

**Health Care Account ("HCA") Plan
Benefit Program Application ("BPA")**

Employer Group Number(s): P08641

Section Number(s): 0100 (non-union), 0200 (union), 0300 (union), 0400 (union), 0500 (retirees), 8880 (cobra union), 8888 (cobra non-union)

Employer Name: Village of Lombard

(Specify the employer or the employee trust applying for coverage. Names of subsidiary or affiliated companies to be covered must also be included. AN EMPLOYEE BENEFIT PLAN *MAY NOT BE NAMED*)

Employer Identification Number (EIN): 366005975

Address: 255 East Wilson Ave.

Phone Number: 630-620-5918

City: Lombard

State: IL Zip: 60148

Subsidiaries: n/a

Affiliated Companies: n/a

Administrative Contact: Kathy Dunne

Title: Group Administrator

Phone Number: 630-620-5918 FAX: 630-620-8222

Email: dunnek@villageoflombard.org

Plan Administrator: Village of Lombard

ERISA Plan Year: n/a

Effective Date of Coverage: 06/01/2011

Anniversary Date: 06/01/2012

SCHEDULE OF ELIGIBILITY

Eligible Person, the Effective Date of termination for a person who ceases to meet the definition of Eligible Person, the Limiting Age for covered unmarried dependent children, the Eligibility Date for a person who becomes an Eligible Person after the Effective Date of the Employer's HCA Plan, HCA Plan enrollment options, and extension of benefits due to Temporary Layoff, Disability or Leave of Absence, shall be as specified under the Employer's HCA Plan.

IMPORTANT TAX NOTE: Please be reminded that Health Reimbursement Arrangements ("HRAs") – referred to herein as Health Care Accounts ("HCAs") – have tax and legal ramifications. I.R.S. Regulations require employers to comply with certain requirements, including those concerning participant eligibility, for HRAs (such as this HCA), particularly if HRA benefits are made available to self-employed individuals. In some circumstances HRA benefits might constitute income to such participants.

Blue Cross and Blue Shield of Illinois is not responsible for ensuring or verifying participant eligibility. Further, Blue Cross and Blue Shield of Illinois does not provide legal or tax advice, and nothing herein, nor in any materials incorporated into this document, should be construed as legal or tax advice. Any tax-related statements in the aforementioned materials are not intended nor written to be used, and cannot be used nor relied on, for the purpose of avoiding tax penalties.

Any tax-related statements, within associated materials, may have been written in connection with the promotion or marketing of the transaction(s) or matter(s) addressed within this and accompanying materials.

Employer should seek advice based on participants' particular circumstances from an independent tax advisor regarding the tax consequences of specific health insurance plans or products.

Health Care Account (HCA)

BlueEdge HCA
 BlueEdge Direct HCA
 BlueEdge Wellness Rewards HCA
 BlueEdge Vitality HCA
 BlueEdge FSAFirst
 BlueEdge Limited Purpose HCA

HCA Account Structure

Employee Yes No

Employee + Spouse Yes No

Employee + Child(ren) Yes No

Family Yes No

Employee + 1 Dependent Yes No

Employee + 2 or more Dependents Yes No

Employer HCA Contribution Amounts: If funding is through incentives only, contribution amounts should remain blank. Please then check the box for incentives below.

Employee \$500

Employee + Spouse \$n/a

Employee + Child(ren) \$n/a

Family \$1,000 (includes ee+1 or more dependents)

Employee + 1 Dependent \$n/a

Employee + 2 or more Dependents \$n/a

Direct HCA Only: Self Pay-Corridor

Employee \$n/a

Employee + Spouse \$n/a

Employee + Child(ren) \$n/a

Family \$n/a

Employee + 1 Dependent \$n/a

Employee + 2 or more Dependents \$n/a

HCA Maximum- HCA balance for contributions cannot exceed listed dollar amount

Employee \$1,000

Employee + Spouse \$n/a

Employee + Child(ren) \$n/a

Family \$2,000 (includes ee+1 or more dependents)

Employee + 1 Dependent \$n/a

Employee + 2 or more Dependents \$n/a

HCA Roll Over Amount:
 (The amount of participant's balance to be carried forward to the next 12-month plan period.)

0%
 100%
 _____ %

HCA Proration:
 (Applies to initial funding, new membership and changes in coverage from single to family or family to single)

Semi-Annual
 Quarterly
 Monthly
 None

HCA Contribution Frequency Options:
 (Note: contribution frequency for variable contributions must match HCA proration. The HCA contribution frequency selected by the employer could be monthly, quarterly, and semi-annual in addition to current annual basis. The default HCA funding benefit frequency will remain annual. This means that each month, quarter or semi-annual period, the portion of the contribution is available to the participants and only that portion. The portions accumulate according to selection if it is monthly, quarterly or semi-annual, up to the full contribution amount.)

Yes (if yes, select frequency below) No

Annual
 Semi-Annual
 Quarterly
 Monthly

Incentive applied to HCA Yes No

If yes, then please fill out the incentives on the Matrix.

Additional Spending Accounts paired with the product Yes No If yes, then another BPA must be completed for each additional spending account.

Do you have an existing HCA (HRA) that will require a credit of ending HCA balances? Yes No

Please indicate the date of the prior carrier credit: n/a

HCA Account Yearly Claims payment options:

- Multiple- Claims incurred in the current year may use current year contribution or rollover dollars from previous years. Current year contribution amounts will not be available for the prior year claims; only the rollover dollars are available for that prior year's claims.
- Single- All current funding and rollover dollars are available for claims incurred in any year.

By signing below, Employer acknowledges and agrees as follows:

- Employer has reviewed and hereby accepts the benefits and other specifications, terms and conditions set out in the HCA Benefit Program Application and other applicable documentation (e.g., Group Administration Document (GAD) or the Matrix, etc.);
- Employer understands and agrees that the HCA is an employer-sponsored benefit plan and that, even though the HCA is offered as a companion to the Employer's medical benefit plan, the HCA itself is a health and welfare benefit plan under ERISA or similar federal or state employee benefit laws;
- Employer acknowledges and agrees that Employer is solely responsible for the creation, funding and maintenance of the HCA plan, including obligations under ERISA or similar federal or state employee benefit laws and that Blue Cross and Blue Shield of Illinois as the HCA Administrator provides only HCA administrative services for the Employer-established HCA Plan;
- Employer agrees that this HCA Benefit Program Application and the HCA Administrative Services Agreement ("HCA ASA" or "Agreement") and any exhibits, attachments, or amendments thereto constitute the entire agreement between the Employer and Blue Cross and Blue Shield of Illinois, serving as the HCA Administrator.

ADDITIONAL PROVISIONS:

Benefit Plan renews effective 6/1/2011. No changes made to the HCA composition.

Nancy Chaidez
Sales Representative

Date
BCBSIL

Address
890 630-824-5406
District Phone No.

312-938-4576
FAX No.

Tom Schaffler
Producer Representative

Lockton Companies, LLC
Producer Firm

525 w. Monroe Street, Chicago, IL
Producer Address
312-669-6704

Producer Phone & FAX Numbers

Producer email Address
203354970

Tax I.D. No.



Signature of Employer's Authorized Purchaser

Village President

Title

March 23, 2011

Date