

Benefits Handbook Date July 1, 2009

# Participating in Pre-65 Retiree Medical Coverage MMC



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## Participating in Pre-65 Retiree Medical Coverage

*This section explains the eligibility requirements for retiree medical coverage for retirees who are not eligible for Medicare (generally those who are under age 65).*

*If you are eligible for this retiree medical coverage, the medical options available are the same available to active employees in your area. For details on those plans, see the Medical Coverage Options section.*

### Participation Information for Employees and Medicare Eligible Retirees

The eligibility and participation information for the medical plans designed for post-65 retirees is generally contained in the section that describes the applicable plan. See the *Post-65 Retiree Medical Coverage* section.

For active employees, participation details are covered in the *Participating in Healthcare Benefits* section.

## Contents

<b>Eligibility .....</b>	<b>1</b>
Spouses and Domestic Partners .....	1
<b>Enrollment .....</b>	<b>2</b>
<b>Paying for Coverage .....</b>	<b>2</b>
<b>When Coverage Begins .....</b>	<b>8</b>
<b>Medicare Prescription Drug Benefits .....</b>	<b>8</b>

## Eligibility

You are eligible to participate if you:

- are a U.S. salaried employee of MMC or any subsidiary or affiliate of MMC, (other than Kroll, Inc. and any of its subsidiaries) who terminates employment at age 55 or older with at least five years of vesting service, or at age 65 or older.
- are a current retiree under age 65.

When you or a covered family member reach age 65 or are covered by Medicare, you and your family members are no longer eligible for coverage under the pre-65 medical plans. You may be eligible for coverage under the post-65 retiree medical plan. See the *Post-65 Retiree Medical Coverage* section for information.

### As a retiree, can I cover my approved domestic partner under this Plan?

Yes. Domestic partners, and the children of domestic partners, are eligible for retiree medical coverage. Although the Company is not legally required to offer COBRA for domestic partners, the Plan will offer COBRA to approved domestic partners and their child(ren).

## Spouses and Domestic Partners

To obtain spousal or domestic partner coverage, you will need to complete an Affidavit of Eligible Family Membership via MMC Benefits Online declaring that:

### Spouse / Domestic Partner

- You have already received a marriage license from a U.S. state or local authority, or registered your domestic partnership with a U.S. state or local authority; or

### Spouse Only

- Although not registered with a U.S. state or local authority, your relationship constitutes a marriage under U.S. state or local law (e.g. common law marriage or a marriage outside the U.S. that is honored under U.S. state or local law).

### Domestic Partner Only

- Although not registered with a U.S. state or local authority, your relationship constitutes an eligible domestic partnership. To establish that your relationship constitutes an eligible domestic partnership you and your domestic partner must:
  - be at least 18 years old
  - not be legally married, under federal law, to each other or anyone else or part of another domestic partnership during the previous 12 months

- currently be in an exclusive, committed relationship with each other that has existed for at least 12 months and is intended to be permanent
- currently reside together, and have resided together for at least the previous 12 months, and intend to do so permanently, and
- have agreed to share responsibility for each other's common welfare and basic financial obligations
- not related by blood to a degree of closeness that would prohibit marriage under applicable state law.

MMC reserves the right to require documentary proof of your domestic partnership at any time, for the purpose of determining benefits eligibility. If requested, you must provide documents verifying either the registration of your domestic partnership with a state or local authority or your cohabitation and/or mutual commitment.

Once your Affidavit of Eligible Family Membership is completed and processed, you may cover the dependent child(ren) of your spouse or domestic partner.

## Enrollment

### ***How do I enroll for coverage?***

You enroll for coverage by completing the Retiree Medical Coverage Election/Waiver Form. You must enroll within 30 days of your retirement, you may not enroll at a later date.

Additionally, if you enroll for medical coverage at retirement and discontinue it later or if your coverage is terminated for non-payment of contributions, you cannot re-enroll.

## Paying for Coverage

### ***Am I eligible for Company-subsidized retiree medical coverage?***

You are eligible for Company-subsidized retiree medical coverage (the annual increase in Company contributions for retiree medical coverage will not exceed 5%) if you:

- Are participating in the Retiree Medical Plan as of January 1, 2006;
- Are actively employed by MMC or one of its participating subsidiaries as of December 31, 2005 and have, as of that date, either attained age 45 or completed at least 15 years of vesting service; or
- Certain other employees who, in conjunction with a business reorganization in which the employees would no longer be working for an employer participating in the Retiree Medical Plan, retained eligibility for the Retiree Medical Plan provided that they remain employed within MMC's controlled group.

Eligibility for Company-subsidized medical coverage is dependent upon meeting the retiree medical coverage criteria as previously stated in the retiree eligibility section.

### ***Who pays for retiree medical coverage?***

The Company and eligible retirees share the cost of retiree medical coverage, based on retirees' years of service. Retirees with less than 10 years of vesting service pay the full cost of retiree medical coverage. The Company determines the cost to be borne by the retiree, and the Company pays the remainder of the cost.

### ***How much do I have to pay if I am eligible for Company-subsidized retiree coverage?***

The cost of Company-subsidized retiree medical coverage (if you satisfy the eligibility requirements) depends on your age, length of Company service, date of hire and the level of coverage you choose.

The cost of retiree coverage takes into consideration the increased cost in providing coverage for retirees.

The annual increase in Company contributions for retiree medical coverage will not exceed 5%.

### ***PPO Rates***

2009 Plan Year Costs	Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
Years of service			
<b>Less than 10 years*</b>	\$709.59	\$1,419.18	\$2,128.77
<b>10-14</b>	\$611.30	\$1,222.59	\$1,833.89
<b>15-19</b>	\$513.00	\$1,026.00	\$1,539.00
<b>20-24</b>	\$414.71	\$829.41	\$1,244.12
<b>25 and more</b>	\$316.41	\$632.82	\$949.23

\* If you are a former Sedgwick employee who retired prior to July 1, 2001 your contributions are equal to that of a retiree with less than 10 years of service.

***EPO Rates***

2009 Plan Year Costs Years of service	Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
<b>Less than 10 years*</b>	\$685.84	\$1,371.69	\$2,057.53
<b>10-14</b>	\$584.96	\$1,169.92	\$1,754.88
<b>15-19</b>	\$484.07	\$968.15	\$1,452.22
<b>20-24</b>	\$383.19	\$766.38	\$1,149.57
<b>25 and more</b>	\$282.30	\$564.61	\$846.91

\* If you are a former Sedgwick employee who retired prior to July 1, 2001 your contributions are equal to that of a retiree with less than 10 years of service.

***CDHP Rates***

2009 Plan Year Costs Years of service	Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
<b>Less than 10 years*</b>	\$494.56	\$989.11	\$1,483.67
<b>10-14</b>	\$422.82	\$845.64	\$1,268.46
<b>15-19</b>	\$351.08	\$702.17	\$1,053.25
<b>20-24</b>	\$279.35	\$558.70	\$838.05
<b>25 and more</b>	\$207.61	\$415.23	\$622.84

\* If you are a former Sedgwick employee who retired prior to July 1, 2001 your contributions are equal to that of a retiree with less than 10 years of service.

***Kaiser Rates***

2009 Plan Year Costs Years of service	Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
<b>Less than 10 years*</b>	\$360.96	\$721.92	\$1,082.88
<b>10-14</b>	\$318.31	\$636.62	\$954.93
<b>15-19</b>	\$275.66	\$551.32	\$826.98
<b>20-24</b>	\$233.01	\$466.02	\$699.02
<b>25 and more</b>	\$190.36	\$380.72	\$571.07

\* If you are a former Sedgwick employee who retired prior to July 1, 2001 your contributions are equal to that of a retiree with less than 10 years of service.

***Hawaii PPO Rates***

2009 Plan Year Costs Years of service	Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
<b>Less than 10 years*</b>	\$389.72	\$779.44	\$1,169.16
<b>10-14</b>	\$339.26	\$678.51	\$1,017.77
<b>15-19</b>	\$288.79	\$577.58	\$866.37
<b>20-24</b>	\$238.33	\$476.65	\$714.98
<b>25 and more</b>	\$187.86	\$375.72	\$563.59

\* If you are a former Sedgwick employee who retired prior to July 1, 2001 your contributions are equal to that of a retiree with less than 10 years of service.

***Hawaii EPO Rates***

2009 Plan Year Costs Years of service	Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
<b>Less than 10 years*</b>	\$366.38	\$732.76	\$1,099.14
<b>10-14</b>	\$319.72	\$639.44	\$959.16
<b>15-19</b>	\$273.06	\$546.12	\$819.18
<b>20-24</b>	\$226.40	\$452.80	\$679.19
<b>25 and more</b>	\$179.74	\$359.48	\$539.21

\* If you are a former Sedgwick employee who retired prior to July 1, 2001 your contributions are equal to that of a retiree with less than 10 years of service.

***How much do I have to pay if I am not eligible for Company-subsidized retiree coverage?***

If you are not eligible for Company-subsidized retiree medical coverage, you pay the full monthly cost for coverage based on the MMC Retiree Medical Plan's group rates.

The cost of unsubsidized retiree medical coverage depends on the level of coverage you choose.

***PPO Rates***

2009 Plan Year Costs Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
\$709.59	\$1,419.18	\$2,128.77

***EPO Rates***

2009 Plan Year Costs Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
\$685.84	\$1,371.69	\$2,057.53

***CDHP Rates***

2009 Plan Year Costs Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
\$494.56	\$989.11	\$1,483.67

***Kaiser Rates***

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\$360.96	\$721.92	\$1,082.88

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***Hawaii EPO Rates***

2009 Plan Year Costs Monthly cost for Individual coverage	Monthly cost for retiree +1 family member	Monthly cost for family coverage (with all members under age 65)
\$366.38	\$732.76	\$1,099.14

***What happens if I am eligible for Company-subsidized retiree medical coverage, retire and am later rehired?***

If you are eligible for Company-subsidized retiree medical coverage, retire and are later rehired, you will retain your eligibility for the retiree medical coverage, provided you initially retired from a participating Company with at least 10 years of vesting service (meeting the current minimum service requirement for the Company subsidy) and you elected MMC retiree medical coverage when you initially retired and were still covered under the Plan when you were rehired.

If you are eligible for the retiree medical coverage (retire from a participating MMC Company at age 55 or older with at least five years of vesting service or age 65 or older), you will forfeit the retiree medical coverage and will not be eligible for any retiree medical coverage when you retire again from the Company if any of the following occur:

- you leave the Company before you are eligible for retirement
- you do not initially retire from a participating Company
- you leave a participating Company after you are eligible for retirement and either you do not elect retiree medical coverage or you drop the coverage prior to the date of your rehire.

## When Coverage Begins

### ***When does retiree coverage begin?***

The coverage, if elected, is effective on your retirement date and continues for as long as the coverage is offered by the Company or until you or your covered family member attain age 65, if earlier, provided you pay the required contributions within 30 days of the contribution due date. If you terminate employment in the middle of the month, your employee coverage continues until the end of the month. There will be no lapse in coverage. If you do not enroll within 30 days of your retirement, you may not enroll at a later date.

Additionally, if you enroll for medical coverage at retirement but discontinue it later or if your coverage is terminated for non-payment of contributions, you cannot re-enroll.

## Medicare Prescription Drug Benefits

### ***What happens if I am a retiree and I enroll for a Medicare Prescription Drug Plan?***

The Medicare Modernization Act (MMA) added a voluntary prescription drug benefit to the Medicare Program effective January 1, 2006. If you are currently enrolled in MMC medical coverage and you enroll in Medicare prescription drug coverage, you and your covered family members will lose all coverage under the MMC medical plans beginning on the date your Medicare prescription drug coverage takes effect. If you later decide you no longer want Medicare prescription drug coverage, you may not re-enroll in MMC medical coverage in the future.