

# Required Information

BorgWarner has prepared the BorgWarner Flexible Benefits Plan to comply with various disclosure requirements mandated by law, and to clarify administrative procedures and eligibility conditions for BorgWarner health and welfare benefit plans. Other plan and summary plan description documents prepared by our insurers and vendors (referred to as “Incorporated Documents”) provide specific descriptions of covered and excluded benefits as well as a description of the terms and conditions to receive such benefits. Although we highlight below a number of rights and benefits, you should carefully review the summary plan description (SPD) to the Flexible Benefits Plan and Incorporated Documents to fully understand your legal rights and benefits. These documents are also posted on the BorgWarner website at [www.borgwarner.com/benefits](http://www.borgwarner.com/benefits).

You also may contact BorgWarner at the BorgWarner Employee Benefits Committee at 248-754-9200 for more information about any of the rights explained below or in the summary plan description to the Flexible Benefits Plan and Incorporated Documents.

BorgWarner reserves the right to modify and/or discontinue the benefits it provides, the premium amounts it pays, eligibility rules and other provisions for any of its employee benefit programs, for any reason at any time. In the event of a conflict in language or interpretation between these open enrollment materials, and the official plan documents (SPD and Benefits Guide), the terms of such official plan documents will control. Because these employee benefit programs may change or be amended from time to time, you should always check with Human Resources for current information.

## Continuation of Coverage (COBRA)

Consolidated Omnibus Budget Reconciliation Act (COBRA) is a Federal law requiring most group health benefit plans to offer employees and their families the opportunity to temporarily extend their health care coverage beyond the date on which their health care coverage would normally terminate.

Contact Human Resources if you or your spouse or dependent children lose group health coverage due to the occurrence of a COBRA Qualifying Event, which may include your termination or reduction in hours of employment, death, divorce, no longer satisfying dependent eligibility conditions, etc. Under the law, the employee or the family member is responsible for informing the Human Resource department of any family status change (e.g. divorce or attaining the limiting age) within 60 days of the event. Otherwise, COBRA rights will be lost.

For more information about COBRA, including information on alternative health insurance options available to you through the Health Insurance Marketplace, please refer to the Initial COBRA Notice attached to this booklet or at [www.borgwarner.com/benefits](http://www.borgwarner.com/benefits).

## Notice of Privacy Practice

BorgWarner is committed to protecting your health information. To learn how your medical information may be used and disclosed and how you can get access to this information, please refer to the “Notice of Privacy Practices” attached to this booklet or at [www.borgwarner.com/benefits](http://www.borgwarner.com/benefits).

## Summary of Benefits and Coverage

You will receive a Summary of Benefits and Coverage (“SBC”) explaining the Medical Plan option available to you as part of your Enrollment Materials. A copy of the SBC also will be available at [www.borgwarner.com/benefits](http://www.borgwarner.com/benefits).

## Women’s Health and Cancer Rights Act

The Women’s Health and Cancer Rights Act of 1998 requires that health plans cover post-mastectomy reconstructive breast surgery if they provide medical and surgical coverage for mastectomies. Specifically, health plans must cover:

- All stages of reconstruction of the breast on which the mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Protheses and physical complications of all stages of mastectomy, including Lymphedemas.

Benefits required under the Women’s Health and Cancer Rights Act will be provided in consultation between the patient and attending physician. These benefits are subject to the health plan’s regular copays and deductibles. In addition, the Plan will not (1) deny your eligibility or continued eligibility to enroll or to renew coverage under the terms of the Plan solely for purposes of avoiding this coverage, or (2) penalize or otherwise reduce or limit the reimbursement of an attending provider or provide incentives (monetary or otherwise) to an attending provider to induce the provider to provide care to you in a manner that is inconsistent with this required coverage.

*Continued on next page...*

## Newborns and Mothers Health Protection Notice

Group health plans generally may not, under federal law, restrict benefits for any hospital length of stay for the mother or newborn child in connection with childbirth to less than 48 hours following a vaginal delivery or 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending health care provider, after consulting with the mother, from discharging the mother or newborn earlier than 48 hours (or 96 hours, if applicable). In any case, the health plan will not require a provider to obtain authorization from the health plan for prescribing a length of stay of 48 hours (or 96 hours, if applicable) or less.

## Special Enrollment Events

You may have the right to enroll in the medical and other benefit plans during Special Enrollment periods, including when you lose coverage under another group health plan, Medicaid or State Children Health Insurance Programs, or when you acquire a new dependent. For more information, please refer to the SPD to the Flexible Benefits Plan and Incorporated Documents.

## Children's Health Insurance Program Reauthorization Act (CHIPRA)

If you or your children are eligible for Medicaid or CHIP and you are eligible for health coverage from your employer, your State may have a premium assistance program that can help pay for coverage. For more information, please refer to the full CHIPRA Notice later in this document.

## Patient Protection Notices

If the Plan provides for or requires the designation of a primary care provider, you have the right to designate any primary care provider who participates in our network and who is available to accept you or your family members. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact the Plan Administrator. For children, you may designate a pediatrician as the primary care provider. You do not need prior authorization from the Plan or from any other person (including a primary care provider) in order to obtain access to a health care professional in our network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or procedures for making referrals. For a list of participating health care professionals who specialize in obstetrics or gynecology, contact the Plan Administrator.

## Recovery Of Plan Expenses (Subrogation)

If a Plan participant suffers an illness or injury for which the participant obtains health care services covered by the plan, and that injury or illness occurred through the negligence or willful act or omission by another person, benefits provided under the health plan under which the participant is covered from the illness or injury may be considered an advancement of payment and subrogated from any settlement or judgment the participant receives from the other person. Typically, these amounts are recovered through either party's insurer, however, your enrollment in the health plan is considered to have assigned the health plan the right to pursue reimbursement for the health plan's costs from recovery proceeds. The guide refers everyone to the health plan for further information.

## Health Insurance Marketplace Coverage Options

Your state has a website, called the Health Insurance Marketplace, where you can buy individual medical insurance directly from insurance companies. The Marketplace offers "one-stop shopping" to find and compare medical insurance options for you and your family. This year's open enrollment for the Marketplace begins November 1, 2016 and ends January 31, 2017. You may buy health insurance for yourself and your family members from your state's Marketplace.

If you and your dependents are offered medical coverage through BorgWarner Flexible Benefit Plan, BorgWarner will pay a portion of the cost of that coverage. As a result, you may not find less expensive coverage through your state's Marketplace. Also keep in mind that the contributions you and BorgWarner make to the cost of medical coverage under BorgWarner's Flexible Benefits Plan are made with pre-tax dollars that are not subject to income tax. If you buy health insurance through your state's Marketplace, you will pay for it with after-tax dollars. You also, except for unusual circumstances, will not be eligible for federal premium assistance (explained below) to help pay the cost of a Marketplace policy whenever BorgWarner's Flexible Benefits Plan meets the "minimum value" and "affordability" standards.

A federal tax credit that lowers the monthly premium of an individual health insurance policy purchased from the Marketplace is available to families with incomes between 100% and 400% of the federal poverty level. If you are employed and your income is at this level, you and your family members are eligible for premium assistance if one of the following applies:

- Your employer does not offer health coverage to you at all,
- Your employer offers you coverage but it does not meet the federal government's minimum value standard, or
- Your employer's health plan is not "affordable" for you, meaning that the cost of single coverage (that is, coverage for just you, not you plus your family members) is more than 9.5% of your household income for the year.

For more information about available benefits and your premium costs under BorgWarner's Flexible Benefits Plan, please contact the BorgWarner Employee Benefits Committee at 248-754-9200.

For more information about the Marketplace, go to [www.healthcare.gov](http://www.healthcare.gov) and select your state's Marketplace website. You may be asked for information about BorgWarner's Flexible Benefits Plan which can be found in the SPD or by contacting the BorgWarner Employee Benefits Committee at 248-754-9200.

## Continuation Coverage Rights Under COBRA

This notice applies to anyone covered under one of the group health benefit programs offered through the BorgWarner Inc. Flexible Benefits Plan (the Plan), including the Medical, Dental, Vision, Health Flexible Spending Account, and Employee Assistance Programs. This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of group health coverage under the Plan under certain circumstances when coverage would otherwise end. This notice generally explains COBRA coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.

The right to COBRA coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA coverage can become available to you when you would otherwise lose your group health coverage under the Plan. It can also become available to your spouse and dependent children, if they are covered under the Plan, when they would otherwise lose their group health coverage under the Plan. This notice does not fully describe COBRA coverage or other rights under the Plan. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan's summary plan description or contact BorgWarner Inc., which is the Plan administrator. The Plan provides no greater COBRA rights than what COBRA requires—nothing in this notice is intended to expand your rights beyond COBRA's requirements.

## What Is COBRA Coverage?

COBRA coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event occurs and any required notice of that event is properly provided to BorgWarner Inc., COBRA coverage must be offered to each person losing Plan coverage who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries and would be entitled to elect COBRA if coverage under the Plan is lost because of the qualifying event. (Certain newborns, newly adopted children, and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.) Under the Plan, qualified beneficiaries who elect COBRA must pay for COBRA coverage.

## Who Is Entitled to Elect COBRA?

If you are an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes enrolled in Medicare (Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

A person enrolled as the employee's dependent child will be entitled to elect COBRA if he or she loses group health coverage under the Plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- Your parent-employee becomes enrolled in Medicare (Part A, Part B, or both); or
- The child stops being eligible for coverage under the Plan as a "dependent child."

## When Is COBRA Coverage Available?

When the qualifying event is the end of employment or reduction of hours of employment or death of the employee, the Plan will offer COBRA coverage to qualified beneficiaries. You need not notify BorgWarner Inc. of any of these qualifying events. You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse, or a dependent child's losing eligibility for coverage as a dependent child), a COBRA election will be available to you only if you (or a family member) notify your Human Resources Office in writing within 60 days after the later of: (1) the date of the qualifying event; and (2) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the qualifying event. If these procedures are not followed, or if the notice is not provided to your local Human Resources Office during the 60-day notice period, THEN ALL QUALIFIED BENEFICIARIES WILL LOSE THEIR RIGHT TO ELECT COBRA.

*Continued on next page...*

## Electing COBRA

Each qualified beneficiary will have an independent right to elect COBRA. Covered employees and spouses (if the spouse is a qualified beneficiary) may elect COBRA on behalf of all of the qualified beneficiaries, and parents may elect COBRA on behalf of their children. Any qualified beneficiary for whom COBRA is not elected within the 60-day election period specified in the Plan's COBRA election notice WILL LOSE HIS OR HER RIGHT TO ELECT COBRA.

## How Much Does COBRA Continuation Coverage Cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay will not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage.

## How Long Does COBRA Continuation Coverage Last?

COBRA coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the covered employee's divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA coverage under the Plan's Medical, Dental, Vision, and/or EAP components can last for up to a total of 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage under the Plan's Medical and Dental components for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last until up to 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA coverage for his spouse and children who lost coverage as a result of his termination can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months before the termination or reduction of hours.

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA coverage under the Plan's Medical, Dental, Vision and/or EAP components generally can last for only up to a total of 18 months, unless you have a second qualifying event.

COBRA coverage under the Health FSA component can last only until the end of the year in which the qualifying event occurred – see the paragraph below entitled "Health FSA Component".

The COBRA coverage periods described above are maximum coverage periods. COBRA coverage can end before the end of the maximum coverage periods described in this notice for several reasons, which are listed below.

- any required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan,
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

There are two ways (described in the following paragraphs) in which the period of COBRA coverage resulting from a termination of employment or reduction of hours can be extended. (The period of COBRA coverage under the Health FSA cannot be extended under any circumstances.)

**Disability extension of COBRA coverage:** If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify your local Human Resources Office in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of COBRA coverage, for a total maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction of hours. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above).

**The disability extension is available only if you notify your Plan Administrator in writing of the Social Security Administration's determination of disability within 60 days after the latest of:**

- the date of the Social Security Administration's disability determination;
- the date of the covered employee's termination of employment or reduction of hours; and
- the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours.

**You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. If these procedures are not followed, or if the notice is not provided to your Plan Administrator during the 60-day notice period, and within 18 months after the covered employee's termination of employment or reduction of hours, THEN THERE WILL BE NO DISABILITY EXTENSION OF COBRA COVERAGE.**

**Second qualifying event extension of COBRA coverage:** If your family experiences another qualifying event while receiving COBRA coverage because of the covered employee's termination of employment or reduction of hours (including COBRA coverage during a disability extension period as described above), the spouse and dependent children receiving COBRA coverage can get up to 18 additional months of COBRA coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan Administrator. This extension may be available to the spouse and any dependent children receiving COBRA coverage if the employee or former employee dies or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred. (This extension is not available under the Plan when a covered employee becomes entitled to Medicare after his or her termination of employment or reduction of hours.)

**This extension due to a second qualifying event is available only if you notify the BOS/BorgWarner COBRA Service Center in writing of the second qualifying event within 60 days after the date of the second qualifying event. If these procedures are not followed, or if the notice is not provided to the BOS/BorgWarner COBRA Service Center during the 60-day notice period, THEN THERE WILL BE NO EXTENSION OF COBRA COVERAGE DUE TO A SECOND QUALIFYING EVENT.**

## Health FSA Component

COBRA coverage under the Health FSA will be offered only to qualified beneficiaries losing coverage who have under spent accounts. A qualified beneficiary has an under spent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Health FSA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Health FSA coverage in force at the time of the qualifying event (i.e. the elected annual limit reduced by reimbursable claims submitted up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the Health FSA will be covered together for Health FSA COBRA coverage.

## More Information About Individuals Who May Be Qualified Beneficiaries

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).

**A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO)** received by BorgWarner Inc. during the covered employee's period of employment with BorgWarner Inc. is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

## Are There Other Coverage Options Besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.HealthCare.gov](http://www.HealthCare.gov).

## If You Have Questions or Address Changes

Questions concerning the Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

## Plan Contact Information

You may obtain information about the Plan from your Human Resources Office and COBRA coverage from the BOS/BorgWarner COBRA Service Center at 877-206-0283. This contact information for the Plan may change from time to time. The most recent information will be included in the Plan's most recent summary plan description (if you do not have a copy, you may request one from your Human Resources Office.).

## Plan Sponsor

**BorgWarner Employee Benefits Committee**  
c/o BorgWarner Inc.  
3850 Hamlin Road  
Auburn Hills, MI 48236  
248-754-9200

**COBRA Administrator  
BOS/BorgWarner COBRA Service Center**  
3149 Haggerty Road  
Commerce Twp, MI 48390  
877-206-0283

# Premium Assistance Under Medicaid and the Children's Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you're eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren't eligible for Medicaid or CHIP, you won't be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit [www.healthcare.gov](http://www.healthcare.gov).

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or [www.insurekidsnow.gov](http://www.insurekidsnow.gov) to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren't already enrolled. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance**. If you have questions about enrolling in your employer plan, contact the Department of Labor at [www.askebsa.dol.gov](http://www.askebsa.dol.gov) or call **1-866-444-EBSA (3272)**.

**If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of January 31, 2017. Contact your State for more information on eligibility –**

## ALABAMA – Medicaid

Website: <http://myalhipp.com/>  
Phone: 1-855-692-5447

## ALASKA – Medicaid

The AK Health Insurance Premium Payment Program  
Website: <http://myakhipp.com/>  
Phone: 1-866-251-4861  
Email: [CustomerService@MyAKHIPP.com](mailto:CustomerService@MyAKHIPP.com)  
Medicaid Eligibility: <http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx>

## ARKANSAS – Medicaid

Website: <http://myarhipp.com/>  
Phone: 1-855-MyARHIPP (855-692-7447)

## COLORADO – Health First Colorado (Colorado's Medicaid Program) & Child Health Plan Plus (CHP+)

Health First Colorado Website: <https://www.healthfirstcolorado.com/>  
Health First Colorado Member Contact Center:  
1-800-221-3943/ State Relay 711  
CHP+: [Colorado.gov/HCPF/Child-Health-Plan-Plus](http://Colorado.gov/HCPF/Child-Health-Plan-Plus)  
CHP+ Customer Service: 1-800-359-1991/  
State Relay 711

## FLORIDA – Medicaid

Website: <http://flmedicaidprecovery.com/hipp/>  
Phone: 1-877-357-3268

## GEORGIA – Medicaid

Website: <http://dch.georgia.gov/medicaid>  
Click on Health Insurance Premium Payment (HIPP)  
Phone: 404-656-4507

## INDIANA – Medicaid

Healthy Indiana Plan for low-income adults 19-64  
Website: <http://www.in.gov/fssa/hip/>  
Phone: 1-877-438-4479  
All other Medicaid  
Website: <http://www.indianamedicaid.com>  
Phone 1-800-403-0864

## IOWA – Medicaid

Website:  
<http://dhs.iowa.gov/ime/members/medicaid-a-to-z/hipp>  
Phone: 1-888-346-9562

## KANSAS – Medicaid

Website: <http://www.kdheks.gov/hcf/>  
Phone: 1-785-296-3512

## KENTUCKY – Medicaid

Website: <http://chfs.ky.gov/dms/default.htm>  
Phone: 1-800-635-2570

## LOUISIANA – Medicaid

Website: <http://dhh.louisiana.gov/index.cfm/subhome/1/n/331>  
Phone: 1-888-695-2447

## MAINE – Medicaid

Website: <http://www.maine.gov/dhhs/ofl/public-assistance/index.html>  
Phone: 1-800-442-6003  
TTY: Maine relay 711

## MASSACHUSETTS – Medicaid and CHIP

Website: <http://www.mass.gov/eohhs/gov/departments/masshealth/>  
Phone: 1-800-462-1120

## MINNESOTA – Medicaid

Website: <http://mn.gov/dhs/people-we-serve/seniors/health-care/health-care-programs/programs-and-services/medical-assistance.jsp>  
Phone: 1-800-657-3739

## MISSOURI – Medicaid

Website: <http://www.dss.mo.gov/mhd/participants/pages/hipp.htm>  
Phone: 573-751-2005

## MONTANA – Medicaid

Website: <http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP>  
Phone: 1-800-694-3084

## NEBRASKA – Medicaid

Website: [http://dhhs.ne.gov/Children\\_Family\\_Services/AccessNebraska/Pages/accessnebraska\\_index.aspx](http://dhhs.ne.gov/Children_Family_Services/AccessNebraska/Pages/accessnebraska_index.aspx)  
Phone: 1-855-632-7633

## NEVADA – Medicaid

Medicaid Website: <https://dwss.nv.gov/>  
Medicaid Phone: 1-800-992-0900

**NEW HAMPSHIRE – Medicaid**

Website: <http://www.dhhs.nh.gov/oii/documents/hippapp.pdf>  
 Phone: 603-271-5218

**NEW JERSEY – Medicaid and CHIP**

Medicaid Website: <http://www.state.nj.us/humanservices/dmahs/clients/medicaid/>  
 Medicaid Phone: 609-631-2392  
 CHIP Website: <http://www.njfamilycare.org/index.html>  
 CHIP Phone: 1-800-701-0710

**NEW YORK – Medicaid**

Website: [https://www.health.ny.gov/health\\_care/medicaid/](https://www.health.ny.gov/health_care/medicaid/)  
 Phone: 1-800-541-2831

**NORTH CAROLINA – Medicaid**

Website: <https://dma.ncdhhs.gov/>  
 Phone: 919-855-4100

**NORTH DAKOTA – Medicaid**

Website: <http://www.nd.gov/dhs/services/medicalserv/medicaid/>  
 Phone: 1-844-854-4825

**OKLAHOMA – Medicaid and CHIP**

Website: <http://www.insureoklahoma.org>  
 Phone: 1-888-365-3742

**OREGON – Medicaid**

Website: <http://healthcare.oregon.gov/Pages/index.aspx>  
<http://www.oregonhealthcare.gov/index-es.html>  
 Phone: 1-800-699-9075

**PENNSYLVANIA – Medicaid**

Website: <http://www.dhs.pa.gov/provider/medicalassistance/healthinsurancepremiumpaymenthippprogram/index.htm>  
 Phone: 1-800-692-7462

**RHODE ISLAND – Medicaid**

Website: <http://www.eohhs.ri.gov/>  
 Phone: 401-462-5300

**SOUTH CAROLINA – Medicaid**

Website: <https://www.scdhhs.gov>  
 Phone: 1-888-549-0820

**SOUTH DAKOTA – Medicaid**

Website: <http://dss.sd.gov>  
 Phone: 1-888-828-0059

**TEXAS – Medicaid**

Website: <http://gethipptexas.com/>  
 Phone: 1-800-440-0493

**UTAH – Medicaid and CHIP**

Medicaid Website: <https://medicaid.utah.gov/>  
 CHIP Website: <http://health.utah.gov/chip>  
 Phone: 1-877-543-7669

**VERMONT– Medicaid**

Website: <http://www.greenmountaincare.org/>  
 Phone: 1-800-250-8427

**VIRGINIA – Medicaid and CHIP**

Medicaid Website: [http://www.coverva.org/programs\\_premium\\_assistance.cfm](http://www.coverva.org/programs_premium_assistance.cfm)  
 Medicaid Phone: 1-800-432-5924  
 CHIP Website: [http://www.coverva.org/programs\\_premium\\_assistance.cfm](http://www.coverva.org/programs_premium_assistance.cfm)  
 CHIP Phone: 1-855-242-8282

**WASHINGTON – Medicaid**

Website: <http://www.hca.wa.gov/free-or-low-cost-health-care/program-administration/premium-payment-program>  
 Phone: 1-800-562-3022 ext. 15473

**WEST VIRGINIA – Medicaid**

Website: <http://www.dhhr.wv.gov/bms/Medicaid%20Expansion/Pages/default.aspx>  
 Phone: 1-877-598-5820, HMS Third Party Liability

**WISCONSIN – Medicaid**

Website: <https://www.dhs.wisconsin.gov/publications/p1/p10095.pdf>  
 Phone: 1-800-362-3002

**WYOMING – Medicaid**

Website: <https://wyequalitycare.acs-inc.com/>  
 Phone: 307-777-7531

To see if any other states have added a premium assistance program since January 31, 2017, or for more information on special enrollment rights, contact either:

U.S. Department of Labor Employee Benefits Security Administration  
**[www.dol.gov/ebsa](http://www.dol.gov/ebsa)**  
 1-866-444-EBSA (3272)

U.S. Department of Health and Human Services Centers for Medicare & Medicaid Services  
**[www.cms.hhs.gov](http://www.cms.hhs.gov)**  
 1-877-267-2323, Menu Option 4, Ext. 61565

## Paperwork Reduction Act Statement

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately seven minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Employee Benefits Security Administration, Office of Policy and Research, Attention: PRA Clearance Officer, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email [ebsa.opr@dol.gov](mailto:ebsa.opr@dol.gov) and reference the OMB Control Number 1210-0137.

OMB Control Number 1210-0137 (expires 12/31/2019)

# GROUP HEALTH PLANS OF BORGWARNER INC. NOTICE OF PRIVACY PRACTICES

This Notice Describes How Medical Information About You May Be Used And Disclosed And How You Can Get Access To This Information. Please Review It Carefully.

## Introduction

**BorgWarner Inc. and certain of its related entities** (the “Employer”) sponsor and maintain group health plans, including a Medical Plan, a Dental Program, a Vision Program, an Employee Assistance Program, and a Health Care Flexible Spending Account Program (collectively referred to as the “Plan”). The Privacy Rules under the Health Insurance Portability and Accountability Act (“HIPAA”) generally restrict the ability to use and disclose certain health or medical information about you that is created or received by the Plan with respect to these health care benefit programs or by the Employer in connection with such health care benefit programs.

The Plan is required to provide this Notice of Privacy Practice (the “Notice”) to you pursuant to HIPAA. This Notice describes how medical information about you may be used or disclosed by the Plan or by others that assist in the administration of Plan claims. This Notice also describes your legal rights regarding your medical information held by the Plan. References to the Plan throughout this Notice taking certain actions also shall mean the Employer, as plan sponsor of the Plan.

## Contact Person

If you have any questions about this Notice, please contact the Chief Human Resources Officer, BorgWarner Inc., 3850 Hamlin Road, Auburn Hills, MI 48326, (248-754-9200).

## Protected Health Information

The HIPAA Privacy Rules protect only certain medical information known as “protected health information (“PHI”). Generally, PHI is individually identifiable health information, including demographic information, collected from you or received by a health care provider, a health care clearinghouse, a health plan or your employer on behalf of a group health plan, that relates to:

- your past, present or future physical or mental health or condition;
- the provision of health care to you; or
- the past, present or future payment for the provision of health care to you.

## Effective Date

This Notice was originally effective on and after April 14, 2003, and has been amended and restated on several occasions, most recently effective September 23, 2013.

## Our Pledge and Responsibilities Regarding PHI

We understand that PHI about you and your health is personal and the Plan is committed to protecting PHI. The Plan is required by law to satisfy the following responsibilities with respect to any PHI created or received by the Plan:

- Maintain the privacy of your PHI;
- Provide you with certain rights with respect to your PHI;
- Give you this Notice of the Plan’s legal duties and privacy practices with respect to your PHI; and
- Follow the terms of the Notice that is currently in effect.

## How the Plan May Use and Disclose Medical Information About You

Under law, the Plan may use or disclose your PHI under certain circumstances without your permission. The following categories describe different ways that the Plan may use and disclose PHI. For each category of uses or disclosures we will explain what we mean and present some examples. Not every use or disclosure in a category is listed. However, all of the ways the Plan is permitted to use and disclose PHI will fall within one of the categories.

**For Treatment.** The Plan may use or disclose your PHI to facilitate medical treatment or services by providers. The Plan may disclose PHI about you to providers, including doctors, nurses, technicians, medical students or other hospital personnel, who are involved in taking care of you. For example, the Plan might disclose information about your prior prescriptions to a pharmacist to determine if prior prescriptions contra indicate a pending prescription.

**For Payment.** The Plan may use and disclose PHI about you to determine eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Plan, or to coordinate Plan coverage. For example, the Plan may tell your health care provider about your medical history to determine whether a particular treatment is experimental, investigational or medically necessary or to determine whether the Plan will cover the treatment. The Plan also may share PHI with a utilization review or precertification service provider. Likewise, the Plan may share PHI with another entity to assist with the adjudication or subrogation of health claims or to another health plan to coordinate benefit payments.

The Plan may release PHI about you that is directly relevant to the involvement of a family member, close personal friend or other person in your medical care or payment for your medical care, unless you tell us not to release such information to such person.



**For Health Care Operations.** The Plan may use and disclose PHI about you for other Plan operations. These uses and disclosures are necessary to run the Plan. For example, the Plan may use PHI in connection with: conducting quality assessment and improvement activities; underwriting, premium rating, and other activities relating to Plan coverage; submitting claims for stop-loss (or excess loss) coverage; conducting or arranging for medical review, legal services, audit services, and fraud and abuse detection programs; business planning and development such as cost management; and business management and general Plan administrative activities.

However, the Plan may not use or disclose any PHI that is genetic information for underwriting purposes.

**To Business Associates.** The Plan may contract with individuals or entities known as Business Associates to perform various functions or to provide certain types of services on the Plan's behalf. In order to perform these functions or provide these services, Business Associates will receive, create, maintain, use and/or disclose your PHI, but only if they agree in writing with the Plan to implement appropriate safeguards regarding your PHI. For example, the Plan may disclose your PHI to a Business Associate to administer claims or provide support services, such as utilization, management, pharmacy benefit management or subrogation, but only after the Business Associate enters into a Business Associate Agreement with the Plan.

**As Required by Law.** The Plan will disclose PHI about you when required to do so by federal, state or local law. For example, the Plan may disclose PHI when required by a court order in a litigation proceeding, such as a malpractice action.

**To Avert a Serious Threat to Health or Safety.** The Plan may use and disclose PHI about you when necessary to prevent a serious threat to your health and safety or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat. For example, the Plan may disclose PHI about you in a proceeding regarding the licensure of a physician.

**To Plan Sponsor (i.e. the Employer).** For the purpose of administering the Plan, PHI may be disclosed to certain employees of the Employer. However, those employees will use or disclose that PHI only as necessary to perform plan administration functions or as otherwise required by HIPAA, unless you have authorized further uses or disclosures. Your PHI cannot be used for employment related purposes without your specific, written authorization. Information also may be disclosed to another health plan maintained by the Employer for purposes of facilitating claim payments under that health plan.

## Special Situations

In addition to the above, the following categories describe other possible ways that the Plan may use and disclose your PHI. For each category of uses or disclosures, we will explain what we mean and present some examples. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted to use and disclose information will fall within one of the categories.

**Organ and Tissue Donation.** If you are an organ donor, the Plan may release PHI to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

**Military and Veterans.** If you are a member of the armed forces, the Plan may release PHI about you as required by military command authorities. The Plan also may release PHI about foreign military personnel to the appropriate foreign military authority.

**Workers' Compensation.** The Plan may release PHI about you for worker's compensation or similar programs. These programs provide benefits for work-related injuries or illness.

**Public Health Risks.** The Plan may disclose PHI about you for public health activities. The activities generally include the following:

- To prevent or control disease, injury or disability;
- To report births and deaths;
- To report child abuse or neglect;
- To report reactions to medications or problems with products;
- To notify people of recalls of products they may be using;
- To notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition;
- To notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect or domestic violence. The Plan will only make this disclosure if you agree or when required or authorized by law.

**Health Oversight Activities.** The Plan may disclose PHI to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

*Continued on next page...*

**Lawsuits and Disputes.** If you are involved in a lawsuit or a dispute, the Plan may disclose PHI about you in response to a court or administrative order. The Plan also may disclose PHI about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

**Law Enforcement.** The Plan may release PHI if asked to do so by a law enforcement official:

- In response to a court order, subpoena, warrant, summons or similar process;
- To identify or locate a suspect, fugitive, material witness, or missing person;
- About the victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement;
- About a death we believe may be the result of criminal conduct; and
- About criminal conduct.

**Coroners, Medical Examiners and Funeral Directors.** The Plan may release PHI to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. The Plan may also release medical information about patients to funeral directors, as necessary to carry out their duties.

**National Security and Intelligence Activities.** The Plan may release PHI about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

**Inmates.** If you are an inmate of a correctional institution or under the custody of a law enforcement official, the Plan may release PHI about you to the correctional institution or law enforcement official. This release would be necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

## Required Disclosures

The following is a description of disclosures of your PHI the Plan is required to make:

**Government Audits.** The Plan is required to disclose your PHI to the Secretary of the United States Department of Health and Human Services when the Secretary is investigating or determining the Plan's compliance with the HIPAA Privacy rule.

**Disclosures to You.** When you request, the Plan is required to disclose to you the portion of your PHI that contains medical records, billing records, and any other records used to make decisions regarding your health care benefits. The Plan also is required, when requested, to provide you with an accounting of most disclosures of your PHI where the disclosure was for reasons other than for payment, treatment or health care operations, and where the PHI was not disclosed pursuant to your individual authorization.

## Other Disclosures

**Personal Representatives.** The Plan will disclose your PHI to individuals authorized by you, or to an individual designated as your personal representative, attorney in fact, etc., as long as you provide the Plan with a written notice/authorization and any supporting documents (e.g. durable power of health care attorney). Note that under HIPAA privacy rule, the Plan does not have to disclose PHI to a personal representative if we have a reasonable belief that:

- you have been, or may be, subjected to domestic violence, abuse or neglect by such person;
- treating such person as your personal representative could endanger you; or
- in the exercise or professional judgment, it is not in your best interest to treat the person as your personal representative.

**Spouses and Other Family Members.** With only limited exceptions, the Plan will send all mail to the employee. This includes mail relating to the employee's spouse and other family members who are covered under the Plan, and includes mail with information on the use of Plan benefits by the employee's spouse and other family members and information on the denial of any Plan benefits to the employee's spouse and other family members. If a person covered under the Plan has requested Restrictions or Confidential Communications (see below "Your Rights"), and the Plan has agreed to the request, the Plan will send mail as provided by the request for Restrictions or Confidential Communications.

**Authorizations.** Other uses or disclosures of your PHI not described above will only be made with your written authorization. Additionally, most uses and disclosures of psychotherapy notes (where appropriate), uses and disclosures of PHI for marketing purposes and disclosures that constitute a sale of PHI require your authorization. You may revoke written authorization at any time, as long as the revocation is in writing. Once we receive your written revocation, it will only be effective for future uses and disclosures. It will not be effective for any information that may have been used or disclosed in reliance upon the written authorization and prior to receiving your written revocation.

## Your Rights

You have the following rights regarding PHI that the Plan maintains about you:

**Right to Inspect and Copy.** You have the right to inspect and copy PHI that may be used to make decisions about your Plan benefits. To inspect and copy PHI that may be used to make decisions about you, you must submit your request in writing to the Contact Person listed above. If you request a copy of the information, you may be charged a reasonable fee for the costs of copying, mailing or other supplies associated with your request.

You generally shall have the right, upon written request, to obtain from the Plan an electronic copy of PHI that is maintained electronically in one or more Designated Record Sets, and, if you choose, to direct the Plan to transmit such copy to an entity or person designated by you, provided that any such choice is clear, conspicuous and specific. The Plan will provide the requested PHI in the format requested by you, if it is readily producible in such form or format; or, if not, in a readable hard copy form or such other form or format as agreed to by the Plan and you. You also may direct the Plan, in a written statement signed by you, to transmit a paper or electronic copy of your PHI to an entity or person designated by you, provided that any such choice is clear, conspicuous and specific (e.g. clearly identifies the designated person and where to send a copy of your PHI).

The Plan may deny your request to inspect and copy PHI under very limited circumstances. If you are denied access to PHI, you may request that the denial be reviewed by submitting a written request to the Contact Person listed above.

**Right to Amend.** If you believe that PHI the Plan has about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Plan.

To request an amendment, your request must be made in writing and submitted to the Contact Person listed above. In addition, you must provide the reason that supports your request.

The Plan may deny your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, the Plan may deny your request if you ask us to amend information that:

- Is not part of the PHI kept by or for the Plan;
- Was not created by the Plan, unless the person or entity that created the information is no longer available to make the amendment;
- Is not part of the information which you would be permitted to inspect and copy; or
- Is already accurate and complete.

If the Plan denies your request, you have the right to file a statement of disagreement with the Plan and any future disclosure of the disputed information will include your statement. File this statement with the Contact Person listed above.

**Right to an Accounting of Disclosures.** You have the right to request an “accounting” of certain disclosures of your PHI. The accounting generally will not include (1) disclosures made for purposes of treatment, payment or health care operations, (2) disclosures made to you, (3) disclosures made pursuant to your authorization, (4) disclosures made to friends or family in your presence or because of an emergency, (5) disclosures for national security purposes, and (6) disclosures incidental to otherwise permissible disclosures. However, to the extent required under HITECH, certain disclosures to carry out treatment, payment or health care operations which are maintained in electronic health records may need to be included in the accounting of disclosures beginning on the effective date set forth in HITECH (please call the Contact Person if you would like additional information regarding such accounting rights under the applicable guidance).

To request this list of accounting of disclosures, you must submit your request, in writing, to the Contact Person listed above. Your request must state a time period which may not be longer than six years and may not include dates before April 14, 2004. Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12-month period will be free. For additional lists, the Plan may charge you for the costs of providing the list. The Plan will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

**Right to Request Restrictions.** You have the right to request a restriction or limitation on the PHI the Plan uses or discloses about you for treatment, payment or health care operations. You also have the right to request a limit on the PHI the Plan discloses about you to someone who is involved in your care or the payment for your care, such as a family member or friend. For example, you could ask that we not use or disclose information about a surgery you had.

The Plan generally is not required to agree to your request. Note that you have the right to request that your health care provider not disclose certain PHI to this Plan in the event that the PHI pertains solely to health care items or services that you pay for out of pocket and in full.

To request restrictions, you must make your request in writing to the Contact Person listed above. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure or both; and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

The Plan may terminate a restriction that it previously agreed to with respect to your PHI provided that the Plan informs you that it is terminating its agreement to the restriction and such termination is not effective for PHI that is described in the first two paragraphs of this section and only effective with respect to PHI created or received after you have been informed of such termination.

*Continued on next page..*

**Right to Request Confidential Communications.** You have the right to request that the Plan communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail.

To request confidential communications, you must make your request in writing to the Contact Person listed above. The Plan will not ask you the reason for your request. The Plan will accommodate all reasonable requests if you clearly provide information that the disclosure of all or part of your PHI could endanger you. Your request must specify how or where you wish to be contacted.

**Right to be Notified of a Breach.** You have the right to be notified in the event that we discover, or a Business Associate discovers, a breach of unsecured PHI.

**Right to a Paper Copy of This Notice.** You have the right to a paper copy of this Notice. You may ask the Plan to give you a copy of this Notice at any time. Even if you have agreed to receive this Notice electronically, you are still entitled to a paper copy of this Notice.

To obtain a paper copy of this Notice, contact the Contact Person listed above.

## Changes to This Notice

The Plan reserves the right to change the terms of this Notice and to make new provisions regarding your protected health information that the Plan maintains, as allowed or required by law. The Plan reserves the right to make the revised or changed Notice effective for PHI the Plan already has about you as well as any information the Plan receives in the future. If the Plan makes any material change to this Notice, you will be provided with a copy of a revised Notice of Privacy Practices either by mail or electronically.

## Complaints

If you believe your privacy rights have been violated, you may file a complaint with the Plan or with the Office of Civil Rights. Complaints to the Plan must be submitted in writing to the Contact Person listed above.

A complaint to the Office of Civil Rights should be sent to Office for Civil Rights, U.S. Department of Health & Human Services, 233 N. Michigan Ave. - Suite 240, Chicago, IL 60601, (312) 886-2359; (312) 353-5693 (TDD), (312) 886-1807 (fax). You also may visit OCR's website at: <http://www.hhs.gov/ocr/privacy/hipaa/complaints/> for more information.

You will not be penalized, or in any other way retaliated against, for filing a complaint with the Plan or the Office of Civil Rights.

## NOTICE REGARDING THE BORGWARNER WELLNESS PROGRAM

Shift Into Better Health and Cigna MotivateMe is a voluntary wellness program available to all full-time non-union BorgWarner employees. The program is administered by Cigna according to federal rules permitting employer-sponsored wellness programs that seek to improve employee health or prevent disease, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others. If you choose to participate in the wellness program you will be asked to complete a voluntary health risk assessment or "HRA" that asks a series of questions about your health-related activities and behaviors and whether you have or had certain medical conditions (for example, cancer, diabetes, or heart disease). You will also be asked to complete a biometric screening, which will include a blood test for total cholesterol, LDL cholesterol, and blood sugar. You are not required to complete the HRA or to participate in the blood test or other medical examinations.

However, employees who choose to participate in the wellness program will receive an incentive in the form of a premium discount. Although you are not required to complete the HRA or participate in the biometric screening, only employees who do so will receive a premium discount. Additional incentives of up to \$550 in taxable cash may be available for employees who participate in certain health-related activities, such as telephonic coaching.

**For all participants** – If you think you are unable to meet a standard for a reward under this wellness program, you might qualify for an opportunity to earn the same reward by different means. Contact the Cigna Personal Health Team at 1-800-237-2904 and they will work with you and, if you wish, your doctor.

**For all participants who may have impairment** – If you are unable to participate in any of the program events, activities or goals, because of a disability, you may be entitled to a reasonable accommodation for participation or an alternative standard for rewards. Contact the Cigna Personal Health Team at 1-800-237-2904 for accommodations.

The information from your HRA and the results from your biometric screening will be used to provide you with information to help you understand your current health and potential risks, and may also be used to offer you services through the wellness program, such as telephonic coaching. You also are encouraged to share your results or concerns with your own doctor.

### Protections from Disclosure of Medical Information

We are required by law to maintain the privacy and security of your personally identifiable health information. Although the wellness program and BorgWarner, Inc may use aggregate information it collects to design a program based on identified health risks in the workplace, Shift Into Better Health and Cigna MotivateMe will never disclose any of your personal information either publicly or to the employer, except as necessary to respond to a request from you for a reasonable accommodation needed to participate in the wellness program, or as expressly permitted by law. Medical information that personally identifies you that is provided in connection with the wellness program will not be provided to your supervisors or managers and may never be used to make decisions regarding your employment.

Your health information will not be sold, exchanged, transferred, or otherwise disclosed except to the extent permitted by law to carry out specific activities related to the wellness program, and you will not be asked or required to waive the confidentiality of your health information as a condition of participating in the wellness program or receiving an incentive. Anyone who receives your information for purposes of providing you services as part of the wellness program will abide by the same confidentiality requirements. The only individual(s) who will receive your personally identifiable health information is Cigna MotivateMe in order to provide you with services under the wellness program.

In addition, all medical information obtained through the wellness program will be maintained separate from your personnel records, information stored electronically will be encrypted, and no information you provide as part of the wellness program will be used in making any employment decision. Although no one can prevent all cyber-attacks, Cigna has an information security program consisting of people, process, and technology – including encryption and monitoring tools designed to protect electronic information. We maintain safeguards intended to protect the security of your information. In the event a data breach, as defined by law, occurs involving information you provide in connection with the wellness program, we will notify you as required by law.

You may not be discriminated against in employment because of the medical information you provide as part of participating in the wellness program, nor may you be subjected to retaliation if you choose not to participate.

If you have questions or concerns regarding this notice, or about protections against discrimination and retaliation, please contact Benefits Department at 3850 Hamlin Road, Auburn Hills, MI 48326.

# 2018 REQUIRED NOTICE FOR ACTIVE NON-UNION EMPLOYEES

\*\*\* INFORMATION ONLY—NO ACTION REQUIRED \*\*\*



## New Health Insurance Marketplace Coverage Options and Your Health Coverage

### PART A: GENERAL INFORMATION

When key parts of the health care law took effect in 2014, there was an additional way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the Marketplace and health coverage offered by BorgWarner.

#### What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health (medical and prescription drug) insurance that meets your needs and fits your budget. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins November 1, 2017 and ends December 15, 2017, for coverage starting as early as January 1, 2018.

#### Can I Save Money on my Health Insurance Premiums in the Marketplace?

Some individuals may qualify for a tax credit that lowers their monthly premium for or reduces certain cost-sharing under a qualified health plan purchased through the Marketplace, but only if their employer does not offer coverage, or offers coverage that doesn't meet certain standards.

However, as a BorgWarner full-time eligible employee, you will not qualify for such premium or other reduction in cost-sharing because:

1. BorgWarner offers group health coverage to all full-time eligible employees;
2. BorgWarner's group health plan options meet the “minimum value” standard set by the Affordable Care Act because they pay for at least 60% of covered health care expenses; and
3. Your premium cost under the BorgWarner group health plan options that would cover you (and not any other members of your family) is less than 9.5% of your household income. In other words, BorgWarner pays a majority of the premium cost for your coverage under the BorgWarner group health plans. For that reason, you would have to make less than \$8,337 in a year to qualify for a tax credit which lowers your premiums or other cost-sharing for a qualified health plan purchased through the Marketplace.

#### Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

**Yes.** As a full-time eligible employee, BorgWarner offers you coverage under its group health plans which meet the standards set forth above. Consequently, you will not be eligible for tax credits that lower your monthly premium or reduce certain other cost-sharing for a qualified health plan that you choose to purchase through the Marketplace. Accordingly, you may wish to enroll during the annual enrollment or other special enrollment periods in one of BorgWarner's group health plan options.

**Note:** If you purchase a health plan through the Marketplace instead of accepting BorgWarner health coverage, then you may lose the employer contribution to the employer-offered coverage. Also, this employer contribution, as well as your employee contribution to employer-offered coverage, is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

#### How Can I Get More Information?

For more information about your coverage offered by your employer, please refer to the Summary Plan Description located on the BorgWarner Benefits website, [www.borgwarner.com/benefits](http://www.borgwarner.com/benefits).

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](http://HealthCare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

**PART B: INFORMATION ABOUT HEALTH COVERAGE OFFERED BY BORGWARNER**

This section contains information about any health coverage offered by BorgWarner. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name <b>BorgWarner Inc.</b>	4. Employer Identification Number (EIN) <b>13-3404508</b>	
5. Employer address <b>3850 Hamlin Rd</b>	6. Employer phone number <b>248-754-9200</b>	
7. City <b>Auburn Hills</b>	8. State <b>Michigan</b>	9. Zip code <b>48326</b>
10. Who can we contact about employee health coverage at this job? <b>Corporate Benefits Department</b>		
11. Phone number (if different from above) <b>248-754-0866</b>	12. Email address <b>Marketplace@borgwarner.com</b>	

Here is some basic information about health coverage offered by BorgWarner:

Upon date of hire, all full-time eligible employees are offered coverage under the BorgWarner group health plan. BorgWarner classifies you as a full-time eligible employee if you are regularly scheduled to work at least 30 hours a week. You also may enroll your Eligible Dependents, who include your Spouse and Children (as those terms are defined under the plan documents).

BorgWarner offers two medical plan options: The Basic Plan and the Buy-Up Plan. Both plans work generally the same way, cover the same types of services and provide you with comprehensive coverage. However, they differ in the way you pay your portion of the costs – the balance between the amount you pay up front (through premiums) versus the amount you pay at the time of care (through deductibles and coinsurance).

The Basic Plan is BorgWarner’s lowest cost plan. By enrolling in this Plan, you pay less up front through lower payroll deductions, but more at the time of care through higher member gaps deductible requirements and 20% coinsurance responsibility.

The Buy-Up Plan requires you to pay more up front through payroll deductions, but in return, you pay less out-of-pocket if and when you need care. It has a lower member deductible gap and 10% coinsurance.

The coverage for both BorgWarner plans meet the required minimum value standard, which means the company’s share of the total allowed benefit costs covered by the plan is no less than 60% of the costs. In fact, the company share for both the BorgWarner plans is much greater than 60%. As you can see in the chart below, the Basic Plan is 81.3% while the Buy Up Plan is 85.2%. BorgWarner plan coverage percentages are comparable to the Platinum plan offered under the Health Care Marketplace.

Plan	% of costs covered
Bronze	60%
Silver	70%
Gold	80%
Platinum	90%
<b>BW Basic</b>	<b>86.9%*</b>
<b>BW Buy Up</b>	<b>90.9%</b>

\*HHS Minimum Value Calculator

Even if BorgWarner intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace, **if you made less than \$9,474 during the year.** The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week, if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process. The above employer information is the information you’ll need to enter when you visit HealthCare.gov to find out if you qualify for a tax credit to lower your monthly premiums or otherwise reduce cost-sharing for a qualified health plan purchased through the Marketplace.

**NOTE:** BorgWarner reserves the right to modify and/or discontinue the benefits it provides, the premium amounts it pays, eligibility rules and other provisions for its group health plans, within federal guidelines. In the event of a conflict in language or interpretation between this Notice, and the official plan documents, the terms of such official plan documents will control. Because these group health offerings may change or be amended from time to time, you should always check with Human Resources for current information.