



DEDICATION THAT MOVES YOUR BUSINESS

Important Notifications and Summary of Your Rights On:

Women's Health and Cancer Rights Act

Special Enrollment Rights

Health Insurance Marketplace Coverage Options

Notice of Privacy Rights

Children's Health Insurance Program Reauthorization Act

Medicare D: Prescription Drug Coverage

COBRA Continuation of Health Coverage

If you or a dependent have Medicare, or will become eligible for Medicare in the next 12 months, a new Federal law gives you more choices about your prescription coverage. Please review the "Important Notice from Ruan: Prescription Drug Coverage and Medicare."



DEDICATION THAT MOVES YOUR BUSINESS

Women's Health and Cancer Rights Act

As required by the Women's Health and Cancer Rights Act of 1998, all medical plans through the Ruan Benefits By Choice program provide coverage for:

1. All stages of reconstruction of the breast on which the mastectomy has been performed;
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
3. Prostheses and physical complications of mastectomy, including lymphedemas, in a manner determined in consultation with the attending physician and the patient.

Such coverage may be subject to annual deductibles and co-insurance provisions as may be deemed appropriate and are consistent with those established for other benefits under the plan or coverage. You will receive written notice of the availability of such coverage upon enrollment and annually thereafter. For more information please call the Human Resources Hotline at 1-800-845-6675.

Notice of Special Enrollment Rights

If you are declining enrollment for yourself or your dependents because of other health insurance or group health plan coverage, you may in the future be able to enroll yourself or your dependents in a Ruan health plan if you or your dependents lose eligibility for that other coverage. However you must request enrollment within 30 days after you or your dependents' other coverage ends.

In addition, 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. However you must request enrollment within 30 days after the event.

Please refer to your Employee Benefits Guide for a list of qualified family events that allow you to enroll in the plan, or add/drop dependents to an existing election, other than when first hired or at open enrollment. You may also contact the Human Resources Hotline at 1-800-845-6675.



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 1-31-2017)

PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.¹

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution -as well as your employee contribution to employer-offered coverage- is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact Ruan Human Resources 1-800-845-6675 option 4.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name Ruan		4. Employer Identification Number (EIN) 42-0619339	
5. Employer address PO Box 855		6. Employer phone number 1-800-845-6675	
7. City Des Moines	8. State IA	9. ZIP code 50306	
10. Who can we contact about employee health coverage at this job? Human Resources			
11. Phone number (if different from above) 1-800-845-6675 option 4		12. Email address benefits@ruan.com	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:

All employees. Eligible employees are:

Some employees. Eligible employees are:

Full-time, regular employee who is not covered under a union Health & Welfare plan

- With respect to dependents:

We do offer coverage. Eligible dependents are:

Spouse; children under age 26; incapacitated adult dependent children

We do not offer coverage.

If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, [HealthCare.gov](https://www.healthcare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [HealthCare.gov](https://www.healthcare.gov) to find out if you can get a tax credit to lower your monthly premiums.

Notice of Privacy Practices



Your Information. Your Rights. Our Responsibilities

Your protected health information is protected by the Health Insurance Portability and Accountability Act's (HIPAA) Privacy Rule. This notice describes how medical information about you may be used and disclosed and how you can get access to this information. *Please review it carefully.*

Your Rights

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of health and claims records

- You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.
- We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records

- You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.
- We may say “no” to your request, but we’ll tell you why in writing within 60 days.

Request confidential communications

- You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
- We will consider all reasonable requests, and must say “yes” if you tell us you would be in danger if we do not.

Ask us to limit what we use or share

- You can ask us not to use or share certain health information for treatment, payment, or our operations.
- We are not required to agree to your request, and we may say “no” if it would affect your care.

Get a list of those with whom we’ve shared information

- You can ask for a list (accounting) of the times we’ve shared your health information for six years prior to the date you ask, who we shared it with, and why.
- We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We’ll provide

one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

- If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
- We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

- You can complain if you feel we have violated your rights by contacting us using the information on page 4.
- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/.
- We will not retaliate against you for filing a complaint.

Your Choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care
- Share information in a disaster relief situation

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we *never* share your information unless you give us written permission:

- Marketing purposes
- Sale of your information

Our Uses and Disclosures

How do we typically use or share your health information?

We typically use or share your health information in the following ways.

Help manage the health care treatment you receive

We can use your health information and share it with professionals who are treating you.

Example: A doctor sends us information about your diagnosis and treatment plan so we can arrange additional services.

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.
- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage. This does not apply to long term care plans.

Example: We use health information about you to develop better services for you.

Pay for your health services

We can use and disclose your health information as we pay for your health services.

Example: We share information about you with your dental plan to coordinate payment for your dental work.

Administer your plan

We may disclose your health information to your health plan sponsor for plan administration.

Example: Your company contracts with us to provide a health plan, and we provide your company with certain statistics to explain the premiums we charge.

How else can we use or share your health information?

We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. For more information see:

www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone’s health or safety

Do research

We can use or share your information for health research.

Comply with the law

We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we’re complying with federal privacy law.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

- We can share health information about you with organ procurement organizations.
- We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions

We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Our Responsibilities

- We are required by law to maintain the privacy and security of your protected health information.
- We will enter into contracts with Business Associates (third-party entities that provide services or perform functions on behalf of Ruan's medical, dental, vision, and/or flex programs) agreeing in writing to safeguard your protected health information.
- We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
- We must follow the duties and practices described in this notice and give you a copy of it.
- We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.

Changes to the Terms of this Notice

The effective date of this notice is 9/23/2013. We can change the terms of this notice at any time without prior notice, and the changes will apply to all information we have about you. The new notice will be available upon request, on our web site, and we will mail a copy to you.

Entities Covered by this Notice

Ruan Transport Corporation and all affiliates and subsidiaries.

Contact Information

Ruan Benefits Department
Attn: Privacy Officer
PO Box 855
Des Moines, IA 50306

Toll Free: 1-800-845-6675
Fax: 1-515-558-3497
E-mail: Benefits@Ruan.com

Special Notice: Government Assistance May Be Available to Help Pay Your Health Care Contributions

This notice is required to be distributed to participants in group health plans sponsored by Ruan. Please refer to the information on your benefits website (www.ruan.com/benefits) and Summary Plan Descriptions (SPDs) for more details about your benefits, including other required notices.

Premium Assistance under Medicaid and the Children's Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you're eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren't eligible for Medicaid or CHIP, you won't be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren't already enrolled. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance**. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call 1-866-444-EBSA (3272).

If you live in one of the following States, you may be eligible for assistance paying your employer health plan premiums. The following list of States is current as of July 31, 2014. You should contact your State for further information on eligibility.

To see if any more states have added a premium assistance program since July 31, 2014, or for more information on special enrollment rights, contact either:

U.S. Department of Labor
Employee Benefits Security Administration
www.dol.gov/ebsa
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323, Menu Option 4, ext. 61565

State	Website	Phone
Alabama (Medicaid)	http://www.medicaid.alabama.gov	1-855-692-5447
Alaska (Medicaid)	http://health.hss.state.ak.us/dpa/programs/medicaid/	Outside of Anchorage: 1-888-318-8890 Anchorage: 907-269-6529
Arizona (CHIP)	http://www.azahcccs.gov/applicants	Outside of Maricopa County: 1-877-764-5437 Maricopa County: 602-417-5437
Colorado (Medicaid)	http://www.colorado.gov/	In state: 1-800-866-3513 Out of state: 1-800-221-3943
Florida (Medicaid)	https://www.flmedicaidprecovery.com/	1-877-357-3268
Georgia (Medicaid)	http://dch.georgia.gov/ (click on "Programs," then "Medicaid," then "Health Insurance Premium Payment (HIPP)")	1-800-869-1150
Idaho (Medicaid)	http://healthandwelfare.idaho.gov/Medical/Medicaid/PremiumAssistance/tabid/1510/Default.aspx	1-800-926-2588
Indiana (Medicaid)	http://www.in.gov/fssa	1-800-889-9949
Iowa (Medicaid)	www.dhs.state.ia.us/hipp/	1-888-346-9562
Kansas (Medicaid)	http://www.kdheks.gov/hcf/	1-800-792-4884
Kentucky (Medicaid)	http://chfs.ky.gov/dms/default.htm	1-800-635-2570
Louisiana (Medicaid)	http://www.lahipp.dhh.louisiana.gov	1-888-695-2447
Maine (Medicaid)	http://www.maine.gov/dhhs/ofi/public-assistance/index.html	1-800-977-6740 1-800-977-6741 TTY
Massachusetts (Medicaid and CHIP)	http://www.mass.gov/MassHealth	1-800-462-1120
Minnesota (Medicaid)	http://www.dhs.state.mn.us/ (click on "Health Care," then "Medical Assistance")	1-800-657-3629
Missouri (Medicaid)	http://www.dss.mo.gov/mhd/participants/pages/hipp.htm	573-751-2005
Montana (Medicaid)	http://medicaidprovider.hhs.mt.gov/clientpages/clientindex.shtml	1-800-694-3084
Nebraska (Medicaid)	www.ACCESSNebraska.ne.gov	1-855-632-7633
Nevada (Medicaid)	http://dwss.nv.gov/	1-800-992-0900
New Hampshire (Medicaid)	http://www.dhhs.nh.gov/oii/documents/hippapp.pdf	603-271-5218
New Jersey (Medicaid and CHIP)	Medicaid: http://www.state.nj.us/humanservices/dmahs/clients/medicaid/ CHIP: http://www.njfamilycare.org/index.html	Medicaid: 609-631-2392 CHIP: 1-800-701-0710
New York (Medicaid)	http://www.nyhealth.gov/health_care/medicaid/	1-800-541-2831
North Carolina (Medicaid)	http://www.ncdhhs.gov/dma	919-855-4100
North Dakota (Medicaid)	http://www.nd.gov/dhs/services/medicalserv/medicaid/	1-800-755-2604
Oklahoma (Medicaid and CHIP)	http://www.insureoklahoma.org	1-888-365-3742
Oregon (Medicaid and CHIP)	http://www.oregonhealthykids.gov http://www.hijosaludablesoregon.gov	1-800-699-9075
Pennsylvania (Medicaid)	http://www.dpw.state.pa.us/hipp	1-800-692-7462
Rhode Island (Medicaid)	www.ohhs.ri.gov	401-462-5300
South Carolina (Medicaid)	http://www.scdhhs.gov	1-888-549-0820
South Dakota (Medicaid)	http://dss.sd.gov	1-888-828-0059
Texas (Medicaid)	https://www.gethipptexas.com/	1-800-440-0493
Utah (Medicaid)	http://health.utah.gov/upp	1-866-435-7414
Vermont (Medicaid)	http://www.greenmountaincare.org/	1-800-250-8427
Virginia (Medicaid and CHIP)	http://www.coverva.org/programs_premium_assistance.cfm	Medicaid: 1-800-432-5924 CHIP: 1-855-242-8282
Washington (Medicaid)	http://www.hca.wa.gov/medicaid/premiumpymt/pages/index.aspx	1-800-562-3022, Ext. 15473
West Virginia (Medicaid)	www.dhhr.wv.gov/bms/	1-877-598-5820, HMS Third-Party Liability
Wisconsin (Medicaid)	http://www.badgercareplus.org/pubs/p-10095.htm	1-800-362-3002
Wyoming (Medicaid)	http://www.health.wyo.gov/healthcarefin/equalitycare	307-777-7531



IMPORTANT NOTICE FROM RUAN ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Ruan and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Ruan has determined that the prescription drug coverage offered by Benefits By Choice is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Ruan coverage will not be affected. You can keep your Ruan coverage if you elect Part D and this plan will coordinate with Part D coverage. If you do decide to join a Medicare drug plan and drop your current Ruan coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Ruan and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.



If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Ruan changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	September 27, 2014
Name of Entity/Sender:	Ruan
Contact--Position/Office:	Human Resources
Address:	PO Box 855, Des Moines, IA 50306
Phone Number:	1-800-845-6675 option 4



Wellmark Blue Cross and Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association.

PO Box 9232, Station 3W395
Des Moines, IA 50306-9232

Group Health Plan

General Notice And COBRA Continuation Coverage Notice (and Addendum)

Important Information About Your COBRA Continuation Coverage Rights

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that your group health plan (the Plan) allow qualified persons (as defined below) to continue group health coverage after it would otherwise end. COBRA applies to group health plans maintained by an employer for medical, dental, vision, prescription, medical reimbursement, and certain employee assistance programs. COBRA does not apply to life insurance or disability benefits.

This Notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it. Please review this Notice carefully and keep with your records. If you are married, please have your Spouse review these materials also. If any individual who is covered under the Plan(s) for which you are being offered continuation coverage does not live with you, you must advise the Plan Administrator (employer) immediately so a Notice and an Election Form can be forwarded to him or her. COBRA Notices will always be sent to the last known address of a covered Employee or Qualified Beneficiary.

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "Qualifying Event." Specific Qualifying Events are listed below. It is the same coverage that the Plan gives to other participants or beneficiaries under the Plan. After a Qualifying Event, COBRA continuation coverage must be offered to each person who is a "Qualified Beneficiary." You, your spouse, and your dependent child(ren) could become Qualified Beneficiaries if coverage under the Plan is lost because of the Qualifying Event. Each Qualified Beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and special enrollment rights, if applicable. Under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

- I. Qualifying Events/Qualified Beneficiaries.** Those individuals eligible for COBRA continuation coverage as Qualified Beneficiaries are as follows:
- A. An Employee, Spouse, and any Dependent Child(ren) whose coverage ends due to termination of the Employee's employment for a reason other than gross misconduct (18 months).
 - B. An Employee, Spouse, and any Dependent Child(ren) whose coverage ends due to a reduction in the Employee's work hours/layoff (18 months).
 - C. An Employee's former Spouse and any Dependent Child(ren) whose coverage ends due to the Employee's divorce or legal separation (36 months). Also, if an Employee eliminates coverage for his/her Spouse in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, the later divorce or legal separation would be considered a Qualifying Event even though the ex-Spouse lost coverage earlier. If the ex-Spouse notifies the administrator within 60 days of the later divorce or legal separation and can establish that the coverage was eliminated earlier, in anticipation of the divorce or legal separation, COBRA coverage may be available for the period after the divorce or legal separation.
 - D. An Employee's Spouse and/or any Dependent Child(ren) whose coverage ends due to the Employee's election to drop out of the Plan upon entitlement to Medicare (36 months). If an Employee enrolls under Medicare Part A or B before experiencing a Qualifying Event based on terminating employment or a reduction of hours, the maximum coverage for the Employee's Spouse and/or any Dependent Child(ren) will be the longer of 36 months beginning with the Employee's enrollment under Medicare and 18 months (29 months with a disability extension) beginning with the date the Employee would have had a Qualifying Event based on terminating employment or a reduction in hours/layoff.
 - E. An Employee's surviving Spouse and/or any Dependent Child(ren) whose coverage ends due to the Employee's death (36 months).
 - F. An Employee's Dependent Child(ren) whose coverage ends because the child ceases to be a Dependent Child under the terms of the Plan (36 months).
 - G. An Employee's newborn child or child placed for adoption during a period of continuation coverage. You (or a guardian) have the right to elect continuation coverage for the child, provided the child satisfies the otherwise applicable Plan eligibility requirements (18 or 36 months from the date of Qualifying Event).

H. Dependent Child(ren) of the covered Employee who is receiving benefits under the Plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by the Plan Administrator during the covered Employee's period of employment with the Plan Administrator is entitled to the same rights to elect COBRA as an eligible Dependent Child(ren) of the covered Employee upon occurrence of a Qualifying Event.

I. The original 18-month period of coverage available to a Qualified Beneficiary may be extended for an additional 18 months if a secondary event occurs during the initial 18-month continuation period. A secondary event is a termination or reduction of hours/layoff followed by 1) death of the (former) Employee; 2) Medicare enrollment of the (former) Employee; 3) divorce or legal separation of the (former) Employee; or 4) Dependent Child(ren) of the (former) Employee ceasing to be a dependent. In secondary events, the 36 months of coverage extends from the date of the original Qualifying Event.

J. If a bankruptcy proceeding under Title 11 of the United States Code results in the loss of coverage of a retired Employee under the Plan, the retired Employee is a Qualified Beneficiary and is entitled for coverage as long as he/she lives. This also applies to the retired Employee's Spouse and any Dependent Child(ren). If the retired Employee dies, the maximum coverage for any surviving Spouse and Dependent Child(ren) is 36 months after the retired Employee's death.

II. Notification of Qualifying Events. The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator (employer) has been notified that a Qualifying Event has occurred. Under the law, the employer is responsible for knowing when any of the following Qualifying Events occurs: 1) voluntary termination; 2) involuntary termination; 3) reduction of hours/layoff; 4) death of Employee; 5) Medicare enrollment of Employee; and 6) employer's bankruptcy under Title 11 of the U. S. Code. The Employee or a family member has the responsibility to inform the Plan Administrator (employer) of a divorce, legal separation, or a Dependent Child(ren) losing dependent status under the Plan, within 60 days of the date of the event or the date on which coverage would end under the Plan because of the Qualifying Event, whichever is later. In addition, you must notify Wellmark Blue Cross and Blue Shield (Wellmark) if a disabled Employee or family member is determined to no longer be disabled. The notice must be given in writing. Notice will be deemed given when delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), sent by facsimile with confirmation of transmission by the transmitting equipment, or received, or rejected by the addressee if sent by certified mail, return receipt requested.

To enroll a newborn Dependent Child(ren) in COBRA during a period of continuation coverage or to enroll a Dependent Child(ren) placed for adoption, you or a family member must notify Wellmark of the birth or placement within the same time limits that pertain to enrollment of like dependents acquired by active employees.

III. Election of Coverage. Each Qualified Beneficiary has the right to independently elect coverage for himself/herself. Any or all Qualified Beneficiaries may elect to continue coverage without regard to the elections made by the other Qualified Beneficiaries. Parents may elect to continue coverage on behalf of their Dependent Child(ren). If your employer maintains three separate employer Plans (such as a medical, dental and vision plan), you have the right to choose only the Plans that you want. However, if the employer maintains only one consolidated group health plan (which may include medical, dental and vision) you must, in this case, elect or decline to elect COBRA coverage for the consolidated group health plan as a whole.

To continue coverage, complete the enclosed Election Form and return it to the address or fax number indicated on the Election Form. The Election Form must be completed and returned within 60 days after the Date of Notification reflected on the Election Form or within 60 days after the coverage would otherwise end, whichever is later. If the Election Form is not returned within the 60-day period, the continuation option expires. A Qualified Beneficiary may change a prior rejection of the continuation coverage any time until the end of the applicable 60-day period.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage may affect your future rights under federal law, depending on the plan year of your group health plan. First, you can lose the right to avoid having pre-existing condition exclusions applied to you (this does not apply to dependents under age 19) by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you not have such a gap. You should take into account that you have special enrollment rights under federal law. You may have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your Spouse's employer) within 30 days after your group health coverage ends because of the Qualifying Event listed in Section I. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

IV. COBRA Premiums. You must pay the entire premium amount shown on the enclosed Election Form for your COBRA coverage. Your COBRA premium(s) include an additional 2% which is used to cover administrative expenses. If your COBRA coverage is extended to 29 months due to the disability provision explained in section VI, Item C, COBRA regulations allow premiums to be increased to 150% of the otherwise applicable premium for the 19th through 29th months of COBRA coverage. If you choose, you may submit your initial premium payment with the COBRA Election Form. If you do not submit your initial premium payment with the Election Form, or the premium payment is insufficient, your first full premium payment will be due on or before the 45th day after electing COBRA coverage. If you do not make your first full premium payment(s) for continuation coverage within 45 days, you will lose all continuation rights under the Plan(s).

Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan(s) would have otherwise terminated through the end of the current month being billed. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. It is important to note that, if you have chosen automatic account withdrawal as your payment option, the initial withdrawal from your designated checking or savings account may be more than one month in order to pay your account through Wellmark's current billing period. If you have any questions regarding continuation coverage or payments, please feel free to call the Customer Service number listed on your Wellmark ID card. If you do not have your ID card, please call 1-800-524-9242 to speak with a Customer Service Representative. Payment(s) made at the time of election should be submitted and mailed with the Election Form.

After the initial premium payment, your monthly premium payment is due on the first day of each month for that month's COBRA coverage (for automatic account withdrawal, Wellmark allows a premium payment due date of the 1st or the 5th of the month). There is a grace period which expires on the 30th day after the first of the month. If a monthly premium payment is not remitted or cannot be withdrawn from the designated account (for automatic account withdrawal), for any reason, it is your responsibility to ensure that the premium payment is remitted by the end of the grace period for the month for which the premium payment is being paid, in order for coverage to continue. If you do not make the premium payment within the 30-day grace period, COBRA coverage will be cancelled retroactively to the first of the month.

If you have chosen automatic account withdrawal, premium payments will be withdrawn from your designated checking or savings account on the designated day (1st or 5th) of each month. If remitting premium payments after submission of the Election Form, the premium payments should be mailed, with your Wellmark ID number included, to the following address:

Wellmark Blue Cross and Blue Shield
PO Box 1313
Des Moines, IA 50306-1313

There are specific times within the determination period when the Plan(s) may increase a Qualified Beneficiary's COBRA premium:

- 1) The Plan has charged less than the maximum amount allowed.
- 2) The permitted increase for the disability extension period begins in the 19th month.
- 3) A Qualified Beneficiary chooses to become covered under a more expensive Plan, when offered, or adds a new benefit, when offered.
- 4) A Qualified Beneficiary adds a family member, as allowed by the Plan that would cause the applicable premium to be higher for that family unit size.

V. COBRA Provisions.

A. Any Qualified Beneficiary may elect coverage for an eligible dependent (spouse, newborn child, adopted child, etc.) acquired during a period of continuation. Qualified Beneficiaries must apply to Wellmark for coverage of acquired eligible dependents within the same time limits that pertain to enrollment of like eligible dependents acquired by active employees. Please refer to your Coverage Manual or Summary Plan Description (SPD) for dependent eligibility and effective dates. Elections that are not timely made will be declined.

- B. Your continued coverage(s) will be subject to the same benefit and rate changes, when applicable, as the Plan. You will be notified of any changes in benefits or premium rates.
- C. During open enrollment, you will have the same options under COBRA coverage as active employees covered under the Plan. In addition, special enrollment rights under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will apply to those who have elected COBRA.
- D. If a Qualified Beneficiary moves outside the service area of a region-specific benefit package, the coverage will be changed to the same coverage available to an active employee moving to the same area.
- E. A complete description of the Plan provisions and benefits is outlined in your Coverage Manual or SPD.

VI. Duration of COBRA Coverage.

- A. If the Qualifying Event is termination of the covered Employee's employment or a reduction in hours/layoff, COBRA coverage continues for up to 18 months from the date on which coverage would otherwise end.
- B. If the Qualifying Event is a divorce or legal separation, the death of the covered Employee, the covered Employee's enrollment in Medicare, or the loss of dependent child status under the terms of the Plan, coverage continues for up to 36 months from the date on which coverage would otherwise end.
- C. If a Qualified Beneficiary or family member is disabled, an 18-month continuation coverage period may be extended to a maximum of 29 months for all Qualified Beneficiaries enrolled under the covered Employee's contract if the following conditions are met: 1) the Social Security Administration determines that the Qualified Beneficiary or family member is disabled at any time during or prior to the first 60 days of continuation coverage, and 2) the Qualified Beneficiary provides Wellmark with a copy of the Social Security Administration determination notice within the 18-month coverage period and no later than 60 days after a) the date the determination is made by the Social Security Administration, b) the date of the Qualifying Event, or c) the date on which the Qualified Beneficiary loses coverage under the Plan due to the Qualifying Event, using the delivery procedures specified in Section II. COBRA regulations allow the premium for COBRA coverage to be increased to 150% of the otherwise applicable premium, after 18 months of coverage, when COBRA coverage is extended due to disability. The non-disabled family members may also be charged up to 150% of the applicable premium if the disabled individual is included in the coverage.
- D. Coverage for a Qualified Beneficiary who is a Spouse or Dependent Child(ren) of the covered (former) Employee can increase to a maximum of 36 months if any of the following events occurs during the initial 18-month continuation period: 1) the covered (former) Employee dies; 2) the covered (former) Employee and Spouse are divorced or legally separated; 3) (for the Dependent Child(ren) only) the Dependent Child(ren) loses status as a dependent child under the Plan; or 4) the covered (former) Employee enrolls in Medicare. Requests for extended continuation coverage must be sent to Wellmark within 60 days after occurrence of any Qualifying Event. The request must be in writing using the delivery procedures specified in Section II. Upon receipt of your request, Wellmark will provide you with an election form for your completion.
- E. COBRA coverage will terminate (before the end of the maximum coverage periods described in paragraphs A through D above) on the earliest of the following dates:
 - 1. Retroactive to the first of the month for which the Qualified Beneficiary's monthly premium is not timely paid;
 - 2. On the date the employer ceases to maintain any Plan for its employees;
 - 3. On the date a Qualified Beneficiary enrolls in Medicare (applies only to the person enrolling in Medicare);
 - 4. Retroactive to the first of the month or on the date a Qualified Beneficiary becomes covered, after electing continuation coverage under another group health plan that does not impose any pre-existing condition exclusion period for a pre-existing condition of the Qualified Beneficiary (note: there are limitations on plans imposing a pre-existing condition exclusion period and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act);

5. For a Qualified Beneficiary entitled to 29 months of COBRA coverage due to his/her disability or the disability of a Qualified Beneficiary or family member under the same Qualifying Event, coverage will terminate during the 11-month extension if the Social Security Administration later determines that the formerly-disabled Qualified Beneficiary or family member is no longer disabled. The individuals affected must notify Wellmark within 30 days of any final determination that the Qualified Beneficiary or family member is no longer disabled. Coverage will terminate the first of the month following 30 days after the date of the final determination that the Qualified Beneficiary or family member is no longer disabled. If a Qualified Beneficiary or family member is deemed no longer disabled, COBRA coverage for all Qualified Beneficiaries who were entitled to the disability extension will also terminate.

VII. Individual Purchase (Conversion). Does not apply to residents outside of Iowa or South Dakota. When continuation coverage ends, conversion coverage may be available from Wellmark for you and/or your Spouse and Dependent Child(ren). An application for conversion coverage and payment of the required premium must be made within 31 days after the COBRA continuation coverage ends. Prescription drug, dental and vision coverage are not available as conversion coverages.

Please note the benefits provided by Wellmark individual plans and the Wellmark conversion policies will not be identical to the coverage provided under the Plan and will be subject to different premium rates. If you wish to receive information about the benefits available under the individual plans or conversion policies and the associated premium rates, contact Wellmark's Direct Marketing Department at 1-800-722-1795 for additional information.

VIII. For More Information. This Notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan may be available in your Coverage Manual or SPD or from your employer. You may request a copy of your Coverage Manual or SPD from your employer.

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit www.HealthCare.gov.

IX. Keep Your Plan Informed of Address Changes. In order to protect your family's rights, you should keep your employer or the COBRA Administrator (if you have COBRA coverage) informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer or the COBRA Administrator.

X. Questions. If you have any questions regarding continuation coverage or payments, please feel free to call the Customer Service number listed on your Wellmark ID card. If you do not have your ID card, please call 1-800-524-9242 to speak with a Customer Service Representative, or mail your questions to the following address:

Wellmark Blue Cross and Blue Shield
COBRA Administrator, Station 3W395
PO Box 9232
Des Moines, IA 50306-9232

ADDENDUM TO GENERAL NOTICE AND COBRA CONTINUATION COVERAGE NOTICE

IMPORTANT INFORMATION REGARDING OTHER HEALTH COVERAGE ALTERNATIVES

When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

What is the Health Insurance Marketplace?

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a "special enrollment" event. **After 60 days your special enrollment period will end and you may not be able to enroll; so you should take action right away.** In addition, during what is called an "open enrollment" period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- Premiums: Your previous plan can charge up to 102% of total plan premiums for **COBRA** coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- Provider Networks: If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- Drug Formularies: If you're currently taking medication, a change in your health coverage may affect your costs for medication — and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- Severance Payments: If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your **COBRA** payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- Service Areas: Some plans limit their benefits to specific service or coverage areas — so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- Other Cost-Sharing: In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.