

<b>YEAR ONE</b>	<b>Member #1</b>	<b>Member #2</b>
Effective date on plan	1/1/2008	3/1/2008
Annual max	1500	1500
Claims paid	750	750
Balance of maximum	750	750
Total Benefit carryover dollars available for following year	500	0*

\*Member #1 has the full Benefit Carryover allowance available

\*Member #2 was not eligible for the full benefit year.

<b>YEAR TWO</b>	<b>Member #1</b>	<b>Member #2</b>
Annual max	1500	1500
Claims paid	1700	1250
Balance of maximum	-200	250
Benefit Carryover dollars available for use this year	500	0
Total Benefit carryover dollars available for following year	300	250

\*Member #1 had claims exceeding the annual max and was able to apply the carryover benefit from the prior year

\*Member #2 has now been eligible for a full benefit year and is able to carryover the balance of the annual maximum

<b>YEAR THREE</b>	<b>Member #1</b>	<b>Member #2</b>
Annual max	1500	1500
Claims paid	0	500
Balance of maximum	1500	1000
Benefit Carryover dollars available for use this year	300	250
Total Benefit carryover dollars available for following year	300	500

\*Member #1 had no claims during this period, no additional carryover dollars are accrued, however the balance from the prior period continues to carry-forward

\*Member #2 had a claim during this period, and was able to carryover the balance of annual max up to the combined total of \$500