

Health Insurance Portability and Accountability Act “HIPAA”

Federal HIPAA law requires us to notify you about two very important Plan provisions prior to your enrollment. You have the right to enroll under a “Special Enrollment Provision” if you acquire a new dependent, or you or an eligible dependent declines coverage because of alternative coverage and later lose such coverage due to certain qualifying reasons.

1. Your health premiums are deducted on a pre-tax basis and are therefore subject to the rules and regulations of IRS Code Section 125.
2. Once you have made your health plan elections during the Annual Benefits Enrollment or during your initial enrollment period, there are limited circumstances under which you can make changes known as family status or HIPAA Special Enrollment events:
 - If you have a family status change as defined by IRS Code Section 125 during the plan year, you are allowed to make coverage level changes to your coverage that are consistent with that event.
 - If you have a family status change that is also a HIPAA Special Enrollment event and your employer offers more than one health plan, you will also be able to move to another health plan offered by the employer.

Example: You currently have “single” Plan 1 health coverage, but will have a new dependent as a result of marriage: this is a HIPAA Special Enrollment. You can add your new spouse to your health insurance coverage (change from “single” to “family” coverage) and you may also move to a different plan (Plan Option 2, Plan Option 3, etc).

A family status change may also be a HIPAA Special enrollment. What makes a family status change ALSO a HIPAA Special Enrollment is when the event involves circumstances previously unknown which necessitate the addition of coverage for yourself or your dependent. Please refer to the “Special Enrollment Provisions” on the next page for details.

Special Enrollment Provisions

1. Loss of Coverage

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, and that coverage terminates due to certain qualifying reasons (i.e., COBRA exhaustion or state law continuation rights; eligibility loss due to legal separation, divorce, death, employment termination, or reduction in hours; or because employer contributions for other coverage cease) you may in the future be able to enroll

yourself or your dependents in the benefit plans, provided that you request enrollment within 30-days after your other coverage ends - and that you meet certain other important conditions described in the Summary Plan Description. You must inform us in writing at the time you decline coverage that you are declining coverage because of other health insurance coverage in order to be eligible for this special enrollment period.

In general, coverage will become effective the day following the date on which your other coverage would normally end.

Effective April 01, 2009, two additional special enrollment provisions have been added:

- If you or a dependent lose eligibility for Medicaid or coverage under a state children's health insurance program (SCHIP)
- If you or a dependent become eligible for a state premium assistance subsidy under the plan through Medicaid or SCHIP.

Special enrollment for these two new special enrollment provisions must be requested within 60-days after the termination of coverage or the determination of eligibility for a state premium assistance subsidy, as applicable.

2. Marriage, Birth, or Adoption

If you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30-days after the marriage, birth, adoption, or placement for adoption - and that you meet certain other important conditions as described in your Summary Plan Description. In general, coverage will become effective the date of marriage, birth, adoption, or placement for adoption.

All coverage request changes must be consistent with the family status change.

Should you wish to receive a replacement copy of our HIPAA privacy notice please contact your benefit administrator and they will mail one to you. This privacy notice is the one you received when you first become enrolled into our health benefit plan.