
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 84-674 - March 23, 1989

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, Trustee;

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 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 concerning the provision of health benefits coverage for the surviving spouse of an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the surviving spouse of an Employee who died as a result of a mine accident on April 17, 1985, while working in a classified job for the Respondent. The Respondent provided health benefits coverage for the Complainant through the Bituminous Industry Trust/Business Insurance Trust ("BIT") and California Life Insurance from April 1985 through January 31, 1987. The BIT was terminated due to insolvency on April 30, 1987. As a result, the BIT and California Life Insurance have ceased paying health benefits claims for services rendered prior to April 30, 1987.

The Respondent subsequently provided health benefits coverage for the Complainant through Mountain Trails Health Plan from February 1, 1987 through August 31, 1987. Information provided to the Funds indicates that Mountain Trails Health Plan was declared insolvent, effective September 23, 1987. Due to insolvency, Mountain Trails Health Plan has ceased paying health benefits claims for services rendered prior to September 23, 1987.

The Complainant has submitted copies of unpaid bills for medical services rendered during the period from July 1986 through July 1987. The Complainant also submitted a notarized statement indicating that she was not married when these bills were incurred and has not since remarried. The representative for the Complainant states, however, that the Respondent has refused to pay the Complainant's outstanding medical bills, including those associated with a pregnancy during this period. The representative asks whether the Respondent is responsible for payment of the medical bills that are unpaid due to the insolvency of BIT, California Life Insurance, and Mountain Trails Health Plan.

The Respondent has provided health benefits coverage for the Complainant through a different insurance carrier since September 1, 1987.

Dispute

Whether the Respondent is responsible for payment of the Complainant's medical bills that are unpaid due to the insolvency of BIT, California Life Insurance, and Mountain Trails Health Plan.

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is responsible for payment of the Complainant's outstanding medical bills that are unpaid due to the insolvency of the insurance carriers.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

- (3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.

Article I (1), (2), (4) and (7) of the Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, as amended from time to time and any successor agreement.

(4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.

(7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II E. (1) of the Employer Benefit Plan provides:

Article II - Eligibility

E. Surviving Spouse and Dependents of Deceased Employees or Pensioners

Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D, of an Employee or Pensioner who died:

(1) As a result of a mine accident occurring on or after the effective date of the Plan while the Employee was working in a classified job for the Employer;

Health benefits shall continue for a surviving spouse until remarriage of such spouse, but if such spouse is entitled to such benefits under paragraph (3) above, such health benefits will continue not longer than for the period specified in paragraph (3) above. Health benefits shall not be provided during any month in which such surviving spouse is regularly employed at an earnings rate equivalent to at least \$500 a month.

Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires an Employer to provide an Employer Benefit Plan... "implemented through an insurance carrier(s), [for] health and other non-pension benefits..." It further requires that "benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans."

Article II. E. of the Employer Benefit Plan provides health benefits coverage for the unmarried surviving spouse of an Employee who died as a result of a mine accident while working in a classified job for a signatory Employer. Article II. E. further stipulates that health benefits shall continue for such surviving spouse until remarriage. The Respondent in the instant case implemented its Employer Benefit Plan through an employer trust fund and insurance carriers which subsequently became insolvent. Implementation of a plan through a carrier, in and of itself, does not relieve the Respondent of its primary obligation to provide benefits pursuant to the Wage Agreement. Inasmuch as the Complainant's husband died as a result of a mine accident while working in a classified job for the Respondent and the Complainant has submitted a notarized statement that she has not remarried, the Respondent is responsible for payment of the

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covered medical expenses incurred by the Complainant following the Employee's death,
consistent with the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the
Complainant, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.