

OUTSTATE MICHIGAN TROWEL TRADES FRINGE BENEFIT FUNDS

Michigan Trowel Trades Health and Welfare Fund
Outstate Michigan Trowel Trades Pension Fund
O.P.C.M.I.A. Apprenticeship Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

May 1, 2013

TO: ALL ELIGIBLE PARTICIPANTS IN THE MICHIGAN TROWEL TRADES
HEALTH AND WELFARE FUND

FROM: BOARD OF TRUSTEES
MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND

IMPORTANT NOTICE OF BENEFIT CHANGES

As you know, we carefully and routinely review the Fund's finances, benefits provided, and the impact of increases in the cost of providing health care. As a direct result of the dramatic and sustained slow-down in work, the contributions to the Fund have continued to drop at a significant rate. This has occurred, unfortunately, while the costs of providing health care continue to increase despite the benefit changes previously implemented.

The Fund continues to be seriously affected by the ongoing economic turmoil and is required to take further action to protect your Fund and the ability to continue to provide benefits into the future. Below, we explain the necessary and unavoidable changes we must make. We know that these benefit changes are difficult and painful. Be assured, we made these changes only after a long and thoughtful review.

These changes, *ALL OF WHICH BECOME EFFECTIVE JULY 1, 2013*, are as follows:

Deductibles

The annual deductible of five hundred dollars (\$500.00) per person and one thousand dollars (\$1,000.00) per family for **in-network** services will increase to one thousand dollars (\$1,000.00) per person, and two thousand dollars (\$2,000.00) per family.

The annual deductible of one thousand hundred dollars (\$1,000.00) per person and two thousand dollars (\$2,000.00) per family for **out-of-network** services will increase to two thousand dollars (\$2,000.00) per person and four thousand (\$4,000.00) per family.

If you have already satisfied all or a portion of your in-network or out-of-network deductible, you will be required to satisfy the additional portion of the new deductible. Also, the deductible does not apply to preventive care.

Coinsurance

A new **in-network** coinsurance of twenty percent (20%) will apply to the Blue Cross Blue Shield of Michigan (BCBSM) approved amount for covered services, previously there was no coinsurance for in-network services. The coinsurance maximum will be one thousand dollars (\$1,000.00) per person and two thousand dollars (\$2,000.00) per family for **in-network** services.

Coinsurance, Continued...

The **out-of-network** coinsurance of thirty percent (30%) will increase to forty percent (40%) of the BCBSM approved amount for covered services. The coinsurance maximum will not change; it will remain three thousand dollars (\$3,000.00) per person and six thousand dollars (\$6,000.00) per family for **out-of-network** services.

Emergency Room Copay

The emergency room copay of one hundred dollars (\$100.00) per visit will increase to one hundred and fifty dollars (\$150.00) per visit. As in the past, if you are admitted to the hospital or are there for an accidental injury, the co-payment will be waived.

Eligibility

The requirements for initial and continuing eligibility will be increasing from three hundred and thirty (330) hours during three consecutive calendar months to three hundred and forty-five (345) hours during three consecutive calendar months. This is the minimum number of hours which must be met for initial eligibility and to continue eligibility and coverage with the Fund.

The increase will be phased in over time and will first impact eligibility for the three month coverage period beginning September 2013. Initial and continuing eligibility for the three month period beginning in September, which is based on work performed in the three month period May through July, will be three hundred and thirty-five (335) hours. Initial and continuing eligibility for the three month periods beginning in October and November will be three hundred and forty (340) hours and three hundred and forty-five (345) hours, respectively. Thereafter, initial and continuing eligibility will be three hundred and forty-five (345) hours during three consecutive calendar months.

In addition to the above change, the requirement for the alternative 12 month continuing eligibility period will be increasing from one thousand three hundred twenty (1,320) hours to one thousand three hundred eighty (1,380) hours.

Remember, if you work for an employer with an employer contribution rate which is lower than the Fund's standard rate at the time the work was performed, the hours with which you will be credited will be reduced in proportion to the relative rates.

Self-Payment Rates

The Board of Trustees reviews the self-payment rates annually and has determined that it will be necessary to increase self-payment rates for all members effective July 1, 2013. All rates will increase by eight percent (8%). This amount is equal to last year's increase in benefits paid by the Fund.

Remember, continuing eligibility by means of the self-payments can only be continued for a maximum of four consecutive three month periods (that is, 12 consecutive months total).

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If you have questions regarding these benefit changes, please contact Blue Cross Blue Shield of Michigan (BCBSM) at the number listed on the back of your BCBSM participant identification card. If you have questions regarding the eligibility or self-payment changes, please contact the Fund Office at the address or telephone number listed below.

Atención a los hablantes de español. Este y otros anuncios de la Oficina de Fondos sobre sus derechos y sus beneficios están disponibles en español. Si quiere recibir futuros anuncios en español, escriba o llame a la oficina del Comité de los fideicomisarios, fondos de pensiones, salud y bienestar de Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, número de teléfono gratuito (877) 876-9357 (517) 321-7502.

Sincerely,

Michigan Trowel Trades Health and Welfare Fund
Board of Trustees