

December 20, 2007

All General Chairmen
All Local Chairmen

POST ON ALL BULLETIN BOARDS

RE: New STD Plan 2008

Dear Sir & Brothers:

Three years have come to pass since we instituted the policy with UNUM Provident for long term disability insurance under Policy #597425. To say the least it has been a learning experience for me personally.

Although a few of our members may not agree, I have to say that overall the plan was a success in providing benefits to engineers who unfortunately suffered from injury, accident or illness. UNUM did not submit a timely bid to retain the business nor would they agree to provide benefits when the employee's personal doctor (treating physician) approved a return to service but the NS Medical Department refused to allow the employee to return to service for various reasons.

As a result, we have agreed to accept a proposal from **LINCOLN FINANCIAL GROUP** to provide short term disability coverage for a two year period. As I have explained to most of you, the rates have increased due to the amount of claims experienced over the first three years of coverage with UNUM. In the three year period from January 1, 2005 thru today we have had 683 claims handled and another 158 presently still active. Of those 683 claims, there may have been several closed due to the employee returning to service prior to the 30 day elimination period or just deciding after filing the claim that they were not going to mark off duty. UNUM paid out in excess of \$5 million in benefits for engineers not counting the 158 claims still pending final disposition.

The new rates for the plan with Lincoln Financial Group are as follows:

\$44.65 STD Plan

\$2.55 Supplemental Deadhead Coverage

\$47.20 New rate as of January 1, 2008

\$13.00 Amount paid by Norfolk Southern per agreement

\$34.20

\$13.68 Amount presently paid by engineers

\$20.52 Amount of additional premium engineers will pay

As a result of the recent contract proposal failing to pass, all engineers will have \$34.20 deducted from their pay each month for the next two years effective January 2008. Keep in mind that the money engineers pay for the premiums are with pre-tax dollars.

I have enclosed two copies of a brochure from Lincoln Financial Group for your review that explains the telephonic claim process. All engineers will call **1-866-STD-CALL (783-2255)** whenever they need to file a claim. An agent for Lincoln Financial Group will take the information listed in the brochure:

- Name
- Address
- Telephone Number
- Social Security Number
- Birthday
- Employer's Name and Group Policy Number
- Last Date Worked
- Doctors Name, Address and Telephone Number
- Your Condition or Diagnosis

One thing I want to point out that is **very important** pertains to a reference on the second page of the brochure. Under the heading "When should I call?" it states:

"You've been absent from work due to a non-occupational illness or injury and will not be returning within the elimination period outlined in your policy."

The policy brochure explains policies in general. Our policy covers engineers 24 hours per day 7 days a week regardless of whether it is occupational or non-occupational illness or injury. Our specific policies are not available yet so we are just providing this brochure to explain how the telephonic process will work. As most of you know, I previously handled all of the claims process which was very time consuming. Hopefully this new telephonic system will expedite the claims process.

Most importantly to the members is the fact that the benefit provisions of the plan have not changed.

- The plan will continue to pay \$1,516.00 per month; however the benefits will be paid on a weekly basis instead of monthly.
- Another benefit of our plan compared to the National Plan is the fact our plan provides for the Tier 1 tax match to be paid by the insurance company, not us.
- We have a two year rate guarantee and all present members enrolled in the plan do not have to submit to any medical examination for pre-existing conditions.
- Under our plan engineers that receive money from Railroad Retirement Sick Benefits or settlements made under FELA or other insurance

companies if hurt in an automobile accident do not have to pay back any of the benefits received.

- As noted above, we have retained the supplemental deadhead coverage for engineers injured while being transported to/from an assignment so long as a claim under FELA is not involved. This supplemental coverage provides an additional \$550.00 a week for up to six months.
- In addition to the supplemental deadhead coverage, engineers should submit a claim for “Off-Track Vehicle Coverage” under the terms of their respective collective bargaining agreements.

Our members need to know that the primary goal of their treating physician is to provide the necessary documentation explaining why the engineer cannot perform the functions of his/her occupation. The doctor needs to know that they must provide the insurance company with medical notes and evaluations. Providing this information makes the claim easier for the insurance company to pay.

If the engineer’s treating physician approves his/her return to service and the NS Medical Department does not approve of the return to service, the engineer needs to determine if it is due to a medical condition or is for a review of the file. If it is for a medical condition then the engineer should send a certified letter to the Medical Department, followed up with a telephone call, asking that they inform Lincoln Financial Group of the reason why they cannot perform the necessary functions of their occupation. Make sure to request a copy of any correspondence for their records.

On the other hand, if the NS Medical Department is simply reviewing the file to insure the engineer is fit to perform his/her duties it should not take more than a few days. If it takes longer than a few days, the engineer must submit a proper penalty time claim (PE) requesting a days pay for each day so held out of service. The claim should provide the date the engineer’s treating physician approved the return to service and explain dates/time of when the engineer confirmed with the Medical Department that they were simply reviewing the file. The engineer should also confirm with his/her treating physician that ALL medical documentation has been provided to the NS Medical Department. The more information the engineer can provide, the easier it is to collect a proper claim. Remember, it is our responsibility to provide the necessary support for a claim. A telephone call from the engineer, local chairman or even the general chairman to the Medical Department will sometimes help to expedite the return to service.

Please remember to inform the engineers that the benefits paid under this plan do not apply to any Rule “G” violations. Also, an engineer must be under the care of a treating physician while undergoing voluntary treatment for drug/alcohol addiction. Simply meeting with the NS DARS Counselor does not meet the standard required to provide benefits.

Please refer to my March 17, 2007 letter for other information pertaining to this coverage. Having this information posted on all bulletin boards and provided thru any and all means of communication to our engineers will help educate everyone to the

change in policy and other important issues affecting the plan. When the new policy number becomes available and the policy books are printed, I will have the information posted on the National Division web site and sent to all of you.

Wishing you all a Happy New Year, I remain.

Fraternally yours,

W. A. Thompson

Cc: James N. DiDonato
P. C. Poirier, Director
M. J. Ruef, Vice President
UTU General Chairmen