

**NYSUT Member Benefits Trust  
Summary of Material Modifications  
And  
Notice to Participants  
(Plan No.: 503; I.D. No.: 22-2480854)**

Dated: March 2012

Dear Participant:

The following is a summary of important changes made to endorsed benefit programs since the publication of the New York State United Teachers Member Benefits Trust Summary Plan Description in March 2011. It is important that you retain this information until a new Summary Plan Description is issued to you.

**Trustees News**

Loretta Donlon, Matthew Hill and Carla McLaud were appointed as new trustees of the NYSUT Member Benefits Trust at the August 2011 NYSUT Board of Directors meeting.

**Address for The United States Life Insurance Company in the City of New York**

The mailing address for The United States Life Insurance Company in the City of New York (U.S. Life) is 1 World Financial Center, 200 Liberty Street, New York, NY 10281. U.S. Life provides the Catastrophe Major Medical Insurance Plan, Group Catastrophe Major Medical Insurance Plan, Term Life Insurance Plan, Level Term Life Insurance Plan, and the grandfathered Senior Term Life Insurance Plan.

**WrapPlan II® Flexible Premium Adjustable Life Insurance**

The mailing address for TransAmerica Financial Life Insurance Company is 440 Mamaroneck Avenue, Harrison, NY 10528.

### **Level Term Life Insurance Plan**

The Trustees have endorsed the new, voluntary Level Term Life Insurance Plan with three term periods – 10, 15 or 20 years. Coverage is available up to \$1 million in benefits to be payable to a beneficiary when the insured dies within the covered term. At the end of the term period, the insured may exchange their certificate for one with a new term period subject to insurance company approval with medical underwriting.

The insured may also continue a new premium contribution under a new certificate with the Term Life Insurance Plan annual renewable rate schedule, subject to age and coverage limitations; otherwise, coverage ends at the end of the covered term period. There is no cash value with this plan. Individual premiums are scheduled to remain level for the initial term of the plan. The insurance company reserves the right to change premium rates, but may only do so for all insureds covered under the group policy and only with 60 days written notice.

NYSUT Members, Agency Fee Payers, Associate Members, and their spouses or domestic partners under age 65 are eligible to apply for coverage. There is no child coverage available. Your age determines the length of coverage that may be applied for under the Level Term Life Insurance Plan. Applicants must be under age 55 to be eligible for the 20-year plan, under age 60 for the 15-year plan and under age 65 for the 10-year plan.

This program is underwritten by U.S. Life and administered by Marsh U.S. Consumer.

Member Benefits has an endorsement arrangement of 7.61% of earned premiums for this program.

### **Catastrophe Major Medical Insurance Plan**

U.S. Life – the underwriter of the plan – believes that the Catastrophe Major Medical Insurance (CMM) Plan prior to July 1, 2011 is a “grandfathered health plan” under the Patient Protection and Affordable Care Act.

The maximum benefit for each covered individual has changed from \$2 million per benefit period to \$2 million annually. The maximum benefit payable for ambulance services for each covered individual has also changed from a \$2,000 lifetime benefit to \$2,000 annually.

Children under the age of 30 who are covered under a basic health plan can be covered under their parents' policy and need not be financially dependent on their parents for support, claimed as dependents on the parents' tax return, residents of the parents' household, enrolled as students, or unmarried. Children-in-law (spouses of children) and grandchildren are not eligible.

U.S. Life and Marsh U.S. Consumer (the endorsed program administrator) have been working collaboratively on the modifications necessary under health care reform to develop a new CMM program for new enrollees after July 1, 2011.

### **Group Catastrophe Major Medical Insurance Plan**

U.S. Life – the underwriter of the plan – believes that the Group Catastrophe Major Medical Insurance (Group CMM) Plan prior to January 1, 2011 is a “grandfathered health plan” under the Patient Protection and Affordable Care Act. Group plans established prior to January 1, 2011 can continue to accept new enrollees.

The maximum benefit payable of \$2 million per benefit period for each person covered by the certificate and the lifetime maximum benefit payable of \$2,000 for ambulance services for each person covered by the certificate have been removed.

Children under the age of 30 who are covered under a basic health plan can be covered under their parents' policy and need not be financially dependent on their parents for support, claimed as dependents on the parents' tax return, residents of the parents' household, enrolled as students, or unmarried. Children-in-law (spouses of children) and grandchildren are not eligible.

U.S. Life is working on the modifications necessary under health care reform to develop a new Group CMM program for purchase by Employers, Local Associations and their Benefit Funds after January 1, 2011.

### **Long-Term Care Insurance Plan**

As of January 1, 2012, the Long-Term Care Insurance Plan offered through MetLife became a grandfathered plan and no new enrollees will be accepted. All existing coverage in effect under the program will be maintained as long as premiums continue to be paid by the individuals.

### **Group Long-Term Care Insurance Plan**

The Trustees have endorsed the Group Long-Term Care Insurance Plan. First Unum Life Insurance Company provides and administers the benefits under this program, which include care planning and coverage for home health care, adult day care, homemaker services, assisted living facilities, nursing home care, and hospice care at home or in a licensed hospice care facility. This program is offered to Employers, Local Associations and their Benefit Funds.

Member Benefits has an endorsement arrangement of 5% of gross premiums for this program.

The Group Long-Term Care Insurance Plan under MetLife continues to be grandfathered as described in the Summary Plan Description.

### **Retiree Dental Plan**

The Retiree Dental Plan became the Dental Plan on January 1, 2012 and is now available to both in-service and retired NYSUT members. Associate Members are eligible to apply for the new plan.

### **Group Accidental Death & Dismemberment Insurance Plan**

The Group Accidental Death & Dismemberment Insurance Plan is no longer offered.

### **Financial Arrangements**

Some financial arrangements between the NYSUT Member Benefits Trust and providers of endorsed programs have changed. These changes are as follows:

1. Member Benefits has an endorsement arrangement of approximately 7.48% of paid premiums for the *Davis Vision Group Vision Plan*.

2. Member Benefits has an endorsement arrangement of \$.20 per participant per month for *The Preferred Group Plans, Inc. Section 125 Plan* (with an additional endorsement arrangement of \$.05 per participant per month if both the FSA and HRA Plans are utilized through the Member Benefits endorsement).
3. Member Benefits has an endorsement arrangement of \$.20 per participant per month for *The Preferred Group Plans, Inc. Health Reimbursement Arrangement* (with an additional endorsement arrangement of \$.05 per participant per month if both the FSA and HRA Plans are utilized through the Member Benefits endorsement).
4. Member Benefits will have an endorsement arrangement of \$.125 per participant per month for the *Health Advocate Group Plan* as of May 2012.

Sincerely,

Board of Trustees  
NYSUT Member Benefits Trust