

Thank you for your interest in UnitedHealthcare's Definity HRA.

Please review the Available Product Parameters and Operational Reminders before completing the attached Definity HRA Benefit Form. This information is not intended to replace or supersede the detail in the HRA Administrative Services Agreement, but rather to ensure understanding of the available features prior to selection, and to improve case set up timelines.

Available Product Parameters

By submitting the Definity HRA Benefit Form, I confirm that my HRA design falls within the Available Product Parameters listed below, and understand that there are no exceptions.

- The corresponding medical plan has a deductible of at least \$100, and is not a designated HSA high deductible health plan.
- The Definity HRA with Split Deductible is available effective 1/1/07 with access points determined by employer on HRA Benefit Form (For groups of 100+ only).
- The HRA coverage is variable effective 1/1/07 through the sharing option (For groups of 100+ only). Through this option, the employer has the option of sharing a percentage of the claims cost covered by the HRA with the employee. Sharing percentages are determined on the HRA Benefit Form.
- HRA is two-tier - one level for employee-only, another level for employee plus dependent(s). Three-tier HRAs (single, employee plus one, family) and employee-only HRAs are not available.
- HRA dollars can be used by any covered member in the family. One eligible claim for one family member can consume the entire HRA for the family. Per-person and employee-only HRAs are not available.
- HRA runs on a policy year only. Calendar Year HRAs are not available.
- 100% of unused HRA funds can be carried over when the individual deductible is \$1001 or greater. This election can only be changed at renewal. No partial-balance carryover is available. Carryover cannot be selected when the deductible is \$1000 or less. Carryover from prior HRA carriers is not available.
- HRA contributions can be set at any dollar amount within these parameters, and can only be adjusted at renewal.

	Minimum	Maximum
Single	\$50	50% of deductible (when deductible is \$100-\$1000) Equal to Deductible (when deductible is \$1001-\$5000) \$5000 (when deductible exceeds \$5000)
Family	Equal to the Single HRA Contribution Amount	Equal to the Single HRA Contribution Amount times the family-to-individual deductible ratio on the corresponding medical plan.

- Debit Cards are not available with this program.
- The same bank account cannot be used to fund more than one HRA. If an employer is offering multiple HRAs, a separate HRA Benefit Form and separate bank account is required for each HRA.
- Voided checks, or copies of voided checks, must be included with the submission of this form.
- Split deductible HRAs are not available for groups of 2-99. Employers that are interested in this type of HRA can instead choose the Definity Select HRA.
- To ensure that an HRA plan benefits employees in a nondiscriminatory manner, the regulations mandate that certain testing be performed. An HRA plan cannot discriminate in favor of highly compensated employees in regards to who is eligible for the plan or in the benefits being provided. All HRA benefits provided to highly compensated employees must be available to all other eligible employees. UnitedHealthcare will not perform any nondiscrimination testing of the HRA plan. This is the employer's responsibility and submission of this form is confirmation that the HRA plan benefits employees in a nondiscriminatory manner.

Examples of Discriminatory Plans:

1. Medical plan has a \$2,000 individual deductible

Eligibility: All employees covered under the medical plan

Salaried, management or executives:
 \$500 employee responsibility then
 \$1,500 HRA reimbursement

All other employees:
 \$1,000 employee responsibility
 \$1,000 HRA reimbursement

2. Medical plan has \$2,000 individual deductible

Eligibility: Management – date of event
 Non-management – First of the month following 90 days

All employees:
 \$1,000 employee responsibility, then
 \$1,000 HRA reimbursement

Example #1 is discriminatory because the highly compensated employees receive greater reimbursement than the non-highly compensated employees.

Example #2 is discriminatory because the highly compensated employees have preferential eligibility compared to the non-highly compensated employees.

Operational Reminders

By submitting the HRA Benefit Form, I confirm that I have read and agree to the following operational standards for HRA administration. I understand that this is not a comprehensive list of all operational and contractual terms, nor is it meant to replace the HRA Administrative Services Agreement.

Claims

HRA claims rollover to the HRA automatically. There is no need for paper claim submission. HRA claims generally pay physicians and other care providers directly. Exceptions: HRA claims that are processed manually, reimbursements for medical copays, and pharmacy expenses are paid directly to members. There is no HRA claims runout for HRAs that are cancelled prior to the scheduled termination date. Claims received after the cancellation date will be denied, regardless of date of service.

Pharmacy

Pharmacy is not covered by the HRA, except when pharmacy expenses accumulate to the medical deductible for the associated medical plan. Eligible pharmacy expenses are reimbursed directly to members.

HRA Prorations

Members joining the HRA mid-year may receive a fully-funded or prorated HRA, depending on the employer's selection at the time of sale.

When an employer chooses to add the HRA off-anniversary, the HRA amount indicated on the HRA Benefit Form is automatically prorated based on the number of months remaining in the policy.

Business Owners

The IRS prohibits self-employed individuals from participating in an HRA. This means that a sole proprietor, a partner, or more than 2% S corporation shareholder and generally most LLC members are not eligible for an HRA, and can be classed out.

COBRA

If an employee or a dependent elects COBRA continuation for his or her HRA and medical plan, an employer will have certain funding obligations. In addition, the employee may be responsible for paying premiums for the HRA. **If an employer has questions regarding its obligations under COBRA, it should consult with its own legal or tax advisors.**

Banking

To initially fund the HRA, UnitedHealthcare will withdraw 1/24 of the total estimated HRA liability from a bank account specified by the employer. These funds will be held by UnitedHealthcare as prefunding for HRA claims.

- Initial 1/24 is based on the employer's original enrollment and is not adjusted during the policy year.

Upon renewal, the 1/24 amount will be recalculated based on updated enrollment information. Employers may choose to supply more than 1/24 by contacting the Banking Analyst listed on the Funding Advice.

Reporting

Employers receive the following HRA-related reports

1. Weekly Funding Advice: Sent on Tuesdays to notify the employer that funds equal to the amount paid in the previous week will be withdrawn from the employer's bank the following day. Funding Advices go out weekly regardless if funds are due; employers will receive zero-dollar Funding Advices when there were no HRA claims paid the previous week.
2. Monthly HRA Utilization and Status Report
3. Monthly Banking Transaction Report

Any further operational or product questions should be directed to your agent or UnitedHealthcare representative.

Any missing information, including the lack of a voided check, will result in the HRA not being set up.

Definity HRA **Benefit** Form

Please document your demographic information and HRA selections below, and then proceed to Sections 2 and 3.

SECTION 1: EMPLOYER INFORMATION AND HRA SELECTIONS

Client Demographic Information	
Business Name	Address
City	State
Zip	Effective Date of Policy
Policy Number (if available)	
Employer HRA Benefit Contact Information: Who is the contact for HRA funding and benefits?	
Name (First, MI, Last)	Phone Number
Address 1	Fax Number*
Address 2	Email Address*
City	State Zip
<small>*At least one of these fields is required. This is how we will notify you of upcoming HRA withdrawals from the bank account you list below.</small>	
Individual and Family Annual HRA Contribution Amount	
(Note: If adding an HRA off-policy, the HRA contribution will be automatically prorated)	
Individual \$ _____	Family \$ _____ (must be equal or greater than the Individual HRA contribution to a maximum of 3 times for most plans)
<small>(The Family HRA Contribution amount applies to families of two or more)</small>	
Individuals and family Split Deductible HRA Access Points (For groups of 100+ only-not applicable to Small Business)	
Note: For the split deductible HRA, indicate the access points (the amount of the deductible to be met prior to the HRA becoming active)	
Individual \$ _____	Family \$ _____
Split Deductible Access Point - Split Deductible HRAs only	
<small>For the individual Access Point** and the Family Access Point** the medical plan deductible limit minus the HRA contribution dollar amount has to be greater than or equal to the access point (Access Point <= Deductible - HRA contribution amount). In addition, for the Family Access Point the Access Point must be less than the individual deductible amount. All subscriber and dependent claims accumulate toward the Access Point.</small>	
Individual Access Point \$ _____	Family Access Point \$ _____
HRA Cost Sharing (For groups of 100+ only-not applicable to Small Business)	
Employer percentage _____	
<small>This is the percentage of claims costs that the HRA will cover with the remaining portion being covered by the employee</small>	
Banking Information (Voided check must be attached to this Form)	
Note: If multiple HRAs are being offered, each HRA should have a unique corresponding checking account. Savings accounts may not be used to fund HRA banking requirements.	
US Financial Institution/Bank Name:	ABA 9-digit Transit Number:
Bank Telephone Number:	Checking Account #:
Bank Address:	
Will unused HRA funds be carried over from one year to the next?	
(Only applies when medical plan deductibles are greater than \$1000)	
<input type="checkbox"/> Not applicable; deductible is \$1000 or less.	<input type="checkbox"/> No (default) <input type="checkbox"/> Yes
Will mid-year enrollment additions, such as new hires, get the full HRA allocation, or a monthly prorated amount?	
In making this decision, you may consider whether or not deductibles are prorated for mid-year hires.	
<input type="checkbox"/> Monthly Proration (Default)	<input type="checkbox"/> Full HRA Amount

** Access Point defines the amount of upfront member responsibility before funds in the HRA can be used.

SECTION 2: AUTOMATED CLEARINGHOUSE (ACH) DEBIT AUTHORIZATION

By signing this authorization form, I understand I am authorizing UnitedHealthcare to debit our bank account at the US financial institution indicated above for all Health Reimbursement Account ("HRA") self insured claim payments and minimum balance requirements. I understand and agree that this authorization will remain in effect for any future bank account(s) I designate to UnitedHealthcare for the purpose of funding HRA claims. We are solely responsible for providing funds for these benefits; UnitedHealthcare has no responsibility to fund such payments. We will ensure sufficient funds are in the bank account at all times to cover each call for funds and that the appropriate debit filtering is authorized with the bank. If the necessary funds are not on deposit in the bank account and/or an ACH reject or reversal is received, we understand the HRA may be terminated immediately. We understand we are liable for any expenses incurred for the failure to provide funds timely and in the amount requested, as well as any collection fees that may result.

I will promptly notify UnitedHealthcare of any change to the bank account at least 30 days in advance of any change and provide an updated, debit authorization form. We understand it may take up to 10 business days for the new information to update UnitedHealthcare's systems and begin debiting a new bank account. We will ensure the existing bank account has adequate funds on deposit until the new bank account is functional.

Authorization

I hereby authorize UnitedHealthcare to initiate automated clearinghouse (ACH) debits to the financial institution and bank account indicated above for the purpose of providing funds for HRA benefits. The US financial institution is authorized to debit our bank account and provide funds to UnitedHealthcare. This authority remains in full force and effect for the bank account listed here, as well as any revised bank account information I supply to UnitedHealthcare, until the account ceases to be debited upon termination of the HRA and all liability has been paid. I have also read and agree to the terms and conditions outlined above, and in the HRA self insured Administrative Services Agreement provided with this form. I am duly authorized to execute this debit authorization on behalf of the company named above.

Authorized Signature

Printed Name

Title

Telephone Number

Date

SECTION 3: ADDITIONAL TERMS AND CONDITIONS

Providing Funds for Benefits. We will maintain a non-interest bearing bank account for the payment of Program benefits. You acknowledge that the bank account may contain money from one or more other sponsors of self-insured health plans.

Bank Account. You will open and/or maintain a Health Reimbursement Account bank account at the Your bank for purposes of providing us a means to access your funds for payment of Program benefits and expenses.

Minimum Required Balance. We will determine the minimum balance you need to maintain with us to ensure funds are on hand to pay claims for Plan benefits. The balance you maintain will be used to fund claims when issued each week and will be replenished at the next call for funds.

Issuing and Providing Funds for Checks. The checks we write and issue to pay Program benefits under this Agreement will be written on one or more common accounts that are a part of the network of accounts maintained at our bank for our self-funded customers.

Calls for Funds. The withdrawals for Program benefits are funded by the balance you maintain with Us and is replenished weekly whenever claim payments have been made. You will ensure there are always sufficient funds in your designated bank account for us to withdraw. On Tuesday of each week claims are paid, you will receive a funding notification indicating the amount that will be withdrawn from your designated bank account the following business day. We will initiative the transfer via an Automated Clearing House transfer (ACH). This transfer will replenish the balance you are maintaining with Us.

Underfunding. If you do not provide the required amounts for the minimum required balance or for claim payments that have been made: (1) We will make one additional attempt to collect funds before we place claims on check write hold the 5th business day following when funds should have been provided and suspend any of our other services under this Agreement for the period of time you do not provide the required payments. (2) We will terminate this Agreement effective as of any date after thirty (30) calendar days if you do not provide the required payments. The notice provisions contained in Termination Events within the Administrative Services Agreement, do not apply to this breach. You will pay interest on the amount of underfunding at the standard rate that we charge to our self-funded customers for underfunding of claim payments.

Termination of Agreement. When this Agreement terminates, the method of providing funds for Program benefits remains in place for a limited period of time. This period will be reasonable, determined by us, and consistent with the period applied to our self-funded customers.

The terms and conditions contained in Exhibits A and B are hereby incorporated into this HRA Benefit form, and its terms and conditions, by reference. Copies of Exhibits A and B are available upon request through your broker or UnitedHealthcare Representative. Copies are also available to current UnitedHealthcare clients through Employer eServices.

Acknowledgement and Agreement

On behalf of the Employer listed above, I acknowledge that I have reviewed and agree to the terms and conditions contained in this HRA Benefit Form, as well as Exhibits A and B provided to me by my Broker or UnitedHealthcare Representative. I hereby approve the content and authorize use of the language at Exhibit B for use as the summary plan description for the HRA plan described in Exhibit A. I represent and warrant that I have the ability to bind the Employer listed above to the terms and conditions contained herein. I also acknowledge that the HRA cannot be implemented until my completed, signed HRA Benefit Form is received and processed by UnitedHealthcare.

Authorized Signature

Printed Name

Title

Telephone Number

Date