

## **Early Retiree Reinsurance Program Application Inserts for Items E.1 and E.2**

### **E.1**

\_\_\_\_\_ agrees to comply fully with the letter of the law and the intent of Section 1102 of the Patient Protection and Affordable Care Act establishing the Early Retiree Reinsurance Program (and the related Federal Agency regulations at 45 Code of Federal Regulations Part 149). \_\_\_\_\_ specifically promises \_\_\_\_\_'s use of the proceeds received under this program will comply with all applicable provisions of the new law and regulations.

\_\_\_\_\_ will use the reimbursement under the Early Retiree Reinsurance Program to reduce health benefit premium costs for the plan provided by \_\_\_\_\_. The funds will be used to off-set \_\_\_\_\_'s premium increases. The date for purposes of this paragraph shall be the date \_\_\_\_\_ actually receives the funds from the federal government -- generally, the date these amounts are wired into \_\_\_\_\_ account.

Please see Item E.2 of this Application regarding our commitment to maintenance of effort. We are committing to continue our current financial support of the program now and going into the immediate future, certainly for at least as long as this reinsurance program is available.

While it is our intent to use the funds to reduce costs to \_\_\_\_\_, the availability of these funds will improve the financial position of plan participants as well. Normally, when health plan premiums increase, persons participating in the Plan (whether as active employees or as retirees) are required to pay some portion of the cost increases as well. As a result of these Early Retiree Reinsurance Program funds, retirees and active employees participating in health benefits through \_\_\_\_\_ will be able to reduce additional costs normally associated with a premium increase to the retiree-participants and \_\_\_\_\_ will not reduce or eliminate their benefits. No part of the funds will be used as general assets of \_\_\_\_\_, and shall not be accessible by or to any other entity.

As a result of \_\_\_\_\_'s receipt of these funds, coverage will be accessible to more persons than would otherwise be available in the absence of this program, most certainly at a more favorable price to the individuals. The funds will be used to prevent future erosion of these benefits for the affected persons.

\_\_\_\_\_ promises to use its best efforts to keep abreast of changes to federal law affecting the Early Retiree Reinsurance Program, including formal and informal interpretations by the federal agencies. All commitments made in this response to this Application Section E.1 by \_\_\_\_\_, the Plan, and the Plan Sponsor will be revised

accordingly in compliance with the then-current legal requirements and shall encompass any and all such changes and interpretations.

## E.2

\_\_\_\_\_ will apply funds reimbursed by this program for its Plan-related purposes.

The amounts provided by this program will be used to off-set health benefit premium costs. These funds will allow \_\_\_\_\_ to maintain their pre-March 23, 2010 level of financial contribution to the plan. \_\_\_\_\_ will continue to maintain the level of current support for this Plan and all of its provisions and related programs. Further, \_\_\_\_\_ will use the program reimbursement to off-set increases in health benefit premiums.

\_\_\_\_\_ specifically will not take actions, including but not limited to the following, that may in any way impair the current level of eligibility for the Plan as it relates to early retirees and their dependents. \_\_\_\_\_ will not:

- Eliminate eligibility for any early retiree groups or sub-groups, or for their dependents.
- Charge any new or higher amounts for non-premium expenses that would make it harder for retirees or their dependents to afford plan coverage and benefits.
- Impose new, or revised existing, provisions, that would cause individuals who retire early or their dependents to lose coverage or prevent them from becoming eligible.
- Change the early retiree eligibility criteria or procedures for individuals and their dependents, for example, by requiring more years of service or a higher attained age for receipt of benefits.
- Make it more difficult for people to apply for or renew their early retiree coverage for themselves and their dependents by, for example, requiring more extensive paperwork or documentation, or reducing the time allowed to respond to a request for additional information.
- Make it harder for early retirees and their dependents to incur eligible expenses, such as by revising plan provisions that impact largely early retirees and their dependents.
- Eliminate coverage for the types of care that are more likely used by early retirees and their dependents, which could make it harder for these individuals to actually realize the benefit of group health plan coverage.

In sum, \_\_\_\_\_ will not impose, apply, or allow any eligibility standards, methodologies, or policies and procedures for Plan coverage, receipt of Plan benefits, or otherwise, that are more restrictive toward early retirees and their dependents relative to other participants than were in place on March 23, 2010.

No part of the funds will be used as general assets of \_\_\_\_\_, and shall not be accessible by or to any other entity.

\_\_\_\_\_ promises to use its best efforts to keep abreast of changes to federal law affecting the Early Retiree Reinsurance Program, including formal and informal interpretations by the federal agencies. All commitments made in this response to this Application Section E.2 by \_\_\_\_\_ will be revised accordingly in compliance with the then-current legal requirements and shall encompass any and all such changes and interpretations.