VITAS Healthcare Corporation 401(k) Plan
Qualified Default Investment Alternative (QDIA) Employee Notice

VITAS Healthcare Corporation has adopted a qualified retirement plan to help you attain financial security during your retirement years. As a participant, you decide how your retirement plan dollars will be invested. If you do not make an investment election, your contributions will be invested in the Qualified Default Investment Alternative (QDIA). Keep this disclosure with your Summary Plan Description and other retirement plan documents.

This QDIA employee notice:

- Describes when the QDIA will be used
- Provides details regarding the QDIA selected
- Outlines your right to direct the investment of your plan dollars to other investments available in the Plan or to elect not to have contributions withheld from your pay, if applicable
- Explains where additional information can be obtained regarding those additional investment alternatives

When the default fund will be used:

- You have made a salary reduction election without an investment election
- An employer discretionary contribution has been made on your behalf but you have not provided an investment election

<u>Your employer has chosen a single fund as the plan's QDIA:</u>
The plan's QDIA is the RidgeWorth Moderate Allocation Strategy I (CLVBX) fund.

<u>Investment Objective:</u> The Moderate Allocation Strategy (the "Fund") seeks capital appreciation and current income.

<u>Investment Strategy</u>: The Fund invests pursuant to an asset allocation strategy in a combination of RidgeWorth Equity Funds, RidgeWorth Fixed Income Funds and exchange-traded funds ("ETFs") (together, "Underlying Funds"). The Fund principally invests between 40% and 60% in Underlying Funds that invest primarily in equity securities and up to 60% in Underlying Funds that invest primarily in fixed income securities. The Fund's remaining assets may be invested in shares of RidgeWorth Money Market Funds, securities issued by the U.S. Government, its agencies or instrumentalities, repurchase agreements and short-term paper.

The Fund may invest in an Underlying Fund that:

– Invests in common stocks of real estate investment trusts ("REITs") and companies principally engaged in the real estate industry.

– Invests in common stocks, other equity securities and debt instruments, including mortgage and asset-backed instruments, of U.S. and non U.S. companies. The Underlying Fund may invest in companies of any size and in both developed and emerging markets.

– Is a 130/30 fund. A 130/30 fund is a fund that invests approximately 130 percent of its assets in long positions, either directly or indirectly through derivatives, while approximately 30 percent of its assets are sold short, either directly or indirectly through derivatives. The proceeds from the short strategies may be used to purchase all or a portion of the additional 30 percent of the long positions.

– Invests in bank loans and other below investment grade instruments.

– Invests in inflation-protected public obligations of the U.S. Treasury, commonly known as "TIPS", which are securities issued by the U.S. Treasury that are designed to provide inflation protection to investors.

In selecting a diversified portfolio of Underlying Funds, the Adviser analyzes many factors, including the Underlying Funds' investment objectives, total returns, volatility and expenses.

<u>Risk and Return Characteristics:</u> The value of an investment in the Fund is based primarily on the performance of the Underlying Funds and the allocation of the Fund's assets among them. The Adviser's asset allocation decisions may not anticipate market trends successfully. The risks of the Fund will directly correspond to the risks of the Underlying Funds in which it invests. These risks will vary depending upon how the assets are allocated among the Underlying Funds. The risks associated with investing in the Underlying Funds are described in this section.

Equity Risk: Stock prices may fall over short or extended periods of time. The value the Fund's securities may fluctuate drastically from day to day.

Credit Risk: Debt securities are subject to the risk that an issuer will fail to make timely payments of interest or principal, or go bankrupt, reducing the Fund's return. The lower the rating of a debt security, the higher its credit risk.

Large Company Risk: Large cap stocks can perform differently from other segments of the equity market or the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies.

Smaller Company Risk: Small and mid-cap stocks can perform differently from other segments of the equity market or the equity market as a whole and can be more volatile than stocks of larger companies.

Style Risk (Value): A value investing style may be out of favor in the marketplace. The potential value of a security as perceived by an Underlying Fund's investment subadviser may never be realized by the market.

Style Risk (Growth Stock): Growth stocks typically are sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth stocks typically fall.

Real Estate Risk: An investment in the Fund may be subject to many of the same risks as a direct investment in real estate and the real estate owned by the companies in which it invests. These risks include changes in economic conditions, interest rates, credit risk, property values, property tax increases, overbuilding and increased competition, increasing vacancies or declining rents, environmental contamination, zoning and natural disasters.

Because the Fund concentrates its investments in the real estate industry, the Fund's performance will be closely linked to the performance of the real estate markets.

Foreign Investment Risk: Foreign securities involve special risks such as currency fluctuations, economic or financial instability, lack of timely or reliable financial information and unfavorable political or legal developments. These risks are increased for investments in emerging markets.

Short Sales Risk: If the price of a stock goes up after a short sale, the Fund will lose money because it will have to pay more to replace the borrowed stock than it received when it sold the stock short. The amount of loss on a short sale is theoretically unlimited, as there is no maximum attainable price of the shorted security.

Leverage Risk: The Fund's short sales effectively leverage the Underlying Fund's assets. It is possible that the Underlying Fund may lose money on both long and short positions at the same time. The Underlying Fund's assets that are used as collateral to secure the short sales may decrease in value while the short positions are outstanding, which may force the Underlying Fund to use its other assets to increase the collateral. Leverage also creates interest expenses that may decrease the Fund's overall returns.

Below Investment Grade Securities Risk: Below investment grade securities (sometimes referred to as "junk bonds") involve greater risk of default or downgrade and are more volatile than investment grade securities. Below investment grade securities may also be less liquid than higher quality securities.

Floating Rate Loan Risk: The risks associated with floating rate loans are similar to the risks of below investment grade securities. In addition, the value of the collateral securing the loan may decline, causing a loan to be substantially unsecured. The sale and purchase of a bank loan are subject to the requirements of the underlying credit agreement governing such bank loan.

These requirements may limit the eligible pool of potential bank loan holders by placing conditions or restrictions on sales and purchases of bank loans.

Bank loans are not traded on an exchange and purchasers and sellers of bank loans rely on market makers, usually the administrative agent for a particular bank loan, to trade bank loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of loans. Difficulty in selling a floating rate loan may result in a loss.

Borrowers may pay back principal before the scheduled due date when interest rates decline, which may require the Fund to replace a particular loan with a lower-yielding security. There may be less extensive public information available with respect to loans than for rated, registered or exchange listed securities. The Fund may assume the credit risk of the administrative agent in addition to the borrower, and investments in loan assignments may involve the risks of being a lender.

Mortgage and Asset Backed Security Risk: Mortgage- and asset-backed securities are debt instruments that are secured by interests in pools of mortgage loans or other financial assets. The value of these securities will be influenced by the factors affecting the assets underlying such securities including difficult or frozen credit markets, swings in interest rates, changes in default rates, or deteriorating economic conditions. During periods of declining asset values, mortgage-backed and asset-backed securities may face valuation difficulties, become more volatile and/or illiquid. The risk of default is generally higher in the case of securities backed by loans made to borrowers with "sub-prime" credit metrics.

Prepayment and Call Risk: When mortgages and other obligations are prepaid and when securities are called the Fund may have to reinvest in securities with a lower yield or fail to recover additional amounts paid for securities with higher interest rates resulting in unexpected capital loss.

Interest Rate Risk: Debt securities will generally lose value if interest rates increase. U.S. Government securities can exhibit price movements resulting from changes in interest rates. Interest rate risk is generally higher for investments with longer maturities or durations. Treasury inflation protected securities ("TIPS") can also exhibit price movements as a result of changing inflation expectations and seasonal inflation patterns.

Exchange Traded Fund Risk: The risk of owning shares of an ETF generally reflects the risk of owning the underlying securities the ETF is designed to track. Liquidity in an ETF could result in more volatility than ownership of the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

Derivatives Risk: Because the Fund may invest in derivatives, the Fund is exposed to additional volatility and potential loss. Losses on investments in certain types of derivatives may exceed the Fund's initial investment.

A Fund share is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees/Expenses: 0.86% (as of 7-15-11)

For a more detailed description of the various types of instruments in which the Single Fund may invest in and their associated risk, please refer to the fund's prospectus.

Making investment elections & additional information

If you are in the QDIA, you may, at any time, choose other investment options without financial penalty. However, ongoing investment and account fees may apply. **Refer to the fund's prospectus for complete information on risks, fees and expenses.**

Customer Contact Center

You may make changes in your investment instructions as well as view information for additional investment options in the plan by going online at www.LincolnFinancial.com. The participant Web site will walk through the steps to make changes to your account and display the effective date of your transaction. You may also contact Lincoln Financial Group toll free 800 234-3500 from 8 a.m. to 8 p.m. ET Monday through Friday. If you call before 4:00 p.m. ET, on a business day, your transaction will be effective at the close of that day. If you call after 4:00 p.m. ET, your transaction will be effective at the close of the following business day. Please note: the New York Stock Exchange closes for trading at 4:00 p.m. ET on most business days. Therefore, transactions we receive before market close will be assigned that day's closing unit price. Transactions we receive after market close, or on a weekend or holiday, will be assigned the closing unit price for the next business day. *Access may be subject to system availability.*