

**Summary of Material Modification
January 1, 2016 changes**

The Trustees of the International Association of Sheet Metal, Air, Rail and Transportation Workers ("SMART") Local Union No. 36 Welfare Fund (your Welfare Plan) periodically review the benefits provided by your Welfare Plan to determine if there are changes that are needed so that your Welfare Plan can continue to provide the richest benefits possible while maintaining Plan assets, keeping down your out-of-pocket costs, and maintaining, to the extent possible, the contribution rates.

The Plan is a non-grandfathered plan under the Affordable Care and provides all the benefits required for a non-grandfathered plan.

Out-Of-Pocket Maximums

Effective January 1, 2016, the plan will have the same individual and family medical out-of-pocket maximum for all the Benefit Schedules as well as the same individual and family prescription drug out-of-pocket maximum for all the Benefit Schedules. This will eliminate confusion between the Benefit Schedules.

In addition to making this benefit provision the same across the board, effective January 1, 2016, the out-of-pocket maximums for Tier One and Tier two providers will be fully combined. This means that once the out-of-pocket maximum has been reached for Tier One medical claims the out-of-pocket maximum has also been reached for Tier Two medical claims.

Finally, in 2016 all out of pocket amounts for covered charges incurred in relation to both Tier One and Tier Two claims will continue to be applied to the individual/family medical or prescription drug maximums. This is an integrated benefit which means that once an individual meets his or her out-of-pocket maximum his or her claims will be paid at 100% even if the family maximum has not yet been met.

The Medical Out of Pocket Maximums are changed, effective January 1, 2016 to:

Benefit	Tier One Coventry/CMR	Tier Two FirstHealth/Out -of Area	Tier Three Non-Network
Out-of-Pocket Maximums	\$4,000 Individual \$8,000 Family		Not Applicable

The Prescription Drug Out of Pocket Maximums are changed, effective January 1, 2016 to:

Benefit	Generic	Preferred Brand	Non-Preferred Brand
Out-of-Pocket Maximums	\$2,850 Individual \$5,700 Family		Not Applicable

Diabetic Supplies

The Plan has established a relationship with LDI Pharmacy Benefit Managers to obtain certain preferred Glucometers (diabetic testing devices) and diabetic testing supplies at a preferred price. These preferred Glucometers are medically appropriate for all diabetic testing except for individuals using an insulin pump that needs a device that works with their specific pump. Accordingly, Glucometers and diabetic testing supplies obtained by participants and beneficiaries through the Plan's preferred vendor(s) for these products are covered 100% with no co-pay mail order pharmacy. **Currently, the mail order pharmacy is the only preferred vendor.** Effective January 1, 2016, no other Glucometers and diabetic testing supplies (including these preferred brands obtained from a retail pharmacy) are covered by the Plan except in the case of individuals using insulin pumps. Glucometers and testing supplies needed by individuals using insulin pumps may be covered under both the medical benefit and the prescription drug benefit and the benefit level may be different. Contact the Fund Office for assistance and to get the name of preferred vendor(s).

Prescription Drug Change

There have been numerous incidents where drugs newly approved for use, New to Market (NTM) Drugs have been discovered to have more side effects and less efficacy than realized when the drug was released. Accordingly, effective January 1, 2016, when new prescription drug products are first available on the market, the Fund's Prescription Drug Manager reviews the safety and effectiveness of these new drug products. This process will follow the guidelines and process available through the Prescription Drug Manager's New-To-Market Clinical Evaluation Program. Not all new medications are required to go through this program. New to market drugs subject to this program will automatically require a prior authorization for a minimum period of 6 months. During the review period, the NTM Drug will only be covered by the Plan with approval available through the Prescription Drug Manager's (LDI) prior authorization program.

Dental and Vision Care

Vision and Dental benefits provided through the Welfare Plan are separate from the Plan's medical benefits. Effective January 1, 2016, you will have the opportunity to opt out of the Welfare Plan's vision and dental care benefit upon commencement of your coverage and prior to the beginning of each plan year. Any election to opt out must be submitted to the Welfare Fund Office in writing. For active coverage through employer contributions, there is NO monthly or annual premium for vision or dental care benefits with the Welfare Plan and you will not receive any money or thing of value for opting out of such coverage.

The vision benefit allowances remain the same as set out in the Summary Plan Description. However, effective January 1, 2016 they will be applied the same regardless of age or dependent status. The dental benefits, as set out in the Summary Plan Description, remain the same including the unlimited benefit for children under age 19 using in-network providers.

You should keep this notice with your important plan documents. If you have any questions about the changes described in this Notice you can call the Fund Office.

The Trustees International Association of Sheet Metal, Air, Rail and Transportation Workers
("SMART") Local Union No. 36 Welfare Fund