



Date

Employee Name

Address 1

Address 2

City, State Zip

Subject: **IMPORTANT COVERED FAMILY MEMBERS' HEALTH COVERAGE ALERT**

Dear First Name:

The increasing cost of health care continues to affect many employers across the country including ABX Air. As part of our efforts to control costs, ABX Air will be conducting an audit of all dependents enrolled in our medical plan to ensure each dependent is truly eligible for our coverage.

According to a *USA Today* article, many employers have found up to 10% of the enrolled family members were ineligible to enroll in their plan.\* This results in significant and unnecessary extra costs, which increases the cost the Company *and you* pay for health insurance. Dependent coverage is an important part of your benefits package. We want to ensure that only eligible dependents are provided coverage under our benefits program so that we can continue to offer affordable coverage.

ABX Air has retained the services of Mercer Administration, a service of Seabury & Smith, Inc., to conduct this audit. Soon you will be receiving an Enrolled Dependents Sheet. Upon receipt, please review your dependent information and verify the accuracy of the dependents listed as eligible based on the ABX Air health plan. You will find the definition of eligible dependents on the reverse of this letter.

It is your responsibility to ensure that your enrolled dependents meet, and continue to meet, the requirements for eligible dependents under ABX Air Health plan. Once this verification process is completed, ABX Air will begin periodically auditing dependent coverage on an ongoing, regular basis. Each and every audited employee will be required to respond at this time.

If you have a question about this letter or requirements for eligible dependents, please contact Customer Service at (877) 372-3757 between 8:00 a.m. and 5:00 p.m. Central Time.

Sincerely,

Jeff Walling  
Benefits Manager

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\* *USA Today: Employers Check Family Ties to Cut Health Care Rolls*, by Julie Appleby, April 6 2004,  
[http://www.usatoday.com/money/companies/management/2004-04-06-audit\\_x.htm](http://www.usatoday.com/money/companies/management/2004-04-06-audit_x.htm)

**ABX Air**  
**Enhanced PPO & HSA PPO**

Eligible dependents are:

- Your legal spouse.
- Your unmarried children under age 19, including your natural children, legally adopted children, children placed for adoption, stepchildren residing with you and any other children supported solely by you and permanently residing with you, provided you are their legal guardian or you claim the children as dependents for federal income tax purposes.
- Your unmarried children from age 19 until age 23 who are registered students in full time attendance at an accredited university or similar institution of learning and who are dependent on you for support and for whom you are entitled to an income tax exemption.
- Your unmarried child who is incapable of self-sustaining employment by reason of developmental disability or physical handicap, provided such child was covered under this Plan at the time of disability and immediately prior to his or her 19th birthday (23rd if a student).

**Questions? Please call Mercer Administration Customer Service at (877) 372-3757 between 8:00 a.m. and 5:00 p.m. Central Time.**