

**ARTICLE II
ELIGIBILITY FOR COVERAGE**

**Section 1--Eligibility to Continue Under Amended
Program**

578 Each employee who was covered under the Health-Security Program, as constituted on the day before the effective date of this Program, and whose insurance covering

benefits provided by Parts I through IV under said Program would have been in force on the effective date of this Program had this Program not been adopted, shall become covered for the benefits under this Program on the effective date of this Agreement, unless otherwise specified in the applicable Part, or this Part V, in which case the date specified therein shall control.

Section 2--Eligible Employees

579 All full-time employees who meet the requirements of this Article are eligible for coverage under each Part, provided, however,

580 (a) Employees in any state which adopts or has adopted a non-conforming benefit law for which state no supplementary or substitute plan of benefits has been established will, except as otherwise provided herein, be ineligible for the Part or Parts providing benefits of the type provided by such law.

581 (b) Employees of any group or class whose members are eligible to receive benefits under any federal law and for whom no supplementary or substitute plan of benefits has been established will, except as otherwise provided herein, be ineligible for benefits under the Part or Parts providing benefits of the type provided by such law.

Section 3--Required Information

582 In order to provide necessary information concerning beneficiary designations, dependents, and necessary authorization of payments and contributions, each covered employee or retired employee must supply such information on forms supplied by the Company. In the event an employee has failed to supply the required information prior to the date a claim is incurred, no benefit will be paid until the required information has been supplied and verified.

583 Each present and future full-time employee will be required to file the required information. New employees will be required to file such information on or before the first day

of the month next following the month in which employment commences at which time coverage will commence, except as set forth below.

584 For a newly hired employee, coverage under Part I or Part II (whichever is applicable) and Part III will commence as of the first day of the third month following the month in which employment with the Company commences subsequent to his most recent date of hire, except that coverage under Part III for Dental, Vision and Hearing coverage will become effective the first day of the month after the employee has acquired one year of seniority. Coverage under Part IV will commence as of the first day of the month next following the month in which employment with the Company commences subsequent to his most recent date of hire. If the employee is not at work on the date coverage is to become effective, such coverage will become effective on the date he returns to active work.

Section 4--Effective Dates of Insurance

585 (a) If an employee is not actively at work on the effective date of the contract, then the effective date of coverage of Parts I, II, III, IV, and V will be determined as follows, except that:

586 (i) If the employee's absence from work is due to a scheduled vacation, holiday, or day of paid absence, his/her insurance becomes effective on the effective date of the contract.

587 (ii) The effective date for employees on continuous operations will be the first day on or after the effective date such employee is at work.

588 (iii) The increased benefit amount will be dependent on the requirements for the employee's Base Hourly Rate as defined in Article I or Article II, Section 5 of this Part V.

	Benefit	Effective Date
589	1. Increases in Weekly Disability Benefits, Long Term Disability Benefits, and Term Life Death Benefits due to wage increases and additional classes.	Actively at work on or after the effective date of this Agreement.
590	2. Increase and expand Transition and Bridge Benefits.	Actively at work on or after October 1, 2002.
591	3. Changes in HSM Program.	Claims incurred on or after the effective date of this Agreement for employees and their dependents.
592	4. Changes in Prescription Drug Program.	Claims incurred on or after January 1, 2008 , for employees and their dependents.
593	5. Changes in Dental benefit maximums	For claims incurred on or after January 1, 2008 , the maximum calendar year benefit is \$1,600 for employees and their dependents.
594	6. Pay employee premium or taxes under Federal Health Insurance.	Effective date of this Agreement for those actively at work on or after such date.
595	(b) A leave of absence existing on the applicable effective date of this Insurance Program (i) for an employee working with a local or the International Union, or (ii) for an	

employee on training duty for not in excess of two calendar weeks for the purpose of maintaining his active reserve status, will not operate to defer the effective date of any coverage for such an employee under this Insurance Program.

596 (c) All employees who are covered or receiving or entitled to benefits, or having rights under the coverages in effect prior to the applicable effective date of this Insurance Program, who are not eligible to become covered thereby on the applicable effective date of this Insurance Program, shall retain such status, benefits, or rights in accordance with the conditions, provisions, and limitations of such coverages so long as they remain ineligible to become covered by this Insurance Program.

Section 5--Changes in Amount of Insurance

597 Amounts of disability benefits and group life insurance shall be determined on the effective date of the **2007** Health-Security Program Agreement, except that an employee who returns from an occupational disability absence and because of a continuing physical limitation connected with such occupational disability is placed on a job paying a lower rate than the job he held immediately prior to his disability absence will have amounts of disability benefits and group life insurance determined in accordance with the higher rate of his former job, as determined by the applicable schedule of benefits, for as long as he receives payments under any applicable Workers' Compensation Law in reimbursement for the loss in pay occasioned by such physical limitation.

598 Each increase or decrease in the amount of an employee's disability benefits or group life insurance (except for the reduction formula provided in Part IV, Article III, Section 1A) due to an increase or decrease in base hourly rate shall become effective automatically; provided, however, that if an employee is both disabled (i.e., ill or injured) and away from work, or is on a layoff or leave of absence, on the date his insurance would otherwise be increased or decreased, the effective date of the increase or decrease in insurance shall be deferred until his return to active work. For insurance purposes, any retroactive change in an employee's rate of pay

shall be deemed to become effective on the date of the determination of the change in the rate of pay. Irrespective of the foregoing, if an employee's pay rate on the last day worked preceding the date of illness, injury, death, retirement, or the date he or she becomes permanently and totally disabled would, under the applicable schedule of benefits, entitle the employee or beneficiary to a higher amount of disability benefits or group life insurance, payment of benefits shall be on the basis of the higher amount. For the purposes of the preceding sentence, an "employee's pay rate on the last day worked", will be determined as provided in Article I(1) of this Part V, except in the case of an employee who is classified as a daywork employee, the "employee's pay rate on the last day worked" shall be his rate of pay for his classification as of the last day worked, excluding overtime, premium pay, night shift bonus and cost-of-living allowance.

599 An employee on leave of absence to serve as a full-time representative of the International or a Local Union or as an elected governmental official will be reclassified the beginning of the weekly payroll period coinciding with or next following the date upon which such employee's leave of absence is next extended based on the basic weekly earnings applicable to his classification which he would have received from the Company had he been actively employed on such date. The normal reclassification dates provided for herein do not apply to such employees.

Section 6--No Duplication of Coverage

600 Anything to the contrary notwithstanding, if an individual is employed in one or more capacities, he shall not be eligible for multiple coverage under this Agreement but shall be treated the same as if he were employed in a single capacity; the amount of insurance for which any such individual shall be eligible shall, under no circumstances, exceed the amount which would apply if he were employed in a single capacity.

Section 7--Change in Family Status

601 If an employee has employee coverage only and thereafter marries or otherwise acquires a dependent or an additional dependent, coverage for such dependent under Part III will become effective on the date he acquires the dependent. In the event that the employee fails to notify the Company of such dependent before a claim is incurred, no benefit will be paid under Part III until satisfactory evidence is submitted establishing that he had acquired the dependent prior to the date the claim was first incurred.

602 The rules applying to sponsored dependents are set forth in Part III.

Section 8--Integration With Applicable Laws

603 (a) In the event that any state has a law which now or hereafter may provide benefits of the same general type as provided by Parts I, II or III for covered employees or their dependents, compliance by the Company with such laws shall be deemed full compliance with the provisions of such Part or Parts of this Program with respect to covered persons in such states and such Part or Parts shall not be applicable in such state. In any state where the benefits under such state laws are on a generally lower level than the corresponding benefits under the applicable Part of this Program, the Company may, by agreement with the Union, and to the extent it finds it practicable, provide benefits supplementary to the state plan benefits to the extent necessary to make the total benefits as nearly comparable as practicable to the benefits of the affected Part in states without such laws.

604 (b) The provisions of Sub-section (a) above to the contrary notwithstanding, the Company may in any state wherein the substitution of a private plan is authorized by the law of such state, by agreement with the Union, modify the provisions of this Agreement to the extent and in the respects necessary to secure the approval of the appropriate state governing body to substitute the applicable Part provided in this Agreement in lieu of any plan provided by state law, and upon such modification and approval as a qualified plan, the

Company may make the modified plan available to its employees in such state or states.

605 (c) The provisions of any Parts I through III shall not be applicable to employees or their dependents, or employees who have been retired or their dependents, who are or may become eligible for benefits of the same general type as provided under such Part of this Program under any federal law providing such benefits for the public at large. Compliance by the Company with such laws shall be deemed full compliance with the provisions of such Part or Parts with respect to persons eligible for benefits under such laws. If, as a result of such laws, the level of benefits provided for any group of employees is generally lower than the corresponding level of benefits under the applicable Part, the Company may, by agreement with the Union, and to the extent it finds it practicable, provide a plan of benefits supplementary to the federal benefits to the extent necessary to make total benefits as nearly comparable as practicable to the benefits provided under the affected Part.

606 (d) The provisions of Sub-section (c) above to the contrary notwithstanding, the Company may, if federal law permits, by mutual agreement with the Union modify the provisions of this Agreement to the extent and in the respects necessary to secure the approval of such substitution from the appropriate governmental authority. Upon obtaining such approval, the Company may make the modified plan available to its employees.

Section 9--Payment of Contributions

607 (a) Contributions at the applicable rate, when required, shall commence at the end of the calendar month in which coverage without contribution ceases. In each instance in which a contribution is required, payment shall be made weekly in advance, provided that any such employee or other person required to contribute at his option may make payments in advance for longer periods. In the event insurance has been continued during an absence from work and the Company has advanced contributions, upon return to work contributions sufficient to place the employee on a one week in advance

basis will be collected at a rate not to exceed two contributions per week. In cases in which continuity of employment with the Company is broken, advance contributions as to any periods thereafter shall be returned to the person whose service is broken. Where a pro-ration of contributions is necessary, the pro-ration shall be based upon one-seventh (1/7) for each day involved.

608 (b) An employee who desires to continue coverage must elect whether the insurance for which he is covered under this Program is to be continued on a contributory basis for the period permitted under this Program. Such election must be made on the form provided by the Company to the employee for this purpose. If this form is not signed by the employee and returned to the Company's designated representative before the expiration of the period for which the employee is currently insured, his insurance coverage shall terminate upon the expiration of such period. The election form will indicate the date the employee will be obligated to make payment for the insurance he elects to continue and will permit him to authorize deduction of additional advance contributions for any or all of the permitted period from any pay then due to him from the Company. Grace periods of 31 days shall continue to be permitted for payment of contributions.

**ARTICLE III
TERMINATION OF AN EMPLOYEE'S
COVERAGE**

609 Except for continuation of coverages provided in Part III, Article IX, Section 5(a), with respect to employees terminating after age 65 for reasons other than discharge, and except for continuation of life insurance coverage as provided in Part IV, Article III, Section 4, for employees terminating between ages 60 and 65, all insurance coverage terminates as provided below.

Section 1--Military or Peace Corps or Similar Service

610 Coverage shall not continue during leave of absence for military service, Peace Corps or similar government service of any country.

Section 2--Separation Pay

611 If an employee is granted a separation payment under any labor contract or Company policy, coverage shall terminate on the date of the separation payment, unless terminated at an earlier date under another section of this Article.

Section 3--Disputed Termination, Suspension or Disability

612 If an employee loses seniority under the applicable labor contract or fails to return from disability as required, all insurance will terminate the last day worked or on the day the failure to report occurs; except that if a discharged or suspended employee has a grievance pending contesting his loss of seniority or suspension, as the case may be, or an employee who has not returned from disability is contesting the termination of his disability through the disputed claims procedure, coverage under Part III will be continued for one month following the month in which the termination occurred, and coverage under Part IV will be continued to the end of the month the termination occurred. Thereafter, the employee will be entitled to continue coverage as follows:

613 (a) for coverage under Part III, the full premium charge and,

614 (b) for coverage under Part IV, contributions shall be at the rate of 50 cents a month per \$1000 of group life insurance in force.

615 In the event the grievance or disability dispute is resolved by the restoration of seniority, cancellation of the suspension or extension of disability, as the case may be, the contributions paid by the employee will be refunded.

Section 4--Labor Disputes

616 **The insurance for** an employee absent from work because of a work stoppage resulting from a labor dispute will **terminate immediately.**

617 **An employee so absent from work will be eligible to continue his health insurance coverage through COBRA.**

Section 5--Failure to Make Contributions

618 If an employee fails to make payment of a required contribution for any month for which such contribution is required, his coverage will cease at the end of the month preceding the month for which the required contribution was due.

**ARTICLE IV
ELIGIBILITY FOR COVERAGE
FOLLOWING
TERMINATION THEREOF**

Section 1--Requirements Prior to New Application for Coverage

619 If an employee's coverage under any Part has terminated, he may again become covered on the same basis as a new employee. However, employees in the following categories will be entitled to coverage under each Part for which he was insured at time of separation, on the date of return to active work:

620 (1) an employee who was discharged, terminated due to failure to report, or due to payment of separation pay, who is reinstated by the Company to employment, and under circumstances where his service with the Company is treated as being uninterrupted for the purposes of rights such as seniority, vacations, and similar rights, will be eligible for coverage immediately upon return to work.

621 (2) an employee whose coverage has been terminated by layoff or leave of absence will be eligible for coverage immediately upon return to work, provided, in the case of layoff, he returns to work within three (3) years or a period equal to the employee's length of service, whichever is longer, and, in the case of leave of absence, he returns to work within one year following the month in which leave of absence commenced.

Section 2--Return From Military or Peace Corps or Similar Service

622 Employees who leave their employment to enter the military or Peace Corps or similar service of any government and who apply for re-employment within ninety days after termination of such government service, or within such additional time as may be provided by law, shall again become covered immediately upon return to work without evidence of insurability, if re-employed within one year of the date of such application for reemployment, provided the employee upon reemployment enrolls for such coverage. An individual who applies for work after termination of military or Peace Corps or similar service with any government within the time specified in this Section, but does not return to work because no work is available, shall be classed as "Laid-Off" for insurance purposes, the day he reports for work being deemed his last day of work for the purpose of applying the terms of Article V, Section 3.

**ARTICLE V
CONTINUATION OF INSURANCE WHILE
ABSENT FROM WORK**

623 Employees entitled to insurance coverage under the **2007** Health-Security Program Agreement under Articles II and IV of this Part V will be entitled to continuation of insurance while absent from work as provided in this Article V. In the event that life insurance, accidental death and dismemberment and Survivor Income Benefits are in force as the result of the application of this Article V when the employee reaches his

65th birthday, life insurance, accidental death and dismemberment insurance shall thereafter be reduced as provided in Part IV. The following provisions apply to Parts I through IV except to the extent special provisions in Parts II, III and IV govern the continuation of insurance in certain cases.

Section 1--Leave of Absence

(a) Initial Period of Continuation

624 If an employee is on leave of absence, all of his insurance coverages will be continued without contribution by him for one month after the month in which he ceased active employment.

(b) Coverage after Initial Period of Continuation -- Union and Government Leaves

625 In the case of an employee who is on leave of absence (1) requested by his Local Union to permit him to work on a full-time basis for the Local Union, or (2) granted by the Company to permit an employee to fill an elected governmental position, coverage under Parts I through IV may be continued so long as such leave or any extension thereof is operative provided such employee contributes, commencing with the second full month of leave of absence, (i) at the rate of 40 cents per month for each \$10 of Weekly Disability Benefits, (ii) 50 cents per month per \$1,000 of group life insurance in force, and (iii) the initial premium charge for Hospital, Surgical, Medical and Prescription Drug, Dental, Vision Care and Hearing Aid coverage.

626 In the case of an employee who is on leave of absence requested by his Local Union to permit him to work on a full-time basis for the International Union coverage may continue, until the date such leave or any extension thereof ceases to be operative, life, accidental death and dismemberment, and Survivor Income Benefit Insurance. For such insurance an employee shall contribute 60 cents per month per \$1000 of life insurance.

**(c) Coverage After Initial Period of Continuation --
Regular Leaves**

627 An employee on leave of absence other than leaves requested by the Union or to fill an elected governmental position may continue his full coverage only under Parts III and IV for twelve months following the initial period of continuation by paying the contributions stated in (ii) and (iii) in (b) above.

**(d) Coverage After Initial Period of Continuation --
Newborn Child Care/Clinically Anticipated Disability
Leaves**

628 In the case of an employee on leave of absence in anticipation of and for the care of a newborn child of the employee, or a clinically anticipated disability based on the natural course of the employee's diagnosed condition, coverage under Parts I through IV may be continued following the initial period of continuation for the period of such leave by the employee paying the contributions stated in (ii) and (iii) in (b) above, provided that:

629 (1) Weekly Disability Benefits will be payable at the commencement of a medically certified period of disability provided the employee continues to pay the appropriate life insurance premium during the period of the leave of absence.

630 (2) The Company will pay the premiums for coverage under Part III beginning with the first of the month following the month in which the employee becomes disabled provided such employee has continued the initial premium charge for coverage under Part III up to the period of disability.

631 (3) Company paid health care coverage will continue until the end of the month in which the disability terminates. Weekly Disability Benefits will continue only for the actual period of disability. Employee contributions for all coverages will cease, except for (ii) in (b) above, during the period of

disability. Employee contributions will resume beginning with the first of the month following the month in which disability terminates.

Section 2--Disability

(a) Continuation of Coverage

632 The Company will continue all insurance coverage for an employee who becomes totally disabled while actively at work, or is unable to work because he has physical limitations which require him to be temporarily laid-off due to inability to perform available work, for the duration of such inability to work, up to a period equal to his months of seniority at the commencement of such disability, or 52 weeks, whichever is less, with no employee contribution. If the employee (including an employee who exhausts reinstated disability benefits) is receiving Long Term Disability Benefits after the expiration of the period specified above, coverage under Part III and Part IV will continue in effect each month for which he receives such benefits. If at the expiration of the periods specified above an employee is receiving payments because of employment with the Company under any Workers' Compensation Law or act or any occupational disease law or act, his life and accidental death and dismemberment insurance under Part IV shall be continued for the period he continues to receive such payments. Employees who remain on a sick leave status beyond the period for which they are entitled to receive disability benefits will be eligible to continue coverage under Parts III and IV for twenty-four months following the date their free coverage has expired by paying the contributions stated in Section 1(b) (ii) and (iii).

(b) Disability While On Layoff

633 The Company will continue coverage under Part IV without contributions for an employee who becomes totally disabled while on layoff, and is not entitled to continuation of insurance under Parts III and IV without contribution under (a) and as a result of such disability is unable to respond to recall from layoff, for the duration of such inability to work but not

to exceed a period equal to his months of seniority at time of layoff.

(c) Accidental Death and Dismemberment Limitation

634 If an employee qualifies for and elects to receive monthly total and permanent disability benefits under Part IV, accidental death and dismemberment insurance is not continued from the date such benefits begin.

Section 3--Laid-Off Employees

(a) Initial Period of Continuation

635 If an employee is laid-off, all of his insurance coverages will be continued without contribution by him for one month after the month in which he ceased active employment. Allocation of vacation money to, or scheduling of vacation for, a week or weeks immediately following layoff will not change the date of layoff for this purpose.

(b) Coverage After Initial Period of Continuation

(1) Free Coverage Based on SUB Eligibility

636 An employee who is laid-off will be entitled to all of the benefits provided by Parts III and IV which shall be provided, subject to the terms and conditions specified in Article III of the 2007 Agreement concerning the Supplemental Unemployment Benefit Plan, for a laid-off employee without cost to him during a layoff meeting the conditions of Section 3 of Article I, of the Supplemental Unemployment Benefit Plan for one full calendar month of lay-off following the initial period of continuation, not to exceed twelve (12) months, for each full four weeks of regular benefits to which the employee's **eligibility** would entitle him, pursuant to Article III of the Supplemental Unemployment Benefit Plan, on the basis of his seniority and **remaining eligibility** as of the last day worked prior to layoff. If an employee after his last day worked prior to layoff is initially credited during

such layoff with **eligibility** under the SUB Plan, the date on which he is entitled to be credited with **eligibility** after the last day worked shall be used. For an employee laid-off on or after January 1, 1977, continuation will be based on the higher of the above calculations or the number of months of coverage, up to a maximum of twelve, for which he would be eligible on the basis of his years of seniority on the date layoff begins in accordance with the following table:

Year(s) of Seniority On Date Layoff Begins	Maximum Months Continuation With- out Contribution
less than 1	0
1 but less than 2	2
2 but less than 3	4
3 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 and over	12

(2) Extended Coverage—Contributory

637 If an employee remains on layoff beyond the period
for which he was entitled to coverage without cost, he
may:

638 (a) continue coverage under Part IV for up
to an additional twelve (12) months following the
expiration of the period for which he is entitled to
coverage without cost by paying contributions for
continuing coverage under Part IV at the rate of 50
cents per month per \$1,000 of group life insurance
in force.

639 (b) continue his coverage under Part III for
a maximum period of twelve months following the
expiration of the period for which he is entitled to
coverage without cost, upon payment each month of
the

(i) initial premium charge for the balance, if any, of the first twelve (12) months following the initial period of continuation, and,

(ii) full premium charge for the remainder of the period during which he is entitled to continue coverage.

(3) Coverage for Employees Not Entitled to SUB

640 In the case of an employee who is laid-off for reasons not entitling the employee to coverage based on SUB **eligibility**, the employee on such layoff will continue to be eligible for coverage until the end of the twelfth month following the initial period of continuation. For such period, the employee will be required to pay the initial premium charge for coverage under Part III and 50 cents per month per \$1,000 of life insurance in force under Part IV.

Section 4--Special Continuation Provisions

641 Notwithstanding other continuation provisions of this Plan, the Plan shall be subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, as set forth in Appendix A. COBRA provides continuation rights to certain employees or dependents who would ordinarily lose eligibility for coverage under the health care plan rules.

642 The Company is responsible for providing notifications, as required under COBRA, to “qualified beneficiaries,” as defined therein. The Company may delegate the administrative functions associated with COBRA.

643 To the extent the Company makes alternative continuation privileges available under Article III of the Plan that do not satisfy all the requirements for “COBRA continuation coverage,” the members shall have the opportunity to elect either the COBRA continuation coverage or continuation

under the Plan. An election of COBRA continuation coverage will terminate the member's eligibility for Plan continuation.

**ARTICLE VI
PAYMENT OF CLAIMS**

Section 1--Claim Forms

644 The Company, upon receipt of a notice of claim, will furnish to the claimant forms for filing proofs of claim. If such forms are not furnished within fifteen days after the giving of such notice, the claimant shall be deemed to have complied with the requirements as to proof of his claim upon submitting written proof covering the occurrence, character, and extent of the occurrence for which claim is made.

Section 2--Time of Payment of Claims

645 Subject to proof of claim, all benefits which accrue weekly or monthly will be paid weekly or monthly as the case may be during the continuance of the period for which the applicable Part provides benefits and any balance remaining unpaid upon the termination of the claim will be paid immediately upon receipt of satisfactory proof. Other benefits will be paid promptly after the required proofs are submitted.

Section 3--Payment of Claims

646 All benefits of Parts I through IV are payable to the covered employee unless provided otherwise.

Section 4--Exclusion of Government Hospitals

647 Nothing in any Part shall be construed to mean that any hospital, medical, surgical or drug benefits (as distinguished from disability benefits) are payable with respect to a hospital confinement in a hospital owned or operated by the United States Government, or with respect to any surgical, medical, drug or other treatment received in or from such hospital, or with respect to any hospital confinement in any other hospital

or any surgical, medical, drug or other treatment for which no charge is made that the employee is required to pay.

Section 5--Geographical Limitation

648 Reimbursement will be made to the employee with respect to benefits payable under Part III (**less any applicable member cost sharing**) for any claim incurred outside the continental limits of the United States of America, Hawaii, Alaska, and the provinces of the Dominion of Canada if such claim is incurred during a temporary absence of less than 6 months from such geographical area.

**ARTICLE VII
RECOVERY OF BENEFIT OVERPAYMENTS**

649 If it is determined that any benefit(s) paid to an employee under Parts I, II or IV should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given to such employee and he shall repay the amount of his overpayment.

650 If the employee fails to repay such amount of overpayment promptly, the Company or Insurance Company shall arrange to recover the amount of the overpayment by making an appropriate deduction or deductions from any future benefit payment or payments payable to the employee under Parts I, II, or IV, or the Company may make an appropriate deduction or deductions from future compensation payable by the Company to the employee.

651 However, no repayment will be required unless notice is given to the employee by the Company or the Insurance Company within 60 days from the date the Company or Insurance Company had knowledge of the overpayment. The amount deducted from each pay check or benefit check shall be limited to **10% of such check, as appropriate**, or the amount permitted by law, whichever is less, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation.

**ARTICLE VIII
FURNISHING INFORMATION**

652 Each year the Company will furnish or will request the
Insurance Company to furnish the Union the following
information:

653 (a) With respect to group life and sickness and accident
insurance:

654 (1) Number of employees (under 65 only) insured
for life, sickness and accident and Long Term Disability
Benefits by insurance bracket and by total aggregate
insurance in force during a representative month in the
preceding policy year;

655 (2) Number of employees age 65 and over
insured for continuing life insurance and aggregate
insurance in force by age during a representative month
in the preceding calendar year;

656 (3) Average number of lives insured by type of
coverage in the preceding policy year;

657 (4) For insured coverages, unit premiums, total
premiums paid, claims paid and claims incurred, by type
of coverage for the preceding policy year;

658 (5) For insured coverages, increase in reserves, by
type of reserve during the preceding policy year and
amount of reserves, by type of reserve at the end of the
preceding policy year;

659 (6) For insured coverages, interest allowed on
reserves, expenses and taxes, net cost, refund of excess
premiums, and employee contributions for the preceding
policy year;

660 (7) Separately for life and accidental death and
dismemberment insurance, the number of insured deaths
by total amount paid in \$500 brackets, age in five year

brackets and sex of deceased for the preceding policy year;

661 (8) For each calendar year, the number of Survivor Income Benefit claims, separately for such claims which involve transition survivor benefits only, and for claims that involve both transition and bridge benefits, with the first payment made during the preceding calendar year by survivor class and the age of the survivor at the date of employee's death;

662 (9) For Survivor Income Benefit claims terminated during the same periods, the number of claims, the average number of payments made and total amount paid on claims terminated by death, marriage, maximum payments and age separately for transition benefits only and for claims involving both transition and bridge benefits;

663 (10) With respect to Long Term Disability claims for which the first payment was made after January 1, 1971, the number of claims, average gross monthly benefit and average net monthly benefit by age in five year brackets;

664 (11) Number of Weekly Disability Benefit claims, amount, average duration and average daily benefits on claims closed during the preceding calendar year, such information to exclude maternity and California claims;

665 (12) Number of Weekly Disability Benefit claims closed during the preceding calendar year by duration brackets, type of claim (illness, occupational accident, and non-occupational accident), excluding maternity and California claims.

666 (13) For the purposes of paragraphs 1, 3, 4, 5, 6, and 7 above, "policy year" shall initially mean the twelve months ended June 30, 1987; thereafter it shall mean the twelve months ended October 31, starting with the twelve months ended October 31, 1988.

667 (b) With respect to group Hospital, Surgical, Medical,
Drug, Dental, Vision, and Hearing-Aid coverages:

668 (1) Premium rates as applicable for employees
and sponsored dependents to be shown separately by
Hospital, Surgical, Medical and Drug coverages and
Dental coverage, Vision coverage, and Hearing-Aid
coverage. The rates will be those in effect on the due
date of the data report displayed on enrollment
classification.

669 (2) Number of employees, surviving spouses and
sponsored dependents for whom remittance is made by
the Company. These data shall initially be for the month
of July immediately preceding the due date of the report
(July 1, 1987, for report due January 1, 1988); thereafter,
the data will be for the month of November immediately
preceding the due date of the report (November 1, 1988
for report due May 1, 1989). The data will be reported
by enrollment classifications for which premium rates
are reported.

670 (3) Data for Hospital, Surgical, Medical, Drug,
Dental Expense, Vision and Hearing-Aid coverages are
to be shown in total:

671 (a) The reports will initially cover the
policy year ending June 30, 1987; thereafter, the
reports will cover policy years ending October 31
starting with the policy year ended October 31,
1988.

672 (b) The reports will be submitted in
accordance with the attached formats.

673 (c) The following financial data will be
provided:

1. Paid premium.
2. Paid claims.
3. Incurred but unreported claim reserve.

- 4. Expenses:
 - a. Administrative, including claim settlement.
 - b. Other (include explanation).

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(d) Total amount of benefit payments for the following items of service:

- 1. Hospital benefits:
 - a. Hospital in-patient and out-patient care.
 - b. Convalescent care.
 - c. Out-patient psychiatric care (including physician charges.) Total dollar amount only.
- 2. Surgical, Medical Benefits (Maternity Included but Separately Identified):
 - a. Surgery (including pre- and post-operative care and technical and surgical assistance.)
 - b. Obstetrics (including laboratory services and pre- and postnatal care).
 - c. In-hospital and convalescent care medical.
 - d. Anesthesia.
 - e. Laboratory and other diagnostic services and procedures.
 - f. Emergency first aid.

- g. Other. Total dollar amount only.
- 3. Prescription Drug Benefits:
 - a. Number of prescriptions and total benefits paid by participating and non-participating pharmacies.
- 4. Dental Benefits:
 - a. Number of claims paid and total benefits paid.
- 5. Vision Care Benefits:
 - a. Number of claims paid and total benefits paid.
 - b. Total benefits paid contract providers.
- 6. Hearing-Aid Benefits
 - a. Number of claims paid and total benefits paid.
 - b. Total benefits paid contract providers.

Appendix A

Continuation of Coverage under COBRA

This Plan will comply with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended.

Continuation under COBRA is not in addition to other continuation provisions of the Plan. The requirement of COBRA, as in effect on October 1, 2002 are summarized in this Appendix A.

18-Month Coverage

A federal law, COBRA, allows employees and dependents, (“qualified beneficiaries”), to continue their coverage under certain circumstances beyond the date on which their coverage would otherwise have ceased. Generally, COBRA allows employees to continue coverage for themselves and their dependents for 18 months after either,

- Their reduction in regularly scheduled work hours to less than the minimum requirement to qualify for coverage, or
- Termination of employment with **Navistar, Inc.** (“**Navistar**”), *unless* the employee was terminated for gross misconduct.

Loss of coverage during an FMLA leave would not qualify for COBRA.

Disability Extension

Qualified beneficiaries who are determined to be disabled under Title II or Title XVI of the Social Security Act will be entitled to an 11-month extension of COBRA coverage beyond the initial 18 months. In order to qualify for the 11-month extension, the following conditions must be met:

- Social Security must have determined that the individual was disabled (disability “onset” date) either before the

COBRA event or within the first 60 days of COBRA continuation coverage, and

- The Company's Employee/Retiree Information Center (ERIC) must have been provided with a copy of the Social Security determination of disability:
 - Within 60 days after the determination is issued, and
 - Before the end of the initial 18 months of COBRA.

If it is determined that the individual is no longer disabled under Title II or Title XVI of the Social Security Act, he must give International's Employee/Retiree Information Center notice and the individual's coverage will end the month that begins more than 30 days after the date the determination is made.

Secondary Events Which May Qualify for Extension

Another extension of the 18-month period can occur, if during the initial 18 months of COBRA coverage, a second qualifying event occurs. Examples of secondary qualifying events include:

- Divorce
- Death
- Entitlement to Medicare
- Ceasing to be a dependent child

If a secondary event occurs, the 18 months of COBRA coverage may be extended to a total of 36 months from the date of the original qualifying event. If a second event occurs, it is the qualified beneficiary's responsibility to notify International's ERIC of the event within 60 days of the event and within the original 18-month period. In no event will COBRA coverage continue beyond 36 months of the original qualifying event.

36-Month Coverage

COBRA also allows qualified beneficiaries to continue their coverage for 36 months after:

- The death of the employee,
- Divorce from the employee,
- Loss of dependent status or,
- The employee's retirement from International.

Premium Payment

A qualified beneficiary for COBRA coverage will be required to pay 102% of the full monthly premium.

A qualified beneficiary who is eligible for the 11-month extension due to a disability will be required to pay 150% of the full monthly premium for the 19th through the 29th month of coverage.

A qualified beneficiary shall have 45 days to pay the first premium. Each monthly premium thereafter, (for the duration of the COBRA coverage), must be paid in full within 30 days of the due date.

Notice and Election Period

Upon notification of the COBRA event, International will notify its COBRA Plan administrator within 30 days of receiving notice of such event. The COBRA administrator will send via first class mail to the qualified beneficiary's last known address a "Continuation of Coverage" application. A qualified beneficiary shall have 60 days from the date of the qualifying event (the one that makes the qualified beneficiary eligible for COBRA) to elect coverage.

For qualified beneficiaries to be eligible for COBRA coverage, notification must be made to the ERIC within 60 days:

- of the divorce or other event that makes a qualified beneficiary no longer eligible for coverage, or
- the date of notification, whichever is later.

Failure to do so may result in COBRA coverage not being offered to the qualified beneficiary.

Cancellation of Continuation of Coverage--COBRA

If the qualified beneficiary does not pay the premium for COBRA on time, COBRA coverage will automatically end and will not be reinstated. Coverage will also end if the qualified beneficiary become covered by other group coverage through employment or marriage (when no longer affected by a preexisting condition exclusion or limitation under such plan), or if the qualified beneficiary become entitled to Medicare. It will also end if International discontinues the entire Plan.

APPENDIX A

CONTINUATION OF COVERAGE UNDER COBRA