

Automotive Industries Welfare Fund

1640 South Loop Road, Alameda, CA 94502 * Telephone: 510-836-2484
Post Office Box 23120, Oakland, CA 94623-0120

This document is intended to serve as your Notice of Creditable Prescription Drug Coverage, as required by law.

Date: November 2005

To: All Participants in the Automotive Industries Welfare Fund

From: Board of Trustees

Important Notice from the Automotive Industries Welfare Fund About Your Prescription Drug Coverage and Medicare

This Notice is for people with Medicare. If you or any of your eligible family members is now eligible for Medicare or will become eligible for Medicare in the next year, 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 Automotive Industries Welfare Fund and new prescription drug coverage available January 1, 2006 for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

1. Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.
2. Automotive Industries Welfare Fund has determined that the prescription drug coverage offered by the Direct Pay Prescription Drug Plan (including Pacificare enrollees) and the Kaiser Medicare Cost is on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

INFORMATION ABOUT THE MEDICARE PRESCRIPTION DRUG PROGRAM

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you and your current prescription drug coverage under the Automotive Industries Welfare Fund. Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare. This coverage will be offered through private Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

People with Medicare can enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. However, **because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and you will not have to pay the extra premium if you later decide to enroll in Medicare coverage.**

ISSUES TO CONSIDER AS YOU COMPARE YOUR AUTOMOTIVE INDUSTRIES WELFARE FUND PRESCRIPTION DRUG PLAN TO A MEDICARE PRESCRIPTION DRUG PLAN

YOUR CHOICES:

- 1. You can keep your current prescription drug coverage with the Automotive Industries Welfare Fund, and you do not have to enroll in a Medicare prescription drug plan.**
 - You may in the future enroll in a Medicare prescription drug plan during Medicare's annual enrollment period (November 15 to December 31 of each year). You will not be charged any penalty if you wait until 2006 or later to purchase a Medicare prescription drug plan.
- 2. You can keep your current prescription drug coverage with Automotive Industries Welfare Fund and enroll in ONE Medicare prescription drug plan.**
 - If you do this, the **Automotive Industries Welfare Fund** will pay primary to Medicare. You will need to pay the Part D premium out of your own pocket.

WHAT WILL HAPPEN IF YOU LOSE OR DROP COVERAGE WITH THE AUTOMOTIVE INDUSTRIES WELFARE FUND AND YOU DO NOT ENROLL IN A MEDICARE DRUG PLAN?

You should also know that if you drop or lose your coverage with the Automotive Industries Welfare Fund and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that is 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 May 15, 2006 that you did not have that coverage. For example, if nineteen months pass with you not having coverage, your premium will always be at least 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll.

For more information about this notice or your current prescription drug coverage:

Contact the Fund Office at (800) 635-3105, or (510) 836-2484.

NOTE: You may receive this notice at other times in the future (such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes). You also may request a copy of this Notice at any time.

For more information about your options under Medicare prescription drug coverage:

More detailed information about Medicare plans that offer prescription drug coverage will be available in **October 2005** in the "**Medicare & You 2006**" handbook. You will receive a copy of the 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 following places:

- Visit www.medicare.gov for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for the telephone number)
- Call 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, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep This Notice. If you enroll after May 15, 2006 in one of the new prescription drug plans approved by Medicare, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date: November 2005

Name of Entity/Sender: Automotive Industries Welfare Fund

Contact: Automotive Industries Welfare Fund – Billing and Eligibility Department

Address: 1640 South Loop Road, Alameda, California 94502

Phone Number: (800) 635-3105 or (510) 836-2484

As in all cases, Automotive Industries Welfare Fund reserves the right to modify benefits at any time, in accordance with applicable law.