



MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN



October 12, 2012

TO: ALL ELIGIBLE EMPLOYEES, RETIREES AND DEPENDENTS

RE: PLAN COORDINATION OF BENEFITS FOR MOTORCYCLE ACCIDENT CLAIMS

Dear Participant:

Recently the Michigan legislature enacted a law making wearing a motorcycle helmet optional, provided the operator or passenger satisfied certain conditions. One of the conditions is that the operator maintains \$20,000 of medical benefits insurance for him or herself and \$20,000 of medical benefits insurance for passengers. This notice summarizes how the Michigan Electrical Employees' Health Plan ("Plan") will coordinate its benefits with state required motorcycle medical benefits insurance coverage. This notice will also address your payment responsibility if you are injured in a motorcycle accident without wearing a helmet where the state required insurance is not maintained. (Coordination of Benefits is found on pages 61-63 of your Plan Summary Plan Description booklet.)

Benefits under the Plan will be coordinated with medical benefit motorcycle insurance coverage effective June 14, 2012. Benefits that are paid or that are payable for claims would be first paid as required by medical benefit motorcycle insurance coverage laws and, after that, by the Plan. For covered persons (participants and dependents) who purchase the state motorcycle medical benefit insurance coverage minimum (currently \$20,000) and who are injured in a motorcycle accident in which the covered person is not wearing a motorcycle helmet, the motorcycle coverage will pay first and the Plan will pay second if the expenses are greater than the amount of the motorcycle coverage limit. If a covered person does not purchase motorcycle medical benefit insurance coverage and is not wearing a motorcycle helmet at the time of an accident, the amount of the required coverage will be applied like a deductible and the Plan will provide its benefits for amounts that exceed the amount of required coverage (\$20,000). If a covered person has not purchased the required coverage and is wearing a motorcycle helmet at the time expenses are incurred in connection with a motorcycle accident, the Plan will provide benefits under the Plan's provisions.

ALL PERSONS COVERED BY THE PLAN SHOULD NOTIFY THEIR MOTORCYCLE INSURANCE CARRIER OF THIS PROVISION.

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Notice Regarding Grandfathered Status

The Trustees of the Michigan Electrical Employees' Health Plan believe that the Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Affordable Care Act"). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement to cover preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Michigan Electrical Employees' Health Plan at 6525 Centurion Drive, Lansing, MI 48917, telephone 1-855-633-4584. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor, at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

This announcement notice, which serves as a Summary of Material Modifications (SMM), contains only highlights of certain features of the Michigan Electrical Employees' Health Plan. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern.

If you have any questions regarding the above, please do not hesitate to contact the Health Plan Office.

Sincerely,

Michigan Electrical Employees' Health Plan
Board of Trustees

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