

SOUTHERN CALIFORNIA DAIRY INDUSTRY SECURITY FUND

c/o Southwest Administrators • 1000 South Fremont Avenue, Building A-9 West Alhambra, California 91803
P.O. Box 1121, Alhambra, CA 91802 • (626) 284-4792

May 1, 2011

**TO: ALL ACTIVE PARTICIPANTS COVERED UNDER THE
SOUTHERN CALIFORNIA DAIRY INDUSTRY SECURITY FUND**

FROM: THE BOARD OF TRUSTEES

RE: 30-DAY SPECIAL ENROLLMENT FOR ADULT DEPENDENT CHILDREN UP TO AGE 26

The Patient Protection and Affordable Care Act (Act) requires group health plans to extend coverage to adult dependent children up to age 26 on the first day of the plan year beginning after September 23, 2010. Adult dependent children whose coverage ended (or who were denied coverage or were not eligible for coverage) because the availability of coverage for dependent children ended before attainment of age 26 are now eligible to enroll in the Southern California Dairy Industry Security Trust Fund (Fund). Enrollment for such children will be effective June 1, 2011, since that is the first day of the Fund's plan year beginning after September 23, 2010.

A special enrollment period for eligible adult dependent children will be provided from May 1, 2011 through May 30, 2011 for coverage effective June 1, 2011. You may request enrollment for such children by completing the enclosed enrollment application and Dependent Certification form. These forms must be submitted to the Administrative Office on or before May 30, 2011.

Your adult dependent child's benefits will be effective June 1, 2011 provided you send your forms to the Administrative Office on time and they have been approved. If the forms are not returned by May 30, 2011, coverage will be available on the first day of the month following the date Southwest Administrators received the required forms. The next page of this notice lists the required documents and information which you must provide to complete the enrollment process.

Please also be advised that:

- In order to have your adult dependent children enrolled and covered for benefits, effective June 1, 2011, you must complete and return the enclosed enrollment Application and Certification to the Administrative Office on or before May 30, 2011.
- Adult dependent children under age 26 are no longer required to be enrolled and attending college or other educational institutions to qualify for benefits.
- Adult dependent children are no longer required to be financially dependent upon you for support.
- Adult dependent children may be married; however, coverage will not extend to the dependent's spouses or children.
- Adult dependent children cannot be eligible to participate in any employer-sponsored group health plan either through their own employment or their spouse's. However, adult dependent children can be eligible to participate in their other parent's employer-sponsored group health plan.
- Adult dependent children whose coverage under the Fund has already ended, or who were previously not eligible to enroll in the plan because of age are now eligible to enroll if under age 26. You may enroll them during this special enrollment period.
- When an adult dependent child reaches age 26, coverage will terminate effective at the end of the month in which the dependent turns 26. The adult dependent child can continue coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) at their own expense by paying the monthly premiums.

See the reverse side of the notice for instructions on how to enroll your adult dependent child. For more information contact the Administrative Office at 877-350-4792 extension 612.

INSTRUCTIONS

In order to assist the Administrative Office in ensuring that your eligible adult dependent children are properly enrolled, please read and follow the instructions below.

- Complete the Special Enrollment and Dependent Certification form, and list all adult dependent children you wish to enroll in health benefits (if necessary attach additional sheets of paper to the form). On this list, be sure to provide dates of birth and Social Security numbers for all dependent children. This information is mandatory.
- Provide verification of dependent status as follows:
 - a) Natural children – original birth certificate for each child up to age 26.
 - b) Stepchildren – original birth certificate and original marriage certificate (issued by the state).
 - c) Adopted children – final adoption papers.
 - d) Children for whom you or your spouse have court appointed legal guardianship – copy of court order establishing proof of legal guardianship and also all future amendments or terminations to such order.
 - e) Disabled dependent – must meet the disability standards of the plan and must be enrolled prior to age 26. An unmarried disabled dependent child 26 years or older is eligible if the child is chiefly dependent upon you for support and maintenance and is totally prevented from earning a living because of a mental or physical disability. The disabled child must have been so disabled before age 26.

For a disabled child 26 years or older, proof of disability and dependency must be furnished within 31 days following such child's 26th birthday and at any other time as required by the Trustees or the Administrative Office.

DEPENDENTS FOR WHOM THE REQUIRED DOCUMENTATION IS NOT RECEIVED WILL NOT BE COVERED.

EFFECTIVE DATE OF COVERAGE:

Coverage will begin on June 1, 2011, provided necessary documentation is received by the Administrative Office within the special enrollment period.

TERMINATION OF DEPENDENT COVERAGE:

Coverage for your dependents will terminate when the employee's coverage terminates or whenever your dependents cease to be eligible dependents, whichever is earlier, or upon discontinuance of the Plan.

Complete and return the Special Enrollment and Dependent Certification form along with copies of the required documents to:

Southern California Dairy Industry Security Fund
c/o Southwest Administrators, Inc.
PO Box 1121
Alhambra, CA 91802-1121
Phone: (877) 350-4792, extension 612

THIS NOTICE IS PROVIDED TO GIVE A NEW ENROLLMENT OPPORTUNITY FOR CHILDREN OVER AGE 19 WHO WERE NOT PREVIOUSLY ELIGIBLE FOR COVERAGE OR WHOSE COVERAGE ENDED BEFORE REACHING AGE 26. YOU DO NOT HAVE TO COMPLETE AND RETURN ANY FORMS FOR DEPENDENT CHILDREN WHO ARE CURRENTLY COVERED DEPENDENTS. YOU WILL STILL BE REQUIRED TO COMPLETE CERTAIN FORMS AND PROVIDE DOCUMENTATION WHEN ADDING A NEW DEPENDENT SUCH AS A NEWBORN CHILD FOR THE FIRST TIME.

**Southern California Dairy Industry Security Fund
Certification of Adult Dependent Child's Coverage Eligibility**

If your otherwise eligible adult dependent child between the ages of 19 up to 26 has group health coverage available through another employer (other than through another parent's employment), your child is ***not*** allowed to enroll in the Southern California Dairy Industry Security Fund (Fund). The Fund's coverage under all of its various benefit packages are "grandfathered health plans" under the Patient Protection and Affordable Care Act. Since its benefit packages are grandfathered, the Fund is not required to cover your dependent child until age 26, if that child is eligible for employment-based health coverage, except through a parent. (Example: If you are the father, health coverage available from your child's mother's employer does not make the child ineligible. You can enroll your child in this Fund, even though he has coverage available through his mother. But if your child has his own job, or your child's spouse has a job, and your child is eligible for health coverage as a result, you may not enroll that child in this Fund. That child is not eligible under this Fund.)

You must complete the information listed below for each adult dependent child between the ages of 19 up to 26, and return this form to the Administrative Office to certify whether or not other coverage is available. In addition, if your dependent child enrolls now, but later becomes eligible for coverage under the group health plan of another employer, you must notify the Administrative Office of this new eligibility in writing within 31 days.

Employee Name _____ SSN _____

Child's Name _____ SSN _____

- My adult dependent child **is eligible** for other employer-based health coverage (other than through a parent). Please sign below and provide a description of the source of the other health coverage (such as the name of the other employer or plan): _____.

I further understand that if such other coverage is lost, and my child is still otherwise eligible for coverage under this plan, then my child can enroll in this Fund under HIPAA's special enrollment rules as prescribed under federal law.

Signed _____ Date _____

- My adult dependent child **is not eligible** for other employer-based health coverage through his or her job or that of his or her spouse's. If your child is not eligible for such other coverage, you **must** sign and return the declaration below -- within the timeframe required by the Fund for enrollment forms to be returned -- before your child may be covered under the Fund.

I hereby certify, under penalty of perjury, that my child is not eligible for his or her own (or through his or her spouse's) employer-based group health coverage. I further certify that should my child become eligible for such other group coverage at a future date that I will notify the Administrative Office in writing within 31 days to notify the Fund of such eligibility. I further understand that any misrepresentation on this form or failure to notify the Administrative Office of any of these changes can result in the potential loss of COBRA coverage as allowed by federal law. I also understand that the Fund may recover monies that were wrongfully paid on behalf of such dependent, suspend the payment of benefits to an employee or his dependent, or withhold and offset such benefits for claims incurred on behalf of any employee or dependent who owes money to the Fund.

Signed _____ Date _____

Please sign and mail this Certification to:

Southern California Dairy Industry Security Fund
c/o Southwest Administrators, Inc.
PO Box 1121
Alhambra, CA 91802-1121