

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 84-685 - April 19, 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's husband was employed in a classified position for the Respondent until his death from a gunshot wound on October 29, 1985. The Respondent provided the Complainant with a lump-sum life insurance benefit.

The Respondent provided health benefits coverage for the Complainant through the Bituminous Industry Trust/Business Insurance Trust ("BIT") and California Life Insurance until April 1, 1987. The BIT was terminated on April 30, 1987, and due to insolvency, the BIT and California Life Insurance have ceased paying health benefits claims for services rendered prior to April 30, 1987. The Complainant has submitted copies of unpaid medical bills for services rendered in July and August 1986 that have not been paid due to the insolvency of the BIT and California Life Insurance.

The Respondent provided health benefits coverage for the Complainant through The Travelers Insurance Company, effective April 1, 1987. This coverage was terminated, effective October 1, 1987, and bills incurred prior to that date have not been paid because the Respondent failed to pay the insurance premiums. The Complainant has submitted a copy of an unpaid medical bill for services rendered on September 17, 1987. The Complainant remarried on December 19, 1987.

The Complainant states that the Respondent is no longer operating the mine where her husband worked. The Complainant also suggests that the Respondent operated as a contract miner for SOHO Coal Company. She asks whether the Respondent, SOHO Coal Company, or the 1974 Benefit Plan and Trust is responsible for payment of the unpaid medical bills.

Dispute

Who is responsible for payment of the unpaid medical bills incurred by the Complainant during July and August 1986 and September 1987.

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent, SOHO Coal Company or the 1974 Benefit Plan and Trust is responsible for payment of the medical bills incurred by the Complainant during July and August 1986 and September 1987.

Position of the Respondent: Repeated correspondence from Funds' staff requesting the Respondent's position in this dispute has been returned because the Respondent moved and left no address.

Pertinent Provisions

Article XX (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) and (4) 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.

Article II E. (3) 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:

- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph C of Article III, or (ii) if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only for 22 months following the month of death of such Pensioner. If life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee or Pensioner died.

Discussion

Article XX (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. (3)(ii) of the Employer Benefit Plan requires a signatory Employer to provide health benefits to the unmarried surviving spouse of a deceased Employee for a 60 month period, if such Employee died after the effective date of the Wage Agreement, if the surviving spouse is not eligible for a Surviving Spouse benefit and, if life insurance or death benefits are payable to the surviving spouse in a lump sum. Inasmuch as the Complainant's husband died on October 29, 1985 and the Complainant satisfied the requirements of Article II E. (3) until she remarried

on December 19, 1987, the Respondent was responsible for providing health benefits coverage for the Complainant until December 19, 1987.

The Respondent in this case implemented its Employer Benefit Plan until April 1, 1987 through an employer trust fund and insurance carrier. The employer trust fund and the insurance carrier subsequently became insolvent. The Respondent implemented its Employer Benefit Plan through another insurance carrier from April 1, 1987 until October 1, 1987, when the policy was cancelled for non-payment of premiums. 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 was eligible for health benefits coverage from the Respondent at the time her outstanding medical bills were incurred, the Respondent is responsible for payment of those charges under the terms of the Employer Benefit Plan.

The Complainant has asked whether SOHO Coal Company is responsible for payment of the unpaid medical bills because the Respondent operated as a contract miner for SOHO Coal Company. Under Article II E. (3) (ii), the Respondent is responsible for providing the Complainant with health benefits coverage for the period of her eligibility. Furthermore, there is no evidence of an agreement between the Respondent and SOHO Coal Company that would relieve the Respondent of its obligation to provide health benefits coverage to the Complainant pursuant to Article II E. (3) (ii). Accordingly, there is no basis to find that SONG Coal Company is responsible for the payment of the Complainant's medical bills. The Complainant also asked whether the 1974 Benefit Plan and Trust is responsible for payment of her medical bills because the Respondent has ceased operations. Under the 1974 Benefit Plan and Trust, a beneficiary is entitled to coverage if it is determined that the signatory employer, which would otherwise be responsible for providing coverage, is "no longer in business." Such determination is made by the Trustees under established procedures separate from the ROD procedure.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical charges incurred by the Complainant during July and August 1986 and September 1987.