

****CONTINUATION COVERAGE RIGHTS UNDER COBRA****

INTRODUCTION: THIS NOTICE IS ADDRESSED TO YOU AND EVERYONE IN YOUR FAMILY WHO IS COVERED UNDER THE NECA-IBEW WELFARE TRUST FUND. THIS NOTICE GIVES YOU A SUMMARY OF YOUR LEGAL RIGHTS AND OBLIGATIONS REGARDING CONTINUATION OF YOUR HEALTH COVERAGE. EVERY ADULT FAMILY MEMBER SHOULD TAKE THE TIME TO READ THIS NOTICE CAREFULLY.

Your Right to Continue Your Health Coverage: Your health coverage under the NECA-IBEW Welfare Trust Fund (the “Plan”) will terminate on the date coverage ends shown on the chart at the beginning of this notice. Under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly known as “COBRA,” you have the right to temporarily continue that coverage without interruption for up to 36 months (in most cases), when you would otherwise lose your health coverage. You do not have to show that you are insurable to choose COBRA.

The Continuation Coverage Provided If You Choose It: If you choose COBRA, you will be entitled to the same type of coverage that you had before the event that triggered COBRA, but you must pay for it. COBRA continuation coverage does not include the Weekly Income Benefit currently provided to members by the Fund. COBRA coverage will include Medical (including Prescription Drug coverage), Dental, Vision, Death and Accidental Death and Dismemberment coverages. If there is a change in the health coverage provided under the Plan to similarly situated active members and their families, that same change will be made in your COBRA continuation coverage.

IF YOU AND/OR ANY OF YOUR COVERED DEPENDENTS DO NOT CHOOSE COBRA BY THE “LAST DATE TO ELECT COBRA COVERAGE” SHOWN ON THE CHART AT THE BEGINNING OF THIS NOTICE, YOU AND/OR THEY WILL NOT HAVE ANY GROUP HEALTH COVERAGE FROM THIS PLAN. IN THAT CASE, COVERAGE ENDS ON THE DATE SPECIFIED ON THE CHART.

How to Elect COBRA: Complete the enclosed “Enrollment Form” for continuation of health coverage, and return it to the Fund Office so that it is received **no later than the “Last Day to Elect COBRA Coverage”** shown on the chart at the beginning of this notice. Each qualified beneficiary has an independent right to elect COBRA. Therefore, COBRA may be elected for some members of the family but not others (including one or more dependents even if the member does not elect it), as long as those for whom it is chosen were covered by the Plan on the date of the qualifying event (loss of eligibility, death, divorce or legal separation, etc.) that led to the loss of regular health coverage under the Plan. A parent may elect or reject COBRA on behalf of dependent children living with him or her. *However, since the rates for COBRA are provided on a composite basis under this Plan, most likely either all members of the family will elect COBRA or all will reject coverage.* If you return the form, but do not indicate on whose behalf you are electing COBRA, we will assume that you have elected COBRA for your entire family.

YOUR REQUEST FOR COBRA WILL BE REJECTED IF THE ENROLLMENT FORM IS NOT RECEIVED BY THE “LAST DAY TO ELECT COBRA COVERAGE” SHOWN ON THE CHART AT THE BEGINNING OF THIS NOTICE.

Addition of New Dependents: If, while you are enrolled for COBRA, you marry, have a newborn child, or have a child placed with you for adoption, you may enroll that spouse or child for coverage for the balance of the period of your COBRA election, by doing so within 30 days after the birth, marriage, or placement. COBRA is currently provided on a composite basis. This means that you pay the same amount whether you alone are covered or if you and all your eligible dependents are covered. Therefore, adding a child or spouse will not increase the amount you must pay for COBRA.

Any qualified beneficiary can add a new spouse or child to his or her COBRA. However, the only new family members who have the rights of a qualified beneficiary, such as the right to stay on COBRA longer in certain circumstances, are children born to, adopted, or placed for adoption with the covered member.

Loss of Other Group Health Plan Coverage: If, while you are enrolled for COBRA your spouse or dependent loses coverage under another group health plan, you may enroll the spouse or dependent for coverage for the balance of the period of COBRA. *Since this Plan provides family coverage without requiring an additional contribution from you, this situation will probably not occur.* The spouse or dependent must have been eligible but not enrolled for coverage under the terms of the Plan and, when enrollment was previously offered under the Plan and declined, the spouse or dependent must have been

covered under another group health plan or had other health insurance coverage. The loss of coverage must be due to exhaustion of COBRA under another plan, termination as a result of loss of eligibility for the coverage, or termination as a result of employer contributions toward the other coverage being terminated. Loss of eligibility does not include a loss due to failure of the individual or participant to pay premiums on a timely basis or termination of coverage for cause. You must enroll the spouse or dependent within 30 days after the termination of the other coverage.

How Long Your COBRA Continuation Coverage Lasts: The maximum COBRA period is 36 months from the date of loss of coverage.

When COBRA Continuation Coverage May Be Cut Short: The law also provides that COBRA may be cut short for any of the following reasons:

1. The Fund no longer provides group health coverage to any of its members;
2. You do not pay the amount due for your COBRA coverage on time;
3. The qualified beneficiary becomes enrolled in Medicare; or
4. You or one of your covered family members become covered under another group health plan that does not contain any exclusion or limitation with respect to a preexisting condition that you (or they) may have or that, by law, may no longer exclude or limit coverage for any of your or their preexisting conditions.

Paying for Your COBRA Continuation Coverage: By law, any person who elects COBRA continuation coverage will have to pay the full cost of the coverage. The Fund is permitted to charge the full cost of coverage, for similarly situated members and families (including both the Fund's and the member's share, if any) plus an additional 2%. The cost is generally fixed for a twelve-month period.

The Trade Act of 2002 created a new tax credit for certain individuals who become eligible for trade adjustment assistance (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Care Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

COBRA Premium Payment Schedule: You do not have to send payment when you enroll. However, no claims will be processed until the initial payment is received by the Fund Office. All COBRA payments should be sent to:

NECA-IBEW Welfare Trust Fund
2120 Hubbard Avenue
Decatur, Illinois 62526-2871

The initial payment for the COBRA is due 45 days after COBRA coverage is actually elected. If this payment is not made when due, COBRA coverage will not take effect. After that, payments are due on the first day of each month, but there will be a 30-day grace period to make those payments. Payment is considered made when it is postmarked. If payments are not made within the time indicated in this paragraph, COBRA coverage will be cancelled as of the first day of the month in which your unpaid payment was due. **THE FUND OFFICE DOES NOT SEND INVOICES (BILLS) OR LATE NOTICES. IT IS YOUR RESPONSIBILITY TO MAKE TIMELY PAYMENTS.**

Example: If your coverage terminated on May 1st, and the postmark on the chart with this form is May 15th, you must return your “Enrollment Form” postmarked no later than July 14th (60 days.)

You have 45 days from July 14th to make your initial payment. This payment must be postmarked on or before August 28th. If you chose to make your initial payment on or before August 28th, your initial payment must include the total amount of premiums for the months of May, June, July and August. (Your 30-day grace period would end three days later on August 31st.) Your September payment will be due September 1st.

The above example explains the maximum allowable time frame for returning the “Enrollment Form” and making your initial payment. The “Enrollment Form” and initial payment can be made any time prior to the dates used in the above example. It may be easier to send back the “Enrollment Form” when you receive it along with the May payment. Only one month (May) would be due for the initial payment, and the June payment would be due on June 1st.

Confirmation of Coverage Before Election or Payment of the Cost of COBRA: If a health care provider requests confirmation of coverage; and

1. you, your spouse or dependent child(ren) have elected COBRA and the amount required for COBRA has not been paid while the grace period is still in effect; or
2. you, your spouse or dependent child(ren) are within the COBRA election period but have not yet elected COBRA;

COBRA will be confirmed, but with notice to the health care provider that the premium for the COBRA coverage has not been paid (or elected, if that is the case) and that no claims will be paid prior to the receipt of the payment. COBRA will terminate effective as of the due date of any unpaid payment if such payment is not received by the last day of the grace period.

What If You Will be Covered Under Another Group Health Plan? If you are, or expect to be, covered by another employer-sponsored health plan (including a plan of your spouse's employer), a federal law called the Health Insurance Portability and Accountability Act of 1996 (HIPAA) guarantees you certain rights under that plan, which you should consider when making your decision about COBRA.

Under HIPAA, the period during which a group health plan may exclude or limit coverage for many preexisting conditions is reduced or eliminated if the person had previous health coverage under another group health plan. However, credit is not given for earlier coverage if it was allowed to lapse, without replacement, for at least 63 days. If there will be some delay before you can enroll in the new plan, a break in health coverage can be avoided by maintaining COBRA continuation coverage in the meantime.

Whom to Contact if You Have Questions or To Give Notice of Changes in Your Circumstances. You should mail the "Enrollment Form" and payments to:

NECA-IBEW Welfare Trust Fund
2120 Hubbard Avenue
Decatur, Illinois 62526-2871
(800) 765-4239
Fax: (217) 875-6687

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa.

You must notify the Fund Administrator within 60 days and in writing at the above address or fax number if any of the following events occur:

1. you have a change in marital status;
2. you have a new dependent child;
3. a dependent ceases to be a “dependent child” as that term is defined by the Plan;
4. you or a member of your family who has elected COBRA enrolls in Medicare coverage;
or
5. you, your spouse, or any of your covered dependents change their address.

Keep Your Plan Informed of Address Changes: In order to protect your family’s rights, you should keep Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records of any notices you sent to the Fund Administrator.