AUTOMOBILE MECHANICS' LOCAL 701 UNION AND INDUSTRY WELFARE FUND

500 West Plainfield Road ~ Suite 203 ~ Countryside, IL 60525
Telephone: (708) 482-0110 ~ Toll Free: (800) 704-6270 ~ Fax: (708) 482-9140

Special Enrollment Opportunity

For Dependent Children Under Age 26

November 2010

Dear Participant:

The Patient Protection and Affordable Care Act (the "Affordable Care Act") requires health plans to extend dependent coverage to children up to age 26, regardless of whether they are students or are married. For the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund, this change takes effect on January 1, 2011.

This notice describes the change in the Plan, and provides you with the information you need to take advantage of a special enrollment opportunity to re-enroll children whose coverage was terminated under the Plan's prior eligibility rules. The enclosed enrollment form should also be completed for any dependent age 19 to 23 currently covered under the plan.

ENROLLMENT FOR DEPENDENT CHILDREN UNDER AGE 26

If you have a Dependent child who is under age 26 (whether married or unmarried), including a Dependent child currently receiving continuation coverage under COBRA, you may be able to enroll the child in the Plan. This special enrollment opportunity applies to:
- Children age 19 to 23 who are currently covered under the Plan;
- Children whose coverage under the Plan already ended;
- Children who were previously denied coverage under the Plan; and
- Children who were not previously eligible to enroll in the Plan because eligibility for Dependent coverage under the Plan used to end before the child reached age 26.

However, if your child is eligible to enroll in an employer-sponsored group health plan by virtue of their employment or, if married, by virtue of their spouse's employment, they are not eligible for dependent coverage under our Plan.

You **must** request special enrollment on behalf of your Dependent child age 19 through 25 **no later than December 31, 2010.** To enroll, complete the enclosed enrollment form and return it, along with a copy of the dependent's certified birth certificate to the Fund Office by this date. The form requests information concerning the child's or child's spouse's employment, if applicable, to permit the Fund Office to contact the employer regarding the availability of group health plan coverage for the child.

You must request special enrollment for your child by December 31, 2010 for coverage to be effective as of January 1, 2011.

STATEMENT OF GRANDFATHERED STATUS

The Trustees believe that this Plan is a "grandfathered health plan" under the Affordable Care Act, which permits us to preserve certain basic health coverage already in effect before the law was passed. However, as with all grandfathered health plans, our Plan:
- May not include certain consumer protections of the Affordable Care Act that apply to other plans (for example, provide preventive health services without any cost sharing); and
- Must comply with certain other consumer protections in the Affordable Care Act (for example, the elimination of lifetime limits on benefits).

Contact the Fund Office if you have questions about what it means for a health plan to have a grandfathered status and what might cause a plan to lose its grandfathered status. You may also contact the U.S. Department of Labor's

Employee Benefits Security Administration (EBSA) at 1-800-444-3272 or www.dol.gov/ebsa/healthreform. The website includes a chart summarizing the protections that do and do not apply to grandfathered health plans.

If you have any questions, please contact the Fund Office at 708.482.0110 or 800.704.6270.

Sincerely,

Board of Trustees

Enclosure

This notice describes important changes to the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund. You may find full details in the most recent Summary Plan Description/Plan Document that establish the Plan provisions. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.