

I. HEALTH AND HOSPITALIZATION INSURANCE PLAN

Civil Service employees, full-time non-Civil Service employees, and qualified members of their immediate families are eligible to participate in a health and hospitalization plan. Non-civil Service part-time employees are eligible to participate in a part-time health and hospitalization plan.

The cost of this health plan may be paid by the City, the employee, or by contributions from both the City and the employee, as determined by the City Council. The City reserves the absolute right to change, modify, or adjust the amounts paid by the City and the employee towards the cost of the health and hospitalization plan. Please obtain from the Human Resources Department the booklet "Group Insurance Plan" for complete particulars as to the extent of the coverage.

Employees who terminate from the City for any reason or who are no longer eligible for the City paid coverage may be entitled to convert this coverage into an individual policy. Applications for conversion must be filed with the appropriate insurance company within thirty-one (31) calendar days after termination of employment or eligibility ceases. Pursuant to City Policy, the City pays for a dental

plan, vision plan, and health and hospitalization plan for retirees and their surviving spouses.

The City reserves the absolute right, in its discretion, at any time and from time to time, to discontinue coverage under any health and hospitalization plan in which it or its employees have previously been enrolled and to substitute for such prior coverage alternate coverage which may be different in character and amount, and either more or less comprehensive. Employees of the City shall not have or gain, by reason of their employment by the City, any vested rights in or to any particular health and hospitalization coverage whatsoever, with exception of conversion rights under state and federal law.

City Council has established a policy of thirty (30) calendar days benefit continuance for a transition period for employees terminated because of reorganization within the City.

M. CONTINUED HEALTH INSURANCE UNDER FEDERAL LAW

Employees and/or their dependents (beneficiaries) are eligible to continue at their own expense their health and hospitalization, dental, vision, and life insurance coverage at a premium of 102% of the applicable group rate if the following conditions apply:

1. Employees who are terminated for other than gross misconduct, or who have a reduction of hours (partial or full lay off), are eligible to continue their health insurance benefits for 18 months, thereafter such employees are entitled to convert at their own expense their group policy to individual policies.

2. Employees or beneficiaries who are no longer eligible for group health coverage because of (1) death of the employee, (2) divorce or legal separation from the employee, (3) the employee becoming eligible for Medicare, or (4) a dependent child of an employee being no longer qualified as a dependent, are eligible to continue their health insurance coverage

for 36 months; thereafter such employees are entitled to convert at their own expense their group policy to individual policies.

Continuation benefits are no longer available when the earliest of the following occurs:

(a) The 18-month or 36-month period expires.

(b) The City ceases providing any group health plan to any employee.

(c) The premium is not paid timely by the employee and/or the beneficiary.

(d) The qualified employee and/or beneficiary becomes covered by any other group plan or Medicare.

(e) A beneficiary remarries and becomes covered by another health plan.