

## Government Subsidy Test Employer

4444 Springtime Ct  
Houston, TX 77079

02/26/2009

Mr. Steven Collier  
16051 Jenneva Dr  
Houston, TX 77079

---

Dear Mr. Collier:

The Health Insurance Assistance for the Unemployed Act of 2009 was enacted as part of the American Recovery and Reinvestment Act of 2009. This new law gives you and your additional qualified beneficiaries who were offered participation in the Group Health Continuation Plan the opportunity to reconsider enrolling in the continuation plan during an extended election period ending on 04/29/2009.

You may also be eligible for premium assistance equal to 65% of your paid continuation premiums for up to nine months of your continuation period beginning as early as March 1, 2009.

**In order to be certified as qualified for premium assistance, you must**

- (a) have been involuntarily terminated from employment with the employer shown above between September 1, 2008 and December 31, 2009,
- (b) have become eligible for COBRA or other state-law based continuation coverage subsequent to that involuntary termination and
- (c) not have become eligible for other group health insurance coverage or Medicare since your original termination date.

Also, premium assistance is reduced for those who are eligible for assistance but whose Modified Adjusted Gross Income (MAGI) is above \$125,000 per year (\$250,000 for joint filers). Premium assistance is not available at all for those whose MAGI is \$145,000 per year (\$290,000 for joint filers).

If you decide to enroll, as evidenced by your completing and signing the enclosed Enrollment Form which confirms your belief that you are an "Assistance Eligible Individual" and that you would like to enroll at this time in the Group Health Continuation Plan, then once we receive your completed and signed Enrollment Form on or before the end of this special enrollment period we will validate your eligibility for premium assistance. Once that verification is complete, you will be notified of our validation and of the amount of premium needed to be paid by you in order to start your continuation coverage. Once that premium payment is received, your new period of continuation coverage will begin as of March 1, 2009 or the date your coverage as an active employee ceased, whichever is later.

No coverage is being offered to you between the date of your original loss of coverage as an active employee and the date your continuation coverage begins under this offer.

Please read the information contained in this notice very carefully. This notice provides important information concerning your rights and what you have to do to continue your health care coverage under the Plan for you and your covered dependents, if any, as defined on the enclosed Family Member Enrollment Form. If you have any questions concerning the information in this notice or your rights to coverage, you should contact:

JWO  
111 Customer Way  
Paris, TX 75460

If you do not elect to continue your health care coverage by completing the enclosed "Enrollment Form" and returning it to us, your coverage under the Plan will end on 03/01/2009 due to: Termination on the Qualifying Event Date of 09/11/2008

Each of the following qualified beneficiaries are being offered continuation under the Plan:  
Steven Collier

Because of the above event that will end your coverage under the Plan, you are entitled to continue your health care coverage for up to 13 months. If you elect to continue your coverage under the Plan, your continuation coverage will begin on 03/01/2009 and can last until 04/01/2010.

**IMPORTANT-To elect continuation coverage, you MUST complete the enclosed "Enrollment Form" and return it to us. You may mail it to the address shown on the Enrollment Form. The completed Enrollment Form must be post-marked by 04/29/2009. If you do not submit a completed Enrollment Form by this date, you will lose your right to elect continuation coverage.**

Also, since each covered dependents has the equal right to accept or decline the coverage being offered them, if not all members of your family who are eligible for the coverage offered wish to continue coverage, please indicate that as well on the Dependent/Family Member Enrollment Form, if enclosed. Should some but not all of your dependents wish to continue coverage, you are welcome to call the telephone number shown to obtain information about specific premium amounts due.

The total premiums due each month is shown on the Enrollment Form and on the Premium Computation Form. You should pay the total premium due at the time you send in the Enrollment Form, in order to complete your enrollment and continue your coverage. However, you are allowed to delay the premium payment for up to forty-five days after you have signed, dated and submitted your Enrollment Form. Any claims submitted for expenses incurred following the date of the Qualifying Event may be held in suspense until all premiums which are due have been paid.

Future premiums are due on the first of each month thereafter, and should be mailed on or before the due date. Failure to pay premiums by premium due dates may terminate your participation in the Health Benefits Continuation Plan.

If you have any questions about the coverage, its length or the premiums due, please call Rex Brough at during regular business hours.

Sincerely,

Rex Brough  
Benefits Administrator

## **IMPORTANT INFORMATION ABOUT YOUR COBRA CONTINUATION COVERAGE RIGHTS**

### **What is continuation coverage?**

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee covered under the group health plan, a covered employee's spouse, and dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan. The persons listed on page one of this notice have been identified by the Plan as qualified beneficiaries entitled to elect continuation coverage. Specific information describing continuation coverage can be found in the Plan's summary plan description (SPD), which can be obtained from:

Government Subsidy Test Employer  
4444 Springtime Ct  
Houston, TX 77079

### **How long will continuation coverage last?**

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage may be continued for up to 18 months. In the case of losses of coverage due to an employee's death, divorce or legal separation, or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to 36 months. Page one of this notice shows the maximum period of continuation coverage available to the listed qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if any required premium is not paid on time, if a qualified beneficiary becomes covered under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary, if a covered employee enrolls in Medicare, or if the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

### **How can you extend the length of continuation coverage?**

If you elect continuation coverage, an extension of the maximum period of 18 months of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify Government Subsidy Test Employer of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

#### *Disability*

An 11-month extension of coverage may be available if any of the qualified beneficiaries is disabled. The Social Security Administration (SSA) must determine that the qualified beneficiary was disabled at some time during the first 60 days of continuation coverage, and you must notify Government Subsidy Test Employer of that fact within 60 days of the SSA's determination and before the end of the first 18 months of continuation coverage. All of the qualified beneficiaries listed on page one of this notice who have elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify Government Subsidy Test Employer of that fact within 30 days of SSA's determination.

#### *Second Qualifying Event*

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events include the death of a covered employee, divorce or separation from the covered employee, the covered employee's enrolling in Medicare, or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. You must notify within 60 days after a second qualifying event occurs.

### **How can you elect continuation coverage?**

Each qualified beneficiary listed on page one of this notice has an independent right to elect continuation coverage. For example, both the employee and the employee's spouse may elect continuation coverage, or only one of them. Parents may elect to continue coverage on behalf of their dependent children only. A qualified

beneficiary must elect coverage by the date specified on the Election Form. Failure to do so will result in loss of the right to elect continuation coverage under the Plan. A qualified beneficiary may change a prior rejection of continuation coverage any time until that date.

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law.

First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you not have such a gap.

Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you.

Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of the continuation coverage if you get continuation coverage for the maximum time available to you.

### **How much does COBRA continuation coverage cost?**

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice.

### **What if I am eligible for trade adjustment assistance?**

The Trade Act of 2002 created a new tax credit for certain individuals who become eligible for trade adjustment assistance (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Care Tax Credit Customer Contact Center toll free at 1-866-628-4282. TTD/TTY callers may call toll free at 1-866-626-4282. More information about the Trade Act is also available at [www.doleta.gov/tradeact/2002act\\_index.asp](http://www.doleta.gov/tradeact/2002act_index.asp)

### **When and how must payment for continuation coverage be made?**

#### *First payment for continuation coverage*

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the Election Form. However, you must make your first payment for continuation coverage within 45 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed.) If you do not make your first payment for continuation coverage within that 45 days, you will lose all continuation coverage rights under the Plan.

Your first payment must cover the cost of the continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact Government Subsidy Test Employer to confirm the correct amount of your first payment.

Your first payment for continuation coverage should be sent to:

JWO  
111 Customer Way  
Paris, TX 75460

#### *Periodic payments for continuation coverage*

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on the first day of each month. If you make a periodic payment on or before its due date, your coverage under the Plan will continue for that coverage period without any break. The Government Subsidy Test Employer Plan sends periodic notices of payments due for these coverage periods.

#### *Grace periods for periodic payments*

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, if you pay a periodic payment later than its due date but during its grace period, your coverage under the Plan will be suspended as of the due date and then retroactively reinstated (going back to the due date) when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the Plan.

Your first payment and all periodic payments for continuation coverage should be sent to:

JWO  
111 Customer Way  
Paris, TX 75460

If information is available about alternative coverage (coverage in lieu of continuation coverage, or individual conversion rights), it will appear here: NONE AVAILABLE

### **For more information**

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator. You can get a copy of your summary plan description from:

Government Subsidy Test Employer  
4444 Springtime Ct  
Houston, TX 77079

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

### **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the address of family members. You should also keep a copy, for your records, of any notices you sent to the Plan Administrator.



**PREMIUM COMPUTATION FORM**  
Government Subsidy Test Employer

---

Thursday, February 26, 2009

QB Name: Steven Collier  
QB Identifier: 575-89-0934

---

The Health Benefits Continuation Plan requires you to pay premiums according to the schedule shown below. The premium for the first partial month, if applicable, has been calculated for the remaining number of days in the month the Qualifying Event occurs.

Subsequent premiums are due each month, as shown. You must pay all initial premiums due within forty-five days of the day you sign and date the Enrollment Form.

Qualifying Event Date: 09/11/2008  
Last Day to Enroll: 04/29/2009

<b>Plan Description</b>	<b>Coverage Level</b>	<b>Premium</b>
Medical Standard	QB Only	\$357.00
HMO		
Total:		\$357.00

<b>Schedule Of First Payment</b>	<b>Premium</b>
Amount Due with Enrollment Form Signed to Pay Premiums to April 01, 2009	\$357.00
Amount Due if Enrollment Form Signed to Pay Premiums to May 01, 2009	\$714.00
Amount Due to Pay Premiums to June 01, 2009	\$1,071.00
Amount Due to Pay Premiums to July 01, 2009	\$1,428.00

Premiums must be paid by check or money order. PLEASE DO NOT SEND CASH.

Government Subsidy Test Employer

4444 Springtime Ct  
Houston, TX 77079

02/26/2009

Mr. Steven Collier  
16051 Jenneva Dr  
Houston, TX 77079

---

Dear Mr. Collier:

Under federal law, known as the Health Insurance Portability and Accountability Act of 1996, you are entitled to a Certificate of Health Coverage upon your eligibility for COBRA continuation coverage or, if not eligible for COBRA continuation coverage, upon your losing coverage under a group health plan. It is our understanding that one of these events has occurred and therefore enclosed is your Certificate of Group Health Plan Coverage.

In the event you need to provide evidence of prior health insurance coverage, we encourage you to keep your Certificate in a safe place that is easily accessible. You may use the information on your Certificate to reduce or eliminate a preexisting condition exclusion period with another health insurance carrier.

If you have any questions, please contact Rex Brough at during regular business hours.

Sincerely,

Rex Brough  
Benefits Administrator

## Government Subsidy Test Employer

4444 Springtime Ct  
Houston, TX 77079

### CERTIFICATE OF GROUP HEALTH PLAN COVERAGE

**IMPORTANT - KEEP THIS CERTIFICATE.** This certificate is evidence of your coverage under this plan. Under a federal law known as HIPAA, you may need evidence of your coverage to reduce a preexisting condition exclusion period under another plan, to help you get special enrollment in another plan, or to get certain types of individual health coverage even if you have health problems.

**Preexisting Condition Exclusions.** Some group health plans restrict coverage for medical conditions present before an individual's enrollment. These restrictions are known as "preexisting condition exclusions." A preexisting condition exclusion can apply only to conditions for which medical advice, diagnosis, care or treatment was recommended or received within the 6 months before your "enrollment date." Your enrollment date is your first day of coverage under the plan, or, if there is a waiting period, the first day of your waiting period (typically, your first day of work). In addition, a preexisting condition exclusion cannot last for more than 12 months after your enrollment date (18 months if you are a late enrollee). Finally, a preexisting condition exclusion cannot apply to pregnancy and cannot apply to a child who is enrolled in health coverage within 30 days after birth, adoption, or placement for adoption.

If a plan imposes a preexisting condition exclusion, the length of the exclusion must be reduced by the amount of your prior creditable coverage. Most health coverage is creditable coverage, including group health plan coverage, COBRA continuation coverage, coverage under an individual health policy, Medicare, Medicaid, State Children's Health Insurance Program (SCHIP), and coverage through high-risk pools and the Peace Corps. Not all forms of creditable coverage are required to provide certificates like this one. If you do not receive a certificate for past coverage, talk to your new plan administrator.

You can add up any creditable coverage you have, including the coverage shown on this certificate. However, if at any time you went for 63 days or more without any coverage (called a break in coverage) a plan may not have to count the coverage you had before the break. Therefore, once your coverage ends, you should try to obtain alternative coverage as soon as possible to avoid a 63-day break. You may use this certificate as evidence of your creditable coverage to reduce the length of any preexisting condition exclusion if you enroll in another plan.

**Right to get special enrollment in another plan.** Under HIPAA, if you lose your group health plan coverage, you may be able to get into 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, if you request enrollment within 30 days. (Additional special enrollment rights are triggered by marriage, birth, adoption, and placement for adoption.) Therefore, once your coverage ends, if you are eligible for coverage in another plan (such as a spouse's plan), you should request enrollment as soon as possible.

**Prohibition against discrimination based on a health factor.** Under HIPAA, a group health plan may not keep you (or your dependents) out of the plan based on anything related to your health. Also, a group health plan may not charge you (or your dependents) more for coverage, based on health, than the amount charged a similarly situated individual.

**Right to individual health coverage.** Under HIPAA, if you are an "eligible individual," you have a right to buy certain individual health policies (or in some states, to buy coverage through a high-risk pool) without a preexisting condition exclusion. To be an eligible individual, you must meet the following requirements:

- You have had coverage for at least 18 months without a break in coverage of 63 days or more;
- Your most recent coverage was under a group health plan (which can be shown by this certificate);
- Your group coverage was not terminated because of fraud or nonpayment of premiums;
- You are not eligible for COBRA continuation coverage or you have exhausted your COBRA benefits (or continuation coverage under a similar state provision); and
- You are not eligible for another group health plan, Medicare, or Medicaid, and do not have any other health insurance coverage.

The right to buy individual coverage is the same whether you are laid off, fired, or quit your job. Therefore, if you are interested in obtaining individual coverage and you meet the other criteria to be an eligible individual, you should apply for this coverage as soon as possible to avoid losing your eligible status due to a 63-day break.

**State flexibility.** This certificate describes minimum HIPAA protections under federal law. States may require insurers and HMOs to provide additional protections to individuals in that state.

**For more information.** If you have any questions about your HIPAA rights, you may contact your state insurance department or the U.S. Department of Labor, Employee Benefits Security Administration (EBSA) toll-free at 1-866-444-3272 (for free HIPAA publications ask for publications concerning changes in health care laws). You may also contact the CMS publication hotline at 1-800-633-4227 (ask for "Protecting Your Health Insurance Coverage"). These publications and other useful information are also available on the Internet at <http://www.dol.gov/ebsa>. The DOL's interactive web pages - Health Elaws, or <http://www.cms.hhs.gov/hipaa1>.

Steven Collier  
575-89-0934

Benefit Plan Name:	Medical Standard HMO
Level of Coverage:	QB Only
Date of First Coverage:	09/11/2008
18 Months of Continuous Coverage:	n/a
Waiting Period Prior to First Coverage:	0 days
Date Waiting Period Began:	N/A
Last Day Covered as Active Participant:	02/28/2009
Date COBRA Continuation Period Started:	Not Yet Enrolled
Date COBRA Coverage Ended:	Not Yet Enrolled
COBRA Coverage Ended Because:	N/A

Questions about coverages listed above should be directed to Rex Brough at .

## Government Subsidy Test Employer

4444 Springtime Ct  
Houston, TX 77079

02/26/2009

Mr. Steven Collier  
16051 Jenneva Dr  
Houston, TX 77079

---

Dear Mr. Collier:

If you decide to enroll in the Group Health Enrollment Plan, you may elect to receive future correspondence and communications regarding your group health coverage with our organization via email rather than U.S. Postal Service first-class mail.

If you are interested in receiving future correspondence and communication via email rather than U.S. Mail, please sign where indicated below and return this signed document to us with your Enrollment Form and initial premium payment for the group health continuation coverage.

### **Consent to Receive Notifications and Other Correspondence Via Email**

I, Steven Collier, agree that future correspondence and notifications concerning my participation in the Group Health Continuation Plan may be sent to me via email rather than in printed form using regular first-class U.S. Mail.

The email address to which the correspondence and notifications should be sent is :

---

I will keep you informed of any changes in my email address as they occur, and understand that notices and correspondence that are unsuccessfully delivered to my email address may not be printed and sent to me via U.S. Mail.

I also understand that my agreement to receive correspondence and notices may be revoked by me at any time, by simply notifying you in writing of my wish to begin receiving notices via U.S. Mail, and that some notices related to my Group Health Continuation Plan may still be sent to me via U.S. Mail rather than email, at your option.

---

Signature of Steven Collier

**CONTINUATION COVERAGE WAIVER**  
**Government Subsidy Test Employer**

4444 Springtime Ct  
Houston, TX 77079

02/26/2009

Mr. Steven Collier  
16051 Jenneva Dr  
Houston, TX 77079

RE: Waiver of Right to Continue Benefits under COBRA Continuation

---

Dear Plan Administrator:

I have received the notification of the right to continue certain covered benefits for myself and my covered dependents, if any, and the cost computation form.

At this time, the undersigned Qualified Beneficiary (QB) waives the right to purchase the continuation coverage.

In waiving this coverage, I (we), hereby acknowledge that at the end of the election period (04/29/2009) my (our), decision will be final and irrevocable. I (we) also understand that any break in continued coverage of more than sixty-three days may cause loss of "portability" of coverage.

Sincerely,

---

Signature of: Steven Collier