

Notice to Employees and Eligible Employees of Via Christi Health, Inc. of Application for Authorization Under Prohibited Transaction Exemption 96-62, as Amended

Purpose of This Document

You are hereby notified that Via Christi Health, Inc. ("Via Christi Health") and Sunflower Assurance, Ltd. ("Sunflower"), a captive insurance company wholly-owned by Via Christi Health, have applied to the U.S. Department of Labor ("DOL") for authorization that the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), do not apply to the reinsurance transaction described below. The transaction involves the reinsurance of risks and the receipt of premiums by Sunflower from insurance contracts currently funding basic and supplemental life insurance program offered under the Group Basic Term Life, Supplemental Dependent Life, Supplemental Term Life Plan for Employees of Via Christi Health (the "Plan"). The effective date of the transaction is anticipated to be the date final authorization has been granted by the DOL. The authorization is necessary because Sunflower is an affiliate of Via Christi Health. Because of the relationship between Via Christi Health and Sunflower, such reinsurance might otherwise constitute a prohibited transaction under ERISA. This notice informs you of the application to the DOL and certain changes to the basic and supplemental life insurance program benefits, and describes your right to comment to the DOL about these changes.

OVERVIEW

The Plan provides basic and supplemental life insurance benefits, and covers regular full-time and part-time employees who work 48 hours or more per pay period. The Plan is insured with Minnesota Life Insurance Company ("MN Life"). Under the transaction, MN Life will insure Plan risks. However, MN Life will reinsure 100 percent of the risk, up to a maximum of \$750,000 per life with Sunflower's U.S. branch, Sunflower Assurance, Ltd. (USVI) ("Sunflower" (USVI)). The Plan Administrator of the Plan has determined that the transaction is in the interest of the participants and beneficiaries of the Plan because of benefit improvements that will be provided to them. The authorization by the DOL will be subject to the conditions described below and set forth in more detail in Exhibit A.

The reinsurance agreement is simply an internal arrangement between Sunflower (USVI) and MN Life. MN Life will continue to insure the benefits provided to you under the Plan.

PARTIES TO THE PROPOSED REINSURANCE AGREEMENT

Company

Via Christi Health is the largest provider of health care services in Kansas. Based in Wichita, it serves Kansas and northeast Oklahoma through doctors, hospitals, senior villages and health services. Via Christi Health includes:

- 11 fully or partially owned hospitals
- 16 owned or managed senior villages and programs

- Home health and home medical services
- Ambulatory surgery and imaging centers
- 10,000 employees
- 1,100 physicians have medical privileges at Via Christi Hospitals. Via Christi employs 300 physicians in various hospitals and ministries throughout Kansas.

Captive

Sunflower is a captive insurance and reinsurance corporation wholly-owned by Via Christi Health. Sunflower was established in the Cayman Islands on March 9, 1994, and granted a License effective April 1, 1994, to reinsure, initially, the hospital professional and general liability risks of Via Christi Health and affiliates. Sunflower has established Sunflower (USVI) as a branch in the U.S. Virgin Islands (USVI) to provide coverage to Via Christi Health for certain employee benefits risks. Sunflower (USVI) was granted a License permitting it to transact the business of a captive insurance company by the Department of Banking and Insurance of the United States Virgin Islands effective September 1, 2011.

Sunflower provides the following coverages to Via Christi Health and its subsidiaries: hospital professional, comprehensive general, auto, employers, helipad and non-owned aircraft liability risks. As of December 31, 2011, total assets of Sunflower were \$38,500,707 and gross written premium was \$3,430,503.

THE PLAN

Via Christi Health maintains the Plan for the benefit of its eligible active employees. Under the Plan, Via Christi Health provides eligible employees with basic insurance coverage. The amount of basic insurance coverage depends on the particular class of the employee and ranges from \$10,000 to three times annual earnings, subject to a maximum of \$2,000,000 (rounded to the next higher \$1,000 if not already a multiple of \$1,000).

Employees may purchase supplemental life insurance coverage. The amount of supplemental life insurance coverage ranges from \$10,000 to the lesser of \$800,000 or 5 times annual earnings. Additional maximum limits may also apply to the combined amount of basic and supplemental insurance coverage for certain employees.

Employees may also purchase supplemental dependent life insurance coverage, which for spouses ranges in amount from \$10,000 to \$800,000 (subject to certain limitations). For dependent children, four different dependent coverage options are available, all with \$500 minimums and maximum amounts ranging from \$2,000 to \$15,000.

The Plan currently provides an Accelerated Death Benefit for employees or their dependents who are diagnosed as terminally ill while under age 60 and covered for at least \$10,000 in life insurance; the minimum Accelerated Death Benefit is \$3,000 and the maximum is \$500,000 (subject to certain limitations such as it not exceeding 80% of the covered person's amount of life insurance).

The Plan has the official plan number 501 and its official name is: the Group Basic Term Life, Supplemental Dependent Life, Supplemental Term Life Plan for Employees of Via Christi Health. The plan number is 501. The federal employer identification number of Via Christi Health, the plan sponsor, is 48-1172107.

CHANGES TO THE PLAN

Via Christi Health recently formulated a plan to utilize Sunflower (USVI) for the reinsurance of benefits and has made improvements to the Plan in anticipation of receiving DOL authorization. MN Life will insure the Plan with the new enhanced benefits. However, MN Life will reinsure the Plan risks with Sunflower (USVI). The following improvements to the Plan's benefits are effective as of January 1, 2012.

Via Christi will enhance the benefits under the Plan as follows:

- **An enhanced accelerated death benefit** under the basic life insurance policy for all employees. Currently, Via Christi Health's plan allows an insured employee who is terminally ill to receive payments under the life insurance policy in advance of his or her death. The advance allowed may not exceed 80% of the insured's basic life insurance coverage with a minimum of \$3,000, and a maximum of \$500,000. Under the captive arrangement with MN Life, the amount that the insured can receive in advance will be increased to 100% of his or her life insurance coverage to a maximum of \$1,000,000.
- **Beneficiary financial counseling.** Via Christi will provide Beneficiary Financial Counseling services. The benefit will be available to beneficiaries of all active employees and certain terminally ill employees as part of the basic life insurance plan. Eligible individuals will be able to receive financial services offered through PricewaterhouseCoopers LLP (PwC).

The beneficiary financial counseling service is available to all beneficiaries receiving at least \$25,000 in benefits, which includes approximately 92% of the plan's participants. The service also is available to terminally ill employees who have elected to receive an accelerated death benefit with proceeds of \$25,000 or greater (beneficiaries and eligible terminally ill employees are collectively referred to as "BFC Program Participants").

The Beneficiary Financial Counseling services are offered to eligible BFC Program Participants at no additional cost. PwC's financial counselors are experienced Certified Financial Planners, Certified Public Accountants, attorneys, and personal financial specialists who provide objective counseling on estate settlement, budgeting, taxes and various other financial issues. All experienced and credentialed professionals from PwC are trained in bereavement issues and are held to the highest ethical standards and fully understanding of the need for client confidentiality.

The Beneficiary Financial Counseling provides the following benefits to BFC Program Participants:

- **Personal Financial Counseling** - Six months of counseling services with a financial coach for in-depth financial counseling sessions offered over the phone or a face-to-face meeting. The BFC Program Participant has the option to attend a face-to-face meeting or the choice to conduct private counseling over the phone.

When a BFC Program Participant submits a claim (i.e., for a death benefit or an accelerated death benefit) to MN Life, PwC is prompted and the service can be utilized by the BFC Program Participant for a six month period. The BFC Program Participant will receive an information package that describes the program and the services included at no additional costs.

The monetary savings could vary from person to person, but overall, some programs provided under the Beneficiary Financial Counseling program could be purchased outside of this offering and could be estimated to cost from \$250 to a few thousand dollars, depending on the type of service selected. Via Christi Health is paying a portion of these costs directly.

There is no limitation on the number of calls or visits within the six months of counseling.

- **Personalized Financial Analysis** - Computer generated financial plan designed to help BFC Program Participants beneficiaries understand current and overall financial situations and provide assistance to strategize for the future.

This Personalized Financial Analysis is offered to BFC Program Participants and is not a direct result of the face-to-face meeting with the Financial Counselor. The BFC Program Participants have the option to skip the face-to-face meeting or telephone call and move straight into a computer generated financial plan in privacy.

The service offered to BFC Program Participants is offered through credentialed (e.g., Certified Financial Planners, certified Public Accountants, Attorneys, Personal Financial Specialists,) and experienced professionals that have been vetted by PwC and endorsed by MN Life.

This Personalized Financial Analysis is a quick and easy on-line assessment that covers credit/debt management, savings and retirement plans, investments, insurance coverage, and legal matters (wills, durable power of attorney).

After the BFC Program Participants receive their personal information and financial analysis, it can act as a guide for discussions during face-to-face meetings, if desired. PwC Financial Counselors have the ability to discuss the benefits and advantages regarding the BFC Program Participant's unique

situation.

- **Beneficiary Guide** - Reference guide that delivers easy-to follow- guidance on estate issues, survivor benefits, financial planning and non-financial issues.
- **eAdvisor** - An integrated planning tool that provides BFC Program Participants access to online financial calculators, life event guides, news articles and other online financial planning course materials. These tools support broad financial planning topics such as planning for life insurance, mortgage needs, and education funds for children.
- **Your Money, Your Future** - Bimonthly electronic financial planning newsletters accessed online by each BFC Program Participant.
- **CounselLine** - Unlimited toll-free telephone access for one year. Provides information on estate settlements, IRAs and other financial planning issues.

The one year period of unlimited toll-free telephone calls starts when the services are accessed by the BFC Program Participant. The phone call(s) are scheduled with financial counselors of PwC, who are experienced professionals with credentials such as Certified Financial Planners, Certified Public Accountants, Attorneys, Personal Financial Specialists, etc.

- **Will preparation and legal services.** All employees in the basic life plan will have access to Ceridian's will preparation and legal services program, which offers such services as a free 30-minute initial consultation per legal issue with an attorney in the employee's state of residence, creation of online legal documents such as wills, financial power of attorney, living will or final arrangements, referrals to local attorneys, access to a variety of legal forms, access to an online legal library, and a 25% discount off of an attorney's normal hourly rate should an employee retain the attorney after an initial consultation. There will be no cost to participants, and all employees in the basic life plan will benefit from this enhancement.
- In addition to the will preparation and legal services, participants in the basic life plan will have access to a Legacy Planning website, a service offered by MN Life and its parent, Securian Financial Group, that is designed to help participants and beneficiaries deal with end-of-life issues at: www.legacyplanningservices.com. This website offers assistance with:
 - Preparing legal documents (including an estate plan, healthcare directive, living wills, power of attorneys and last will and testament).
 - Practical templates such as a key contact list, document locations, and survivor checklist.
 - As appropriate, assistance with burial versus cremation.

- Choosing an appropriate provider/vendor for final arrangements.
- Assistance with filing insurance claims.
- **Travel assistance.** Via Christi will offer all employees in the basic life plan a new travel assistance program through Europ Assistance USA. In the event that an employee (or his or her spouse or dependent child) requires emergency medical assistance while on business or personal travel 100 miles away from home (including in the United States), the travel assistance program provides benefits including but not limited to: covering the cost and arrangement of medical transport to the closest adequate medical facility based on his/her medical condition; providing medical referrals within a worldwide network of providers; covering the cost and arrangement of medical transport from the place of hospitalization to the member's home; arranging bedside visits by a family member or friend of a member should he/she be hospitalized for a specified length of time. There will be no cost to participants, and all employees in the basic life plan will benefit from this enhancement.

All the benefits enhancements described herein are not required of Via Christi Health as part of a legal proceeding, court order or judgment, or by state or federal law.

As stated above, the reinsurance agreement is simply an internal arrangement between Sunflower (USVI) and MN Life. MN Life will continue to insure the benefits provided to you under the Plan, including the improved benefits, and Via Christi will continue to contribute to the cost of the program.

INDEPENDENT FIDUCIARY

In connection with the application to the DOL, Via Christi has retained, at its sole expense, Milliman, Inc. ("Milliman"), which provides specialized services on behalf of employee benefit plans. Milliman, as the Independent Fiduciary for the Plan, has analyzed the transaction and rendered an opinion that the requirements of subsections (a) through (f) of the draft requested authorization, attached as Exhibit A, have been complied with. In addition, Milliman will represent the interests of the Plan, as the Independent Fiduciary at all times with respect to the proposed transaction. Milliman will monitor compliance by the parties with the terms and conditions of the proposed transaction, and will take whatever action is necessary and appropriate to safeguard the interests of the Plan and its participants and beneficiaries with respect thereto, and to ensure that the proposed transaction remains in the interest of the Plan and its participants and beneficiaries.

OVERVIEW OF EXEMPTION CONDITIONS

The following are the principal conditions that would be imposed by the DOL authorization:

- Sunflower is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with Via Christi Health that is described in Section 3(14)(E) or (G) of the Act;

- Sunflower is licensed, as Sunflower (USVI), to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of the Act (which includes the USVI);
- Sunflower has obtained a Certificate of Authority, as Sunflower (USVI), from the Insurance Commissioner of its domiciliary state which has neither been revoked nor suspended;
- Sunflower has undergone an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction; or has undergone a financial examination (within the meaning of the law of its domiciliary State, the U.S. Virgin Islands) by the Insurance Commissioner of the State within 5 years prior to the end of the year preceding the year in which the reinsurance transaction occurred;
- Sunflower is licensed, as Sunflower (USVI), to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority;
- The Plan pays no more than adequate consideration for the insurance contracts;
- No commissions are paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof;
- In the initial year of any contract involving Sunflower, there will be an immediate and objectively determined benefit to the Plan's participants and beneficiaries in the form of increased benefits;
- In subsequent years, the formula used to calculate premiums by MN Life or any successor insurer will be similar to formulae used by other insurers providing comparable basic and supplemental life insurance coverage under similar programs. Furthermore, the premium charges calculated in accordance with the formulae will be reasonable and will be comparable to the premiums charged by the insurer and its competitors with the same or a better rating providing the same coverage under comparable programs;
- The Plan only contracts with insurers with a rating of A or better from A.M. Best Company (Best's). The reinsurance arrangement between the insurers and Sunflower will be indemnity insurance only, i.e., the insurer will not be relieved of liability to the Plan should Sunflower be unable or unwilling to cover any liability arising from the reinsurance arrangement; and
- The Plan retains an independent fiduciary, at Via Christi Health's expense, to analyze the transaction and render an opinion that the requirements of subsections (a) through (f) of Exhibit A have been complied with.

TENTATIVE AUTHORIZATION OF THE PROPOSED TRANSACTION

Authorization of the DOL was requested under a procedure, called Prohibited Transaction Exemption ("PTE") 96-62. This process requires that at least two prior exemptions of substantially similar structure have been granted by the DOL within the last 60 months. Alternatively, the DOL must have granted one exemption within the past 120 months and issued one final authorization pursuant to PTE 96-62 within 60 months for substantially similar transactions. You can find the description of Svenska Cellulosa Aktiebolaget, SCA PTE 2004-12, 69 FR 40987, July 7, 2004. The DOL gave final authorization under PTE 96-62 to Final Authorization Number (FAN) 2009-10E (Banner Health) (June 29, 2009), 2007-04E (NiSource, Inc.) (March 17, 2007) and FAN 2011-10E (Dow Corning Corporation) (November 25, 2011). In those cases, each respective employer proposed using its captive insurance company to reinsure employee benefits, and agreed to provide improved benefits, retain an Independent Fiduciary, contract only with insurers with an "A" rating or better with A.M. Best Company or a similar rating agency, and arrange the transaction with the captive as indemnity insurance only. Based on these representations, the DOL granted relief from the prohibited transaction restrictions under sections 406(a) and (b) of ERISA.

The proposed transaction described in this Notice has met the requirements for tentative authorization from the DOL under PTE 96-62. Notably, the proposed transaction offers similar benefit enhancements as those made available in FAN 2011-10E, but also includes the new Travel Assistance benefit described above. Unless the DOL otherwise notifies Via Christi Health, a final authorization would be effective June 6, 2012.

YOUR RIGHT TO COMMENT ON TENTATIVE AUTHORIZATION

As an interested party, you have the right to submit comments to the DOL on the tentative authorization. If you decide to do so, please submit your comments at the following address:

Employee Benefits Security Administration
Office of Exemption Determinations, Division of Individual Exemptions
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N-5700
Washington, D.C. 20210

Attn: Mr. Anh-Viet Ly - Re: E-000686

Please be sure to reference the submission number, E-00686. Comments must be received by the DOL no later than June 1, 2012.

Comments may be faxed or e-mailed to the DOL. The fax number is (202) 219-0204 and the e-mail address is Moffitt.Betty@dol.gov. If you have questions regarding your right to comment on this tentative authorization, you may call Mr. Ly at (202) 693-8648.

If you have any questions about the Plan, contact Via Christi Health:

By Mail: Via Christi Health Plan Administrator
8200 E. Thorn
Wichita, KS 67226.
By Phone: (316)719-3306
By Email: Valery.Sokol@viachristi.org

Exhibit A
Pending Authorization

The restrictions of Section 406(a) and 406(b) of the Employee Retirement Income Security Act of 1974, as amended (the "Act") shall not apply to the reinsurance of risks and the receipt of premiums there from by Sunflower Assurance, Ltd. ("Sunflower") through its U.S. Virgin Islands branch, Sunflower Assurance, Ltd. (USVI) ("Sunflower (USVI)"), in connection with insurance contracts sold by Minnesota Life Insurance Company ("MN Life") or any successor insurance company to MN Life which is unrelated to Via Christi Health, Inc. ("Via Christi Health") to provide basic and supplemental life insurance benefits to participants in the Group Basic Term Life, Supplemental Dependent Life, Supplemental Term Life Plan for Employees of Via Christi Health (the "Plan"), provided that the following conditions are met:

- (a) Sunflower:
 - (1) Is a party in interest with respect to the Plan by reason of a stock or partnership affiliation with Via Christi Health that is described in Section 3(14)(E) or (G) of the Act;
 - (2) Is licensed, as Sunflower (USVI), to sell insurance or conduct reinsurance operations in at least one State as defined in section 3(10) of the Act;
 - (3) Has obtained a Certificate of Authority, as Sunflower (USVI), from the Insurance Commissioner of its domiciliary state which has neither been revoked nor suspended;
 - (4)(A) Has undergone an examination by an independent certified public accountant for its last completed taxable year immediately prior to the taxable year of the reinsurance transaction; or
 - (B) Has undergone a financial examination (within the meaning of the law of its domiciliary State, the U.S. Virgin Islands) by the Insurance Commissioner of the State within 5 years prior to the end of the year preceding the year in which the reinsurance transaction occurred; and
 - (5) Is licensed, as Sunflower (USVI), to conduct reinsurance transactions by a State whose law requires that an actuarial review of reserves be conducted annually by an independent firm of actuaries and reported to the appropriate regulatory authority; and
- (b) The Plan pays no more than adequate consideration for the insurance contracts;
- (c) No commissions are paid by the Plan with respect to the direct sale of such contracts or the reinsurance thereof;

- (d) In the initial year of any contract involving Sunflower, there will be an immediate and objectively determined benefit to the Plan's participants and beneficiaries in the form of increased benefits;
- (e) In subsequent years, the formula used to calculate premiums by MN Life or any successor insurer will be similar to formulae used by other insurers providing comparable basic and supplemental life insurance coverage under similar programs. Furthermore, the premium charges calculated in accordance with the formulae will be reasonable and will be comparable to the premiums charged by the insurer and its competitors with the same or a better rating providing the same coverage under comparable programs;
- (f) The Plan only contracts with insurers with a rating of A or better from A.M. Best Company (Best's). The reinsurance arrangement between the insurers and Sunflower will be indemnity insurance only, *i.e.*, the insurer will not be relieved of liability to the Plan should Sunflower be unable or unwilling to cover any liability arising from the reinsurance arrangement; and
- (g) The Plan retains an independent fiduciary (the "Independent Fiduciary"), at Via Christi Health's expense, to analyze the transaction and render an opinion that the requirements of sections (a) through (f) have been complied with. For purposes of this exemption, the Independent Fiduciary is a person who:
 - (1) Is not directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with Via Christi Health or Sunflower (this relationship hereinafter referred to as an "Affiliate");
 - (2) Is not an officer, director, employee of, or partner in, Via Christi Health or Sunflower (or any Affiliate of either);
 - (3) Is not a corporation or partnership in which Via Christi Health or Sunflower has an ownership interest or is a partner;
 - (4) Does not have an ownership interest in Via Christi Health, Sunflower, or any of either's Affiliates;
 - (5) Is not a fiduciary with respect to the Plan prior to the appointment; and
 - (6) Has acknowledged in writing acceptance of fiduciary responsibility and has agreed not to participate in any decision with respect to any transaction in which the Independent Fiduciary has an interest that might affect its best judgment as a fiduciary.

For purposes of this definition of an "Independent Fiduciary," no organization or individual may serve as an Independent Fiduciary for any fiscal year if the gross income received by such organization or individual (or partnership or corporation of which such individual is an officer, director, or 10 percent or more partner or shareholder) from Via Christi Health,

Sunflower or their Affiliates (including amounts received for services as Independent Fiduciary under any prohibited transaction exemption granted by the Department) for that fiscal year exceeds 2 percent of that organization or individual's annual gross income from all sources for such fiscal year.

In addition, no organization or individual who is an Independent Fiduciary, and no partnership or corporation of which such organization or individual is an officer, director, or 10 percent or more partner or shareholder, may acquire any property from, sell any property to, or borrow funds from Via Christi Health, Sunflower, or their Affiliates during the period that such organization or individual serves as Independent Fiduciary, and continuing for a period of six months after such organization or individual ceases to be an Independent Fiduciary, or negotiates any such transaction during the period that such organization or individual serves as Independent Fiduciary.