Legal notices

Please review these important legal notices.

Notice of creditable coverage

This notice has information about your current prescription drug coverage with Robert Bosch (Bosch) and Medicare prescription drug coverage for people eligible for Medicare. This notice also tells you where to find more information to help you make decisions about your prescription drug coverage.

Read this notice carefully.
It explains the options you or your eligible dependents have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. Be sure to keep this notice for future reference, even if you or your dependents are not yet Medicare-eligible.

Medicare Part D coverage

Prescription drug coverage is available to everyone eligible for Medicare through Medicare prescription drug plans. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans offer more prescription drug coverage for a higher monthly premium. There are also Medicare Advantage plans that offer both medical and prescription drug coverage.

If you or your dependent is a Medicare beneficiary, you can enroll in a prescription drug plan during the annual Medicare Part D enrollment period that runs each year from October 15 to December 7. If you enroll, your Medicare Part D coverage will be effective on January 1 of the next year.

Note: You are eligible for Medicare coverage once you reach age 65. You may also be eligible for Medicare if you are disabled or if you have end-stage renal disease (ESRD).

Your Bosch-provided prescription drug coverage is creditable

An independent actuarial analysis has determined that the prescription drug coverage provided under our medical plans is creditable. This determination means that your prescription drug coverage is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage.

Because your existing prescription drug coverage under your Bosch-sponsored medical plan is creditable, you can keep this coverage and not pay a late enrollment penalty if you decide to enroll in Medicare Part D coverage in the future, provided you enroll within 63 days of losing or dropping your creditable coverage.

However, if you go 63 days or longer without creditable prescription drug coverage before enrolling in Medicare Part D, you will be subject to a late enrollment penalty. In such cases, your monthly Medicare Part D premium will increase at least 1% per month for each month that you were without creditable coverage.

For example, if you go 19 months without creditable coverage, your premium will always be at least 19% higher than if you enrolled in Medicare Part D when you were first eligible. You will have to pay this higher premium as long as you have Medicare Part D coverage. In addition, you may have to wait until the following October to enroll.

If you enroll in a Medicare Part D Plan for 2016, you will no longer be eligible for your Bosch-sponsored retiree medical plan*

If you are currently receiving retiree medical coverage through a Bosch-sponsored medical plan and enroll in Medicare Part D, you will no longer be eligible for your Bosch-sponsored medical plan. This means that unless you have medical coverage elsewhere, your only coverage will be your prescription drug coverage under the Medicare Part D plan in which you enroll, along with original Medicare Parts A and B.

Once you enroll in a Medicare Part D plan, you will not be able to get your Bosch-sponsored retiree medical and prescription drug coverage back. You will not be allowed to reenroll during future Annual Enrollment periods for Bosch benefits or if you have a change in family status.

In other words, enrolling in Medicare Part D will have a significant impact on your existing retiree medical and prescription drug coverage. You should compare your current prescription coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

As you make this comparison, it is important to note that your current retiree medical and prescription drug coverage pays for other health expenses in addition to prescription drugs.

BOSCH

Remember: If you are covered as a Bosch retiree and you enroll in Medicare Part D, you will no longer be eligible for retiree medical or prescription drug coverage under a Bosch-sponsored plan. However, if you are covered under the medical and prescription drug coverage offered to active associates, if you decide to enroll in Medicare Part D, your active Bosch coverage will not be affected.

For more information about this notice

If you have questions about this notice, you should contact Bosch HR Service.

Note: You may receive this notice at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, or if this coverage changes. You also may request a copy.

For more information about your existing prescription drug coverage through Bosch

If you need more information about your Bosch-provided prescription drug coverage, you should contact Express Scripts. You can reach Express Scripts' customer service department by calling 866-962-9794 or by visiting **www.express-scripts.com**. If you are enrolled in an HMO, contact your HMO's customer service department instead.

* Bosch-sponsored retiree medical plan coverage is not available to all associates. In addition, Bosch reserves the right to discontinue retiree medical plan coverage in future years.

Notice of HIPAA Privacy Practices

We are required by federal law to protect the privacy of your individual health information (protected health information). We are also required to provide you with a notice regarding our policies and procedures regarding your protected health information (notice of HIPAA privacy practices), and to abide by the terms of this notice, as it may be updated from time to time.

Our notice of HIPAA privacy practices is available on **www.ibenefitcenter.com** 24 hours a day, seven days a week. Once logged in, go to Resource Center > Plan Information > Health to obtain the notice. You can also request a printed copy from the Bosch Benefits Center at **800-207-9012** (857-362-5996 internationally).

Contacting us

You may exercise the rights described in our notice of HIPAA privacy practices by contacting the office identified below. They will provide you with additional information.

Robert Bosch LLC
Vice President, Corporate Associate Benefits
HIPAA Compliance Privacy Officer
2800 South 25th Avenue
Broadview, IL 60155-4594
708-865-5200

The effective date of this reminder notice is January 1, 2016.

Summary of COBRA rights

If you, your spouse, or dependent child(ren) are or become participants in your employer's group health plan, it is important to understand your ongoing rights and obligations under the continuation of coverage provisions of COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985 as amended). This summary of rights should be reviewed by both you and your spouse (if applicable), retained with other benefits documents, and referred to in the event that any action is required on your part.

If you, your spouse, or dependent child(ren) should lose coverage under the Bosch group health plan due to a qualifying event listed below, COBRA guarantees an opportunity to elect temporary continuation of healthcare coverage at group rates (a continuation of coverage). Following is a summary of information concerning COBRA and the procedures which should be followed if or when a qualifying event occurs.

If you are an associate covered by the Bosch group health plan, you have the right to choose continuation coverage for yourself, your spouse, and covered dependent child(ren), if you, your spouse, or covered dependent child(ren) lose group health coverage under the plan because of a reduction in your hours of employment or the termination of your employment (except for termination due to gross misconduct).

If you are the covered spouse of an associate, you have the right to choose continuation coverage for yourself and your covered dependent child(ren) if you or your covered dependent child(ren) lose group health coverage for any of the following reasons:

- The death of your spouse.
- The reduction of your spouse's hours of employment or the termination of your spouse's employment (except for termination due to gross misconduct).
- Divorce or legal separation from your spouse.
- Your spouse becomes entitled to Medicare.

If you are the covered dependent child of an associate, you have the right to continuation coverage if group health coverage is lost for any of the following reasons:

- The death of your Bosch associate parent.
- The reduction in hours of the Bosch associate parent or the termination of employment (except for termination due to gross misconduct).
- Parent's divorce or legal separation.
- The Bosch associate becomes entitled to Medicare.
- You cease to be a dependent child under the terms of the plans (example: child reaching his/her age limitation, or any other change in status that affects eligibility for coverage).

You also have a right to elect continuation coverage if you are covered under the plan as a retiree or spouse or child of a retiree, and lose coverage within one year before or after the commencement of proceedings under Title 11 (bankruptcy), United States Code.

Under the law, the covered associate, spouse, or dependent child has the responsibility to directly inform the Bosch plan administrator of a divorce or legal separation or a child losing dependent status under the group health plans. Written notice to your site plan administrator must be made within 31 days after the later of the date of the qualifying event, or the date that you would lose coverage due to a qualifying event. If notice is not made within 31 days, rights to continue coverage will terminate.

Once the site plan administrator is notified that one of these events has happened, the qualified beneficiary(ies) losing coverage will be notified of the right to choose continuation coverage. A qualified beneficiary is any associate, former associate, spouse, or dependent child who is covered under the plan on the day before the qualifying event occurs. If you do not choose continuation coverage, your group health insurance coverage will end in accordance with the provisions outlined in your benefits handbook.

If you choose continuation coverage, the Robert Bosch LLC employer plan is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated associates or family members. Under the law, the qualified beneficiary(ies) losing coverage have 60 days from either the date of loss of coverage or from the date of the notice to elect continuation coverage, whichever is later. You have 45 days from the date of the initial election to make your first premium payment and any other premium payments that are due for periods of coverage that end before 45 days from the date of that election. Subsequent premiums are due on the premium due date, and must be paid in full within the grace period defined by the group health plan.

If continuation coverage is elected, the law requires that you be afforded the opportunity to maintain continuation coverage for 36 months measured from the qualifying event date unless you lost group health coverage because of a termination of employment or a reduction in hours. In that case, the required continuation coverage period is 18 months measured from the qualifying event date. A qualified beneficiary who is determined under Title II or XVI of the Social Security Act to have been disabled at the time of the qualifying event may be eligible to continue coverage for an additional 11 months (29 months total). The qualified beneficiary must provide the written determination of his/her disability from the Social Security Administration to the Bosch plan administrator within 60 days of the date of the determination of disability by the Social Security Administration and prior to the end of the 18-month continuation period. The employer can charge up to 150% of the group rate during the 11-month disability extension. The qualified beneficiary must notify the site plan administrator in writing within 30 days upon the determination that the qualified beneficiary is no longer disabled under Title II or XVI of the Social Security Act.

The law also provides that your continuation coverage may end sooner for any of the following reasons:

- The Robert Bosch LLC employer plan no longer provides group health coverage for any of its associates.
- The premium for your continuation coverage is not paid in a timely manner.
- You first become covered under any other health plan (after the date of the election) that does not contain a pre-existing condition exclusion or limitation that would apply to the qualified beneficiary.
- You first become entitled to Medicare after the date of the election.

You will not have to show that you are insurable to choose continuation coverage. However, under the COBRA law, you will have to pay the group rate premium for your continuation coverage plus an administration fee, if applicable.

If you have any questions about COBRA, please contact the Bosch Benefits Center at **800-207-9012** (857-362-5996 internationally) between 9:00 a.m. and 6:00 p.m. Eastern time, any business day.

Women's Health and Cancer Rights Act of 1998

Your plan, as required by the Women's Health and Cancer Rights Act of 1998, also provides benefits for mastectomy-related services, including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedemas. For more information, contact the Bosch Benefits Center at **800-207-9012** (857-362-5996 internationally) between 9:00 a.m. and 6:00 p.m. Eastern time, any business day.

Special Enrollment Notice

You and your eligible dependents may enroll in the Medical Benefit Program (which includes prescription drugs) under the following circumstances:

Individuals losing other coverage

If you declined coverage under the Medical Benefit Program when it was first available because of other health coverage, and that coverage is later lost on account of:

- exhaustion of COBRA continuation coverage,
- lost eligibility for other coverage, or
- termination of employer contributions towards the other coverage.

You and your eligible dependents may enroll in the Medical Benefit Program on or before the date that is 60 days after the date you lost that other coverage.

Lost eligibility for other coverage includes a loss of other health coverage as a result of your legal separation or divorce, a dependent's loss of dependent status, death, or termination of employment or reduction in number of hours of employment –

or you no longer reside, live or work in the service area of a health maintenance organization or other medical option in which you participated. Your enrollment will take effect on the date prior coverage is lost, as long as you request to enroll on or before the date that is 60 days after the loss of coverage.

New eligible dependents

If you initially declined enrollment for yourself or your eligible dependents and you later have a new eligible dependent because of marriage, birth, adoption, or placement for adoption, you may enroll yourself and your new eligible dependents (including an eligible dependent spouse if you have a new eligible dependent child) in the Medical Benefit Program, as long as you request enrollment on or before the date that is 60 days after the marriage, birth, adoption, or placement for adoption.

For example, if you and your eligible dependent spouse have a child, you may enroll yourself, your eligible dependent spouse and your new child in the Medical and Vision Benefit Programs, even if you were not previously enrolled. You will not, however, be able to enroll existing eligible dependent children for whom coverage has been waived in the past and who are not currently covered under these Benefit Programs. For birth, adoption, or placement for adoption, your participation or your eligible dependent's participation will start as of the date of the birth, adoption, or placement for adoption, as long as you timely requested enrollment.

For marriage, your participation or your eligible dependent's participation will start as of the date of the marriage, provided you request enrollment on or before the date that is 60 days after the marriage begins.

You will need to enroll your new eligible dependents on or before the date that is 60 days after the event by which they became your eligible dependent (for example, a new spouse after your marriage or your baby is born). **If you do not add new eligible dependents within this 60-day period, you cannot enroll them until the next Annual Enrollment unless a change in status event occurs.** You will need to provide proof of your dependent's status as an eligible dependent.

Medicaid and CHIP

If you or your eligible dependent children are eligible for, but not enrolled in, the Medical Benefit Program and you or your eligible dependent children:

- lose coverage under Medicaid or a State child health plan, or
- become eligible for a premium assistance subsidy through Medicaid or CHIP.

You and your eligible dependent children may enroll in the Medical Benefit Program, as long as you request enrollment on or before the date that is 60 days after the loss of coverage or the date you or your eligible dependent children became eligible for the premium subsidy. Your enrollment will take effect on the date prior coverage is lost, as long as you request to enroll on or before the date that is 60 days after the loss of coverage.

The 60-day periods described in this section are Special Enrollment Periods.

To request special enrollment or obtain more information, contact the Bosch Benefits Center at **800-207-9012** (857-362-5996 internationally).

Newborns' Act Disclosure

The medical benefit program and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, the medical benefit program and insurance issuers may not, under federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).