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■ ■ ■ **DATED MATERIAL PLEASE READ IMMEDIATELY** ■ ■ ■

October 6, 2010

TO THE HUMAN RESOURCES OFFICER ADDRESSED

Medicare Part D regulations require that employers who provide prescription drug coverage to Medicare-eligible individuals are required to disclose whether coverage under their plan is credible prescription drug coverage. Essentially, an employer's plan is considered to provide credible prescription drug coverage if the prescription drug coverage under that plan is at least as good as the standard Medicare prescription drug coverage.

All the prescription drug coverage options provided through the New Jersey Bankers Association Employee Benefits Trust (EBT) have been determined to be credible.

Please find attached a Disclosure Notice that you may use to satisfy your employer's required credible coverage disclosure requirements. The deadline that you must provide notice of credible coverage to all Part D-eligible participants is November 15, 2010. This requirement applies to Medicare beneficiaries who are active employees and those who are retired, as well as Medicare beneficiaries who are covered as spouses under active or retiree coverage. It is our opinion that you should distribute the notice to all EBT enrolled employees, retirees and directors regardless of Part D-eligibility so as not to miss a spouse or dependent child of whom you may not be aware.

You have flexibility in the form and manner of providing Disclosure Notices to beneficiaries. The Disclosure Notice need not be sent as a separate mailing. The Disclosure Notice may be provided with other plan participant information materials (including enrollment and/or renewal materials). You may provide a single Disclosure Notice to the covered Medicare individual and all Medicare eligible dependent(s) covered under the same plan. However, you are required to provide a separate Disclosure Notice if it is known that any spouse or dependent that is Medicare eligible resides at a different address than where the participant/materials were mailed.

You can provide a Disclosure Notice through electronic means only if the Medicare beneficiary has indicated to you that he/she has adequate access to electronic information. You must not take the right to provide beneficiary material via electronic means as a permissible way to deliver documents to all beneficiaries. Before beneficiaries agree to receive their information via electronic means, they must be informed of their right to obtain a paper version, how to withdraw their consent, update address information, and identify any hardware or software requirements to access and retain the credible coverage disclosure.

If the beneficiary consents to an electronic transfer of the notice, a valid e-mail address must be provided to you and the consent from the beneficiary must be submitted electronically to you. This ensures the beneficiary's ability to access the information as well as ensure that the system for furnishing these documents results in actual receipt. In addition to having the Disclosure Notice sent to the beneficiary's email address, the notice must be posted on your website, if applicable, with a link to the credible coverage Disclosure Notice on your home page.

If you choose to incorporate credible coverage disclosures with other plan participant information, then the disclosures must be prominent and conspicuous. This means that the statements (or a reference to the section in the document being provided to the beneficiary that contains the required statement) must be prominently referenced in at least 14-point font in a separate box, bolded, or offset on the first page that begins the plan participant information being provided:

Example of reference to credible coverage requirements:

If you have Medicare or will become eligible for Medicare in the next 12 months, Federal law gives you more choices about your prescription drug coverage. Please see page xx for more details.

Employers are required to provide credible coverage status to Part D-eligible members (again, we recommend that notice be provided to all EBT enrolled employees, directors and retirees regardless of Part D-eligibility) on an ongoing basis at the following times:

- Prior to the Medicare Part D Annual Coordinated Election Period beginning on November 15 of each year;
- Prior to an individual's initial enrollment period;
- Prior to the effective date of coverage for any Medicare-eligible individual that joins your plan;
- Whenever prescription drug coverage ends or changes so that it is no longer credible or becomes credible; or
- Upon the request of a beneficiary.

BCG will provide updates to model Disclosure Notices as necessary. For your convenience, an electronic version of the enclosed Disclosure Notice has been posted at our website www.bankerscoopgroup.com for additional printing.

Encl.

Part D Credible Covg Notification 11152010.doc

Important Notice from The Jersey Bankers Association Employee Benefit Trust About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with EBT and about your options under Medicare's prescription drug coverage.

This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. EBT has determined that the prescription drug coverage offered by Aetna is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

CMS Form 10182-CC Updated January 1, 2009

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current EBT coverage will be affected.

If you decide to enroll in a Medicare prescription drug plan and drop EBT prescription drug coverage, be aware that you and your dependents are also dropping the medical portion of the plan and you will not be able to re-enroll in the EBT plan until the next open enrollment date.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with EBT and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact Bankers Cooperative Group, Inc. at 1-800-526-1309.

NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through EBT Entity] changes.

You also may request a copy of this notice at any time.

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For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

Visit www.medicare.gov

Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help

Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of a Credible Coverage notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Contact Bankers Cooperative Group, Inc. at 1-800-526-1309 to secure a Credible Coverage Notice.

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