

MICHIGAN STATE PAINTERS INSURANCE FUND

July 20, 2011

SUMMARY OF MATERIAL MODIFICATIONS

To: All Eligible Participants and Beneficiaries of the Michigan State Painters Insurance Fund

Dear Participant:

Under the Patient Protection and Affordable Care Act, sometimes referred to as the Health Care Reform Act, all health care plans that offer coverage of dependent children must provide coverage for adult children of covered participants until the age of 26. It is no longer a requirement that a child over the age of 19 be a full-time student, resides with you, is financially dependent or is unmarried. The effective date for this new rule for the Michigan State Painters Insurance Fund is September 1, 2011.

To ensure compliance with the Act, we are contacting all participants to advise of the right and obligation to enroll an "adult child" from age 19 up to the 26th birthday. The initial enrollment period will end on August 31, 2011. **Please note the enclosed Adult Child Enrollment Form required for coverage of all children 19 to 26 years old.** If you have an adult child whom you want the Fund to cover as of September 1, 2011 - both currently covered children and children newly eligible for coverage - you **must** complete the Adult Child Enrollment Form and return it to the Fund Office to enable coverage.

Enrollment of each adult child in the Fund is an express condition of the Fund's coverage of the child. Failure to enroll an adult child in the Fund by August 31, 2011 will preclude coverage of the child until September 1, 2012. A limited exception applies for an adult child who is currently covered under an employer-sponsored plan of his or her employer or spouse's employer and loses that coverage, in which case you will have 30 days from the loss of such other coverage to enroll the child in the Fund. As an express condition of the Fund's coverage, you must also certify annually that each of your adult children covered by the Fund is not eligible for employer-sponsored health plan coverage through his or her employer or spouse's employer.

The following defines a "child" under the Fund:

- An individual who is a son or daughter, or stepson or stepdaughter, of the employee;
- An individual who is lawfully placed with the employee for legal adoption by the employee; or
- An eligible recipient under a Qualified Medical Child Support Order.

Children over age 19 - in addition to the above definition of children- must meet the following requirements:

1. Under age 26; and
2. Not eligible to enroll in an employer-sponsored health plan maintained by his or her employer or spouse's employer.

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Dependents and spouses of adult children are not eligible for coverage by the Fund.

Please keep this document with your Plan and Summary Plan Description for future reference.

As always, if you have any questions, please feel free to contact the Fund Office at (800) 482-0948.

Sincerely,

The Board of Trustees
Michigan State Painters Insurance Fund