



Website: <http://ekra.org> Contact Info: info@ekra.org Mailing Address: EKRA Ltd., P.O. Box 25660, Rochester, NY 14625

Update and Observations of Kodak Bankruptcy

November 28, 2012

On November 7, 2012 the US Bankruptcy Court approved a settlement between Kodak and the Official Committee of Retired Employees for the elimination of retiree benefits. Kodak followed that approval with a November 19, 2012 letter of 'Official Notification' to all Kodak retirees. In addition, Kodak Medicare eligible retirees received a letter dated November, 2012 from MVP detailing two options for continuing health care coverage with MVP.

From these recent communications regarding decisions affecting Kodak retirees we will provide information, observations and critical actions for each retiree. EKRA feels it is important to highlight some of the items from those letters to help reduce any confusion individual retirees are experiencing.

IMPORTANT NOTE: If you are aware of individual retirees who may not be aware of the pending elimination of Kodak retiree benefits please reach out to those people to assure they have the information and resources to make their individual decisions. EKRA lists resources and phone numbers on the website.

Health Care Considerations:

- **Medicare Eligible:** Individuals who are Medicare eligible (age 65 and older) may select a Medicare plan. Individuals are free to select the plan that best fits their individual needs for coverage and price.
 - As we have stated in previous communications to members, local Rochester area health insurance providers are conducting education / marketing sessions for their products. If you have not already done so, please take advantage of the sessions offered.
 - If you are unable to attend a session, each insurance provider has a toll free number to discuss the material over the telephone. See the EKRA (2012 Health Care Enrollment) website for the phone numbers and other useful information.
 - Kodak retirees out of the Rochester area may utilize a very efficient service provided by Aon Hewitt known as the Aon Hewitt Navigator. This is a US-wide, free of charge service that connects the retiree to a qualified adviser who can help you determine the best Medicare coverage for you in your particular location. You can connect with Aon Hewitt Navigators by calling 888-628-0484.

- **SPECIAL NOTE:** In the letter from MVP, please note that if the retiree has not made a decision by December 5, MVP will automatically enroll you in the MVP GoldAnywhere PPO with Part D Option 2 plan.
 - If you are enrolling in a plan offered by a provider other than MVP (Excellus, United Health Care, others), you should call MVP to make sure they know you are not enrolling in their plans. You do not need to put the change in writing – a phone call should be sufficient. We recognize this may be a little more work, but feel it will help prevent confusion and possible problems for you.
 - For future reference, during open enrollment each year (normally October-November) all Medicare eligible individuals have the opportunity to enroll in any plan offered in their coverage area.
- **Under Age 65 Retirees (Non-Medicare):** Non-Medicare eligible retirees have the **one time opportunity** to enroll in COBRA. COBRA will provide you, your spouse and dependents will access to Kodak employer group plans of either CDHP or PPO. In the Kodak letter to retirees, Kodak states it will provide an enrollment package with coverage and costs.
 - It is very important to note that this is a one-time enrollment. If you do not enroll now you will not be eligible to enroll at a later time. If you enroll and do not pay your premiums you will be dropped and cannot enroll again.
 - COBRA coverage will be available to you and your spouse until age 65 as long as you enroll now, pay the premiums, and Kodak continues to offer group coverage to its employees in the future.
 - The ability to continue COBRA beyond the normal 18 months is a special provision because of bankruptcy.
 - EKRA has received questions about the New York State legislation passed in July 2012. This demonstration plan passed by the NYS legislature was written as a safety net in case no other plans were available because of the Kodak bankruptcy. Kodak is able to offer employer group coverage under COBRA, therefore this plan will not go into effect. >>>As a point of reference, this plan would have been in effect until 12/31/13 and discussions with insurance providers indicated this plan would have been more costly than COBRA.

Other Benefits:

- **Retirees with Company-paid Life Insurance and Dental Coverage**
 - Individual retirees who still have company paid life insurance will have the opportunity to convert this to an individual plan with the MET. You will receive information directly from the MET. Individual retirees will be responsible for the premiums.
 - Individual retirees who continue to have Kodak dental coverage will have the one time opportunity to enroll in COBRA for the dental program.
- **Survivor Income Benefit (SIB)**
 - Without going in depth on this benefit, but to provide general reference – a Kodak employee has this benefit if they were retirement eligible prior to 1/1/1996. If eligible, the retiree has the SIB which states that 30% of your pension calculation will be paid to your surviving spouse.
 - The SIB is being eliminated as part of the settlement agreement.
 - Kodak is committed to correspond directly with each individual retiree who is eligible for this benefit or spouses who are currently receiving this benefit. It is very important to watch for the individual correspondence coming from Kodak. This correspondence will

detail the benefit for each eligible retiree and the impending actions for this benefit.

Correspondence from the Official Committee of Retired Employees (The Committee):

- The Committee negotiated the settlement with Kodak. As part of the settlement the Committee will receive a settlement amount depending on the overall settlement Kodak reaches with all its creditors.
- EKRA has indicated in previous letters to members that the amount of money received by the Committee in the settlement realistically will be very small. EKRA estimates the overall settlement may be in the range of \$85 million. The overall retiree benefit liability Kodak registered during bankruptcy proceedings is \$1.2 billion. Therefore, the use of \$85 million to cover \$1.2 billion will be limited to a very select few benefit(s).
- The Committee has the responsibility to inform all retirees how the money will be used for the benefit of retirees. Keep watch for a letter coming directly from the Official Committee of Retired Employees.

EKRA Going Forward:

As people renew their membership in EKRA, some have asked the question – what is the future for EKRA? We believe EKRA needs to remain a viable organization and for Kodak retirees to be connected through membership in EKRA for three key reasons:

1. EKRA will continue to monitor the Kodak bankruptcy case closely as it moves toward emerging from bankruptcy. This includes motions filed by Kodak, decisions made by the court, decisions coming from Kodak and the Official Committee of Kodak Retirees. EKRA will provide realistic, factual information about alternatives that may exist; communicate information as soon as we have valid, factual data; and consolidate the concerns and issues of Kodak retirees.
2. As Kodak emerges from bankruptcy, EKRA will continue to monitor Kodak performance very closely. A successful Kodak means the KRIP pension plan will continue and pension payments will continue to be made successfully to thousands of retirees and survivors. The months and years following Kodak's emergence from bankruptcy will be critical to determine if Kodak can be successful. We believe it is important for EKRA to monitor the company and communicate with its members.
3. EKRA will continue our membership in National Retiree Legislative Network (NRLN). We feel this is an excellent way for retirees to stay in touch with and provide influence over legislation being considered at the state and national level. Some of the legislation the NRLN is seeking involves Pension Asset Protection; PBGC Reform; Bankruptcy Reform; and Protection and Enhancement of Retiree Health care. Membership in EKRA provides membership in NRLN, therefore linking all of us (individually and as a body) to the national retiree issues.

Some of the information provided here may be redundant to information you already received. However, we wanted to assure some critical points were brought to everyone's attention.

As always we will continue to monitor the ongoing situation and provide information, realistic assessments, and general direction.

Your EKRA team



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Correction of 11/28/2012 EKRA Message For Out of Rochester Area Retirees

November 29, 2012

We need to make an **important correction** to the EKRA message dated 11/28/2012. This note is addressed to *Out of Rochester Retirees* who currently have health care insurance coverage under the Kodak USACare Plan.

In the 11/28/2012 EKRA Message to Members, we indicated for individuals who have not selected a plan by December 5th that MVP will automatically enroll individuals into another MVP plan. This is INCORRECT for anyone Out of the Rochester Area covered under the Kodak USACare Plan.

Following is a message directly from MVP for those individuals Covered under the Kodak USACare Plan.

- "If the Kodak Retiree currently is covered under the Kodak USACare Plan and they do not make a decision by December 5th, these Retirees will default to ORIGINAL MEDICARE WITHOUT PART D. This is because these Retirees do not reside in our direct bill service area and therefore, MVP does not have a Medicare Advantage Plan to which to default them.
- These USACare Retirees will still have until December 31, 2012 to enroll in a different Medicare Plan of their choice in their geographic area."

In the 11/28/2012 EKRA Message, we included a paragraph describing a free service available to help Out of Rochester Area Retirees select the best plan in their local area. We are repeating that message below as it is directly applicable to this situation.

- Kodak retirees out of the Rochester area can utilize a very efficient service provided by Aon Hewitt known as the Aon Hewitt Navigator. This is a US-wide, free of charge service that connects the retiree to a qualified adviser who can help you determine the best Medicare coverage for you in your particular location. You can connect with Aon Hewitt Navigators by calling 888-628-0484.

We are sorry for any confusion this may have caused.

Your EKRA team