

Summary Annual Report for the National Employees Health Plan

This is a summary of the annual report of the NATIONAL EMPLOYEES HEALTH PLAN, (Employer Identification Number 38-6440898, Welfare Plan 501) for the plan year beginning November 1, 2003 and ending October 31, 2004.

The annual report has been filed with the Pension and Welfare Benefits Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The National Employees Health Plan has committed itself to pay certain medical, dental, vision, prescription drug and short term disability claims incurred under the terms of the plan.

Insurance Information

The plan has experience rated contracts with Blue Cross Blue Shield of Michigan and non-experience rated contracts with Blue Care Network, Health Alliance Plan, Vista Health Plan, Bankers Life and Casualty and Fort Dearborn Life to pay certain medical and life claims incurred under the terms of the plan. The total premiums paid for the plan year ending October 31, 2003 were \$10,761,916.00.

Because, they are so called "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending October 31, 2004, the premiums paid under such "experience-rated" contracts were \$5,498,422.00. and the total of all benefit claims paid under these experience rated contracts during the plan year was \$4,967,806.00.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$6,062,630 as of October 31, 2004, compared to \$7,045,143 as of November 1, 2003. During the plan year the plan experienced a decrease in its net assets of \$982,513. This decrease included unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$11,283,080 including employer contributions of \$10,712,713, employee contributions of \$360,396, realized loss of \$14,551 from the sale of assets, and earnings from investments of \$224,522. Plan expenses were \$12,265,593. These expenses included \$643,987 in administrative expenses, and \$11,621,606 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. assets held for investment;
4. fiduciary information;
5. transactions in excess of 5% of plan assets; and
6. insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of National Employees Health Plan who is **the plan administrator**, 8220 Irving, Sterling Heights, MI 48312, telephone (586) 693-4300. The charge to cover copying costs will be (\$28.00) for the full annual report or (\$1.00) per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan, ABS, Inc., 8220 Irving, Sterling Heights, MI 48312 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Request to the Department should be addressed to Public Disclosure Room, Room N5638, Pension and Welfare Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.