

SEAFARERS HEALTH AND BENEFITS PLAN

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Margaret R. Bowen
Administrator

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Dear Pensioner:

The Trustees of the Seafarers Health and Benefits Plan are pleased to announce that the Plan is changing its Network Services Provider to CIGNA HealthCare effective July 1, 2007. Participants will continue to be covered under the First Health Network until June 30, 2007.

Important Note: This Network change only applies to pensioners, and/or their dependents, who are not eligible for Medicare benefits. If you and/or your dependent are eligible for Medicare benefits, then the CIGNA medical network does not apply to you. You will continue to be covered under Medicare as your primary payor and Seafarers Health and Benefits Plan (SHBP) as a secondary payor.

Please read the entire letter as there are other changes in this letter that apply to both Medicare and non-Medicare eligible participants.

As stated in various LOG articles and other communications to Plan participants, the Seafarers Health and Benefits Plan, under the direction of its Trustees, continuously evaluates methods of reducing costs without placing any additional burden on our participants.

The Trustees completed an exhaustive search to improve network access, enhance access to state-of-the-art programs and ensure that quality service would be provided to the participants and their families. At the same time, it was critical that the new network provider be able to provide greater network discounts and care management savings to ensure the Plan's fiscal integrity. **Please be assured that the medical benefits and benefit levels remain the same, while reducing Plan deductibles as of January 1, 2008.**

For questions about benefits specific to your covered benefit level, please consult your Summary Plan Benefit Description booklet. If you do not have a booklet, please call the Claims Department at 1-800-252-4674 or access the Seafarers website at: www.seafarers.org to view or print the booklet regarding Pensioner benefits.

New Deductibles

Effective January 1, 2008, Plan medical deductibles will be reduced by 50% for pensioners and their dependents. If you and your spouse are not eligible for Medicare, the amount of the annual deductible will be \$375 per person, but not more than \$750 per family. If you and your spouse are eligible for Medicare, the amount of the annual deductible will be \$125 per person but not more than \$250 per family. For pensioners and/or their dependents that are not eligible for Medicare, there is no change to the first day hospitalization deductible of \$450 and the Emergency Room co-pay of \$300. For pensioners and/or their dependents that are eligible for Medicare, there is no change to the requirement to pay the first \$300 of the Medicare co-insurance amount.

**Medicare Eligible Pensioners:
New SHBP I.D. Cards and Claims Submission Procedures**

If you are an eligible participant in the Plan *and you and/or your dependent are covered under Medicare*, a new SHBP I.D. card will be sent to you in June. **THIS CARD IS NOT VALID UNTIL JULY 1, 2007.** You will need to use this card for all medical services rendered on and after July 1, 2007. The new card includes important claims submission information for Hospital and Medical providers. If you do not receive a SHBP I.D. card by the end of June, and you believe that you are entitled to benefits under this Plan, please contact the Seafarers Claims Department at 1-800-252-4674. ***Important Note: You should destroy your First Health Network Medical I.D. card after July 1, 2007 as it will no longer be valid as of that date.***

CIGNA Network

This change to CIGNA is a very positive one for the participants and the Plan. Eligible participants, as defined in the Rules and Regulations of the Plan, who use a provider or hospital within the CIGNA HealthCare Network, will incur no balance billing; however, claims will still continue to be processed and paid in accordance with the Rules and Regulations of the Plan. If your provider or facility is not in the CIGNA HealthCare network, then your claims will be processed as non-network claims as they have in the past.

This letter will introduce you to CIGNA HealthCare and also answer some frequently asked participant questions.

**Non-Medicare Eligible Pensioners:
New CIGNA I.D. Cards and Claims Submission Procedures**

In order for providers to identify eligible participants in the Seafarers Health and Benefits Plan as participants in the CIGNA HealthCare Network, new Medical Benefit I.D. cards must be issued. **If you are an eligible participant in the Plan and you and/or your dependent are not covered under Medicare**, a new CIGNA I.D. card will be sent to you in June. **THIS CARD IS NOT VALID UNTIL JULY 1, 2007.** You will need to use this card for all medical services rendered on and after July 1, 2007. The new card includes important benefits and claims submission information for the CIGNA Hospital and Medical Providers. If you do not receive a CIGNA I.D. Card by the end of June, and you believe that you are entitled to benefits under this Plan, please contact the Seafarers Claims Department at 1-800-252-4674. ***Important Note: You should destroy your First Health Network Medical I.D. card after July 1, 2007 as it will no longer be valid as of that date.***

CIGNA HealthCare Network – A Vast Improvement in Network Access

The new CIGNA program has in and out-of-network benefits just like our existing network provider. Under the new CIGNA network, you do not need a referral to see a specialist and you do not need to select a Primary Care Physician. The CIGNA network has the same freedom of provider choice as our current network provider. The new CIGNA network will provide you and your family with a number of enhancements as outlined below.

Effective June 1, 2007, you can contact CIGNA at a special Seafarers' pre-enrollment number, 1-800-564-7642, to determine if your provider is in the CIGNA network. **Important Note: This phone number is only active from June 1 through June 30, 2007.** Beginning July 1, 2007, you will contact CareAllies (subsidiary of CIGNA) at 1-800-768-4695 to obtain provider information.

You may also visit the CIGNA HealthCare website at: www.cigna.com/SA-PPO2 to determine if your provider is in the CIGNA network. **Important Note: The second-to-last letter in the CIGNA web address is the capital letter "O" rather than a zero, and the web address is case-sensitive. CIGNA has different networks within its organization so you should type in the entire web address listed above rather than going to the CIGNA home page. You may also access the CIGNA link through: www.seafarers.org/members.**

If your doctor/provider is not in the CIGNA network and you would like CIGNA to contact your doctor, please request a Provider Nomination form from the Seafarers Claims Department at 1-800-252-4674.

Medical Care Management Enhancements through the New CIGNA Program

The following additional enhancements are available through the new CIGNA program through a CIGNA subsidiary called CareAllies, the nation's leading provider of member-friendly, effective care management programs. These programs are intended to improve your health, make the benefits program more convenient and easier to use, help you access the right level of care, and help the Plan control future claims expenses. These CIGNA programs are available to you as of July 1, 2007.

24-Hour NurseLine. This program provides toll-free telephone access to medical care professionals 24-hours a day and 365-days a year. This voluntary, toll free line is perfect for new mothers with lots of questions, for parents looking for home care suggestions so that they may avoid a trip to the emergency room, for participants with questions on illnesses or health related news topics like how to treat the flu, treating a fever, etc. The telephone number for NurseLine is 1-800-768-4695, and is available to you on or after July 1, 2007.

Maternity Management. Our participants now have access to a voluntary maternity management program that works to achieve a healthy outcome for both mother and baby. As part of this program, participants receive valuable prenatal guidance and are given access to a toll-free, 24-hours a day, 365-days a year, answer line. A high-risk maternity screening is also conducted through this program and when necessary, maternity and prenatal care is subsequently coordinated and supported through a CIGNA Case Management nurse to increase the likelihood of a healthy delivery for mother and baby. Participants should call 1-800-768-4695 to access these services on or after July 1, 2007.

myCareAllies.com: There are several other unique services available to Plan participants through myCareAllies.com which we strongly encourage you to utilize. These services will enable you to:

- Visit an electronic Health Library to learn about medical conditions, check your symptoms, and helpful questions to ask your doctor, etc. You can also take a Health Risk Assessment to help you determine what medical conditions you are

at risk of getting over time due to your personal habits and family history, and what to do to reduce the chances of getting these conditions.

- You can also review medications and their potential interactions and alternatives; review preventative care tips and gain access to tools to quit smoking, lose weight, and live a healthier life.
- Access to CIGNA's Healthy Rewards Program. **The program will provide participants with access to discounts on treatments and items that are not covered under the benefit levels of the Seafarers Health and Benefits Plan.** For example, effective July 1, 2007 participants will have access to discounts as high as 25%-50% for Lasik surgery, cosmetic items, massage therapy, fitness memberships, etc.
- On July 1, 2007, you may visit the myCareAllies.com website at: www.myCareAllies.com . Our Plan specific password is Seafarers.

Hospital Pre-Admission Certification Program

As with your current network program, the new CIGNA program will include a Hospital Pre-Admission Certification Program. The hospital must contact CIGNA to pre-certify your inpatient stay **PRIOR** to the hospital stay. All inpatient stays will need to be pre-certified after July 1, 2007 with CareAllies (wholly owned by CIGNA). Failure to obtain pre-certification may affect benefits. In an emergency, seek care immediately, and then call your doctor as soon as possible for further assistance and direction on follow-up care within 48 hours. The pre-admission certification number is 1-800-768-4695.

Case Management

The new CIGNA program includes Case Management, which is a patient-focused program that is intended to provide assistance and care coordination to chronically or critically ill participants (i.e., cancer, serious spinal cord injury, diabetes, heart disease, etc). You may call CareAllies at 1-800-768-4695 to speak with a case manager to engage in this helpful voluntary program.

Transition of Care

Transition of Care benefits are intended to provide coverage for participants with certain medical conditions for ongoing treatment with physicians who are not part of the CIGNA HealthCare network (non-participating) for a certain period of time. This allows coverage for continued, uninterrupted care until safe transfer of care to a participating physician or facility can be arranged. More information about this benefit, and the necessary forms to apply, will be included with the package you will receive in June. Some examples of acute medical conditions that may qualify for Transition of Care benefits include but are not limited to:

- Pregnancy in the second or third trimester as of July 1, 2007.
- Newly diagnosed or relapsed cancer in the midst of chemotherapy, radiation therapy or reconstruction.

- Trauma.
- Recent major surgery.
- Acute conditions in active treatment such as heart attacks, strokes, unstable chronic conditions, etc.

If you believe that you may qualify for this benefit, and you want to review the eligibility requirements prior to receiving the June letter, please contact the Seafarers Claims Department at 1-800-252-4674 and they will forward the information to you. **Important Note: Participants must apply for Transition of Care benefits on July 1, 2007 or no later than July 31, 2007.**

Dental Network – All Pensioners

Seafarers Health and Benefits Plan will also participate in CIGNA's Shared Administration Dental Network. More information about this benefit, as well as a Dental I.D. card, will be sent to you with the package you will receive in June. **Important Note: The dental network will apply to both non-Medicare and Medicare eligible participants.**

The Trustees are very pleased to provide these many network and care management enhancements to you. You may contact CIGNA beginning on July 1, 2007 at 1-800-768-4695 for general information on the new program.

Other participant questions on Claims or Benefits should be directed to Seafarers Health and Benefits Plan Claims Department at 1-800-252-4674. **Important Note: If you are an eligible participant in the Plan, you will receive a package in June containing your new CIGNA I.D. card and additional information about the new network.**

This letter contains important information about your benefits. Read it carefully and keep it for future use.

We are confident that you will enjoy this new CIGNA program, and all of its enhancements.

Sincerely,

BOARD OF TRUSTEES