

**National Health Care, Inc. and Affiliates Voluntary Employee
Benefit Association Plan**

WRAP SUMMARY PLAN DESCRIPTION

Amended and Restated Effective October 1, 2017

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National Health Care, Inc. and Affiliates Voluntary Employee Benefit Association Plan

SUMMARY PLAN DESCRIPTION

We are pleased to provide you with a summary plan description ("SPD") describing your rights under the National Health Care, Inc. and Affiliates Voluntary Employee Benefit Association Plan (the "Plan"). This document and the certificates of insurance which are incorporated herein by reference (the "Certificates") constitute the summary plan description (the "SPD") required by Section 102 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is maintained for the exclusive benefit of the Eligible Employees of National Health Care, Inc. ("NHCA"), as well as any other associated employer that adopts the Plan (subject to the terms of the Plan document), and their Eligible Dependents (defined below) (each a "Covered Person").

Eligible Employees generally include all individuals that NHCA classifies as employees who are on NHCA's W-2 payroll and who work at least 30 hours per week, except that the term does not include any employee who is a leased employee or any employee classified by NHCA as a contract worker, independent contractor, temporary employee, student intern, summer associate or casual employee. Eligible Employees also do not include individuals who performs services for NHCA but who are paid by a temporary or other employment or staffing agency. Eligible Employees also do not include self-employed individuals, partners in a partnership or more than 2% shareholders in a Subchapter S corporation.

Eligible Dependents include an Eligible Employee's spouse and children through the end of the calendar month in which the child reaches age 26, disabled children of any age, subject to the terms of the applicable certificate of insurance, any child over which the Eligible Employee has legal custody.

The Plan consists of the following component plans:

"Group Health Plans" (subject to ERISA):

Medical Plans

Dental Plans

High Deductible Health Plan with Health Savings Account Plan ("HSA")

Vision Plan

Health Care Flexible Spending Account (Health Care FSA)

Other Plans (subject to ERISA):

Disability (Employer paid)

Supplemental Disability (LTD and STD)

Life Insurance (Employer paid)

Plans not subject to ERISA:

Supplemental Life Insurance

Dependent Care Flexible Spending Account (Dependent Care FSA)

Premium Only Plan

Each of these component plans is summarized in either a certificate of insurance or summary plan description. A "Summary of Important Information" containing facts you should know about the Plan is also attached on pages 2 and 3 and additional information is attached on Appendix B of this SPD.

We urge you to read this document carefully, including the Certificates. Every effort has been made to write this summary in a straightforward manner. Any terms or provisions that are not defined in this Summary Plan Description shall have the meaning prescribed to them in the Certificates. Please show this document to your family. It is important that your family be aware of the benefits available to you under the Plan.

NHCA reserves the right, in its sole and absolute discretion, to amend or terminate the Plan at any time and from time to time.

SUMMARY OF IMPORTANT INFORMATION

- | | | |
|----|---|--|
| 1. | <u>Name, and Address of the Plan Sponsor:</u> | Riverside Health Care Center, Inc.
c/o 20 East Sunrise Highway
Valley Stream, NY 11581 |
| | <u>Plan Sponsor Employer Identification Number (EIN):</u> | 06-1027526 |
| 2. | <u>Plan Name:</u> | National Health Care, Inc. and Affiliates Voluntary Employee Benefit Association Plan |
| 3. | <u>Plan Number:</u> | 501 |
| 4. | <u>Type of Plan:</u> | Welfare Plan providing group health benefits subject to ERISA including Medical, Dental, Vision, Health Care FSA and HSA benefits. Other welfare benefits that are not subject to ERISA include Life Insurance, Supplemental Life Insurance, Disability, Supplemental Disability (LTD and STD), Dependent Care FSA and Premium Only Plan benefits. |
| 5. | <u>Initial Effective Date:</u> | May 1, 1989 |
| 6. | <u>Effective Date of Restatement</u> | October 1, 2017 |
| 7. | <u>Plan Year:</u> | October 1- September 30 |
| 8. | <u>Insured Status:</u> | The medical, dental, HSA, Health Care FSA, Dependent Care FSA and Premium Only plans are self-insured. The vision, life, supplemental life, disability and supplemental disability plans are fully-insured. |

9. Payment of Premiums: Depending on which plan you choose and which tier of coverage you elect you may be responsible for paying a portion of the premium for your coverage. The cost of such coverage depends upon the Employee's salary, the tier of coverage selected and the Employee's choice of medical and dental insurance plans.
- The Health Care FSA and Dependent Care FSA are fully paid by the Participant.
- Please see the attached plan descriptions for more information.
10. Type of Administration: The Plan Administrator appointed by the plan sponsor administers the Plan.
11. Plan Administrator: National Health Care, Inc. and Affiliates
20 East Sunrise Highway
Valley Stream, NY 11581
(860) 263-3832
Attention: Jocelyn Peniston
12. COBRA Administrator: Hilb Group of New England, LLC
931 Jefferson Boulevard
Suite 3001
Warwick, RI 02886
13. Agent for Service of Legal Process: Ira Geffner
20 East Sunrise Highway
Valley Stream, NY 11581

IMPORTANT NOTE

To the extent that any of the information contained in this summary is inconsistent with the official Plan documents or certificates of insurance, the provisions of the official documents will govern in all cases.

1. Eligibility and Participation. To become a "Participant" in the Plan, a person must meet the eligibility criteria listed below and complete any enrollment forms and elections (as described below). Enrollment forms and elections must be completed and submitted electronically. You should consult the applicable certificates of insurance, summary plan descriptions or other governing documents prepared by the insurance companies for specific information on eligibility and enrollment.

Who Is Eligible	Type of Benefits	When Participation Begins
<p>Eligible Employees (Generally Employees who work at least 30 hours per week)</p>	<p>Medical High Deductible Health Plan with HSA Dental Vision Life Supplemental Life Disability Supplemental Disability Health Care FSA Dependent Care FSA</p>	<p>Medical, Dental, Vision, Life, Disability, Health Care FSA*, Dependent Care FSA: First day of the month coinciding with or next following completion of probationary period; if already completed probationary period, first of the month following change in status to eligible class</p> <p>Supplemental Life, Supplemental Disability: If elected after initial eligibility date, participation begins when application is approved</p> <p>*Employees who participate in the High Deductible Health Plan with HSA are <u>not</u> eligible to participate in the Health Care FSA.</p>
<p>Eligible Dependents</p>	<p>Medical High Deductible Health Plan with HSA Dental Vision Supplemental Life Health Care FSA</p>	<p>Same as Eligible Employees</p>

If you meet the eligibility criteria listed above and in the governing documents of each component plan, you become a Participant in the Plan upon your election to participate in a component plan in accordance with the terms and conditions established for that plan. Certain component plans may impose additional eligibility conditions. In addition, certain component plans require that you make an annual election to enroll. If you prefer not to participate in the Medical component of the Plan, you may waive coverage. Information about enrollment procedures, including when coverage begins and ends for the various component plans, is found in each certificate of insurance or summary plan description. If you would like additional information, please contact the Plan Administrator.

2. **Benefits.** Details on the benefits provided under the Plan are set forth in Appendix A.
3. **Cost of Benefits.** For each component plan that you elect to participate in, NHCA will determine and periodically communicate your share of the cost of the benefits, and it may change that determination at any time. The cost of benefits provided through some of the component plans, as applicable, will be funded in part by NHCA contributions and in part by pre-tax and post-tax employee contributions. The cost of the Health Care FSA and Dependent Care FSA will be paid entirely by the Participant. Further information will be provided during Open Enrollment.
4. **Termination of Participation.** Your participation and the participation of your Eligible Dependents in the Medical, Vision, Dental, Life, Supplemental Life, Disability, Health Care FSA and Dependent Care FSA plans will terminate on the day your employment terminates with NHCA or the day you are no longer in an eligible class (e.g., because of a reduction in hours). Please refer to Section 21 on COBRA for more information. Coverage under any part of the Plan may terminate if you submit false claims, if you fail to pay your share of an applicable premium or for any other reason as set forth in the relevant certificate of insurance or summary plan description. Your benefits will also cease if the Plan or any part of the Plan is terminated. For additional information, you should review the applicable certificates of insurance.
5. **Change in Status.** You may be permitted to change your Plan participation elections mid-year on account of certain Changes in Status . **If a Change in Status occurs, you must complete a new election within 30 days of the date that you experience the Change in Status event.**

If you have a change of name, address, or other personal information please contact Human Resources to update your information.

6. **Military Leave.** If you take a leave of absence under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), health care coverage under one or more Group Health Plans will be continued for up to 30 days of active duty. If active duty continues for 31 days or more, coverage may be continued at your election and expense for up to 24 months (or such other period of time required by law). Even if you do not elect to continue coverage during your military service, you will be reinstated to full eligibility and benefits as of your USERRA-compliant reemployment date with NHCA. Generally, an exclusion or waiting period will not be imposed in connection with the reinstatement of coverage upon reemployment, if an exclusion or waiting period would not have been imposed had coverage not been terminated by reason of such service, except for service-connected illnesses or injuries. Under USERRA, you are required to notify your employer (in writing or orally), as far in advance as is reasonable that you are leaving for military service, unless circumstances or military necessity make notification impossible or unreasonable. When it is feasible to do so, you should give your employer at least 30 days prior notice. USERRA only applies to Group Health Plans as defined on page 1. For more information on your rights under USERRA, contact the Plan Administrator.
7. **Newborns' and Mothers' Health Protection Act of 1996.** The insurance companies offering Group Health Plan coverage comply with the Newborns' and Mothers' Health Protection Act of 1996, under which health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn

child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours, as applicable). In any case, plans and issuers may not, under federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

8. The Women's Health and Cancer Rights Act of 1998. Group Health Plans and health insurance issuers who choose to cover mastectomies are subject under federal law to the Women's Health and Cancer Rights ("WHCRA") requirements. If you are receiving benefits in connection with a mastectomy, coverage must be provided for: (i) reconstruction of the breast on which the mastectomy has been performed; (ii) surgery and reconstruction of the other breast to produce a symmetrical appearance; (iii) prostheses; and (iv) treatment for physical complications of the mastectomy, including lymphedema.

9. Extended Coverage under Michelle's Law. NHCA and the insurance companies offering Group Health Plan coverage comply with Michelle's Law, which ensures that college students covered as Eligible Dependents under their parent's Group Health Plan do not lose coverage when they take a medically necessary leave of absence or switch to part-time student status due to a serious illness or injury for one year after the first day of a medically necessary leave of absence or the date on which such coverage would otherwise terminate under the terms of the Group Health Plan, if earlier.

10. Mental Health Parity and Addiction Equity Act. NHCA and the insurance companies offering Group Health Plan Coverage comply with the Mental Health Parity and Addiction Equity Act. This means that mental health and substance abuse benefits and costs must equal the benefits and costs for general medical/surgical benefits.

11. Genetic Information Nondiscrimination Act of 2008. NHCA and the insurance companies offering Group Health Plan Coverage comply with the Genetic Information Nondiscrimination Act of 2008 ("GINA"). GINA expands the genetic information protections included in HIPAA prohibiting discrimination in individual eligibility, benefits or premiums based on any health factor including genetic information.

12. The Children's Health Insurance Program Reauthorization Act of 2009. NHCA and the insurance companies offering Group Health Plans comply with the Children's Health Insurance Program Reauthorization Act of 2009 ("CHIPRA"). Effective April 1, 2009, Employees and Dependents who became eligible or ceased to become eligible for premium assistance for Medicaid or a state's Children's Health Insurance Program ("CHIP") have special enrollment rights under each of the Group Health Plans subject to HIPAA (see page 1). Employees must request coverage within 60 days of becoming eligible for premium assistance.

13. Health Insurance Portability and Accountability Act. The insurance companies offering Group Health Plan coverage comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which prohibits discrimination against employees and dependents based on their health status including genetic information, guarantees renewability and availability of health coverage to certain employers and individuals and protects individuals who lose health coverage by providing better access to individual health insurance coverage.

HIPAA Privacy Rights. Under another provision of HIPAA, group health plans (including the Health Care FSA) are required to take steps to ensure that certain “protected health information” (PHI) including genetic information is kept confidential. You may receive a separate notice from NHCA (or medical insurers) that outlines its health privacy policies. You may request another copy from the Plan Administrator. Please contact your Human Resources department for a copy of the Privacy Notice for each insurance company.

HIPAA Security Rights. The Plan complies with the HIPAA Security rules and has taken steps to ensure that certain “electronic protected health information” (EPHI) received and maintained by the Group Health Plans is kept secure. The Plan has implemented administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of EPHI that it creates, receives, maintains or transmits on behalf of the Plan.

14. Medicare Part D. The Plan complies with Medicare Part D. Please contact your Human Resources department for a copy of the Medicare Part D Creditable Coverage Notice.

If you have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage.

15. Plan Administration. The administration of the Plan is under the supervision of the Plan Administrator. The principal duty of the Plan Administrator is to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan. The administrative duties of the Plan Administrator with respect to the plans covered by ERISA include, but are not limited to, interpreting the Plan, prescribing applicable procedures, determining eligibility, and gathering information necessary for administering the Plan subject to the insurance companies' parameters as outlined in their certificates of insurance. The Plan Administrator may delegate any of these administrative duties to one or more persons or entities, provided that such delegation is in writing, expressly identifies the delegate(s) and expressly identifies the delegate(s) and expressly describes the nature and scope of the delegated responsibility.

16. Claims Procedures. The claims procedures for each Plan are handled as described in the SPD or booklet for each Plan. If you need help understanding the claims procedures, contact the Plan Administrator for more information.

17. Amendment or Termination. NHCA has the right to amend or terminate the Plan, in whole or part, at any time and for any reason and adopt any amendment or modification without the consent of any person. Any changes so made shall be binding on each Covered Person in the Plan.

18. No Contract of Employment. The Plan is not intended to be, and may not be construed as constituting, a contract or other arrangement between you and NHCA to the effect that you will be employed for any specific period of time. NHCA reserves its right to discharge any employee at any time, with or without cause, except as may be otherwise agreed in writing or provided by applicable law.

19. Statement of ERISA Rights. As a Participant in an ERISA plan you are entitled to certain rights and protections under ERISA. ERISA provides that, as a Participant, you are entitled to:

- (a) Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (b) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may charge a nominal fee for the copies.
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.
- (d) Continue health coverage for yourself, spouse or Eligible Dependents if there is a loss of coverage under the Plan as a result of a Qualifying Event. You or your Eligible Dependents may have to pay for such coverage. Review this summary plan description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide materials, and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or Federal court after completing the Plan's appeal procedures if you believe the decision was arbitrary and capricious. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court.

If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and

fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

This Section is required by the United States Department of Labor. Its inclusion in this summary plan description should not be construed as offering legal advice.

20. Statement of COBRA Rights. The following is important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Group Health Plans. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"). COBRA continuation coverage can become available to you when you would otherwise lose your coverage under the Group Health Plans. It can also become available to other members of your family who are covered under the Group Health Plans when they would otherwise lose their coverage. Information regarding the availability of COBRA coverage under the Health FSA can be found in the Flexible Benefit Plan Summary Plan Description.

COBRA continuation coverage applies only to the Group Health Plans.

The COBRA Administrator is responsible for administering COBRA continuation coverage.

The COBRA Administrator is defined on page 3.

Information regarding the availability of continuation coverage under the Health Care FSA can be found in the Health Care FSA SPD.)

COBRA continuation coverage is a continuation of coverage under the Group Health Plans (defined on page 1) when coverage would otherwise end because of a life event known as a "Qualifying Event." Specific Qualifying Events are listed later in this Section. After the COBRA Administrator is timely notified that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each person who is a "Qualified Beneficiary." A Qualified Beneficiary is someone who will lose coverage under the Group Health Plans because of a Qualifying Event. You, your spouse, and your children could become Qualified Beneficiaries if coverage under the Group Health Plans is lost because of a Qualifying Event. You do not have to show that you are insurable to elect COBRA coverage. Under the Group Health Plans, Qualified Beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

COBRA continuation coverage is the same coverage that the Group Health Plans give to other Participants or beneficiaries who are not receiving continuation coverage. Each Qualified Beneficiary who elects continuation coverage under the Group Health Plans will have the same

rights as other Participants or beneficiaries covered under the Group Health Plans, including, if applicable, open enrollment and special enrollment rights.

There may be other coverage options for you and your family because now you may be able to buy coverage through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for COBRA does not limit your eligibility for coverage for a tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days.

Qualifying Events

If you are the Employee, you will become a Qualified Beneficiary if you lose your coverage under the Group Health Plans because either one of the following Qualifying Events happens:

- (1) Your hours of employment are reduced; or
- (2) Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a Qualified Beneficiary if you lose your coverage under the Group Health Plans because any of the following Qualifying Events happens:

- (1) Your spouse dies;
- (2) Your spouse's hours of employment are reduced;
- (3) Your spouse's employment ends for any reason other than his or her gross misconduct;
- (4) Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- (5) You become divorced or legally separated from your spouse.

Your children will become Qualified Beneficiaries if they lose their coverage under the Group Health Plans because any of the following Qualifying Events happens:

- (1) The parent-employee dies;
- (2) The parent-employee's hours of employment are reduced;
- (3) The parent-employee's employment ends for any reason other than his or her gross misconduct;
- (4) The parent-employee becomes entitled to Medicare benefits (under Part A, Part B, or both);
- (5) The parents become divorced or legally separated; or
- (6) The child stops being eligible for coverage under the Group Health Plans as a "child."

Required Notice to COBRA Administrator

The Group Health Plans will offer COBRA continuation coverage to Qualified Beneficiaries only after the COBRA Administrator has been timely notified that a Qualifying Event has occurred.

When the Qualifying Event is the end of employment or reduction in hours of employment, death of the employee, or the Employee's becoming entitled to Medicare benefits (under Part A, Part B or both), NHCA must notify the COBRA Administrator of the Qualifying Event.

When the Qualifying Event is the divorce or legal separation of the Employee and spouse or a child's losing eligibility for coverage as a child, **you must notify the COBRA Administrator of the event in writing within 60 days after the later of** (i) the date of the Qualifying Event, (ii) the date on which the Qualified Beneficiary loses (or would lose coverage) as a result of the Qualifying Event, and (iii) the date on which the Qualified Beneficiary is informed, through the furnishing of this SPD or the general notice, of both the responsibility to provide and the procedures for providing the notice. Your notice should state the name of the Group Health Plans, the name and address of the employee covered under the Group Health Plans, and the name(s) and address(es) of the Qualified Beneficiary(ies). Your notice should also name the Qualifying Event and the date it happened. If the Qualifying Event is a divorce or legal separation, your notice should include a copy of the divorce or legal separation decree, as applicable. If these procedures are not followed or if the notice is not provided in writing to the COBRA Administrator during the 60-day notice period, any spouse or child who loses coverage will not be offered the option to elect continuation coverage.

Election of COBRA

Once the COBRA Administrator receives timely notice that a Qualifying Event has occurred, the COBRA Administrator will offer COBRA continuation coverage to each of the Qualified Beneficiaries by furnishing them with an election notice (the "Election Notice"). Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered Employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

You must elect coverage in writing using the Group Health Plans' election form (the "Election Form") provided with the Election Notice and following the procedures specified on the Election Form, by the date specified on the Election Form (the "Election Date"). Your written notice must be provided to the COBRA Administrator at the address provided on the Election Form. Your Election Form must be postmarked no later than the Election Date. If you or your spouse or children do not elect continuation coverage by the Election Date, you will lose your right to elect continuation coverage.

With respect to other health plans, you should also take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the Qualifying Event. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

Length of COBRA Continuation Coverage

COBRA continuation coverage is a temporary continuation of coverage. COBRA continuation coverage can end before the end of the maximum coverage periods described below for several reasons, which are described in this SPD and the Election Notice.

When the Qualifying Event is the death of the Employee, the Employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the covered Employee's divorce or legal separation, or a child's losing eligibility as a child, COBRA continuation coverage under the Group Health Plans can last for up to a total of 36 months. When the Qualifying Event is the end of employment or reduction of the Employee's hours of employment, and the Employee became entitled to Medicare benefits less than 18 months before the Qualifying Event, COBRA continuation coverage under the Group Health Plans for Qualified Beneficiaries other than the Employee can last until up to 36 months after the date of Medicare entitlement. For example, if a covered Employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children who lost coverage as a result of his termination can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the Qualifying Event (36 months minus 8 months). Otherwise, when the Qualifying Event is the end of employment or reduction of the Employee's hours of employment, COBRA continuation coverage under the Group Health Plans generally can last for only up to a total of 18 months. There are two ways in which an 18-month period of COBRA continuation coverage under the Group Health Plans can be extended.

When your COBRA continuation coverage terminates, you may be eligible to convert your coverage to an individual health insurance policy provided by the insurance company (a "conversion policy"), provided that you apply for the conversion policy within required time frames and subject to the insurance company's policies and procedures. The conversion policy may have fewer benefits than the applicable insurance plan and the premiums may be higher. For an application or for further information regarding an individual conversion policy, you should write or call your insurance company. See Appendix B.

Disability Extension of COBRA Continuation Coverage Under the Group Health Plans

If you or anyone in your family covered under the Group Health Plans is determined by the Social Security Administration ("SSA") to be disabled and you notify the COBRA Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability must have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage.

The disability extension is available only if you notify the COBRA Administrator in writing of the SSA's determination of disability, within 60 days after the later of (i) the date of the SSA's disability determination; (ii) the date of the Qualifying Event; (iii) the date on which the Qualified Beneficiary lose(s) (or would lose) coverage under the Group Health Plans as a result of the Qualifying Event; or (iv) the date on which the Qualified Beneficiary is informed, through the furnishing of this SPD or the general notice, of both the responsibility to provide and the procedures for providing notice of the SSA's determination but before the end of the first 18 months of COBRA continuation coverage.

Your notice should state the name of the Group Health Plans, the name and address of the Employee covered under the Group Health Plans, the name(s) and address(es) of the Qualified Beneficiary(ies), the Qualifying Event and the date it happened. Your notice of disability also should include the name of the disabled Qualified Beneficiary, the date when the Qualified Beneficiary became disabled and the date the SSA made its determination. Your notice of disability also should include a copy of the SSA's determination. **If these procedures are not followed or if the notice is not provided in writing to the COBRA Administrator during the 60-day notice period and before the end of the first 18 months of COBRA continuation coverage, THEN THERE WILL BE NO DISABILITY EXTENSION OF COBRA CONTINUATION COVERAGE.**

Second Qualifying Event Extension of COBRA Continuation Coverage Under the Group Health Plans

If your family experiences another Qualifying Event while receiving 18 months (or in the case of a disability extension, 29 months) of COBRA continuation coverage, the spouse and children receiving COBRA continuation coverage can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second Qualifying Event is properly given to the COBRA Administrator. This extension may be available to the spouse and any children receiving COBRA continuation coverage if the Employee or former Employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), gets divorced or legally separated, or if the child stops being eligible under the Group Health Plans as a dependent child, but only if the event would have caused the spouse or child to lose coverage under the Group Health Plans had the first Qualifying Event not occurred.

This extension due to a second Qualifying Event is available only if you notify the COBRA Administrator in writing of the second Qualifying Event within 60 days after the later of (i) the date of the second Qualifying Event; (ii) the date on which the Qualified Beneficiary would have lost coverage under the Group Health Plans as a result of the second Qualifying Event if the first Qualifying Event had not occurred; or (iii) the date on which the Qualified Beneficiary is informed, through the furnishing of this SPD or the general notice, of both the responsibility to provide and the procedures for providing notice of the second Qualifying Event.

Your notice should state the name of the Group Health Plans, the name and address of the Employee covered under the Group Health Plans, the name(s) and address(es) of the Qualified Beneficiary(ies), and the Qualifying Event and the date it happened. Your notice of a second Qualifying Event also should name the second Qualifying Event and the date it happened. If the second Qualifying Event is a divorce or legal separation, your notice should include a copy of the divorce or legal separation decree, as applicable. **If these procedures are not followed or if the notice is not provided in writing to the COBRA Administrator during the 60-day notice period, THEN THERE WILL BE NO EXTENSION OF COBRA CONTINUATION COVERAGE DUE TO A SECOND QUALIFYING EVENT.**

Early Termination of Coverage

Continuation coverage will be terminated before the end of the maximum period if:

- (i) any required premium is not paid in full on time,

(ii) a Qualified Beneficiary, after electing continuation coverage, becomes covered under another group health plan,

(iii) a Qualified Beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage,

(iv) NHCA ceases to provide any group health plan for its Employees, or

(v) during a disability extension period, the disabled Qualified Beneficiary is determined by the SSA to be no longer disabled.

Continuation coverage may also be terminated for any reason the Group Health Plans would terminate coverage of a Participant or Qualified Beneficiary (such as fraud).

You must notify the COBRA Administrator in writing within 30 days if, after electing COBRA continuation coverage, a Qualified Beneficiary becomes entitled to Medicare (Part A, Part B, or both) or becomes covered under another group health plan. Your notice of Medicare entitlement should include the name of the Qualified Beneficiary who became entitled to Medicare, the date that Medicare entitlement began and a copy of the Qualified Beneficiary's Medicare card. Your notice of other group health plan coverage should include the name of the Qualified Beneficiary(ies) who obtained other coverage, the date that other coverage became effective, and evidence of the effective date of the other coverage. The Group Health Plans reserve the right to terminate COBRA continuation coverage (retroactively, if applicable) as of the date of the Medicare entitlement or as of the beginning date of other group health coverage. The Group Health Plans reserve the right to require repayment of all benefits paid after such date, regardless of whether or when you provide notice of Medicare entitlement or other Group Health Plan coverage.

If the Qualified Beneficiary is determined by the SSA to no longer be disabled, you must notify the COBRA Administrator of that fact within 30 days after the later of (i) the SSA's determination and (ii) the date on which the Qualified Beneficiary is informed, through the furnishing of this SPD or the general notice, of both the responsibility to provide and the procedures for providing the notice. Your notice should include the name of the formerly disabled Qualified Beneficiary, the date when the disability ended and the date that the SSA made its determination. Your notice also should include a copy of the SSA's determination. If the SSA's determination that the Qualified Beneficiary is no longer disabled, occurs during the disability extension period, the Group Health Plans reserve the right to terminate COBRA continuation coverage for all Qualified Beneficiaries (retroactively, if applicable) as of the first day of the month that is more than 30 days after the later of (i) the SSA's determination that the Qualified Beneficiary is no longer disabled or (ii) the date on which the Qualified Beneficiary is informed, through the furnishing of this SPD or the general notice, of both the responsibility to provide and the procedures for providing the notice. The Group Health Plans reserve the right to require repayment of all benefits paid after such date, regardless of whether or when you provide notice that the disabled Qualified Beneficiary is no longer disabled.

COBRA Premiums

Generally, each Qualified Beneficiary is required to pay the entire cost of continuation coverage. The amount a Qualified Beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to

the Group Health Plans (including both NHCA and Employee contributions) for coverage of a similarly situated Participant or beneficiary who is not receiving continuation coverage.

First Payment for Continuation Coverage

If you elect continuation coverage, you do not have to send any payment with the Election Form. **However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the Election Form is post-marked, if mailed.) If you do not make your first payment for continuation coverage in full within 45 days, you will lose all continuation coverage rights.**

You are responsible for making sure that the amount of your first payment is correct. You may contact the COBRA Administrator to confirm the correct amount of your first payment.

Periodic Payments for Continuation Coverage

Your coverage under the Group Health Plans (other than the Health Care FSA) will continue until the last day of the month in which you terminate employment. After you make your **first** payment for continuation coverage, you will be required to make periodic payments for each subsequent month of COBRA continuation coverage (a "Coverage Period"). **Each of these periodic payments for COBRA continuation coverage is due on the tenth day of the month for that Coverage Period.** If you make a periodic payment on or before the **first** day of the Coverage Period to which it applies, your coverage will continue for that Coverage Period without any break. The COBRA Administrator will not send periodic notices of payments due for these Coverage Periods.

Grace Periods for Periodic Payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the **first** day of the Coverage Period to make each periodic payment. Your continuation coverage will be provided for each Coverage Period as long as payment for that Coverage Period is made before the end of the grace period for that payment. **If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to COBRA continuation coverage.**

Your first payment and all periodic payments for continuation coverage should be sent to the COBRA Administrator at:

Hilb Group of New England, LLC
931 Jefferson Boulevard, Suite 3001
Warwick, RI 02886

Your payment is considered to have been made on the date that it is post-marked. You will not be considered to have made any payment by mailing a check if your check is returned due to insufficient funds or otherwise.

For more information about your COBRA continuation coverage rights, contact the COBRA Administrator.

COBRA Continuation Coverage Under the Health Care FSA

If you are a participant in the Health Care FSA, and you experience a Qualifying Event, you also may have the right to elect continuation coverage under the Health Care FSA. See the Health Care FSA Summary Plan Description for more information about how to continue coverage under the Health Care FSA.

Surviving Spouse Coverage

If you are employed at NHCA at the time of your death, your surviving spouse and children may continue coverage at the COBRA premium rate for as long as the eligibility criteria are met. For more information, contact the Plan Administrator.

21. Miscellaneous Provisions.

If you have been paid benefits under the Plan that are in excess of the benefits that should have been paid, or which should not (under the provisions of the Plan) have been paid, the Plan Administrator may deduct the amount of such excess or improper payment from any subsequent benefits payable to you or other present or future amounts payable to you, or recover such amount by any other appropriate method that the Plan Administrator, in its sole discretion, shall determine.

For the insured component plans under the Plan, except as otherwise specifically stated in any certificate of insurance or summary plan description, neither NHCA nor the Plan Administrator assumes liability or responsibility for payment of benefits, and each Covered Person who claims the right to any payment with respect to such benefits under the Plan shall be entitled to look only to the Plan for such payment and shall not have any right, claim or demand therefore against NHCA or the Plan Administrator or any member thereof, or any employee, officer or trustee of NHCA.

If the Plan Administrator shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of sickness or injury, or is a minor, or has died, then any payment due to him or her or his or her estate (unless a prior claim therefore has been made by a duly appointed legal representative) may, at the Plan Administrator's discretion, be paid to his or her spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Plan Administrator to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Plan.

Questions. If you have any general questions regarding the Plan, please contact the Plan Administrator. If you have any question regarding your eligibility for, or the amount of, any benefit payable under the component benefit plans, please contact the appropriate insurance company or Third Party Administrator.

A Final Note. To the extent that any of the information contained in this summary is inconsistent with the official Plan documents, the provisions of the official documents will govern in all cases.

Qualified Medical Child Support Orders ("QMCSOs")

If a judgment, decree or order, including a Qualified Medical Child Support Order ("QMCSO"), resulting from a divorce, separation, annulment or custody change requires your dependent child (including a foster child who is your tax dependent) to be covered under the Plan, you may change your election to provide coverage for the dependent child. If the order requires that another individual (such as your former spouse) covers the dependent child, you may change your election to revoke coverage for the dependent child.

Appendix A

The certificates of insurance or booklets that are distributed to you by the insurance carriers are incorporated into the document by reference. If you would like a copy, please contact the Plan Administrator.

Attachment #1: Choice POS II (Aetna Choice POS II) Standard Plan

Attachment #2: Choice POS II (Aetna Choice POS II) Standard Plan (Closed Group)

Attachment #3: Choice POS II (Aetna Choice POS II) Premium Plan

Attachment #4: Choice POS II (Aetna Choice POS II) Premium Plan (Closed Group)

Attachment #5: Open Access Aetna Select Basic Plan

Attachment #6: Choice POS II (Aetna Choice POS II) High Deductible Health Plan

Attachment #7: Choice POS II (Aetna Choice POS II) High Deductible Health Plan (Closed Group)

Attachment #8: Choice POS II (Aetna Choice POS II) Bronze High Deductible Health Plan

Attachment #9: Choice POS II (Aetna Choice POS II) Bronze High Deductible Health Plan (Closed Group)

Attachment #10: Delta Dental PPO plus Premier Low Plan

Attachment #11: Delta Dental PPO plus Premier Medium Plan

Attachment #12: Delta Dental PPO plus Premier High Plan

Attachment #13: Aetna Vision

Attachment #14: Aetna Life Insurance

Attachment #15: Aetna Supplemental Life Insurance

Attachment #16: Aetna Disability

Attachment #17: Aetna Supplemental Disability

Attachment #18: HSA

Attachment #19: Health Care FSA

Attachment #20: Dependent Care FSA

Attachment #21: Premium Only Plan