**FIRST AMENDMENT TO**

**VIRGINIA BANKERS ASSOCIATION**
**GROUP FLEXIBLE BENEFITS PLAN**

**(January, 2015)**

Pursuant to the authority granted to the Benefits Corporation under paragraph 9.1 of the Virginia Bankers Association Group Flexible Benefits Plan (the "Plan"), the Benefits Corporation hereby amends the Plan, effective January 1, 2018 or as otherwise stated, as follows:

Each Employer maintains a group welfare plan and a "cafeteria plan" under Section 125 of the Internal Revenue Code for the exclusive benefit of eligible employees and their dependents through the adoption of the Virginia Bankers Association Group Flexible Benefits Plan. This Amendment is intended to amend the Plan 1) to permit certain midyear changes in benefit elections under the "cafeteria plan" portion of the plan document as permitted by law, 2) to permit contributions by Participants to Health Savings Accounts to be made through the cafeteria plan portion of the plan document and 3) update the procedures relating to Disability Claims to comply with Department of Labor Regulations, as follows:

1. A new clause (ix) is added to subparagraph 4.2(c) of the Plan to read as follows:

(ix) Enrollment in Qualified Health Plan Through Marketplace. Effective January 1, 2016, a Participant may prospectively revoke his election for coverage under the Group Health Coverage if the Participant becomes eligible for a special enrollment period to enroll in a qualified health plan through a competitive marketplace established under Section 1311 of the Patient Protection and Affordable Care Act (a "Marketplace") under guidance issued by the Department of Health and Human Services and other applicable guidance, or the Participant seeks to enroll in a qualified health plan through a Marketplace during the Marketplace's annual open enrollment period. Any such prospective revocation of the Participant's election for Group Health Coverage must correspond to the intended enrollment in such qualified health plan of the Participant and any Dependent who ceases coverage under the Group Health Coverage and such new qualified health plan coverage is effective no later than the day immediately following the last day of the Group Health Coverage that is revoked.

2. A new clause (x) is added to subparagraph 4.2(c) of the Plan effective January 1, 2018 to read as follows:

(x) Special Rule for Health Savings Account Elections. Notwithstanding anything to the contrary contained in paragraph, a Participant may revoke his Pre-Tax Election with respect to his contributions to the Health Savings Account Plan and file a new election to cancel, increase or decrease his contributions at any time during a Plan Year and for any reason, provided that he files such revocation and change in election in accordance with such administrative procedures as the Administrator may establish. Such election shall be processed in accordance with the employer's standard payroll procedures and shall be effective as of the first payroll period following the completion of such procedures.

3. Subparagraph 6.3(b) is amended, effective January 1, 2018 (or such later effective date permitted by the Department of Labor) to read as follows:

6.3(b) Notice to Claimant of Adverse Benefit Determinations. Upon its initial determination of a Claim, or upon its determination of an Appeal of a Claim, the Claims Administrator shall provide written or electronic notification of any Adverse Benefit Determination. The notice will state:

(i) The specific reason or reasons for the Adverse Benefit Determination.

(ii) Reference to the specific Benefit Program provisions on which the determination was based.

(iii) A description of any additional material or information necessary for the Claimant to perfect the Claim and an explanation of why such material or information is necessary.

(iv) A description of the Benefit Program's Appeal procedures, including any voluntary appeal procedures offered by the Benefit Program, and the time limits applicable to such procedures. This will include a statement of the Claimant's right to bring a civil action under Section 502 of the Act following a Final Adverse Benefit Determination.

(v) In the case of a Disability Claim filed before January 1, 2018 (or such later effective date permitted by the Department of Labor), the notice will be written in a manner calculated to be understood by the Claimant and:

(A) If the Adverse Benefit Determination was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge, or a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the Adverse Benefit Determination and a copy will be provided free of charge to the Claimant upon request.

(B) If the Adverse Benefit Determination is based on a medical necessity or experimental or investigational treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, will be provided, or a statement will be included that such explanation will be provided free of charge, upon request.

(C) For notification of an Adverse Benefit Determination on Appeal, a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

(vi) In the case of a Disability Claim filed on or after January 1, 2018 (or such later effective date permitted by the Department of Labor), the notice will be provided in a culturally and linguistically appropriate manner as described in applicable regulations and:

(A) If the Adverse Benefit Determination is in disagreement with the views, presented by the claimant to the Plan, of health care professionals treating the claimant or the decision, presented by the claimant to the Plan, of other payers of benefits who granted claimants' similar claims (including a determination by the

Social Security Administration), provide a discussion of the basis for disagreement with the views and decisions of the health care providers or other payers,

(B) If the Adverse Benefit Determination is based on a medical necessity or experimental or investigational treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, will be provided, or a statement will be included that such explanation will be provided free of charge, upon request;

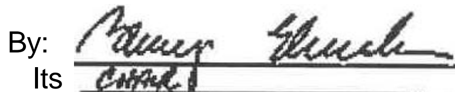
(C) Either provide the specific internal rules, guidelines, protocols, standards or other similar criteria relied upon in making the adverse determination, or, alternatively, provide a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist; and

(D) Provide a statement that reasonable access to and copies of, all documents, records and other information relevant to the claimant's claim will be provided free of charge to the claimant or her duly authorized representative upon request in writing.

4. A new Appendix D is added to the Plan effective January 1, 2018 to read in the form of the attached.

This amendment is adopted by the Board of Directors of the Benefits Corporation on this 17 day of November, 2017. Employers adopting the Plan shall be notified of this amendment in writing, and a copy of this amendment shall be provided to each.

**VBA BENEFITS CORPORATION**

By: 
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## APPENDIX D
## HEALTH SAVINGS ACCOUNT PLAN

D-1.1 Nature and Purpose.The purpose of the Health Savings Account Plan is to permit eligible Participants to fund a health savings account established in accordance with Section 223 of the Code and the terms of this Appendix D (a "**Health Savings Account**"). Any Health Savings Account funded pursuant to this Appendix D shall be established and maintained by agreement between the Participant and a trustee or custodian independently of the Plan and shall not be an employee benefit plan for purposes of the Code or ERISA. The Plan Sponsor, Employer and Administrator shall have no authority or control over the funds deposited in such Health Saving Accounts, and all claims for reimbursement or distribution of such funds shall be subject to the terms of any agreement between the Participant and the trustee or custodian. It is the responsibility of the Participant and not the Plan Sponsor, Employer or Administrator to secure the favorable tax treatment as provided by Code Section 223 of any contributions to, and reimbursements and distributions from, the Health Savings Account.

D-1.2 Definitions.

(a) "High Deductible Health Plan" means a high deductible health plan as defined under Section 223(c)(2) of the Code.

(b) "HSA – Eligible Individual" means an eligible individual as defined under Section 223(c)(1) of the Code who satisfies all other eligibility requirements of the Plan.

(c) "Participant Contribution" means the amount of a Participant's salary that he elects to contribute to his Health Savings Account that is established in accordance with this Appendix D.

D-1.3 Election Procedure. If permitted in Option 5 of the Adoption Agreement, a Participant who is an HSA Eligible Individual may elect under this Plan to fund a Health Savings Account by filing an election and salary reduction agreement in accordance with clause (x) of subparagraph 4.2(c) of the Plan. A Participant's election may automatically terminate, or may be terminated or modified by action of the Administrator, in order to meet any applicable non-discrimination requirements.

D-1.4 Contributions. A Participant may elect to contribute an amount up to the maximum amount permitted under Code Section 223 for deductible contributions applicable to the Participant's High Deductible Health Plan coverage option (that is, individual or family coverage) for the Plan Year for which such contributions are made. The statutory maximum amount shall include any permissible catch-up contributions for an eligible Participant under Code Section 223. A Participant's maximum annual contribution shall be prorated for the number of months in which the Participant is an HSA-Eligible Individual.

D-1.5 Establishment of Health Savings Accounts. Each Participant who elects to participate in the Health Savings Account Plan will cause to be established and maintained a Health Savings Account with the trustee or custodian identified by the Employer for this purpose. The terms and conditions of the trust or custodial account, and the coverage and benefits (such as eligible medical expenses, required documentation and claims and grievance procedures) shall be established under the terms of the Health Savings Account and the trust or custodial agreement

between the Participant and trustee or custodian. The Plan does not govern the terms or conditions of the Health Savings Account.

D-1.6 Funding of Health Savings Accounts. Contributions shall be remitted to the trustee or custodian of the Health Savings Account of each Participant as soon as feasible following the segregation of Participant Contributions from the general assets of the Employer or, in the case of Employer Contributions, in accordance with the schedule for such contribution established by the Plan Sponsor.

D-1.7 Cessation of Participation. In the event that a Participant ceases to be a Participant in this Plan for any reason during a Plan Year, the Participant's salary reduction agreement relating to the Health Savings Account Plan shall terminate. The Participant's Health Savings Account shall remain the property of the Participant.

D-1.8 Indemnification of the Employers by Participants. If any Participant's Health Savings Account receives payment of a Participant Contribution for a period in which the Participant is not an HSA – Eligible Individual, such Participant shall indemnify and reimburse his Employer, the Plan Sponsor and the Administrator for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular or base compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.