (c) the Arrangement otherwise terminates.

21. The Participating Employer acknowledges and agrees that the Participating Employer is not entitled to any Arrangement assets when this Agreement terminates or in the event the Arrangement is terminated, except as required by applicable law.

In the event the Arrangement is not permitted under Applicable Law or is not able to indemnify the Chamber and its officers, directors, agents, and employees, the Participating Employer agrees to fully and immediately indemnify the Chamber of Commerce and any of its officers, directors, agents, and employees against any and all expenses, judgments, decrees, fines, taxes, penalties, or amounts paid in settlement or otherwise, including attorney's fees and other costs, in defense of any claim, action, proceeding or governmental audit relating to the Arrangement to which Chamber and its directors, officers, agents, or employees are or may be made a party for any reason unless it is determined by a court of competent jurisdiction that Chamber or the affected directors, officers, agents, or employees were grossly negligent or committed willful misconduct with respect to the claim, action, proceeding, or governmental audit and except to the extent such claims arise from the Chamber of Commerce's role as a Participating Employer. The terms of this Paragraph will remain in effect indefinitely regardless of when or why this Agreement terminates.

22. The Participating Employer agrees to indemnify, to the extent permitted by applicable law, the Arrangement and its officers, directors, agents, and employees from any claims arising from or in connection with the Arrangement that are the result of Participating Employer's

negligence, intentional act or omission, or breach of this Agreement. The terms of this Paragraph will remain in effect indefinitely regardless of when or why this Agreement terminates.

23. The Participating Employer does not delegate to the Claims Administrator any responsibility for the control, administration, or management of its employee benefit plan or any assets of its employee benefit plan, except as provided in this paragraph. The Participating Employer acknowledges and agrees that the Claims Administrator will be a “fiduciary” with respect only to: (a) “claims for benefits” and “claims procedures,” as those terms are defined under ERISA, and only to the extent that those functions have been delegated to the Claims Administrator; and (b) the extent the Claims Administrator exercises any authority or control respecting management or disposition of plan assets. The Participating Employer acknowledges and agrees that the Claims Administrator will not be a fiduciary for any other purpose. To the extent the Claims Administrator actually exercises discretionary authority in the performance of the Claims Administrator’s services, the Claims Administrator will act solely in the interests of Participants and Covered Dependents for the exclusive purpose of administering the benefits of the employee benefit plan and defraying reasonable expenses for administration. The Claims Administrator will act with reasonable and ordinary care, and exercise the skill, prudence, and diligence that a prudent health care benefits administrator would exercise under the circumstances then prevailing. The Claims Administrator will act in accordance with the documents and instruments governing the Arrangement insofar as they are consistent with ERISA.

24. This Agreement can only be amended, in writing, signed by both parties. This Agreement will be governed by the laws of the United States of America and, to the extent not preempted by federal law, this Agreement will be governed by the laws of the State of Virginia.

25. Any disputes under this Agreement will be resolved by binding arbitration held in the federal and/or state courts in City of Richmond, Virginia. Each party will be responsible for its own legal expenses but both parties will share equally the arbitration costs.

26. This, together with the product dues acknowledgement, constitutes the entire agreement between the parties.

27. All notices under this Agreement may be sent electronically except the notices required under Paragraphs 15 and 16 which must be sent via certified mail to the following addresses:

Administrator

Participating Employer

WiseChoice Healthcare Alliance Trust
Attn: Administrator
919 E. Main St.
Suite 900
Richmond VA 23219

**Board of Trustees of the
WiseChoice Healthcare Alliance Trust**

WiseChoice Healthcare Alliance Trust
Attn: Board of Trustee Chairperson
919 E. Main St.
Suite 900
Richmond VA 23219

IN WITNESS WHEREOF, the parties have signed this Agreement.

**Board of Trustees of the
WiseChoice Healthcare Alliance Trust**

Participating Employer

Signature

Signature

Printed Name

Printed Name

On behalf of the Board of Trustees

Title

Date

Date

Exhibit 1

WiseChoice Healthcare Alliance Trust Employer Participation Agreement Participating Employer Compliance Guide

Introduction.

The WiseChoice Healthcare Alliance Trust (the “Arrangement”) offers Participating Employers this Compliance Guide solely as a courtesy. The Compliance Guide is designed to provide the Participating Employer with summarized information and guidance to assist the Participating Employer in maintaining compliance with federal law for the Arrangement’s health plan coverage.

This Compliance Guide is not intended or designed to be a replacement for the guidance provided by legal counsel. The Compliance Guide will be continually outdated by the ever-changing regulatory environment. Please check with your legal counsel for the most up-to-date information.

Key Participating Employer Responsibilities.

The following summary is designed to provide the Participating Employer with a simplified guide to certain federal compliance requirements. There may be additional compliance requirements that are applicable. The Arrangement is structured to have the Participating Employer be the “Plan Sponsor,” as that term is used by ERISA, for the Participating Employer’s health plan. For a plan sponsored by a sole proprietorship, the Participating Employer is the sponsor of the sole proprietor-sponsored health plan. Please consult your legal counsel for further information regarding all applicable employee benefit compliance requirements.

- 1. Enrolled Employee Census Maintenance.** The Arrangement requires Participating Employers to maintain the enrolled employee census. Employee additions, changes, and deletions should be processed through the Claim Administrator’s employer self-service portal. This function may be performed by your licensed insurance agent qualified to sell and service the WiseChoice Healthcare Alliance product if you delegate the function to the agent. Please contact your licensed insurance agent or Claims Administrator for details on how to access the self-service web-based portal provided by the Claims Administrator.
- 2. Internal Revenue Code Section 125 Plan.** If a Participating Employer wants to permit its employees to pay their premium amounts on a pre-tax basis, the Participating Employer must have a Section 125 plan (also called a cafeteria plan) in place. Please consult with your legal counsel to make sure you have the appropriate documentation in place before you permit any employees to pay their benefits premiums on a pre-tax basis.
- 3. Non-Discrimination.** Federal requirements require that the Plan not discriminate in favor of highly compensated employees in the provision of employee health benefits. Among other things, this generally means no “classing” of employees for purposes of providing different levels of benefits or employer contribution levels. All eligible employees must be offered the same set of health benefit plan coverages. Participating Employers must use a contribution rate that comports with the requirements of the Internal Revenue Code. If in doubt as to whether a practice or policy is discriminatory, please contact legal counsel.

- 4. Annual Rate and Census (ARC) Form Preparation.** The Participating Employer needs to provide the Arrangement with an annual calculation of the number of employees for several purposes. The insurance agent can assist the Participating Employer in the calculation of the values. The preparation of this ARC Form occurs after January 1st of each year but before the time of the annual open enrollment period. Participating Employers must document the number of enrolled employees. The Participating Employer must determine if COBRA or Virginia's state continuation program applies to its workforce. The Participating Employer must decide whether its employees qualify for Medicare coordination of benefits.
- 5. COBRA Continuation Coverage.** The Arrangement has separately contracted with external vendors to administer continuation coverage (COBRA and state continuation coverage) on behalf of all Participating Employers at no additional charge. The Participating Employer shall provide the selected continuation vendors with all such information requested to properly advise qualified beneficiaries under COBRA or state law, in writing, of their rights to elect and receive continuation coverage. The Participating Employer is exclusively responsible for the accuracy and completeness of the information provided to the selected continuation vendors.
- 6. Document Distribution.** The Arrangement makes available to the Participating Employer various documents, including e.g., Summary of Benefits and Coverage, Summary Plan Documents (containing Important Facts, a Schedule of Benefits, or a Benefit Book with detail benefit descriptions), a Plan Document, and other employee notices. When the Arrangement provides these documents, the Participating Employer is responsible for executing and distributing them, as applicable, to enrolled employees and eligible employees. Most of the documents should be distributed during Open Enrollment to all eligible employees. Your insurance agent can provide guidance for document execution and distribution.
- 7. Form 5500 Series.** The Arrangement will prepare and file IRS Form 5500-DFE (Direct Filing Entity) which summarizes the financial results of the entire Arrangement. Separately, IRS Form 5500-SF (Short Form) must be prepared for each individual Participating Employer, which reports its pro-rata share of the financial results for the entire Arrangement. The Arrangement will prepare and submit Form 5500-SF on behalf of each Participating Employer and will provide notice to each Participating Employer upon its submission to the IRS.
- 8. Summary Annual Report ("SAR") Distribution.** The Summary Annual Report is distributed after the preparation of the Form 5500 series of documents. This typically must occur no later than nine (9) months after the end of the plan year. The SAR will be provided by the Arrangement to the Participating Employer. The Participating Employer should distribute the SAR to employees who were enrolled in coverage pursuant to this Arrangement at any time in the prior plan year.
- 9. Forms 1094-B and 1095-B Preparation.** All entities that provide minimum essential coverage to an individual during a calendar year must: (a) file Form 1094-B (transmittal) and Form 1095-B with the IRS reporting the coverage; and (b) distribute a copy of each employee's Form 1095-B to that employee. Each Participating Employer, as the Plan Sponsor of its own health plan, bears the responsibility to file its own Forms 1094-B and 1095-B and distribute Forms 1095-B to its employees. If a Participating Employer has 50 or more full-time employees (or full-time employee equivalents) it may need to use Forms 1094-C and 1095-C instead of Form 1094-B and 1095-B. To assist Participating Employers in preparing these forms, the Arrangement will provide summary information for each Participating Employer. Participating Employers must review, amend, and add to the summary information as necessary; complete the forms; file the completed forms directly to the IRS; and distribute each employee's Form 1095-B or 1095-C to him or her. Please consult your accountant or tax professional for further details about these reporting requirements.

- 10. Medicare Primary Registration.** The Medicare Secondary Payer Rules require that certain employer sponsored group health plans coordinate benefits with Medicare if the person is covered under both the employer's group health plan and Medicare. Therefore, it is important that the Participating Employer provide certain information to the Arrangement in order to coordinate with Medicare coverage. You should complete the Medicare Primary Registration documentation if you had fewer than 20 employees, whether full-time or part-time or leased, on each working day in at least twenty (20) weeks in the current or preceding year, AND you have a working employee who is age 65 or older or a working employee with a spouse who is age 65 or older. The Arrangement uses December 31 as the measurement date for the Arrangement.
- 11. Transparency In Coverage.** Group Health Plans are required under the U.S. Department of Labor's Transparency in Coverage rule to make rate information publicly accessible to members and non-members. The Arrangement's claim administrator will make the required information available through a publicly available web link. Participating Employers must provide this link on its own public website, in compliance with the rule.

Exhibit 2

WiseChoice Healthcare Alliance Trust Employer Participation Agreement Components of Premium Equivalent Rate

This Exhibit 2 shall govern the Employer Participation Agreement and is effective on the date signed.

This Exhibit 2 shall supplement and amend the Employer Participation Agreement between the parties. If there are any inconsistencies between the terms of the Employer Participation Agreement including any other exhibits and this Exhibit 2, the terms of this Exhibit 2 shall control.

The Premium Equivalent Rate shall be comprised of, but is not limited to including, the following:

ADMINISTRATIVE SERVICES FEES. The amount that Participating Employer is required to pay for services provided by the Claims Administrator under the Administrative Services Agreement.

CLAIMS FUND. The amount that Participating Employer is required to pay benefit claims that are not covered under the Excess Loss Policy.

GENERAL EXPENSE ALLOWANCE. General Expense Allowance includes the following charges: (1) ERISA compliance services; (2) legal compliance fees; (3) independent auditor and tax preparation fees; (4) fiduciary liability and fidelity bond coverage; (5) actuarial service fees; (6) regulatory fees and expenses; (7) COBRA continuation fees; and (8) Plan Manager fees.

EXCESS LOSS PREMIUM. The amount that Participating Employer is required to pay for Excess Loss coverage under the Excess Loss Insurance Policy.

TAXES AND ASSESSMENTS. Taxes and Assessments include applicable federal and state taxes and assessments.

RISK MARGIN. The amount that the Participating Employer is required to pay to account for uncertainties in the projected cost of benefit claims not covered under the Excess Loss Policy.

The components of the Premium Equivalent Rate shall change from time to time and without prior notice to the Participating Employer. The Plan Manager shall provide the Participating Employer with notice of changes to the components of the Premium Equivalent Rate as soon as reasonably practicable after such changes are effective.

Exhibit 3

WiseChoice Healthcare Alliance Trust Employer Participation Agreement Eligibility Requirements

This Exhibit 3 shall govern the Employer Participation Agreement and is effective on the date signed. This Exhibit 3 shall supplement and amend the Employer Participation Agreement between the parties. If there are any inconsistencies between the terms of the Employer Participation Agreement including any other exhibits and this Exhibit 3, the terms of this Exhibit 3 shall control.

Participating Employer. An entity that: (1) employs an average of no more than fifty (50) common law employees on business days during the preceding calendar year; (2) has at least two (2) enrolled employees on the first day of the Plan year; (3) has a principal place of business in Virginia; and (4) is a member in good standing of the Chamber or other organization that has executed an endorsing agreement with the Chamber and met the Chamber's participation requirements for participation in the Arrangement.

Eligible Employee. An Eligible Employee is an individual who is a common law employee of the Participating Employer who averages a work week of thirty (30) or more hours and who has met any applicable waiting period requirements or other requirements of Applicable Law. "Eligible Employee" does not include a temporary or substitute employee, or a seasonal employee who works only part of the calendar year on the basis of natural or suitable times or circumstances. Subject to the requirements of the Arrangement, whether an individual meets the definition of "Eligible Employee" shall be solely determined by the Participating Employer.

Waiting Period. Eligible employees shall meet applicable waiting period requirements of 0, 30, 60, or 90 days of employment, the first of the month following 0, 30 or 60 days of employment or first of the month following 1-month or 2 months as specified in the plan document. **Open Enrollment Period.** The annual period during which Eligible Employees can enroll in the Arrangement or change their benefit elections without having to establish a change in status. This period will be the thirty-day period beginning sixty (60) days before the beginning of the plan year.