

Notice of Health Care Continuation Procedures

The Chicago Regional Council of Carpenters Welfare Fund (the "Plan") provides individuals who are covered under the Plan the opportunity to purchase a temporary extension of health care coverage in certain situations where coverage would otherwise terminate. The law which requires this coverage is the Consolidated Omnibus Budget Reconciliation Act of 1985, or "COBRA." Health care coverage under COBRA is called "COBRA continuation coverage." You do not have to show that you are insurable for COBRA continuation coverage. It is offered to you at group rates in certain specific instances (called "qualifying events") where coverage under the Plan would otherwise end.

Qualifying Events and Period of Coverage

A qualifying event occurs when there is a loss of eligibility for the participant or an eligible dependent due to one of the qualifying events listed below. You have the right to pay for these benefits for a maximum period as listed below. These maximum continuation periods will apply regardless of whether more than one qualifying event occurs. If a second qualifying event occurs during the 18 month maximum period applicable for a reduction in hours or termination of employment, then the maximum contribution period will be extended to a total of 36 months from the initial loss of eligibility.

Qualifying Event		Qualified Beneficiaries	Maximum Period of Coverage	Continuation Coverage Available
A.	The participant's termination of employment or a reduction in hours worked	Participant Spouse Dependent Child	18 months	Continuation Coverage under COBRA or Low Cost Medical Plan
B.	The participant's death	Spouse Dependent Child	36 months	Continuation Coverage under COBRA only
C.	Divorce or legal separation from the participant	Spouse Dependent Child	36 months	Continuation Coverage under COBRA only
D.	The participant's entitlement to Medicare	Spouse Dependent Child	36 months	Continuation Coverage under COBRA only
E.	An eligible dependent child ceasing to qualify as a dependent child under the Plan	Dependent Child	36 months	Continuation Coverage under COBRA only

Disability Extension of 18-month Period of Continuation Coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Fund Office or the Plan Administrator, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must notify the Fund Office or the Plan Administrator within 60 days after the qualifying event occurs and you must provide a copy of the Social Security Disability Award Letter to: Chicago Regional Council of Carpenters Welfare Fund, Attn: Participant Services Department, 12 East Erie Street, Chicago, Illinois 60611.

When You Lose Eligibility

The enclosed election form shows the date your eligibility for health care benefits terminates, as well as, the qualifying event causing such termination. You and each eligible dependent have the right to elect to maintain the same level of coverage based upon COBRA continuation coverage rights or you may elect different coverage through the Low Cost Medical Plan. Coverage for Life Insurance, Accidental Death and Dismemberment Insurance and the Weekly Sickness and Accident Benefit are excluded from continuation coverage under COBRA. Coverage for Accidental Death and Dismemberment Insurance and the Weekly Sickness and Accident Benefit are excluded from the Low Cost Medical Plan.

Election Forms and Payment Deadlines

COBRA Continuation Coverage: If you elect continuation coverage under COBRA, your election form must be received by the Fund Office as determined by postage cancellation, within **60 days** of the later of (1) the date you lost eligibility, or (2) the date of this notice. Your first payment must include payments for any months retroactive to the day your coverage under the Active Plan ended. Your first payment is due no later than **45 days** after the date you signed the election form and returned it to the Fund Office, as determined by postage cancellation. Subsequent payments are due on the **first business day** of each month for which coverage is provided (due date). If a monthly payment is paid later than the first day of the month, but before the end of a 30-day grace period, COBRA coverage will be suspended as of the first day of the monthly coverage period and then retroactively reinstated going back to the first day of the

month when the monthly payment is received. If payment is received later than 30 days after the due date, all benefits will end immediately.

Low Cost Medical Plan: If you elect continuation coverage under the Low Cost Medical Plan, your election form and payment must be received by the Fund Office, as determined by postage cancellation, by the **last day** of the month immediately following the last day your coverage ended under the Active Plan. If payment is received later than the last day of the month, all benefits will end immediately. There is no grace period. Please note: If you elect coverage under the Low Cost Medical Plan, you forfeit your rights to COBRA continuation coverage.

Payments should be made by check or money order payable to **Chicago Regional Council of Carpenters Welfare Fund**. Please include your identification number (as found on the front of your BCBS ID card) or your social security number on each check or money order payment.

Mail your election form and all payments to: **Chicago Regional Council of Carpenters Welfare Fund, Attn: Continuation Coverage, 12 E. Erie Street, Chicago, IL 60611.** You are responsible for remitting payment on a timely basis. You will not receive monthly invoices. Call the Fund Office at 312-787-9455, menu option 3, if you have questions relating to eligibility or payments.

Electronic Payments: Future premium payments for COBRA and the Low Cost Medical Plan can be made via an on-line electronic payment from your checking, savings or credit card account. For more information on paying your monthly premiums via an electronic payment, refer to our website at www.crcbenefits.org. On the left hand side of the screen, under Health Plans, select "Health Plan Benefit Info-Active." On the right hand side of the screen, click on the tab titled "Continuation of Coverage. Scroll down to "Electronic Payments" and follow the directions.

Adding Dependents

If you elect COBRA continuation coverage or the Low Cost Medical Plan and later you acquire an additional dependent, you can add this dependent under the terms of the Active Plan; however, it may be necessary to pay an additional premium. Contact the Fund Office at 312-787-9455, menu option 3, to discuss your options for adding a dependent. Specific documentation will be required in order to add a dependent to your existing coverage.

Termination of Coverage

Your continuation of coverage may terminate prior to the expiration of the maximum continuation period for one of the following reasons:

1. You fail to pay the premium for your continuation coverage;
2. Payment is not postmarked by the 1st of the month for continuation of coverage under COBRA or by the last day of the month for continuation coverage under the Low Cost Medical Plan;
3. You become covered under another group health plan;
4. You become entitled to Medicare; or
5. The Fund no longer maintains any group health plans.

Convert to an Individual Policy after You Exhaust the Maximum Period for Continuation Coverage under COBRA or the Low Cost Medical Plan

Health Care Conversion Coverage: When your group health care continuation coverage under COBRA or the Low Cost Medical Plan is at the end of the maximum period of coverage, you have the option of converting your group health coverage to an individual policy by applying for a conversion policy directly with BlueCross BlueShield of Illinois ("BCBSIL"). You can convert your group health insurance to an individual policy by submitting an application to BCBS within 31 days of the date you lose group health care continuation coverage. Please note that conversion coverage is not the same as continuation coverage under COBRA. Unlike COBRA continuation coverage, conversion coverage does not guarantee identical coverage and you must pay for your conversion coverage at individual or family rates as determined by BCBSIL.. To obtain a conversion application, call BCBSIL at 800-313-4153.

Life Insurance Conversion Coverage: When your group life insurance coverage terminates under the Active Plan of Benefits you also have the option of converting your group life insurance policy to an individual policy by applying for a conversion policy with Aetna Life Insurance Company within 31 days after coverage terminates. To obtain a life insurance conversion application contact the Fund Office at 312-787-9455, menu option 3. This individual policy will be issued, without the need for a medical examination, at rates determined by Aetna.

If You Have Questions

If you have any questions or need additional information regarding this Notice of Health Care Continuation Procedures, contact the Participant Services Department at the Fund Office at 312-787-9455, menu option 3.