



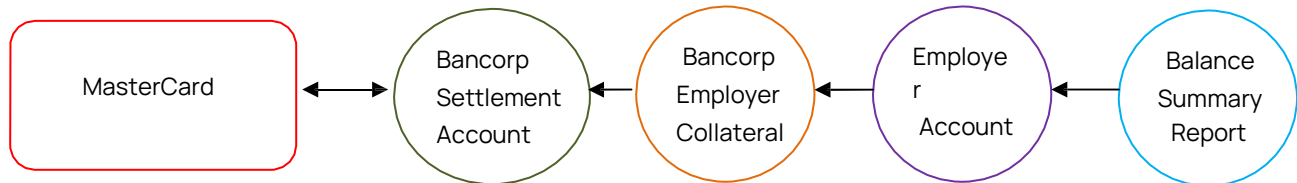
Fringe Benefits Debit Card Banking Process

isolved Benefit Services partners with WEX Health/Bancorp Bank (WEX) to offer the WEX Health Benefits Card. The card eliminates the need for participants to pay cash for eligible services by accessing funds from their account elections at the point of service.

Your company will provide the enrollment and participant demographic information to isolved Benefit Services and make appropriate account collateral funding available in advance of card production and distribution. Isolved Benefit Services will load this data into the claim processing system and create and transmit a data extract to WEX. They load the data to establish cardholder account information and to create, produce and deliver cards.

Debit Card Banking and Funding Process

Funding of the collateral account is required by the association and issuing bank.



There are three aspects to the card banking and funding.

1. Collateral Account

- A collateral account is established at the sponsor bank to hold a nominal level of required collateral, which is used (debited) to settle with the association (MasterCard).

2. Collateral Account Funding

- The collateral account must be funded with a nominal deposit that is a percentage of the aggregate participant annual election amount. This is referred to as the collateral.
- The collateral amount required is based on the replenishment method used (i.e., daily ACH debit requires 3% of the annual elections with a minimum of \$500 and weekly ACH debit requires 5% of the annual elections with a minimum of \$2,500).
- The collateral amount does not change unless there is a significant fluctuation in the participant count.
 - This funding method accommodates individual participant additions without requiring additional funding by the employer. A true up may be performed to adjust the collateral amount if there is a significant fluctuation in the participant count.
- Typically, there are no fees associated with opening and maintaining such an account.
- Due to banking regulations, these types of accounts do not generate interest.

3. Replenishment

- Debits to the collateral account must be replenished to ensure that adequate funds are available for ongoing settlement of card transactions.
- Card transactions initiated at the point of service are processed by the association on the same day. On the next day, the association is reimbursed from the bank's settlement account.
- Daily or weekly settlements are reported to the client by Evolution Benefits via e-mail.