

HEAT & FROST INSULATORS AND ALLIED WORKERS LOCAL 47 FRINGE BENEFIT FUNDS

Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund
Heat & Frost Insulators and Allied Workers Local 47 Retirement Trust Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

December 2009

To: **ALL PLAN PARTICIPANTS AND ALTERNATE PAYEES OF THE
HEAT & FROST INSULATORS AND ALLIED WORKERS
LOCAL 47 WELFARE FUND**

Dear Plan Participants:

We have attached the following Important Notices and Annual Report for your review. These Notices and Report is required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- 2008 Summary Annual Report for the Welfare Fund Pages 2 - 3
- Notice of Privacy Practices Page 4
- Medicare Part D – Prescription Drug Coverage Pages 5 - 6
- Notice on Women’s Health and Cancer Rights Page 7

If you have any questions, please contact your Local Union office or the Fund Office.

Sincerely,

Board of Trustees

Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund

**TO: PLAN PARTICIPANTS OF HEAT & FROST INSULATORS AND ALLIED WORKERS
LOCAL 47 WELFARE FUND**

RE: SUMMARY ANNUAL REPORT FOR 2008

Dear Plan Participant:

This is a summary of the Annual Report of the Heat & Frost Insulators and Allied Workers' Local 47 Welfare Fund, EIN 38-6058846, Plan No. 501, for the period of January 1, 2008 through December 31, 2008. The Annual Report has been filed with the Employee Benefits Security Administration of the U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

INSURANCE INFORMATION

The Plan has a contract with insurance carriers to pay claims incurred under the terms of the Plan. See attached list of carriers. Total premiums paid during the Plan Year were \$2,496,652.

Because they are so-called "experience-rated" contracts the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending December 31, 2008, the premiums paid under such "experience-rated" contracts were \$2,472,485, and the total of all benefit claims paid under these "experience-rated" contracts during the Plan Year was \$2,145,395.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$2,747,225 as of December 31, 2008, compared to \$2,732,508 as of January 1, 2008. During the Plan Year, the Plan experienced an increase in its Net Assets of \$14,717. This increase includes unrealized appreciation in the value of Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the Year and the value of the Assets at the beginning of the Year or the cost of Assets acquired during the Year. During the Plan Year, the Plan had Total Income of \$2,977,297 including employer contributions of \$2,838,694, employee contributions of \$502,204, realized (losses) of \$(25,504) from the sale of assets, and earnings from investments of \$(338,097). Plan expenses were \$2,962,580. These expenses included \$484,555 in administrative expenses, and \$2,478,025 in benefits paid to participants and beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full Annual Report, or any part thereof, on request. The items listed below are included in that Report.

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of Plan Assets.
5. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of HEAT & FROST INSULATORS AND ALLIED WORKERS LOCAL 47 WELFARE FUND, who is the plan administrator, 6525 Centurion Drive, Lansing, Michigan 48917-9275, Toll Free (800) 323-8079 or (517) 321-7502. These portions of the report are furnished without charge.

You also have the right to receive from the Plan Administrative Manager, on request and at no charge, a Statement of the Assets and Liabilities of the Plan and accompanying notes, or a Statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrative Manager, these two statements and accompanying notes will be included as part of that Report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan:

HEAT & FROST INSULATORS AND ALLIED
WORKERS LOCAL 47 WELFARE FUND
Plan Sponsor
6525 Centurion Drive
Lansing, MI 48917-9275
38-6058846

and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to:

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room
200 Constitution Avenue, N.W., Room N-1513
Washington, DC 20210.

Sincerely,

Board of Trustees
Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund

To: All Eligible Participants of the Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund

Re: **NOTICE OF PRIVACY PRACTICES**

Dear Participant:

Please be advised that this Notice is intended to confirm that the Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund is compliant with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations. The law refers to the nonpublic information of the employee and their dependents (if applicable), with regard to your group health plan benefits, and can only be disclosed by the Fund and its vendors, and your health care provider/s, for payment of claims, treatment of your illness, and for health care operations including administration of your health benefits, as permitted by law and defined in the HIPAA regulations.

For a complete copy of the Fund's Notice of Privacy Policy, please call or write the Fund Office at the address or telephone number listed on this notice.

If you have any questions regarding this information, please contact the Fund Office.

Sincerely,

Board of Trustees
Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund

IMPORTANT INFORMATION

Special Notice Concerning You and the PLAN And The New Medicare Part D Prescription Drug Coverage

TO: ALL MEDICARE ELIGIBLE PARTICIPANTS OF THE
HEAT & FROST INSULATORS AND ALLIED WORKERS LOCAL 47 WELFARE FUND

RE: MEDICARE PART D – PRESCRIPTION DRUG COVERAGE

Dear Participant:

You may have already heard about the new Part D prescription drug benefit available from Medicare, which began on January 1, 2008, and you may even have received information from Medicare about this benefit. We informed you last year with regard to this issue. However, you have probably not heard about the subsidy option available to retiree health plans like yours that offer a prescription drug benefit. This subsidy is designed to help retiree health plans cover the increasing costs of providing prescription drug coverage to their participants and beneficiaries. **HOWEVER, THE PLAN WILL ONLY RECEIVE SUBSIDY PAYMENTS FOR INDIVIDUALS WHO DO NOT ENROLL IN A MEDICARE DRUG PLAN.**

Because the current prescription drug benefit offered to you through the Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund is as good as or better than that available under a Medicare prescription drug plan, the Trustees have decided to continue the current prescription drug coverage for retirees and apply for the subsidy.

IN ORDER FOR YOUR PLAN TO RECEIVE THE MEDICARE PART D SUBSIDY -

DO NOT ENROLL IN A MEDICARE PRESCRIPTION DRUG PLAN

In addition to informing you about the subsidy, this letter is your Certificate of Creditable Coverage required under Medicare Part D. The prescription drug coverage under your retiree plan is considered “creditable” since it is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Under the new Medicare Part D law, as long as the prescription drug coverage you have under the Plan is as good as or better than that available under a Medicare prescription drug plan you will not be penalized with higher premium costs if you later decide to enroll in a Medicare prescription drug plan, unless you allow a 63-day or more gap between coverage under this Plan and Medicare Part D.

People currently covered under Medicare are permitted to enroll in a Medicare prescription drug plan from November 15th through December 31st each year. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later, generally with no premium penalty, if you so desire. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st.

63-Day Rule

You should also know that if you drop or lose your coverage with the Plan and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. For example, if after your Medicare entitlement, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after your Medicare entitlement that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the following November or later to enroll.

For More Information

Contact the Fund Office at: (517) 321-7502 for further information if you have any questions. You may also find information about your retiree prescription drug coverage in your Summary Plan Description.

NOTE: You may receive this Creditable Coverage Notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if your retiree drug coverage changes. You also may request a copy of this Notice from the Fund Office if you lose or misplace this copy.

In the event you would like more detailed information about Medicare plans that offer prescription drug coverage, you can look in the "*Medicare & You 2008*" handbook, which was available beginning in October 2005. You should get a copy of that handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from the Medicare website at www.medicare.gov or your State Health Insurance Assistance Program (see your copy of the "*Medicare & You*" handbook for their telephone number), or by calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov

Sincerely,

Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund
Board of Trustees

**SAVE THIS LETTER AS IT IS YOUR MEDICARE PART D
CERTIFICATE OF CREDITABLE COVERAGE**

TO: PLAN PARTICIPANTS OF THE HEAT & FROST INSULATORS AND ALLIED WORKERS
LOCAL 47 WELFARE FUND

RE: **WOMEN'S HEALTH AND CANCER RIGHTS**

Dear Plan Participant:

The Trustees of your Welfare Fund are issuing this annual notice in compliance with the Women's Health and Cancer Rights Act of 1998. Your Welfare Plan already provides the benefits required by this new law. You have a right to this notice, and the Trustees are providing the notice for your information so that you may be assured that you are treated in accordance with Federal Law.

The Federal Law requires that all health care plans that provide medical and surgical benefits for mastectomies provide participants and beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed.**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages 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 coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage.**

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymphedemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Medical Claims Department at the Fund Office at the telephone number stated below for more information.

Sincerely,

Board of Trustees
Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund