



SUPPLEMENTAL PARTICIPATION AGREEMENT FOR SPECIFIC CLASSES

Company Name GH RESTAURANT CORP DBA OAKLAND DINER

1. Total number of full-time employees in your firm 32

2. Please specify the job duties and titles of full-time employees in:
Eligible Class
Ineligible Class

3. Current number of full-time employees in the eligible class

4. Current number of full-time employees in the eligible class to be covered under this plan

5. If replacing a group health insurance plan, was your prior medical coverage For the eligible class only? [] Yes [] No

6. Will full-time employees in the ineligible class be covered by another group plan? [] Yes [] No

Non Discrimination Testing under Health Care Reform

Under health care reform, certain Tax Code nondiscrimination rules that previously applied only to self-funded plans now apply to non-grandfathered fully insured plans. This means any group sold on or after September 23, 2010 or any group that becomes "un-grandfathered" will need to comply with the nondiscrimination rules. Failure to meet these requirements could lead to adverse tax consequences and/or other penalties.

Although the law does not specifically prohibit carve outs, all carve outs must comply with the nondiscrimination rules. In general, the rules prohibit a plan (i.e., the employer) from discriminating in favor of highly compensated employees (HCEs). However, because the laws surrounding this testing is complicated and fact-specific, an employer should consult his or her tax advisor when making group health plan decisions to ensure compliance with these laws.

Agreement

The Employer understands that only eligible/full-time employees in the eligible class (as defined above) and their dependents are eligible for coverage. The Employer is hereby advised that the establishment of eligible and ineligible classes for insurance coverage is subject to federal and state rules governing employee benefit plans. It is the Employer's responsibility to ensure its compliance with these rules and may be subject to penalties under the Non Discrimination Test. It is understood and agreed that eligibility and participation requirements have been explained to me by the agent. I hereby understand and agree that failure to maintain eligibility and participation on a continuous basis will result in termination of the group coverage.

The employer understands and agrees that enrollment of the carved out class of employees at a later date may result in a change to group rates.

The undersigned has the authority to make decisions on behalf of the employer and agrees that all the information shown above is correct and complete.

Employer Shared Responsibility

If you are an applicable large employer, then you must offer all full-time employees and their dependent children minimum essential coverage, or you may be subject to a tax penalty.

Signature and Title:

Print Name: Harry Mihas Date:

The Self-Funded Program through Allstate Benefits provides tools for employers owning small to mid-sized businesses to establish a self-funded health benefit plan for their employees. The benefit plan is established by the employer and is not an insurance product. For employers in the Self-Funded Program, stop-loss insurance is underwritten by: Integon National Insurance Company in CT, NY and VT; Integon Indemnity Corporation in FL; and National Health Insurance Company in WA, CO, and all other states where offered. Allstate Benefits is a marketing name for Integon National Insurance Company. Group health insurance plans offered by Allstate Benefits are underwritten by Integon National Insurance Company