

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

October 2010

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):

- 2009 Summary Annual Report for the Welfare Fund Pages 2 - 3
- Notice of Privacy Practices Page 4
- Medicare Part D – Prescription Drug Coverage Pages 5 - 7
- Notice on Women’s Health and Cancer Rights Page 8

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

6525 Centurion Drive • Lansing, MI 48917-9275
(517) 321-7502 • FAX (517) 321-7508
Toll Free (800) 323-8079
www.heatfrostlocal47benefits.org

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

RE: SUMMARY ANNUAL REPORT FOR 2009

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, 2009 through December 31, 2009. 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 \$2,659,558.

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, 2009, the premiums paid under such "experience-rated" contracts were \$2,639,154, and the total of all benefit claims paid under these "experience-rated" contracts during the Plan Year was \$2,286,670.

BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$4,352,651 as of December 31, 2009, compared to \$2,747,225 as of January 1, 2009. During the Plan Year, the Plan experienced an increase in its Net Assets of \$1,605,426. 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 \$4,187,014 including employer contributions of \$2,371,627, employee contributions of \$478,126, realized gains of \$16,540 from the sale of assets, and earnings from investments of \$1,320,721. Plan expenses were \$2,581,588. These expenses included \$155,342 in administrative expenses, and \$2,426,246 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. Assets held for investment;
3. 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 NOTICE FROM HEAT & FROST INSULATORS AND ALLIED WORKERS
LOCAL 47 WELFARE FUND
ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

These are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

WHEN CAN YOU JOIN A MEDICARE DRUG PLAN?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

WHAT HAPPENS TO YOUR CURRENT COVERAGE IF YOU DECIDE TO JOIN A MEDICARE DRUG PLAN?

If you decide to enroll in a prescription drug plan and drop the Plan's prescription drug coverage, be aware that you may not be able to get this coverage back.

If you do decide to join a Medicare drug plan and drop your current Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund coverage, be aware that you and your dependents will not be able to get this coverage back.

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO JOIN A MEDICARE DRUG PLAN?

You should also know that if you drop or lose your current coverage with Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE...

Contact the Fund Office at (800) 323-8079 for further information. Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Heat & Frost Insulators and Allied Workers Local 47 Welfare Fund changes. You also may request a copy of this notice at any time.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE...

For more information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov. or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

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