

2009

**Employee
Benefits Program**

**Flexible Spending
Accounts**

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Important Information

This is Only a Summary

This booklet is a summary of the Travelers Health Care Spending Account and Dependent Care Spending Account Plan (“plan”). The Health Care Spending Account Plan is a component program under the Travelers Non-Trusteed Employee Benefit Plan. The plan operates under a detailed legal document. A summary cannot deal with every set of circumstances. If this summary is incomplete in some respect, or can be read to be inconsistent with the legal document, the legal document will control. A copy of the legal document is available for review from the Travelers Employee Services Unit.

It Describes Current Plan Terms

This booklet describes the terms of the plan in effect as of January 1, 2009.

Not an Employment Contract

The plan is not a contract of employment or a guarantee of continued employment for any definite period of time.

Right to Interpret

Travelers, its Administrative Committee, and others have broad discretionary authority to make factual determinations and to interpret the plan. This is described in the section entitled “Claims Process.”

Administrative Committee

The “Administrative Committee” is a person or committee appointed to this position in accordance with the terms of the plan. Currently, the Administrative Committee consists of a single person – the Executive Vice President – Human Resources of Travelers.

Oral or Other Unofficial Modifications Are Not Permitted

The legal document governing the plan cannot be modified by oral statements made by anyone, or by unofficial communications (such as e-mail or mailings) or any other contracts (such as employment contracts or stock or asset purchase agreements). The plan can only be amended by official amendments. Amendments can only be adopted by authorized persons, such as the Board of Directors, the Chief Executive Officer, or others to whom the Board or the Chief Executive Officer has delegated amendment authority.

You and Travelers share the cost of your benefits. Each benefit plan summary includes a general description of how you and Travelers share the cost of the benefits described in that section. The actual amount that you pay for your benefits is stated in your enrollment materials.

Overview

Introduction

The Health Care Spending Account and the Dependent Care Spending Account, both of which are administered by Ceridian, are accounts that you fund using pre-tax payroll deductions. You can use your spending account to pay for certain qualified personal expenses with pre-tax deposits. Since pre-tax deposits are not included in your taxable income, these accounts can save you money by reducing your taxable income. Travelers does not fund or provide matching funds to either spending account.

Eligibility

You are eligible to participate in one or both spending accounts if you are:

- A regular status, salaried employee; and
- You are scheduled to work at least 20 hours per week, or 50% of a full-time equivalent schedule if your office's workweek is less than 40 hours per week.

The following groups of people are not eligible to participate in the plan:

- TRAVTemps
- Any employee classified as an "intern"
- Any employee who is:
 - Paid from a payroll system other than the U.S. payroll system of Travelers
 - A local national employee – that is, citizen of another country who is not working in the United States (including any such individual who has dual citizenship and thus is also a citizen of the United States, unless he or she is an expatriate on assignment from the United States)
 - A citizen of a country other than the United States who is working on temporary assignment in the United States, as determined under the employment policies of the company, or
 - A resident of Puerto Rico or any other territory or possession of the United States
- Individuals employed with, performing services through, or paid by a third-party (such as an employee leasing or staffing agency)
- Individuals performing services pursuant to a contract or agreement (whether verbal or written) which provides that he or she is an independent contractor or a consultant
- Retirees

Covered Expenses

During the year, as you incur covered expenses, you submit your claims for reimbursement from your account. Any reimbursement you receive is tax free.

Only covered expenses incurred between January 1, 2009 and March 15, 2010 will be considered eligible for reimbursement provided they are submitted by April 15, 2010. For the Health Care Spending Account, only eligible expenses incurred while you were contributing to your Health Care Spending Account will be considered eligible for reimbursement. For the Dependent Care Spending Account, eligible expenses incurred while you are a participant or, if you stop participation those expenses incurred before March 15, 2010, are eligible for reimbursement.

- Covered Health Care Spending Account expenses include medical services and supplies that would otherwise be deductible on your annual federal income tax return.
- Covered Dependent Care Spending Account expenses include amounts you pay to daycare or dependent care providers so you and your spouse (if you are married) can work.
- You cannot claim the same expenses both on your tax return and from your spending account.

How The Spending Accounts Work

You may participate in the Health Care Spending Account, the Dependent Care Spending Account, or both of the Spending Accounts – the choice is yours.

If you have questions or would like additional information about these Spending Accounts, please contact Ceridian at 877.799.8820.

Account Deposits

Upon your hire, you may elect a deposit amount for the current calendar year. During annual benefits enrollment, you may increase your deposit amount, decrease your deposit amount, or discontinue enrollment for the coming calendar year. (NOTE: If you do not make any changes to your FSA election, your current election and election amount will automatically carry forward into the upcoming calendar year). Deposits are made in the form of pre-tax payroll deductions. The amount you elect to contribute is divided into equal amounts and deducted from each remaining semi-monthly paycheck on a pre-tax basis for the calendar year. The deposits permitted each calendar year are:

- Any amount between \$200 and \$5,000 in the Health Care Spending Account, and
- Any amount between \$200 and \$5,000 in the Dependent Care Spending Account (or maximum \$2,500 if you are married and file separate returns).

Note: If you are married

If you participate in a Spending Account and your spouse participates in a similar Spending Account through his/her employer, you and your spouse may not use both of your respective Spending Accounts to reimburse the same eligible expenses.

The amount that you may elect to deposit into your Dependent Care Spending Account may not exceed the amount of the lower-paid spouse's total annual earned income. For purposes of determining the lower-paid spouse's annual earned income, if your spouse is totally disabled or a full-time student, your spouse will be treated as earning \$250 (if you have one eligible dependent) or \$500 (if you have two or more eligible dependents) for each month during which your spouse is totally disabled or a full-time student. You may elect to suspend deposits into your Dependent Care Spending Account for any month in which your spouse does not have, or is not treated as having, any earned income, such as due to a termination of employment or leave of absence. You must notify ESU of your spouse's termination of employment or leave of absence within 31 days or you may forfeit deposits to your Dependent Care Spending Account made while your spouse was not employed.

Tax Advantages

The deposits you make to your Spending Accounts are with pre-tax dollars. This means the deposits are made before federal income taxes, most state and local income taxes, and Social Security taxes are withheld. This results in lower taxable income to you. However, in some situations, it may be to your advantage to take the federal child care tax credit rather than using the Dependent Care Spending Account. You may also want to contact your tax advisor to determine the best option for you.

How The Spending Accounts Work

Example of Tax Savings

Suppose you and your spouse together make \$60,000 a year, file a joint income tax return and have no dependents.

You contribute \$3,500 to your Health Care Spending Account. The following illustration shows the difference between paying your health care expenses with pre-tax dollars from the Health Care Spending Account and paying them with post-tax dollars:

	Without Spending Account	With Spending Account
Annual Gross Income	\$60,000	\$60,000
Pre-tax Contributions for Health Care	\$0	-\$3,500
Taxable Income	\$60,000	\$56,500
Federal Income & FICA Taxes	-\$12,755	-\$11,962
After-tax Income	\$47,245	\$44,538
After-tax Payment For Health Care	-\$3,500	\$0
Spendable Income	\$43,745	\$44,538
Tax Savings*		\$793

* Please note that if you choose not to participate in the Spending Accounts, you may qualify for a tax credit at the end of the year when you file your taxes. For more information please consult your tax advisor.

The above example assumes that you do not itemize deductions. The example is based on the marginal federal income tax rate of 15% and Social Security (FICA) rate of 7.65%. So, if your income tax rate is higher, you will save even more in taxes by using the Spending Accounts. Also, it does not include any savings on state income taxes. So, in most states, using a Health Care Spending Account to pay for health care expenses would reduce your taxes and increase your disposable income even more.

Although this illustration is limited to the Health Care Spending Account, the same principles apply to the payment of dependent care expenses under the Dependent Care Spending Account.

As you can see, your savings depends upon:

- The amount of your reimbursable expenses and whether or not you use all of the amounts you contribute to your Spending Accounts;
- Your marginal income tax rate; and
- Whether or not you have already paid the maximum FICA taxes.

Note: Pre-tax deductions for certain highly compensated employees may have to be stopped or converted to post-tax deductions because of federal tax laws. You will be notified if this situation ever applies to you.

Effect of Pre-Tax Contributions on Your Other Benefits

Pre-tax contributions reduce the Social Security taxes you pay. Therefore, the eventual Social Security benefit you receive may be slightly reduced. Because Social Security benefits are based on your career earnings, in most cases, this reduction is minimal. For more information, contact your local Social Security Administration office.

Other company benefits that are based on your pay – such as disability or life insurance benefits – are not affected by contributions you make to the Spending Accounts.

How The Spending Accounts Work

Changing Your Deposits

The deposit amount you choose upon your hire will remain in effect for the rest of the calendar year. During Annual Benefits Enrollment you may increase your deposit amount, decrease your deposit amount, or discontinue enrollment for the next calendar year. (NOTE: If you do not make any changes to your FSA election, your current election and election amount will automatically carry forward into the next calendar year). The election amount you choose during the annual enrollment period will become effective for the upcoming plan year. It will remain in effect for the full calendar year. It is important to note that once you make a deposit election, you can only make changes to your deposit amount:

- During the next annual enrollment period for the subsequent plan year; or
- Within 31 days after a Qualified Status Change event provided that the change in your deposit is consistent with the status change event.

For example, you could increase your contributions towards your Health Care Spending Account as a result of gaining an eligible dependent (birth of child / adoption). You may also make changes to your Dependent Care Spending Account due to a change in eligible dependent care expenses. For instance, if you change dependent care providers and your new provider charges you more, generally you may increase your deposits. Similarly, if your new dependent care provider charges less, you may reduce your deposits.

Important Enrollment Tips – Plan Accordingly:

- **If you elect to increase your contributions to your Spending Account(s), only claims incurred *after* the increase are subject to the increased amount. Claims incurred before the increase are subject to the coverage level in effect at that time.**
- **Experiencing a change in health care expenditures is not considered a qualifying event, unless the change is due to a Qualified Status Change.**
- **Your election for your Spending Account(s) is automatically carried forward from year-to-year. If you want to change your election amount(s) or discontinue your enrollment in the program, you must actively make an election during Annual Benefits Enrollment.**

Any request to make changes to your election as a result of a Qualified Status Change must be received within 31 days of the event. Requests received outside of 31 days cannot be honored.

For additional information please refer to the “Qualified Status Changes” summary.

Grace Period For Spending Accounts

If you do not use the entire balance of your Spending Accounts by the end of the plan year (December 31), you may use the remaining balance during the “grace period,” which runs from January 1 through March 15 after the end of the plan year. You should keep in mind that expenses incurred during the next plan year are reimbursed first from amounts carried over into the grace period from the prior plan year. This may impact the amount of expenses you estimate for purposes of your Spending Account deposits for the subsequent year. For example, if you think that you will have a balance in your Spending Accounts during the grace period, you may not want to contribute as much to your Spending Accounts during the next plan year.

How The Spending Accounts Work

Use It or Lose It!

When planning your deposits to the Spending Accounts, remember that you must use all your deposits by March 15 of the following calendar year to reimburse yourself for covered expenses incurred between January 1 and March 15 of the subsequent year (i.e., 14 1/2 month period). The annual deadline for filing claims is April 15 of that year (which occurs shortly after the deadline for incurring expenses). Claims for expenses you have incurred must be postmarked by this day.

According to IRS rules, you will forfeit any unused deposits that remain in your Spending Accounts after the annual deadline for filing claims, April 15 of the following year. You must use all your money or you will lose it. The money in your Spending Account cannot be returned to you, carried over to the next year for next year's expenses (except for the grace period), or transferred to another account, except as provided for under the section titled "Qualified Reservist Distributions."

Eligibility To Participate In A Health Savings Account

Participating in the Health Care Spending Account disqualifies you from contributing to a Health Savings Account ("HSA") for any month of the calendar year starting or ending in the plan year. Also, you generally will not be able to contribute to an HSA for any month during the grace period, which runs from January 1 to March 15 after the end of the plan year, if you have a remaining balance in your Health Care Spending Account during the grace period. You should consult your tax advisor for more information.

Accounts Treated Separately

The Health Care Spending Account and Dependent Care Spending Account are treated separately. This means you can't use deposits in your Health Care Spending Account to pay dependent care expenses, and vice versa.

Accounts Are For Bookkeeping Only

Although this booklet refers to "deposits" to your Spending Accounts, your Spending Accounts in the plan exist for bookkeeping purposes only. No separate trust is created to hold the amounts by which your pay was reduced, and no money is actually set aside in any accounts on your behalf. All medical and dependent care reimbursements under the plan are paid out of the general assets of the company, and you are a general unsecured creditor with respect to those claims. Your Spending Accounts also do not earn interest.

What The Spending Accounts Cover

Health Care Spending Account

You can use your Health Care Spending Account to pay for a range of health care expenses, provided your claim is:

- For an eligible health care expense;
- Incurred for services rendered while you are contributing to the Health Care Spending Account; and
- Not paid by any other health care benefit plan.

Your claim for reimbursement may include eligible expenses for you and your spouse and dependents. Note: Your spouse means a person of the opposite sex to whom you are legally married (including a common-law spouse in a state that recognized common-law marriage, so long as you provide acceptable proof and certification of common-law married status to Travelers) and from whom you are not legally separated. Dependents include your domestic partner*, and his/her dependents, if such individuals qualify as your dependents for tax purposes. In order to have expenses reimbursed from your Health Care Spending Account, a "Certification of Domestic Partner Tax Status" must be completed for each individual, which is available on *myHR*.

Dependents mean individuals who qualify as your dependents for tax purposes.

You may claim a reimbursement at any time during the calendar year up to the amount you elected for the year. In general, the IRS considers an expense to be incurred when the medical service is provided, not when you pay or are billed for it. If you use your Health Care Spending Account for orthodontia expenses, you should be aware that reimbursement for orthodontia expenses is handled specially. Reimbursements for eligible orthodontia expenses are spread over the entire orthodontia service period. If you pay for the entire cost of orthodontia expenses up front, be aware that costs will be reimbursed as services are provided. You should plan your Health Care Spending Account deposits accordingly, as the orthodontia service period may cross over calendar years.

In general, eligible expenses include most, but not all, health care expenses that qualify as medical deductions on your income tax return. However, the IRS does not allow you to claim the same expense as an income tax deduction and a covered expense under the Health Care Spending Account. You must choose one method or the other. Keep in mind that the Health Care Spending Account may be more practical for most people. The IRS requires that your health care expenses reach 7.5% of your adjusted gross income to qualify for a deduction on your federal income tax return.

For a complete listing of eligible and ineligible expenses or to determine whether a specific expense is eligible for reimbursement under the plan, you should contact Ceridian at 877.799.8820 or via the internet at www.ceridian-benefits.com.

Neither Ceridian nor Travelers has the discretion to reimburse expenses that do not meet the IRS definition of qualifying expense.

*Employees who wish to cover a domestic partner as a dependent must file a Domestic Partner Affidavit and Certification of Tax Status with Travelers in a form acceptable to Travelers.

Dependent Care Spending Account

Your dependent care expenses can be reimbursed from your Dependent Care Spending Account as long as the expenses were incurred to enable you and your spouse (if you are married) to work, actively seek employment, or attend school full time. Your expenses are also eligible for reimbursement if your spouse is permanently disabled.

What The Spending Accounts Cover

An eligible dependent is either a “qualifying child” up to age 13 or a mentally or physically disabled individual regardless of age. A disabled individual is either your spouse, “qualifying child” or “qualifying relative.” A “qualifying child” is someone who:

- is your child or grandchild, brother or sister (or stepbrother or stepsister), or niece or nephew;
- lives with you for more than half of the year;
- receives more than half of his or her support during the year from you; and
- is a citizen or national of the United States or a resident of the United States, Canada or Mexico.

If you are divorced or separated, you must either be the custodial parent or have a waiver of dependent exemption from the custodial parent.

A “qualifying relative” for this purpose is someone who:

- is your father or mother (or ancestor), stepmother or stepfather, aunt or uncle, or in-law (father, mother, sister, brother, son or daughter), or is an individual who (other than a spouse) lives with you and is a member of your household (unless the relationship violates local law);
- receives more than half of his or her support during the year from you; and
- is a citizen or national of the United States or a resident of the United States, Canada or Mexico.

You may claim a reimbursement at any time but you will only be reimbursed up to the amount you have already contributed for the year. For purposes of the Dependent Care Spending Account, an expense is “incurred” when the services giving rise to the expense are rendered, not when you pay the expense or are billed for it.

You can use your Dependent Care Spending Account to pay for dependent care expenses, provided your claim is for an eligible dependent care expense. Eligible expenses include:

- Payments to a child care center, day camp, or nursery school (these expenses must be kept separate from tuition). If the facility cares for more than six children at one time, it must be a qualified child care center
- Payments to a babysitter in or outside your home. However, you cannot claim dependent care expenses for any payments made to any person that you or your spouse claim as a dependent on your or your spouse’s tax return, or to any of your children or stepchildren under age 19
- Payments to a nurse at home
- Payments to maids or housekeepers who care for your eligible dependents
- Social Security and unemployment taxes paid on behalf of the person who cares for an eligible dependent

These expenses do not include:

- Expenses for overnight camp
- Expenses for education or tuition including Kindergarten
- Sports lessons, field trips, and/or clothing
- Transportation to/from child care provider (except to the extent the transportation is provided by a qualified child care provider)

What The Spending Accounts Cover

Your service provider must have a tax identification or social security number.

Child care expenses eligible for reimbursement from the Dependent Care Spending Account are the same as those that qualify as a tax credit on your federal income tax return. However, you cannot apply the same expense to both the income tax credit and reimbursement from the Dependent Care Spending Account. You may apply a portion of dependent care expenses to the federal child tax credit and then reimburse yourself from your Dependent Care Spending Account for any remaining expenses. However, the maximum tax credit is reduced, dollar for dollar, by any amount you receive as reimbursement from your Dependent Care Spending Account. For more information about Dependent Care Spending Accounts and eligible expenses, contact Ceridian at 877.799.8820, or via the internet at www.ceridian-benefits.com.

How To File A Claim

There are two methods for submitting claims, Automatic Reimbursement for Health Care Spending Account claims and standard claim submission for both Health Care and Dependent Care Spending Account claims.

Automatic Claim Reimbursement

Automatic Reimbursement (single bill submission) provides the convenience of having Ceridian automatically make payments from your Health Care Spending Account for expenses submitted to, but not payable by, your United Healthcare or Blue Cross Blue Shield medical plan option, your Express Scripts prescription drug plan, or your Aetna Dental Plan (excluding orthodontia-related expenses) with Travelers. **All Travelers Health Care Spending Account enrollees are automatically enrolled in Automatic Reimbursement. If you have any expenses you plan on incurring under or submitting to your Travelers medical or prescription drug plan that may be payable by another medical or prescription drug plan (e.g. your spouse's plan) OR if you cover a domestic partner who is not considered a dependent according to the IRS, you should opt out of Automatic Reimbursement** by completing the Automatic Reimbursement Opt Out Form found on myHR, Forms, and faxing it to the Ceridian fax number on the form.

Note: Each year you will need to decline this feature as all participants are defaulted to Automatic Reimbursement effective the first of the year.

Certification

By not opting out of Automatic Reimbursement, you are certifying that any expenses paid through Automatic Reimbursement have not already been reimbursed and that you will not seek reimbursement for such expenses from any other plan covering health benefits.

Standard Claim Submission

You can submit claims for your Spending Accounts using the Ceridian Dependent Care Spending Account Reimbursement Form, the Ceridian Health Care Spending Account Reimbursement Form, or online at www.ceridian-benefits.com. Reimbursement forms can be found on myHR, "Forms" on the right-hand navigation menu.

If you have questions about your claim, you can call Ceridian at 877.799.8820.

Note: Canceled checks are not acceptable as documentation of an expense.

Recovery of Improperly Reimbursed Claims

In the event that a claim which has been reimbursed is subsequently identified as not qualifying for reimbursement, you will be required to pay back to the plan an amount equal to the improper payment. A participant's failure to repay a claim which was improperly reimbursed may result in adverse income tax reporting. Until you have repaid the non-qualified expenses, the Automatic Reimbursement feature will not work.

How To File A Claim

The Payment Of Claims

If you are currently receiving your paycheck from Travelers via direct deposit, your reimbursements will be automatically deposited into your bank account approximately 3-5 business days after your claim is processed. An Explanation of Benefits (EOB) will be mailed to your home, and your bank statement will reflect the deposit into your account.

If you do not wish to have your Spending Account reimbursement directly deposited to your bank account, you may cancel this feature at any time during the year by completing the Ceridian Direct Deposit Opt-Out Form found on myHR under Forms, and faxing it to the ESU at 866.871.4378.

Note: Each year you will need to decline this feature as all participants are defaulted to direct deposit effective the first of the year.

If you are not utilizing direct deposit for your Travelers paycheck or if your direct deposit information is not accurate, you will continue to receive your Spending Account reimbursement check by mail.

You can review your Spending Account information, including reviewing the status of claim payments, by utilizing Ceridian's online website www.ceridian-benefits.com or by calling Ceridian at 877.799.8820.

Filing Deadline

There is an annual deadline for filing Health Care Spending Account and Dependent Care Spending Account claims. You must file your claim for expenses incurred between January 1 and March 15 of the subsequent year (14 1/2 month period) by no later than April 15 of the subsequent year. Your claim must be postmarked by this day. If you miss the April 15 deadline, your claims will not be paid and money remaining in your account will be forfeited.

Qualified Reservist Distributions

Effective June 18, 2008, the Plan permits qualified reservist distributions. You are eligible for a qualified reservist distribution if you are (a) a member of a military service unit ordered or called to active duty for a period of at least 180 days or for an indefinite period, and (b) you take a qualified reservist distribution during the period beginning on the date of your call to active duty and ending on the last date that reimbursements could otherwise be made under the plan (April 15 following the end of the plan year in which you were called to duty). You must provide Travelers with a copy of your order or call to duty before a qualified reservist distribution will be made.

Your qualified reservist distribution will be equal to any amount actually contributed to your Health Care Spending Account for the Plan Year in which you are called to active duty, less any claims you have already submitted for that Plan Year. Qualified reservist distributions will be made within a reasonable time after your proof of active duty is received, but no later than 60 days after your request. You will no longer be allowed to submit expenses for reimbursement after you receive your qualified reservist distribution. Qualified reservist distributions are taxable to you. Qualified reservist distributions are not available from your Dependent Care Spending Account.

Please call ESU at 800.441.4378 for more information about taking a qualified reservist distribution.

How To File A Claim

Health Care Spending Account Claims Procedure

Initial Claim

Your request for reimbursement from your Health Care Spending Account is considered a “claim for benefits” and will be fully and fairly reviewed by Ceridian. If your request is wholly or partially denied, you will be furnished with a written notice of the denial which will cover:

- Specific reasons for the denial
- Plan provisions on which the denial is based
- Additional material or information needed to make the request for benefits acceptable and the reason it is necessary
- The procedure for appealing the denied request for benefits

The claims administrator (Ceridian) has 30 days to respond to your claim. This deadline may be extended for an additional 15 days if necessary. If Ceridian determines that an extension is necessary, you will be furnished with a written notice of the extension prior to the end of the initial 30-day response period. This notice will indicate the special circumstances requiring an extension of time and the date by which Ceridian expects to make a determination.

Appeal Procedure

If your claim is denied, in whole or in part, and you want to pursue the matter further, you or your authorized representative must appeal to the decision and request further review. You must file your written appeal with Ceridian no later than 180 days after you receive written notification of the denial of your claim. Your written appeal must describe all the reasons why you believe the claim denial was in error, and should include all written comments, documents, records and other information that you have relating to your claim and that you want to have considered in support of your appeal. Your appeal will be decided based on all available information, and the information you submit will be considered even if it wasn't considered in the initial determination. So you should make sure that your submission is complete.

During the 180-day period you have to file your appeal, you will have the opportunity to review upon request documents, records and other information relevant to your claim for benefits. You may also request copies (free of charge).

Address your appeal to:

Ceridian
3201 34th Street S.
St. Petersburg, FL 33711

A decision on the appeal will normally be made within 60 days of the date your appeal is received. You will receive a written decision including the specific reason(s) and plan references on which the decision is based. If special circumstances require a review period longer than 60 days, the time for making a final decision may be extended. If Ceridian determines that an extension is necessary, you will be furnished with a written notice of the extension prior to the end of the initial 60-day response period. The total review on appeal cannot be longer than 120 days.

How To File A Claim

Legal Action

If your appeal is denied in whole or in part, you have the right to file a lawsuit challenging the denial. The claims procedures described above are required by federal law and are designed to ensure that disputes regarding the plan are decided by Ceridian. Therefore, courts almost always require that a claimant exhaust a plan's claims procedures before filing suit (both filing the initial claim and appealing a denied claim). If you fail to do so, the court will likely dismiss your lawsuit.

In a lawsuit, the court generally will review the decision Ceridian made based on the evidence and arguments that were presented. Except in rare circumstances, the court will not allow you to introduce new evidence or arguments to support your claim. Thus, you should make sure that everything you believe supports your position is submitted to Ceridian during the claims process.

You may pursue legal action only after you have completed the claims process described above. In addition, if you have completed the claims process and want to bring a lawsuit, you must do so within one (1) year of the final denial of your claim. Failure to file a lawsuit within the applicable one (1) year period will cause your rights to expire.

Eligibility Claims and Appeal Procedure

If you believe that you should be eligible to participate in the plan, you should contact the Employee Services Unit at 800.441.4378. Your contact will be treated as an informal inquiry regarding your eligibility. If the Employee Services Unit informs you that you are not eligible to participate in the plan, and you disagree with this response, or if you believe that your instructions have not been followed or that the plan's terms or procedures (as they relate to eligibility) have been violated in any way, you or your authorized representative must file a written claim under this claim procedure at the following address. You must file your claim within 30 days of the date the Employee Services Unit responds to your informal inquiry.

Address your claim to:

Travelers Administrative Committee
c/o Employee Services Unit
The Travelers Companies, Inc.
385 Washington Street, 9275-SB02L
St. Paul, MN 55102
Or by e-mail: 4-esu@travelers.com

The same process as described for Health Care Spending Account Claims will be used to consider your eligibility claim (and appeal if applicable) but the Administrative Committee, not Ceridian, will review your eligibility claim (and appeal if applicable).

Travelers makes a form available for your use in preparing and submitting your claim (or appeal). Claims and appeals can be most meaningfully reviewed when you understand the plan and clearly express why you believe you are entitled to participate in the plan as you are claiming, (or why you believe your claim was incorrectly denied in the event of an appeal), taking the plan's terms into consideration. The claim (or appeal) form assists you in this process. Travelers strongly recommends that you use the claim (or appeal) form, which is available on myHR or by calling the ESU, when you submit your claim (or appeal).

You will not be considered to have filed your claim (or appeal) until Travelers receives, at the address above, your written explanation of why you believe you are entitled to participate in the plan (or why you believe the decision to deny your claim was not correct in the event of an appeal). Your written explanation must contain a certification and statement that read as follows:

How To File A Claim

“By my signature, I certify that to the best of my knowledge, the information set out in my written claim (or appeal) is true and correct. I understand that false statements made in this claim (or appeal) could lead to disciplinary action, up to and including termination of my employment with Travelers. I understand that my claim (or appeal) will be reviewed under the terms of the plan documents and will be processed according to the plan’s claims procedures.”

Your certification and statement must be accompanied by your handwritten or electronic signature. Again, you are strongly encouraged to use Travelers’ claim (or appeal) form (which includes the required certification language).

Legal Action

If your appeal under this claim and appeal procedure is denied in whole or in part, you have the right to file a lawsuit challenging the denial.

The claims procedures described above are required by federal law and are designed to ensure that disputes regarding eligibility and other claims (other than claims for benefits themselves) under the health care spending account component of the plan are decided by the Administrative Committee. Therefore, courts almost always require that a claimant exhaust a plan’s claims procedures (filing an initial claim and an appeal) before filing suit. If you fail to do so, the court will likely dismiss your lawsuit.

In a lawsuit, the court generally will review the decision the Administrative Committee made based on the evidence and arguments that were presented. Except in rare circumstances, the court will not allow you to introduce new evidence or arguments to support your claim. Thus, you should make sure that everything you believe supports your position is submitted to the Administrative Committee during the claims process.

You may pursue legal action only after you have completed the claims process described above. In addition, if you have completed the claims process above and you want to bring a lawsuit, you must do so within one (1) year of the earlier of:

- The final denial of your claim; or
- The date you knew or should have known of the principal facts on which your claim is based.

Failure to file a lawsuit within the applicable one (1) year period will cause your rights to expire.

Discretionary Authority Under The Plan

The Administrative Committee has the discretionary authority to interpret all terms of the health care spending account component of the plan and make factual determinations as to whether you are eligible and entitled to benefits. The decisions made by the Administrative Committee on appeal are final and binding, subject to your rights under ERISA. The claims decision-making authority is very broad and is limited only by the duties imposed under ERISA, and the decision of the Administrative Committee on appeal is intended to be given deference by courts to the maximum extent allowed under ERISA.

Dependent Care Spending Account Claims Procedure

Your request for reimbursement from your Dependent Care Spending Account is considered a “claim for benefits” and will be fully and fairly reviewed by Ceridian. Your claim will generally be processed within 90 days of the date it is received by Ceridian. If the claim is not resolved to your satisfaction, you should contact Ceridian at 877.799.8820.

When Coverage Ends

Health Care Spending Account

If you participate in the Health Care Spending Account and terminate employment with Travelers, or you cease to be eligible to participate (e.g. you become a part-time employee scheduled to work fewer than 20 hours per week or less than 50% of a full-time equivalent schedule if your office's work week is less than 40 hours per week), your Health Care Spending Account contributions will end. Your contributions will also be suspended or terminated during a calendar year if you have a Qualified Status Change, suspension or termination of contributions that is consistent with the Qualified Status Change, and you request suspension or termination within 31 days of the Qualified Status Change. In general, you must request a change in contributions within 31 days of the Qualified Status Change for the change in contributions to take effect during the calendar year. Some exceptions may apply. See the "Qualified Status Changes" section of this publication for more information on Qualified Status Changes. The Automatic Reimbursement Feature will not work once you are no longer eligible to participate.

You can only submit claims for expenses incurred while you were contributing to your Health Care Spending Account. If you terminate employment or cease to be eligible to participate, you may continue to participate in the Health Care Spending Account through COBRA continuation. If you elect to continue through COBRA, you will make contributions on a post-tax basis until the end of the calendar year in which you terminate employment or cease to be eligible to participate. If you elect to continue through COBRA, you may continue to file claims against your Spending Account balance for expenses you incur during the calendar year and while you were contributing to your Health Care Spending Account, as long as the claims are postmarked no later than April 15 of the following year. See the "COBRA" summary for information on how to elect COBRA.

For information about coverage under the Health Care Spending Account during an unpaid leave of absence, see the Qualified Status Change summary.

Dependent Care Spending Account

If you participate in the Dependent Care Spending Account and terminate employment with Travelers, or you cease to be eligible to participate (e.g. you become a part-time employee scheduled to work fewer than 20 hours per week or less than 50% of a full-time equivalent schedule if your office's work week is less than 40 hours per week), your Dependent Care Spending Account contributions will end. Your contributions will also be suspended or terminated during a calendar year if you have a Qualified Status Change, suspension or termination of contributions that is consistent with the Qualified Status Change, and you request suspension or termination within 31 days of the Qualified Status Change. In general, you must request a change in contributions within 31 days of the Qualified Status Change for the change in contributions to take effect during the calendar year. Some exceptions may apply. See the "Qualified Status Changes" section of this publication for more information on Qualified Status Changes.

For information about coverage under the Dependent Care Spending Account during an unpaid leave of absence, see the "Qualified Status Changes" summary.

If you receive short-term disability payments, your contributions will continue unless you request a suspension of contributions during your disability. To suspend your contributions call the ESU.

Dependent care claims incurred during the time you are on a leave of absence may not be eligible for reimbursement; call Ceridian at 877.799.8820 for more information. If you requested to suspend contributions, upon your return to work, contributions will resume. You may NOT make up missed deductions when you return.

Notwithstanding the above, if you die while participating in the Dependent Care Spending Account, dependent care expenses incurred for the remainder of the calendar year in which your death occurred may be reimbursed up to the amount remaining in your Dependent Care Spending Account.

When Coverage Ends

Please note that you may increase your future contributions if you experience a Qualified Status Change. For more information see the Qualified Status Changes summary. You may continue to file claims against any remaining Spending Account balance for expenses you incur during the calendar year (up to the amount you have already contributed), even after you terminate employment or are otherwise ineligible to make contributions, as long as your claims are postmarked by no later than April 15 of the following year.

Your Rights Under ERISA

As a participant in the plan, you are entitled to certain rights and protections under ERISA – the Employee Retirement Income Security Act of 1974.

ERISA Provides That All Plan Participants Shall Be Entitled To:

Receive information about your plan and benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the plan, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Continue group health plan coverage

You may be able to continue Health Care Spending Account coverage if there is a loss of coverage under the plan as a result of qualifying event. You may have to pay for such coverage. Review this summary and the documents governing the plan for the rule governing your COBRA continuation coverage rights.

Prudent actions by plan fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce your rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, and you have exhausted the claims procedures outlined in this publication, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medial child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Your Rights Under ERISA

Assistance with your questions

If you have any questions about your plan, you should contact Ceridian at 877.799.8820. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

General Information

Plan Name

The Health Care Spending Account is a component program under the Travelers Non-Trusteed Employee Benefit Plan.

Type Of Plan

The plan is a welfare benefit plan.

Plan Sponsor And Administrator

Travelers is the “sponsor” and the “administrator” of the plan for purposes of ERISA. Travelers has contracted with Ceridian to provide claims administration under the plan. Travelers acts as administrator through its Administrative Committee, which is responsible for the general management and administration of the plan. Day-to-day administrative functions are performed by Ceridian.

Plan Year

The plan year is the calendar year.

Plan Number

The plan has been assigned the following identification number: 509.

Employer Identification Number

Travelers’ federal employer identification number is 41-0518860.

Agent For Service Of Legal Process

Legal process may be served on Travelers at the following address:

The Travelers Companies, Inc.
c/o Corporate Secretary
385 Washington Street, 9275-NB16A
St. Paul, MN 55102



The Travelers Indemnity Company
and its property casualty affiliates
One Tower Square
Hartford, CT 06183

travelers.com

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