
Benefit Strategies, LLC

Pandemic Plan

A pandemic is a major infectious disease outbreak, greater than an epidemic, which spreads across a large region. Pandemics can be fatal to thousands of people, and can destabilize entire communities.

On August 15, 2009, Benefit Strategies, LLC management approved a policy specifically addressing preparedness for a potential flu pandemic directing management to develop this plan. This plan is intended to address the Board's mandate, as set forth in that policy. The Board will review and approve the final plan. The Pandemic Flu Business Continuity Plan will also be integrated into Benefit Strategies, LLC comprehensive disaster recovery plan.

It is specifically acknowledged that upon implementation of this response plan, the response Team will operate independently and with autonomy, but is subject to oversight and review from the Board and any regulatory agency having jurisdiction over this Company's operations.

ASSUMPTIONS

A flu pandemic is unlike any crisis we have encountered. No one can predict when it might arrive, where it might strike, how long it might last, and how serious its impacts might be. Prudence requires that we assume and plan for a worst case scenario. Accordingly, Benefit Strategies, LLC Pandemic Flu Business Continuity Plan is based on the following assumptions:

1. As many as 30 percent of the company's employees could become ill at the pandemic's peak; another 5 percent may refuse to report to work, either because they fear becoming ill or because they are caring for afflicted family members.
2. The company will not be able to perform all functions and provide all services at full capacity throughout the pandemic.
3. The company may be closed because of staffing shortages or because of a limited community quarantine.
4. An indeterminate number of consumers will be unable to reach the company to conduct normal business activities.
5. Customer confusion and demand for information could overwhelm our existing communications systems.
6. Some of our vendors will be unable to provide services or deliver supplies.
7. Travel will be restricted for some periods of time within the community and outside of it.

8. Pandemic-related financial stress, possibly civil unrest, and enhanced opportunities will increase the risk of robberies and other security threats within the business community.

The pandemic will cause a serious economic downturn, the scope and duration of which are impossible to predict.

THE PLANNING PROCESS

In its meeting of August 15, 2009, the management of Benefit Strategies, LLC directed President Thomas Smith to create a Pandemic Response Planning Committee (Planning Committee) with the responsibility for developing a comprehensive Pandemic Flu Business Continuity Plan for Benefit Strategies, LLC. Following that directive, President Smith appointed Francine Bilodeau to chair the Planning Committee. Ms. Bilodeau, in turn, named the following company employees to serve on this body:

- Beth Smith, Vice President, COBRA Services
- Bethany Smith, Vice President, Benefit Solutions
- Robert Paquin – Vice President of Operations
- Dustin Sears – Managing Director, RI Office

Introduction of the Continuity Plan

Benefit Strategies, LLC management recognize the need for and fully support the company's Pandemic Flu Business Continuity Plan. The goal of the plan is to protect employees, customers, facilities, systems, property and operations during any pandemic and maintain normal operations, to the extent possible, consistent with those goals. In the event that normal operations cannot be maintained, the goals will be to maximize the continuity of the Company's essential services to our customers and to minimize adverse financial impact to the company. Finally, the plan will provide for a return to full operations and services as quickly as possible.

Scope of the Plan

This plan is intended to anticipate the potential issues that impact the company, its employees, customers and the operations that may be affected by a flu pandemic. The nature of a flu pandemic is that it will primarily impact the employees, customers and security and threaten the company. Unlike most other potential disasters, such as floods, severe storms and the like, the primary threat is not physical destruction of records or facilities caused by the disaster event. This plan, therefore, will focus only on the threats that are reasonably related to pandemic flu. Other threats should be addressed by Benefit Strategies, LLC general business continuity planning. It will be imperative for the emergency response team to review both documents and implement all appropriate procedures. Further, the general recovery plan will become an integral component of the recovery phase of the pandemic response plan.

Mission of the Plan

We have defined the primary missions of Benefit Strategies, LLC Pandemic Business Continuity Plan as follows:

- Identify the hazards that will be produced by a flu outbreak
- Plan for and reduce the impact of the outbreak
- Maintain operations during an outbreak, after the event and after subsequent mini outbreaks have subsided
- Advise senior management, operations management, employees, consultants, vendors and subcontractors on the things they can do to mitigate the impact of an outbreak on the company and themselves and to become more pandemic-resistant

The plan will address and answer the following key questions:

- What will we do if any of our facilities are closed for a short term, long term or permanently?
- What processes or operational capacities must be maintained as critical functions that must be maintained for survival of our company?
- What alternatives are available or in place to assist in maintaining our supply chain if our key vendor partners experience disabling losses to their workforce and cannot maintain our needs?
- What alternative processes are in place to assist our customers in the event of an outbreak, isolation, quarantine, or other factors that affect their ability to conduct basic, everyday business activities with our company.
- What must be in place to assure the continuity and integrity of payroll, tax, accounting, insurance, payables, receivables, operations, customer and regulatory records, if applicable?
- What data security enhancements must be in place and maintained?
- What impact will weather and utility issues have on ongoing operations?
- How long can we survive in the event of partial or total isolation and/or quarantine?

Pandemic Flu Response Team

Benefit Strategies, LLC management has appointed Francine Bilodeau, as Disaster Recovery Coordinator pursuant to the company's comprehensive disaster recovery plan. Ms. Bilodeau is responsible for leading the Pandemic Flu Response Team that will direct the company's planning, preparedness, training, response and recovery to a flu pandemic.

Trigger Events

The following events should be considered trigger events for implementation of all or portions of this plan.

- Determination by the State Public Health Department that a pandemic flu outbreak is imminent or has begun
- Directive of the local board of health to implement a response protocol
- Irrefutable evidence that an outbreak has occurred within your company and is not a generic seasonal flu outbreak, in which event the Pandemic Flu Response Team leader will notify all pre-determined state and local public health departments and agencies
- Excessive employee absenteeism, whether pandemic-induced or not, that results in the company being in jeopardy of experiencing pandemic-related business crises
- Confirmation of customer-related employee exposure to flu contagions

Plan Activation

Most of the members of the management team of Benefit Strategies, LLC are authorized to declare that an flu pandemic crisis has occurred and to order the implementation of those portions of this plan as may be necessary.

The Pandemic Flu Response Team will consist of the following members:

- Thomas Smith, President
- Francine Bilodeau, Vice President, Client Services
- Beth Smith, Vice President, COBRA Services
- Bethany Smith, Vice President , Benefit Solutions
- Robert Paquin – Vice President of Operations
- Dustin Sears – Managing Director, RI Office

Personnel and Customer Safety

Upon activation of this plan, the first and most important goal is to protect the health and safety of employees and customers. If the Pandemic Flu Response Team determines that “normal” operations or altered operations can be maintained at any location, maximum efforts should be made to eliminate or minimize any potential for infection or other danger to employees or customers. The Pandemic Flu Response Team, in conjunction with the local Public Board of Health, makes this determination and any alterations to the assigned protocols will be approved only by the Team as directed or informed by the local Board of Health.

Pandemic Flu Crisis Assessment

Upon the declaration of a pandemic flu crisis, the Disaster Recovery Coordinator:

1. Immediately informs all members of the Pandemic Flu Response Team and any members of Benefit Strategies, LLC Disaster Response Team who are not also members of the Pandemic Flu Response Team.
2. Makes notification via calling tree in case all personnel are not present in the company or if the declaration does not occur during normal business hours.
3. Includes a date, place and time of the first meeting of the response team, which should be within hours of the completion of the notification process. If the members are unable to physically meet due to governmental limitations on travel or quarantine, then they will meet by conference call.
4. Notifies all Team members and the President of Benefit Strategies, LLC certifies that notification to the Executive Management Team has been made.
5. The Disaster Recovery Coordinator documents the notifications signed by the President and the Disaster Recovery Coordinator.

At the first meeting, the Pandemic Flu Response Team will:

1. Make an initial risk determination to define the extent of the crisis and what portions of the program need to be implemented based on that analysis.
2. Contact other members of management, staff, outside contractors, government or other resources as necessary to accomplish the objectives of this plan.
3. Meet on a scheduled or as-needed basis on at least a daily basis, either in person or by telephone, to continually assess the severity of the crisis, the efficacy of Benefit Strategies, LLC response and governmental responses, and whether any changes need to be made to implement additional elements of the plan.

Components of the Plan

Our plan will cover the following areas:

1. Continuity of Essential Functions
2. Human Resources Considerations
3. Security Measures
4. Financial Planning

CONTINUITY OF ESSENTIAL FUNCTIONS

We have every hope that Benefit Strategies, LLC would be able to operate at full capacity throughout a flu pandemic. However, we also recognize that this may not be possible, because of staff illnesses, the directives of local government (which may include travel restrictions and a full or partial quarantine), public health agency-mandated isolation policies, the disruption of power, communications and other essential services, and other pandemic-related problems. Accordingly, the Planning Committee conducted extensive interviews with managers and staff members throughout Benefit Strategies, LLC to identify the following core functions that, in the committee's view, must be sustained to maximize Benefit Strategies, LLC ability to recover from the pandemic and resume normal operations after it has ended:

- Company Operations
- Delivery of Products and Services
- Information Systems
- Customer Service
- Data Processing
- Sales
- Finance

HUMAN RESOURCES POLICIES

Benefit Strategies, LLC ability to maintain essential functions will depend on the health, training, performance, and dedication of its employees. To protect the health of our employees, Benefit Strategies, LLC Planning Committee will work with the Human Resources Department to implement the following policies:

- *Educate employees about pandemic flu* by providing printed materials and holding in-house seminars.
- *Encourage employees to practice good hygiene* (e.g., frequent hand-washing) and give them the tools they need to do so. Benefit Strategies, LLC will provide all employees with anti-bacterial hand-washing solutions and wipes to keep desks, telephones, computers, and other equipment and furnishings germ-free. Additionally, Benefit Strategies, LLC will provide all employees who interact regularly with customers with:
 - Latex or nitrile gloves
 - N95 respirator masks
 - Hand sanitizer

The managers of each department will be responsible for ordering and maintaining sufficient quantities of these supplies for the employees they supervise:

- The purchasing manager will be responsible for stockpiling sufficient quantities of these supplies to last for at least one month — Benefit Strategies, LLC “worse case” projection of the pandemic’s likely duration.
 - The Pandemic Crisis Planning Committee and the Human Resources Department will be jointly responsible for training employees in the proper use and disposal of protective gear.
 - The Planning Committee and Human Resources Department will also develop policies governing the use of this equipment. These policies will include rules specifying that the gear will not be used unless authorized by a directive from the president of the Company.
- *Establish “social distancing” protocols:*
- Separate employee desks and work stations.
 - Advise employees to avoid hand-shaking, sharing of utensils and other interactions through which flu germs can be spread.
 - Provide protective plastic “cough shields” to separate employees and customers and mitigate the transmission of bacteria.
 - Supervisors will discourage employees from eating meals at restaurants, strongly urging them to bring lunches from home instead.
- *Establish rigorous standards for cleaning and maintenance of BENEFIT STRATEGIES, LLC’s facilities.*
- Implement training programs for in-house cleaning staff.
 - Require vendors providing cleaning services to demonstrate adequate training for their employees that ensures they are well-briefed in pandemic protocols and understand the need to treat bathrooms, lunchrooms, elevators, and other common areas with antibacterial solutions.
- *Limit travel to essential business that cannot be conducted in any other way.*
- Develop procedures for monitoring the pandemic in areas to which employees may be traveling and procedures for monitoring the health of employees who travel to other areas.
- *Limit the meetings employees must attend.*
- Benefit Strategies, LLC will expand its audio- and teleconferencing capacity to ensure that meetings may be conducted through those mechanisms.
- *Implement “flex-time” scheduling wherever possible, so employees can avoid public transportation during peak commuting times.*
- *If there is reason to suspect that employees have had direct contact with someone infected with the virus, direct the employees to:*
- Change shirts, scarves, jewelry, hair bands and any other clothing or accessory articles in the general area of the suspected contact contamination.
 - Wash hands immediately with hand sanitizer or antibacterial soap BEFORE touching face, eyes, nose, mouth or other mucous membrane surfaces.

- Using latex gloves, put exposed clothing and accessories in a plastic bag, seal it and then dispose of the latex gloves in a separate plastic bag using an “inside — out” removal process for the gloves. Then seal this bag and dispose or sanitize both bags properly.
- If possible, take a thorough shower.
- Refrain from touching food until all universal sanitization protocols have been followed.

Mental Health Concerns

The Pandemic Flu Business Continuity Plan focuses on the physical health of employees, but a pandemic will affect their emotional health as well. Supervisors and senior management will be instructed to monitor employees for signs of stress and depression.

VENDOR SERVICES

- The heads of all departments will identify vendors/suppliers providing services and/or supplies essential to their operations.
- The Planning Committee will work with department heads to identify and establish relationships with back-up vendors and suppliers.
- The Planning Committee will establish protocols to reduce the risk that vendors with access to Benefit Strategies, LLC may spread the flu virus to employees. These protocols will include rules requiring vendors to wear protective gear when entering the Benefit Strategies, LLC facilities during periods that require Benefit Strategies, LLC employees in contact with customers to wear protective gear.

ESSENTIAL SUPPLIES

The Planning Committee will work with all departments to develop a list of essential supplies sufficient for all Benefit Strategies, LLC departments to operate for three months. This list of essential supplies will include, in addition to personal protective equipment and basic office supplies, back-up equipment (laptops, monitors, printers, and fax machines). The manager in charge of purchasing consults with department heads to identify back-up equipment needs for the company as a whole, and consults with the President to determine a reasonable budget for these purchases.

CUSTOMER SERVICE

Consumer and business partners’ uninterrupted access to the company and the ability to transact business is a priority. To achieve that goal in a pandemic setting, Benefit Strategies, LLC will take the following steps:

- Encourage consumer and business partners to expand their use of Benefit Strategies LLC’s on-line services, and expand Benefit Strategies, LLC ’s on-line capacity to accommodate increased demand.
- Reduce any extra charges or fees during the pandemic.

- Strategically deploy staff to minimize the impact of company closings in high-usage areas, if multiple locations exist.

SECURITY

An increase in robberies and civil unrest may be among the byproducts of a flu pandemic. To mitigate those risks for Benefit Strategies, LLC:

- The Planning Committee assesses the security risks at each Benefit Strategies, LLC facility, based on their location, operations, staffing and past vulnerability history. The Communications Committee will arrange for enhanced security measures as needed. These enhancement measures will include, but not be limited to:
 - Arranging for an increase in vendor-provided security service
 - Adding electronic security equipment
- The Planning Committee will review the pandemic response plans of all vendors currently providing security services and all security vendors Benefit Strategies, LLC retains for back-up assistance during the pandemic.
- The Planning Committee will develop protocols for securing the company or other company facilities that are closed temporarily.
- The Planning Committee will develop protocols for ensuring the security of data, documents, and equipment that are transported to other sites or to the homes of employees who are working remotely.
- The Planning Committee will assess the additional information and computer security precautions resulting from:
 - More employees working at home
 - A pandemic-related increase in crime generally, and in computer crime particularly
 - Increased financial and emotional stress on employees, which may increase the risk of fraud and/or computer crime from within the company
- The Planning Committee, in conjunction with the Human Resources Department, will review employee records to identify individuals who have recently resigned, been fired or disciplined, or threatened the company or any of its personnel, and who might pose a security threat during the pandemic.

FINANCIAL IMPACTS

Since it is not possible to accurately predict the duration of any pandemic flu event, this plan will assume that Benefit Strategies, LLC may be forced to operate at limited capacity for a period of three months. It further assumes that other businesses will also be adversely impacted and that this will affect Benefit Strategies, LLC new business, the ability of businesses and consumers to conduct transactions as scheduled, and the economy in general.

The Benefit Strategies, LLC on the supply side will experience economic disruption directly from high absenteeism, as people may be asked to stay at home, or may choose to do so. The Benefit Strategies, LLC in transportation, trade, payment systems, and major utilities, may experience disruptions that could expose financially vulnerable businesses to the risk of bankruptcy. On the demand side, consumer spending could fall and investment put on hold.

Economic activity should recover quickly once the pandemic has run its course. Consumption and average hours worked could be greater than the pre-pandemic level temporarily. The recovery would depend on business and consumer confidence, the speed of resumption of trade, and the recovery of asset values.

However, a severe pandemic would have a more disruptive impact locally and worldwide. Tourism would drop sharply because of fear of infection and possible travel restrictions. It may be slow to recover. Other exports could suffer from trade and transportation restrictions.

We anticipate that losses from payments missed during the acute pandemic period could reach \$10,000. While we do anticipate the potential for longer-term loss in the event of a pandemic, we do not expect longer term default rates to increase significantly based on current information.

Benefit Strategies, LLC companies that are travel or tourism companies could be exceptionally hard-hit by a pandemic. Manufacturing small businesses could be severely impacted during the acute phase of a pandemic due to employees being unable or unwilling to come to work. During the recovery phase, they would be adversely affected by lag time while their customers and the economy recovered. We would anticipate that during the acute phase of a pandemic event, 10 percent of these small manufacturers would not be able to continue to make scheduled payments for business loans and that up to 5 percent of the businesses could fail. Some businesses may request emergency loans or extension of lines of credit during this period. Although the financial services industry might be limited in their capacity to offer these loans without significant risks, government guarantees or other assistance may be available that would enable such loans to be extended.