

OPINION OF TRUSTEES

In Re

Complainant: Survivors of Deceased Mine Worker
Respondent: Insurance Company of Employer
ROD Case No: 14 - June 27, 1979

Board of Trustees: Julius Mullins, Chairman; John J. O'Connell, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America 1950 Benefit Plan and Trust and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute about payment of a life insurance claim based on the death of a mine worker, under the provisions of a benefit plan implemented by the Employer through an insurance carrier.

Background Facts

Mine worker last worked for the Employer on December 5, 1977. He became ill on February 17, 1978, during the strike period and was unable to return to work on March 27, 1978. He died April 9, 1978 without applying for Sickness & Accident Benefits or notifying the Employer of his intent to terminate employment. During the 24-month period preceding his last work date, December 5, 1977, the mine worker has worked over 2000 hours in a classified job for the Employer.

Dispute

The surviving spouse of the deceased mine worker filed a claim for life insurance benefits; payment has been refused by the Employer's insurance company.

Positions of the Parties

Claimants Position: The Employer is responsible for payment of the \$12,000 life insurance benefit as the deceased was entitled to such coverage as an active mine worker under the terms of the Employer's benefit plan established pursuant to the NBCWA of 1978.

Employer's (Insurer's) Position: The "actively at work" provision of the Employers plan requires a person to be actively at work as a condition precedent to coverage. Accordingly, since the mine worker did not work between December 5, 1977 and the date of his death, April 9, 1978, he was not covered under the group life insurance policy which became effective March 28, 1978. The

insurance company is further of the opinion that the appropriate trust of the UMWA Health and Retirement Funds is liable for the benefits.

Applicable Regulations

Article II A(2) and (3) of the Employer plan provides as follows:

"Benefits under Article III shall be provided to any employee who:

- (2) is on layoff or disabled from the Employer and had continuing eligibility as of March 27, 1978, for coverage under the United Mine Workers of America 1974 Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.
- (3) Except as provided in paragraph (2) above, any Employee of the Employer who is not actively at work* for the Employer on March 27, 1978, will not be eligible for coverage under the Plan until he returns to active employment with the Employer.

Any Employee of the Employer who as of December 5, 1977, was eligible for benefits under the prior Plan who is not schedule to work within two weeks after March 27, 1978, because of lack of work, such an Employee will, for purposes of this Plan, be considered eligible for coverage under the Plan as of March 27, 1978, but as an Employee on layoff as of such date.

*Actively at work includes an Employee of the Employer who was actively at work on December 5, 1977, and who returns to active work with the Employer within two weeks after March 27, 1978.

Discussion

Article II A(2) of the Employer's Plan provides that "Benefit under Article III shall be provided to any Employee who... is on layoff or disabled from the Employer and had continuing eligibility as of March 27, 1978 for coverage under the UMWA 1974 Benefit Plan as a laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan."

Based on his hours worked during the 24-month period prior to his last work date, December 5, 1977, the mine worker was eligible for health and death benefit coverage under the prior plan for 12 months beyond December 1977. He was, therefore, eligible for coverage as of the date of death, April 9, 1978. Since the Employer elected to provide coverage as of March 27, 1978, the Employer's plan is liable for payment of the \$12,000 benefit to the surviving spouse of the mine worker. This conclusion is in accord with the policy expressed in Joseph Brennan's June 14, 1979 letter to Martin B. Danziger, representing the position concurred in by the UMWA, that Companies who elect to provide benefits implemented as of March 27, 1978 are responsible for

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payment of benefits based on deaths of eligible employees which occur on or after March 27, 1978.

The insurer's reference to the requirements that an employee must be "actively at work" as a condition precedent to coverage is not supportable in this instance. That provision is contained in Article II A(3) which excepts Employees covered in II A(2), as is present in this case.

Opinion of the Trustees

The Trustees are of the opinion that the Employer is liable for payment of life insurance benefits to the survivors of the deceased mine worker under the benefit plan implemented through the insurance carrier.