



STERLING HSA™

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NEWS RELEASE

FIRST TAFT HARTLEY TRUST ACCOUNT TO ADOPT HEALTH SAVINGS ACCOUNTS

STERLING HSA AND DELTA HEALTH SYSTEMS ANNOUNCE STRATEGIC PARTNERSHIP

OAKLAND, CA — April 6, 2005 — Sterling HSA™, a leader in health savings account administration, today announced that it has been selected by Delta Health Systems, third party administrator (TPA) for the Northern California General Teamsters Security Fund, as Delta's strategic partner and HSA administrator for the Fund and other clients it serves.

The Fund is the first of Delta's accounts to offer an HSA qualified plan. For over 37 years, Delta Health Systems has provided administrative services to members of this Trust, one of the largest Taft Hartley Trusts in California. The Trust Fund elected to add a high deductible, HSA qualified health plan available for negotiations effective January 1, 2005. This is the first Taft-Hartley Trust collective bargaining unit to adopt HSAs and represents another milestone in offering greater choice in consumer driven health care.

"We are delighted to be honored with business from Delta Health Systems and the Northern California General Teamsters Security Fund. We are pleased to work with them in developing innovative ways to improve the delivery of health care in the U.S.," said Cora M. Tellez, CEO and President of Sterling HSA and 25 year veteran of the health insurance industry.

The Northern California General Teamsters Security Fund is a self funded Trust presently comprised of over 260 employers, covering more than 12,000 employees and their dependents. To date, four of the Fund's current employers have renegotiated their bargaining units into this new plan design and a fifth newly organized employer came into the Fund under the HSA qualified plan. The first bargaining units to embrace this new plan offering are represented by General Teamsters Local 137 and are comprised of a variety of industries, including a municipality, hospital, and manufacturing companies.

Dave Hawley, Secretary-Treasurer of the Local 137 General Teamsters, commented that the change to high deductible health plans and HSAs has been very well received by plan participants. "They see this as a good value and like the personal and customized approach provided by Delta and Sterling," he said.

According to Leslie Hirschfield, Vice President of Corporate Services and Compliance with Delta Health Systems, "Business agents and employers participating in the Fund seized the opportunity to move to the new, more cost effective, HSA qualified plan. We selected Sterling to administer the HSA accounts because they have the greatest knowledge base and expertise about health insurance, as well as HSAs, to offer the best service to clients of Delta Health Systems. Sterling provided strong customer support and expertise to help quickly launch a successful program to several hundred participants. That was a strong selling point."

Delta Health Systems is a national provider of administrative services for self funded health plan sponsors. Founded in 1968, Delta is one of the largest TPAs on the West Coast and manages over 90,000 employee lives. The company focuses on meeting the unique qualifications of each client and has a strong reputation for managing plan expenses. Increasingly, Delta includes consumer driven health plans as part of its business model to better serve clients and take a leadership position in the industry.

“We are leveraging our health insurance experience and knowledge by becoming one of the first TPAs to embrace HSAs,” said Tom Partlow, President of Delta Health Systems. “We selected Sterling as a long-term strategic partner based on their entrepreneurial focus, commitment to meeting customer needs, and willingness to customize HSA programs. The Taft Hartley Trust account is a very significant account that we serve together and Delta plans to continue building HSA business with other accounts we manage.”

Based in Oakland, CA, Sterling HSA provides services to assist consumers, employers and insurance professionals establish and manage HSAs, in conjunction with high deductible health plans. Sterling’s unique services include personalized education and training, enrollment assistance and processing, review and payment of account holder medical bills, account holder and employer reporting and data archive for tax purposes.

Sterling HSA was founded in early 2004, just shortly after HSAs were established as part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The company has enjoyed steady growth since its inception and serves clients in several states throughout the U.S.

HSAs work much like “medical” IRAs. They are tax-free accounts that individuals with high-deductible insurance policies can fund and use to pay for medical expenses. Because they are tax-advantaged and balances can accumulate over time, HSAs can also be used to accumulate savings.

For more information on health savings accounts and Sterling HSA, go to www.sterlinghsa.com. For more information on TPAs and Delta Health Systems, go to www.deltahealthsystems.com.