Keys You

The Key to Life and AD&D Benefits

SUMMARY PLAN DESCRIPTION

Key Question

Q **WHAT IF I DIE? WHAT IF I'M SERIOUSLY INJURED IN AN ACCIDENT?**

A People depend on you, at home as well as on the job. If you work to provide income for your family members, you want them to be protected financially even if you die or suffer a serious injury.

How can you provide that important protection?

With the company's help.

The company offers a life insurance plan that pays your family or other beneficiaries a benefit in the event of your death. The company also provides you with an accidental death and dismemberment (AD&D) plan that pays you or your beneficiary a benefit if you are seriously injured or die as a result of an accident.

THE LIFE AND AD&D PLAN IS A KEY TO YOUR PEACE OF MIND.

This booklet is a "summary plan description" (SPD) of the life and AD&D plan for salaried employees.

Eligibility for benefits and the actual amount of benefit payments are determined by the legal plan document, which is a contract with the insurance company. This booklet describes the plan in easier-to-read, simplified terms. It cannot cover every detail of the plan. If there is any conflict between the description in this booklet and the legal plan document, the plan document will be followed.

The plan administrator, Peabody Holding Company, Inc., maintains the right to interpret the terms of this plan, and its interpretations will be final.

The company intends to maintain this plan for salaried employees, but reserves the right to change or end the plan at any time. This booklet is not a guarantee of employment or an employment contract.

Contents

	PAGE NUMBER
Key highlights	4
LIFE INSURANCE	6
Eligibility and enrollment	6
Life insurance benefits	7
For active employees	7
For disabled employees	7
For retired employees	8
Naming your beneficiary	8
Payment options	8
Payment of benefits	9
Assignment of benefits	10
When your coverage ends	10
Continuation of life insurance	10
Converting to an individual policy	11
ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE	12
Eligibility	12
Your AD&D benefits	12
For active employees	12
While on company business	13
For disabled employees	13
For retired employees	13
Exclusions and limitations	14

	PAGE NUMBER
Naming your beneficiary	14
Payment of benefits	14
When your coverage ends	15
Continuation of AD&D coverage	15
Key terms	17
Plan administration information	19
Your ERISA rights	21
If your claim is denied	22
Amending the plan	23

Key Highlights

Life insurance

This coverage pays a benefit to your beneficiary in the event that you die.

WHO IS ELIGIBLE: All full-time salaried employees. You may choose to enroll for coverage or decline. (See page 6 for more information.)

BENEFIT AMOUNT: Two times your basic annual salary.

BENEFIT PAYMENT OPTIONS: You have two options for payment of your benefit when you die. You may have your beneficiary receive your entire benefit amount all at once, or—if your beneficiary is your spouse—the benefit may be paid in installments. (See page 8 for more information.)

COST TO YOU: You share the cost with the company by paying a portion of the premiums.

IF YOU BECOME DISABLED: Your coverage continues if you meet certain conditions. Your benefit is reduced at age 65. (See page 7 for more information.)

IF YOU RETIRE: If you are at least age 55 with 10 or more years of service, you may continue coverage when you retire. Your benefit will be 60% of your latest, highest salary. If you are under age 65, however, you may request to continue the full amount of your coverage as long as you pay the additional cost. (See page 8 for more information.)

OTHER KEY POINTS: You may also continue your life insurance coverage when you are not working for the company due to a reduction in the work force or if you are on family or medical leave, if you pay the premium and certain other conditions are met. (See page 10 for more information.)

If your life insurance ends because your employment ends, or your coverage will be reduced due to your age as a retiree, you may convert your company coverage to an individual policy, with a benefit up to your original amount. You must then pay the entire premium. (See page 11 for more information.)

Accidental death and dismemberment (AD&D) insurance

This coverage pays a benefit to your beneficiary if you die as a result of an accident, or to you if you suffer certain injuries as a result of an accident. This benefit is paid in addition to any benefit you receive from the life insurance plan.

WHO IS ELIGIBLE: All full-time salaried employees. Coverage begins automatically the day you are hired. (See page 12 for more information.)

COVERED LOSSES: Death, or loss of hands, feet or sight. (See page 13 for more information.)

BENEFIT AMOUNT: Three times your basic annual salary. (Payments for loss of one hand, one foot or sight of one eye alone are paid at 50% of the full benefit amount.) (See page 12 for more information.)

COST TO YOU: None—premiums are currently paid entirely by the company for this coverage.

IF YOU BECOME DISABLED: Your coverage continues until you reach age 65, if you meet certain conditions. (See page 13 for more information.)

IF YOU RETIRE: If you retire on or after January 1, 1970, with at least 10 years of service and are at least age 55 but under age 65, your coverage continues from your retirement until you reach age 65. (See page 13 for more information.)

OTHER KEY POINTS: You may also continue your AD&D coverage when you are not working for the company because you are on family or medical leave, if certain conditions are met. However, AD&D coverage may not be converted to an individual policy. (See page 15 for more information.)

The company also offers an optional AD&D plan if you would like to choose additional coverage. See your summary plan description booklet for the optional AD&D plan for more information.

KEY POINTS

If you are a full-time salaried employee, you are eligible for coverage under the life insurance plan.

If you choose this coverage, you must contribute a portion of the insurance premium.

If you do not want coverage, you must sign a waiver card.

Eligibility and Enrollment

If you are a full-time salaried employee, you are eligible for coverage under the life insurance plan. If you choose this coverage, you must contribute a portion of the insurance premium.

Your life insurance coverage does not become effective until you properly enroll and authorize contributions to be deducted from your paycheck. Your coverage begins on the date you sign an enrollment card, if you do so within 31 days of the date you're hired.

If you do not want coverage, you must sign a waiver card.

If you're not sure you want to enroll, you must sign a "memorandum of understanding." This states you understand your eligibility for benefits depends on whether you enroll, and that you do not wish to enroll for coverage at that time. If you sign the memorandum and die within 31 days of the date you're hired, no life insurance benefits are payable. At the end of 31 days from your eligibility date, you must sign a waiver card.

If you do not enroll for life insurance benefits within 31 days after you start work, you must complete an Evidence of Insurability form and may be required to take a physical examination at your own expense to show that you are in good health. Your coverage will become effective after the insurance company reviews and approves your evidence of insurability.

If you are not actively at work due to illness or injury on the date your coverage would otherwise begin, your coverage will not be effective until you return to work.

Certain disabled and retired employees are also eligible, as explained in the next section.

Life Insurance Benefits

FOR ACTIVE EMPLOYEES

If you die while covered by this plan, your beneficiary will receive an amount equal to two times your basic annual salary, rounded to the next $100.

For example, if you were earning $20,010 a year at the time of your death, your beneficiary would receive $40,100.

When your basic annual salary changes, the amount of life insurance also changes. This becomes effective on the first day of the calendar month following the date of your salary change.

However, if you are away from work due to disability, your life insurance will not be increased until you actually return to work on a full-time basis.

Furthermore, your life insurance amount will not decrease even if your basic annual salary decreases.

If you die before the date your life insurance amount would have increased, your beneficiary will receive the amount in effect at the time of your death. For example, if your basic annual salary is $20,000, your life insurance benefit is $40,000. If your salary increases to $22,500 on January 1, your life insurance benefit will increase to $45,000 on February 1. However, if you die on January 15, your benefit remains the original amount of $40,000.

FOR DISABLED EMPLOYEES

If you become disabled, you will remain covered for life insurance benefits if all of the following apply to you:

- You are receiving company-paid continuation of your salary, or you are receiving benefits under the Peabody Long-Term Disability Plan for Salaried Employees.
- You were covered for life insurance benefits immediately before your disability date.

If this is the case, you will not have to pay your contributions for life insurance coverage while you are receiving long-term disability benefits.

If you are less than age 65 and disabled, your life insurance benefit is the same amount as described above for active employees.

If you are age 65 or older and disabled, your life insurance benefit equals 60% of your latest, highest basic annual salary as of the day you become disabled.

If you were hired after 1982, when you reach age 70, your employee life insurance amount will be further reduced to 30% of your latest, highest basic annual salary as of the day before your disability. This is subject to:

- A minimum benefit of $7,500.
- A maximum benefit of $30,000.

KEY POINTS

If you die while covered by this plan, your beneficiary will receive an amount equal to two times your basic annual salary, rounded to the next $100.

The amount of coverage will be reduced when you reach certain ages.

KEY POINTS

You may designate anyone as the beneficiary of your life insurance. You may change your beneficiary at any time by filling out a form from your benefits department.

FOR RETIRED EMPLOYEES

If you are at least age 55, have 10 or more years of service when you retire, and had life insurance coverage immediately before your retirement date, you may continue to participate in the plan.

Your benefit equals 60% of your latest, highest basic annual salary as of the day before you retire. However, if you are under age 65 you may file a written request with the company to continue coverage at your full pre-retirement benefit amount if you agree to pay the additional contributions. Once you reach age 65, however, only the reduced amount (60%) can be continued. You may purchase an individual policy for the remainder of your pre-retirement coverage amount, as explained in the section *Converting to an individual policy* on page 11.

If you were hired after 1982, when you reach age 70, your life insurance amount will be further reduced to 30% of your latest, highest basic annual salary as of the day before your retirement. However, this benefit is subject to:

- A minimum benefit of $7,500.
- A maximum benefit of $30,000.

Naming Your Beneficiary

You may designate anyone as the beneficiary of your life insurance. You may change your beneficiary at any time by filling out a form from your benefits department.

The change will become effective when the completed form is received by your benefits department. It will be effective as of the date you signed the request, regardless of whether you are alive at the time the department receives it. However, any benefits that have been paid before the department received the change form will remain the property of the person who received them, and will not be paid to the new beneficiary.

PAYMENT OPTIONS

When you enroll in the plan, you may choose either of the following payment options for your beneficiary:

- Option A: Full payment of the benefit upon your death.
- Option B: You must name your spouse as your beneficiary in order to choose this option. Option B pays 50% of your basic annual salary in one sum, plus monthly installments that each equal 25% of your basic monthly salary. The monthly installments will be paid until your spouse dies or remarries. In any event, a minimum of 72 payments will be

made—payments due after your spouse's death will be made to his or her estate.

However, you may not choose Option B if you are any of the following:

- A retired or disabled employee over age 65.
- A retired employee who retired prior to January 1, 1970.
- A retired employee who chose to continue life insurance coverage after retirement at a reduced coverage amount (60% of your pre-retirement amount) rather than your full pre-retirement amount.
- An employee with no spouse.

You may change your payment option at any time by obtaining a form from your benefits department and filing it with the plan administrator.

If you have chosen Option B and do not have a surviving spouse at your death—or when you attain age 65 or choose a reduced amount of life insurance—your payment option automatically reverts to Option A (full payment upon your death).

PAYMENT OF BENEFITS

If you chose Option A, the lump-sum benefit (full payment all at once) will be made automatically to your designated beneficiary. However, if your beneficiary dies before the payment is made, the amount will be paid to the executors or administrators of the beneficiary's estate, unless you have made a written request stating otherwise. If you do not designate a beneficiary, the benefit payments will be made to your own estate.

For Option A, an account called a "guaranteed access account" is automatically established for each beneficiary receiving a benefit payment of $10,000 or more, and the payment is placed in this account. (Beneficiaries receiving less than $10,000 will receive a single payment by check.) Your beneficiary may withdraw the entire amount of the account at once, or only a portion at a time (minimum of $250), leaving the balance to accumulate interest. Your beneficiary will also receive information about other ways to receive payment under Option A, if he or she wishes.

If you chose Option B as your payment option, the initial lump-sum payment will also be made to a guaranteed access account if it is $10,000 or more. Otherwise, it will be made by check. The same rules for withdrawals apply as for Option A.

Option B also pays monthly installments. The first monthly payment will be made to your surviving spouse as soon as reasonably possible. Subsequent payments will be paid on the first of each month. If your surviving spouse dies before all 72 installments are paid, the remaining payments will be made to your spouse's estate.

If you die, your beneficiary should contact your benefits department to file a claim. Your beneficiary must provide a certified copy of the death certificate.

KEY POINTS

You may choose between two options for payment of benefits to your beneficiary.

KEY POINTS

You may continue your life insurance coverage when you are not working for the company, under certain circumstances.

ASSIGNMENT OF BENEFITS

If you wish, you may also "assign" your life insurance benefits to any individual as a gift. This is different from designating a beneficiary. The person who is "assigned" benefits then legally owns the insurance policy—you no longer have the right to change beneficiaries—and the benefit is taxed differently. Assignment is usually done for tax purposes. You may want to consult a tax adviser if you wish to learn more about this option.

A copy of the assignment request must be filed with your benefits department and approved by the insurance company.

When Your Coverage Ends

Your life insurance coverage ends when the earliest of the following occurs:

- The plan is terminated.
- If you stop making required contributions, the last day of the month for which you paid them.
- The date of your death.
- The last day of the calendar month in which your employment ends.
- The date you are no longer eligible.
- The date you retire, if you do not meet the plan's specific definition of a retired employee.

CONTINUATION OF LIFE INSURANCE

You may continue your life insurance coverage when you are not working for the company, under certain circumstances.

If your employment ends due to a reduction in the work force, the company may provide you with continued coverage, according to current company policy, for three calendar months following the end of the last month in which the reduction in work force occurred, provided you pay the required contributions.

If you are a disabled employee who is receiving benefits under the company's long-term disability plan for salaried employees, your life insurance coverage continues during your disability at no cost to you. If you recover from your disability, coverage will end 31 days after your recovery, unless you return to active work with the company. Your benefits will be reduced due to your age or work status as described earlier in the section *Life insurance benefits.*

You may continue your coverage while you are on a leave of absence that's authorized under the company's family and medical leave policy, provided you continue to pay the required contributions. If you choose not to continue your coverage during your leave, you will not be required to provide evidence of good health to reinstate your coverage when you return to work.

CONVERTING TO AN INDIVIDUAL POLICY

If your life insurance coverage ends because your employment ends, or if your coverage is reduced because you are a retired employee at age 65, you may buy individual coverage up to the amount of coverage you had before it ended or was reduced. You will not need to provide evidence of insurability. If you were enrolled for Option B on the date your employment ended, the amount you may convert will include the present value of the benefits as determined by the insurance company. The maximum amount of coverage you can convert is two times your salary rounded up to the next $100.

You must submit your application for the individual policy to the insurance company and make the required premium payment within 31 days of the date your employment ended or your coverage was reduced.

If the life insurance plan is changed or terminated, you can convert your coverage as described in the policy issued by your insurance carrier.

If you should die within the 31-day period after your coverage ends but before your individual policy is issued, your benefit will be paid to your beneficiary.

Contact your benefits department for information about how to convert your coverage.

KEY POINTS

If you are a full-time salaried employee, your accidental death and dismemberment (AD&D) coverage begins on the date you are hired.

You are automatically enrolled.

The company currently pays the full cost of AD&D coverage.

Eligibility

If you are a full-time salaried employee, your accidental death and dismemberment (AD&D) coverage begins on the date you are hired. You are automatically enrolled for AD&D coverage. The company currently pays the full cost of this coverage.

If you are not at work on your date of employment, your coverage becomes effective on the date you are at work.

Certain disabled and retired employees are also eligible, as explained in the next section.

Your AD&D Benefits

FOR ACTIVE EMPLOYEES

Your AD&D coverage amount is three times your basic annual salary, rounded to the next $100.

For example, if you were to die as a result of a covered accident and were earning $20,010 a year, your beneficiary would receive $60,100.

When your basic annual salary changes, the amount of your AD&D coverage also changes. This becomes effective on the first day of the calendar month following the date of your salary change.

However, if you are away from work due to disability, your AD&D coverage will not be increased until you actually return to work on a full-time basis.

Furthermore, your AD&D coverage will not decrease even if your basic annual salary decreases.

If you die as a result of a covered accident before the date your AD&D coverage would have increased, your beneficiary will receive the amount in effect at the time of your death. For example, if your basic annual salary is $20,000, your AD&D benefit is $60,000. If your salary increases to $22,500 on January 1, your AD&D benefit will increase to $67,500 on February 1. However, if you die on January 15, your benefit remains the original amount of $60,000.

You will receive all or a portion of your AD&D benefit amount if you suffer a covered loss within 365 days of an accident. The covered losses are:

- Death.
- Loss of a hand by severance through or above the wrist joint.
- Loss of a foot by severance through or above the ankle joint.
- Complete and irrecoverable loss of your sight.

These benefits are paid in addition to any amount you receive under the life insurance plan.

The following table shows the percentage of your benefit that the plan pays for each type of loss:

FOR LOSS OF	PERCENTAGE OF TOTAL COVERED AMOUNT
LIFE	100%
BOTH HANDS OR BOTH FEET OR SIGHT OF BOTH EYES	100%
ONE HAND AND ONE FOOT	100%
ONE HAND AND SIGHT OF ONE EYE	100%
ONE FOOT AND SIGHT OF ONE EYE	100%
ONE HAND OR ONE FOOT	50%
SIGHT OF ONE EYE	50%

If you sustain multiple injuries in one accident, only one benefit amount, the largest, will be paid for all of your injuries.

WHILE ON COMPANY BUSINESS

If you suffer a covered loss while on company business, your AD&D benefit will not be less than $50,000.

FOR DISABLED EMPLOYEES

If you become disabled, you will remain covered for AD&D benefits if all of the following apply to you:

- You are receiving company-paid continuation of your salary or you are receiving benefits under the company's long-term disability plan for salaried employees.
- You were covered for AD&D insurance benefits immediately before your disability date.
- You are under age 65.

Your coverage amount will be based on your latest, highest basic annual salary as of the date immediately before your disability began.

FOR RETIRED EMPLOYEES

You are eligible for AD&D benefits if you retire on or after January 1, 1970, with at least 10 years of service and are at least age 55 but under age 65. Your coverage amount will be based on your latest, highest basic annual salary as of the date immediately before you retired.

KEY POINTS

Your AD&D coverage amount is three times your basic annual salary, rounded to the next $100.

You will receive all or a portion of your AD&D benefit amount if you suffer a covered loss within 365 days of an accident.

If you sustain multiple injuries in one accident, only one benefit amount, the largest, will be paid for all of your injuries.

KEY POINTS

You may designate anyone as the beneficiary of your AD&D benefits, and you may change your beneficiary at any time by obtaining a form from your benefits department.

All benefit payments will be made automatically to your designated beneficiary. If no beneficiary is designated, benefit payments will be made to your estate.

EXCLUSIONS AND LIMITATIONS

The plan will not cover any losses that are:

- Related to disease.
- Caused by a physical or mental illness, medical or surgical treatment, or infection (except pus-forming infections that result from an accidental cut or wound, or botulism and ptomaine poisoning).
- Caused by any war or act of war (or other international armed conflict), whether declared or not.
- Caused by suicide or attempted suicide while sane, or any intentionally self-inflicted injury.

Naming Your Beneficiary

You may designate anyone as the beneficiary of your AD&D benefits, and you may change your beneficiary at any time by obtaining a form from your benefits department.

The change will become effective when your benefits department receives the completed form. It will be effective as of the date you signed the request, regardless of whether you are alive at the time the department receives it. However, benefits that have been paid before the company received the change will remain the property of the person who received them, and will not be paid to the new beneficiary.

PAYMENT OF BENEFITS

All benefit payments will be made automatically to you or your designated beneficiary. If no beneficiary is designated, benefit payments will be made to your estate.

If the benefit payment is $10,000 or more, an account called a "guaranteed access account" is automatically established for you or your beneficiary, and the payment is placed in this account. (If the benefit payment is less than $10,000, you or your beneficiary will receive a single payment by check.) You or your beneficiary may withdraw the entire amount of the account at once, or only a portion at a time (minimum $250), leaving the balance to accumulate interest.

If you suffer a loss that is covered by the AD&D plan, you or your beneficiary should contact your benefits department to file a claim. In the event of death, your beneficiary must provide a certified copy of the death certificate. For any AD&D claim, a medical or coroner's report must be supplied.

The insurance company has the right to require a physical examination and an examination of records of anyone making a claim.

When Your Coverage Ends

AD&D coverage ends on the earliest of the following dates:

- The plan is terminated.
- Your employment ends.
- The date of your death.
- The date you cease to be a disabled employee, unless you return to active employment.
- The date you retire and do not meet the plan's specific definition of a retired employee.
- The date you are no longer eligible.
- The date you attain age 65, unless you are an active employee.

CONTINUATION OF AD&D COVERAGE

You may continue your AD&D coverage when you are not working for the company, under certain circumstances.

If you are a disabled employee who is receiving benefits under the company's long-term disability plan for salaried employees, your AD&D coverage continues during your disability at no cost to you, until age 65. If you recover from your disability, coverage will end 31 days after your recovery, unless you return to active work with the company.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Your coverage will be continued while you are on a leave of absence that's authorized under the company's family and medical leave policy.

AD&D coverage may not be converted to an individual policy.

Key Terms

BASIC ANNUAL SALARY

The employee's basic annual salary as shown on the company's records, which does not include overtime, special allowances or salary for foreign service, awards from any special compensation or similar plan, and payments from any other employee benefit plan.

BENEFICIARY

The person you designate to receive payment of your life insurance or accidental death benefit.

COMPANY

Peabody Holding Company, Inc., and its subsidiaries and affiliates.

However, the plan does not cover:

- Former salaried employees of Eastern Associated Coal Corp. or NuEast Mining Corp. who are retired employees with an effective date before March 1, 1990, as described in these definitions.
- Disabled salaried employees of Eastern Associated Coal Corp. or NuEast Mining Corp. who are receiving benefits under the Eastern Gas and Fuel Associates long-term disability plan on March 31, 1987.

DISABLED EMPLOYEE

Any employee who is receiving company-paid salary continuance or receiving benefits under the company's long-term disability plan for salaried employees.

EMPLOYEE

Any full-time salaried employee of the company who is scheduled to work at least 30 hours per week or is considered to be a full-time salaried employee while on vacation, prepaid retirement or assignment by the company, and who is not a disabled employee or retired employee.

This definition does not include any part-time or temporary employees, or any person who is a non-resident alien and who receives no income from the company that constitutes income from sources within the United States as defined by Section 861(a)(3) of the Internal Revenue Code.

INSURANCE COMPANY

John Hancock Mutual Life Insurance Company.

ON COMPANY BUSINESS

Work that's assigned or authorized by the company away from your usual workplace, for the purpose of furthering the business of the company. It does not include:

- Travel within your usual place of employment.
- Regular travel between your home and the place where you most frequently report to work.
- Travel while on vacation.

It will always include any time you are temporarily or permanently assigned to work outside your home country, including travel to and from your home country—but not travel within your home country that is excluded above.

RETIRED EMPLOYEE

A former salaried employee who has separated from service with the company due to retirement, and begins to receive a retirement benefit under a retirement plan maintained by the company within 31 days. To be considered a retired employee for the purposes of the plan, you must be age 55 with at least 10 years of service.

SPOUSE

Your legal partner in marriage by a civil or religious ceremony. Common-law marriage is not recognized by the plan.

SURVIVING SPOUSE

Your spouse surviving after your death, who at the time of your death was living with you or supported by you.

Plan Administration Information

PLAN NAME

The Peabody Group Health and Life Plan for Salaried Employees.

TYPE OF PLAN

Life insurance, accidental death and dismemberment, medical, dental and vision care benefits. Medical, dental and vision care benefits are described in separate summary plan description booklets.

EMPLOYER IDENTIFICATION NUMBER

The employer identification number assigned to the company by the Internal Revenue Service is 13-2871045.

PLAN NUMBER

501

PLAN FISCAL YEAR

January 1 to December 31

PLAN SPONSOR

Peabody Holding Company, Inc., and its subsidiaries and affiliates.

You may direct correspondence to:
Peabody Holding Company, Inc.
701 Market Street, Suite 700
St. Louis, Missouri 63101-1826

PLAN ADMINISTRATOR

Peabody Holding Company, Inc.
701 Market Street, Suite 700
St. Louis, Missouri 63101-1826

CLAIMS ADMINISTRATOR

John Hancock Mutual Life Insurance Company
Group Life and Disability Division, Dept. B-2
John Hancock Place
P.O. Box 111
Boston, Massachusetts 02117

AGENT FOR SERVICE OF LEGAL PROCESS

The agent for service of legal process varies by state. To determine the appropriate agent for your location, you may contact:

Peabody Holding Company, Inc.
701 Market Street, Suite 700
St. Louis, Missouri 63101-1826
(314) 342-3400

Your ERISA Rights

As a participant in this plan, you are entitled to certain rights under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides that all plan members shall be entitled to:

- Examine, without charge, at the plan administrator's office and at other specified locations, all plan documents, including insurance contracts and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The plan administrator may make a reasonable charge for copies.

- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If you believe that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees—for example, if it finds your claim is frivolous.

If you have any questions about your plan, you should contact the plan administrator.

KEY POINTS

Under the law, you have certain rights as a participant in this plan.

KEY POINTS

If your claim is denied or you disagree with the handling of a claim, you have a right to appeal the decision.

Most of your questions can be answered if you call or write the insurance company.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the U.S. Labor Management Services Administration, Department of Labor.

IF YOUR CLAIM IS DENIED

If any portion of a claim is not paid, or if you do not understand or do not agree with the handling of a claim, there are several things that you can do to appeal the decision. Most of your questions can be answered quickly and efficiently if you call or write the insurance company.

If your claim for a plan benefit is denied or reduced, you or your beneficiary will be notified in writing within 90 days unless special circumstances require extra time for processing. If such a time extension is necessary, you will receive written notice before the end of 90 days. This notice will tell you why additional time is needed and the date you can expect a final decision. This decision must be made within 90 days after the end of the initial 90-day period.

If a claim is denied, you or your beneficiary will receive a notice that includes:

- The specific reason for the denial.
- A specific reference to the plan provisions on which the denial is based.
- A description of any additional material or information necessary for you to substantiate your claim and an explanation of why such material is needed.
- An explanation of the plan's claim review procedures.

The insurance company intends to respond to claims promptly. However, if you do not receive a response within 90 days, allowing reasonable time for mailing, you may proceed to the claim review stage.

Within 60 days after receiving notice that your claim has been denied, or if you do not receive a timely response as described above, you or your authorized representative (such as an attorney) may submit a written request for review. This request should be directed to the insurance company at the address shown in the *Plan administration information* section under "claims administrator."

In your request, state the reasons you believe the claim should not have been denied, and submit any additional supporting information, material or comments you consider appropriate. You may review any pertinent documents related to the claim.

The insurance company will make a decision on the review within 60 days after receiving your request. If special circumstances require an extension of time for processing, you will be notified within 60 days. A decision will be made as soon as possible, but no later than 120 days after you first make the request for review.

The decision will be in writing and will include specific references to the plan provision on which it is based. All decisions by the insurance company will be final.

AMENDING THE PLAN

The plan is adopted with the intention that it will be continued for the benefit of present, future and retired employees of the company. However, the company reserves the right to terminate the plan, change required contributions, or modify this plan in whole or in part at any time or for any reason, including changes in any and all of ~~the benefits~~ provided. This may cause employees and retired employees to lose all or a portion of their benefits under the plan, but will not affect the right of any employee or retiree to be reimbursed for any covered loss that he or she has already incurred, or to which he or she has already become entitled under the plan.

This means that an employee or retiree cannot have a lifetime right to any plan benefit or to the continuation of this plan simply because this plan or a specific benefit is in existence at any time during the employee's employment or retirement. This plan will comply with all requirements of the law and will be changed, if necessary, in order to meet any such requirements.

1/95