

COBRA Program Summary as of January 1, 2017

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) provides certain former employees, retirees, spouses, former spouses and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available when coverage ends because of certain specific events. You and your qualified dependents may enroll in the SAG-AFTRA Health Plan (Plan) COBRA program - even if covered by another health plan, including Medicare - on the date you lose your earned eligibility. In some cases your dependents may be entitled to enroll in COBRA even if you do not choose COBRA coverage for yourself.

This summary describes your rights and responsibilities for enrollment and participation in the Plan's COBRA program and provides information about other health coverage alternatives that may be available to you, including coverage through the Health Insurance Marketplace created by the Affordable Care Act (ACA). For a more detailed explanation of the Plan's COBRA program, please refer to the Summary Plan Description or visit our website at www.sagafttraplans.org/health.

Enrollment opportunities

Within 60 days of losing earned eligibility under the Plan you can enroll in the Plan's COBRA program at www.sagafttraplans.org/health or by mailing your enrollment form to the Plan. At this time you can also choose to cover your qualified dependents, which determines your premium rate. You can enroll dependents that were not enrolled under your previous earned coverage although these dependents are not entitled to COBRA for coverage on an individual basis. The COBRA Enrollment Form includes your qualified dependents and premium rates.

The Plan must receive your COBRA enrollment within 60 days of the later of:

1. The date your coverage terminated
or
2. The date on your COBRA enrollment offer

You can only add new dependents by completing a *New Dependent Form* and submitting all required documents that verify your dependent(s) as qualified. Examples are a recorded marriage certificate for a spouse or a recorded birth certificate for your dependent child. Coverage will be extended to your dependents following acceptance of your legal documents, enrollment form and premium payment. A new dependent is not entitled to COBRA for coverage on an individual basis unless he or she is a newborn or newly adopted child.

During the annual open enrollment period, you will have an opportunity to make changes to your qualified dependents, which you can also do if you experience what is called a qualifying life event. Please refer to the following rules:

- Annual open enrollment: For the duration of your COBRA period, you will have a single opportunity every year to change your dependent enrollment. You can make changes to your enrolled dependents in your Benefits Manager at www.sagafttraplans.org/health or by checking the

appropriate box next to their name on the enrollment form and returning it to the Plan. Enrollment materials are mailed in October and must be received by the deadline in order to be effective January 1 of the following year.

- Life event enrollment changes: You may make dependent enrollment changes if you have a change in family status, defined as: an increase or decrease in the number of your qualified dependents which results from birth, adoption, marriage, divorce, death or loss of dependent child status as defined by the Plan, or a dependent obtains or loses other insurance coverage.

If one of these events occurs you can change your dependent enrollment status and change your premium rate (if applicable) based on the addition or loss of that dependent. You must submit a written request to the Plan within 60 days of the change in family status along with the validating documents. Please contact us immediately if you are not able to provide the required documents within the time limits specified in the Summary Plan Description. Unfortunately, we cannot process requests made over the phone.

Coverage options

COBRA coverage is identical to the coverage provided to participants with earned eligibility under each respective Plan, except that COBRA participants do not receive life insurance or accidental death and dismemberment benefits. Please see page 5 of this document for life insurance conversion information.

The chart below lists the Plan’s COBRA coverage options and rates as of Jan. 1, 2017. Your COBRA enrollment offer includes the specific rates and options available to you. Participants losing earned eligibility under Plan I may choose to enroll in either Plan I or Plan II COBRA coverage. Please refer to the Benefits Summary included in your packet for a comparison of benefits under each plan.

Options	Plan I	Plan II
Benefits	Hospital, medical, prescription drugs, dental, vision, mental health/substance abuse	Hospital, medical, prescription drugs, dental, mental health/substance abuse
Individual only	\$735 monthly	\$579 monthly
Individual plus one dependent	\$ 1,448 monthly	\$ 1,136 monthly
Individual plus two or more dependents	\$ 2,018 monthly	\$1,581 monthly

Important: If your earned eligibility changes from Plan I to Plan II, you may choose Plan I COBRA. However, the Plan does not coordinate benefits between your Plan I COBRA and your Plan II earned coverage. Instead, you receive Plan I COBRA benefits. Please refer to the enclosed Benefits Summary, which outlines the benefit differences between Plan I and Plan II.

Length of coverage

The maximum length of COBRA coverage is as follows:

18 months: for participants (and their qualified dependents) who lose earned eligibility or change from Plan I to Plan II due to a reduction in earnings. Participants who are entitled to Medicare prior to the date they lose earned eligibility should call the Plan for information concerning their maximum COBRA period.

36 months: for qualified dependents who lose their dependent status due to the death of a participant, divorce from a participant or loss of child status as defined by the Plan.

29 months: for participants or dependents who are determined by Social Security to be totally disabled on the date Earned Eligibility ends or within 60 days thereafter. Non-disabled dependents of a disabled participant are also entitled to 29 months of COBRA coverage.

Time limits for first payment

Your first payment is due by the first day of the month immediately following the date on which your earned eligibility coverage ends. You must pay your first premium within 45 days from the end of your enrollment period. We can only extend coverage and consider claims after we receive your premium payment.

Your first payment must include all of the premiums to keep your coverage continuous from the date you lost earned eligibility coverage. For example, if your earned eligibility ended December 31, and you make your first premium payment in February, you must pay for both January and February.

Billing procedure and payment options

After we process your enrollment, we will send you a confirmation letter and payment coupons. If paying by mail, please include a coupon with each monthly payment. If you do not receive your payment coupons within 30 days after enrollment, contact the Plan immediately. Payment is due by the first day of each calendar month, although there is a 30-day grace period as mandated by federal law. We must receive and process your premium before we can extend coverage and consider claims. To prevent interruption of coverage, we encourage you to submit your premium payment prior to the due date. **If you do not pay your monthly premium on time, you will forfeit your rights to coverage under the COBRA program.** You have several convenient options to make timely premium payments:

- Automatic premium payments: Your premium payment will be deducted automatically on the 25th of the month prior to the due date from your U.S. checking or savings account. The Plan will continue to deduct your premium as long as you remain continuously eligible for COBRA coverage, even if there is a change in the premium rate. You can sign up in your online Benefits Manager or submit the enclosed application.

- Pay online: Make a one-time premium payment online with a credit/debit card or bank account by using your Benefits Manager, or simply visit the premium payments page at www.sagaftaplans.org/health. You will receive electronic confirmation that your payment has been received.
- Pay by phone: Pay your premium over the telephone with a credit/debit card by calling (800) 777-4013 before the due date and following the prompts. You will receive a confirmation number indicating that your payment has been received. For your security, this is an automated system. Plan staff are not able to take credit card information over the phone.
 - For your protection, pay by web and pay by phone payments are non-recurring. This means the Plan will not automatically charge your credit card or debit your account every time a payment is due.
- Pay by mail: A billing statement and monthly payment coupons will be sent to you on a quarterly basis, typically a few weeks before the due date. Write your account number (from the billing statement) on your U.S. check, money order or cashier's check, make it payable to *SAG-AFTRA Health Plan* and send it with your payment coupon before the due date to:
 - Payment Center
 - P.O. Box 30110
 - Los Angeles, CA 90030-0110

Please do not send your premium payment to the Plan's administrative office or to the SAG-AFTRA Union office.

SAG Foundation grant program for catastrophic illnesses and injuries

The SAG Foundation offers financial grants to participants or qualified legal dependents of participants who have a catastrophic illness or injury and who, due to financial need, cannot afford the Plan's COBRA program. Call us at (800) 777-4013 for more details.

Coordination of benefits (COB)

To determine who pays what amount, the Plan coordinates your benefits with other health insurance plans. Contact us when coordinating benefits with your (or your spouse's) other insurance. If you have Medicare, Medicare is primary and the Plan's COBRA coverage is secondary.

Termination of COBRA coverage

- The first of the month for which you did not pay your premium by the due date
- The first of the month after the month in which Social Security determines you are no longer totally disabled (if your COBRA coverage is based on your being totally disabled)
- The first of the month following the expiration of the maximum COBRA coverage period for which you qualify (see length of coverage section on page 3)
- The first of the month for which you qualify for earned eligibility coverage, unless you are paying for Plan I COBRA and your earned eligibility is for Plan II
- The date on which the Plan no longer provides health coverage
- The date on which the Plan's Trustees reduce the amount of COBRA coverage available

Other coverage options

Other group health coverage: You may qualify for a special enrollment opportunity for another group health plan for which you are eligible, such as a spouse's plan, even if the plan generally does not accept late enrollees. You must request enrollment within 30 days after your Earned Eligibility coverage with the Plan ends.

Health Insurance Marketplace: Under the Affordable Care Act you have the opportunity to purchase coverage through the Health Insurance Marketplace at www.healthcare.gov. In California and New York, you may want to access the Marketplace directly through the State websites: www.coveredca.com or www.healthbenefitexchange.ny.gov. The Marketplace allows you to shop and compare coverage, provider networks, premiums, deductibles and out-of-pocket costs before you make a decision to enroll. In the Marketplace, you may be eligible for a tax credit that lowers your monthly premiums. Being eligible for the Plan's COBRA Program does not limit your eligibility for coverage with a tax credit through the Marketplace. As with the Plan's COBRA Program, you have 60 days to enroll for coverage in the Marketplace.

Other private insurance: You may also look for private insurance outside of the Marketplace. Several health insurance websites can provide quotes for other insurance, including:

www.insure.com

www.ehealthinsurance.com

www.quickquote.com

Medicaid offers health programs that protect and assist families in need. To learn more about assistance in your state, contact the U.S. Department of Health and Human Services at (877) 696-6775 or at www.hhs.gov.

Life insurance conversion: The COBRA program does not provide life insurance. However, life insurance conversion policies are available to the participant (but not to dependents) immediately following the termination of Plan I earned eligibility coverage due to loss of earnings. To request a conversion application, please contact MetLife directly at (877) 275-6387 or by email at solutions@metlife.com. Tell the agent that your \$10,000 life insurance benefit with the group life policy number 1113312 has terminated. Life insurance conversion must be completed within 31 days of the date your Plan I coverage terminated.

Additionally, you may qualify for a waiver of the life insurance premium if you are totally disabled. Please contact the Plan at (800) 777-4013 or through the secure Message Center in your Benefits Manager for more information.