

Gates Radio Company, Quincy, Illinois


GATES INTERCOM

November 11, 1964

ALL EMPLOYEE MEETING - ANNOUNCEMENT OF IMPROVEMENTS IN GROUP INSURANCE PLAN

At an employee meeting Thursday, October 22, at the Holiday Inn, important improvements in our company Group Insurance Plan were announced by Roger Veach, Personnel Director.

Improvements were made in the Basic Hospitalization and Medical Plan, and life insurance coverage -- with a wonderful addition of Major Medical Coverage. Since some Gates people could not be with us that evening -- we would like to review some of the points -- and try to answer some questions people have been asking. Rog is shown below with the chart he used to list our insurance benefits -- comparing the old plan and our new plan.



LIFE INSURANCE		HOSPITAL		DOCTOR		MATERNITY		DISABILITY	MAJOR MEDICAL	COVERAGE OF DEPENDENT CHILDREN	COST OF INSURANCE				
NON-EXEMPT	EXEMPT	ROOM	SERVICES	SURGICAL	MEDICAL	HOSPITAL & DOCTOR	COMPLICATIONS	Employee	Employee's Dependent		SINGLE	FAMILY			
		Employee	Dependent	Employee	Dependent	Employee	Dependent								
\$3,000 50% A.D.&D.	\$6,000 50% A.D.&D.	100% S.P. 70 DAYS	80% S.P. 70 DAYS	UP TO \$350 PER CASE	\$300 SCHEDULE	\$240 SCHEDULE	\$3 PER DAY IN HOSPITAL TO 70 DAYS	UP TO \$100 FOR HOSPITAL & \$100 FOR DOCTOR	UP TO \$100 FOR HOSPITAL & \$80 FOR DOCTOR	UP TO AN EXTRA \$100 ALLOWED FOR HOS- PITAL ON COMPLICATED BIRTHS	\$20 PER WEEK. STARTS ON 8TH DAY OF ACCIDENT OR SICKNESS UP TO 13 WEEKS	NONE	ENDS AT AGE 19	\$5.67 PER MONTH	\$7.67 PER MONTH
A.D.&D. BASIC SALARY 50% A.D.&D.		100% S.P. 70 DAYS	100% S.P. 70 DAYS	Same UP TO \$350 PER CASE	Same \$300 SCHEDULE	\$300 SCHEDULE	Same \$3 PER DAY IN HOSPITAL TO 70 DAYS	9 MONTHS PACKAGE OF UP TO \$200 FOR HOSPITAL AND \$100 FOR THE DOCTOR FOR BOTH EMPLOYEE- AND DEPENDENT	\$30 PER WEEK STARTS AFTER 14 DAYS AGE 19 CONTINUED ON THE 1ST DAY FOR ACCIDENT AND FOR SICKNESS IN HOSPITAL, AND ON 8TH DAY FOR NON-ACCIDENT SICKNESS. UP TO 13 WEEKS	\$100 DEDUCTIBLE TO BE ACCUMU- LATED IN 6 MONTHS. 75-25% CO-INSURANCE. \$10,000 MAX. PER DISABILITY FOR A 2 YEAR PERIOD.	ENDS AT AGE 19 UNLESS A FULL-TIME STUDENT. THEN EXTENDS TO AGE 23 IF STILL A DEPENDENT.	\$6.00 PER MONTH PLUS 50¢ PER M FOR LIFE INSURANCE OVER \$4,000	\$10.00 PER MONTH PLUS 50¢ PER M FOR LIFE INSURANCE OVER \$4,000		

QUESTION: How much life insurance coverage do I have?

ANSWER: If you punch a time card you have \$4,000.00 coverage. If you are an exempt employee (do not punch a time card) your coverage is 1½ times your annual base salary figured on the November 1, 1964 payroll. Life insurance coverage for these employees will be audited every July 1 and changed accordingly. The amount of life insurance is based on the lowest round figure of annual salary. For example, if the annual base pay is \$6,600.00 -- life insurance is 1½ times \$6,000.00 -- or \$9,000.00.

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QUESTION: If I'm killed accidentally, how much life insurance is paid my beneficiary?

ANSWER: AD&D Coverage (Accidental Death & Dismemberment) is one-half our basic life insurance coverage. For example, if you have \$4,000.00 life insurance, your beneficiary would receive \$4,000.00 -- plus \$2,000.00 -- or \$6,000.00 in benefits if you were killed accidentally.

Specified payments will be made to the individual if there is an accidental loss of a limb, eye, etc. Our policy will carry a schedule of these benefits.

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QUESTION: Do my dependents have life insurance coverage?

ANSWER: No -- this is an employee benefit.

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QUESTION: What are the Hospital and Doctor Benefits?

ANSWER: These Basic Benefits are listed below -- and are now the same for employees and dependents -- a great improvement and help to Gates people.

BASIC PLAN OF BENEFITS FOR DOCTOR AND HOSPITAL EXPENSES:

HOSPITAL ROOM - 100% of the cost of a semi-private room up to 70 days on the same case.

OTHER HOSPITAL CHARGES - Up to \$350.00 on the same case. This refers to all hospital charges in addition to the room that have to do with the care of the patient. TV rental, guest dinner trays, etc., do not apply. This benefit applies to "in patient" cases -- and to "out patient" cases on accidents or surgical operations. An "in patient" receives a room charge -- an "out patient" has no room charge.

DOCTOR BENEFITS - Surgical - \$300.00 schedule -- All surgical procedures carry an amount that will be paid toward the doctor's surgical fee for specific operations. Your policy will carry a schedule on surgical benefits and the amount varies -- up to \$300.00 -- depending upon the type of surgery performed.

Medical Benefit - If we are hospitalized and no surgery is performed, we receive \$3.00 per day to apply to the doctor charge for seeing us in the hospital. This is based on the number of days we are charged for a hospital room.

MATERNITY BENEFITS - Up to \$200 toward the mother's hospital expense, and up to \$100 toward the doctor's delivery fee, on normal births. New-born babies are insured at birth if the employee is carrying family insurance. It is not necessary for female employees to carry family coverage to receive maternity benefits.

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QUESTION: What is meant by Major Medical Coverage -- What does it pay?

ANSWER: As the term implies, this type of coverage helps us pay our medical bills when they reach "major" proportions.

Any time we have \$100.00 out-of-pocket expense for a specific case, for an insured person, incurred in a 6-month period, major medical coverage comes into effect. The expenses may be for any medical cost applying to that case, such as; house calls by the doctor, visits to the doctor's office, prescriptions, ambulance expense, any hospital or doctor expense not covered, etc. After this case has cost \$100.00, Major Medical will pay 75% of future costs that are not applicable under our Basic Plan of Hospital and Doctor Benefits. If we should have \$200.00 more of such expense, we would receive \$150.00 (75% of \$200.00 to help pay expenses not covered by the Basic Plan.

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QUESTION: How many dollars can I receive under Major Medical for one sickness or accident?

ANSWER: The total dollars that can be paid on one case is \$10,000.00 -- or it will pay for a 2-year period -- whichever happens sooner.

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QUESTION: If I'm still using the Basic Plan of Benefit on some case, and have paid out \$100.00 -- can I use Major Medical for expenses that are exhausted, or do not apply, under the Basic Benefits?

ANSWER: Yes -- any time there is \$100.00 cost (incurred in a 6-month period) on an insured person, on one case, any additional expense for that case applies to Major Medical. We can receive benefits from the Basic Plan and Major Medical at the same time.

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QUESTION: I remember a weekly disability benefit being mentioned. What is that?

ANSWER: An employee only benefit -- it pays \$30.00 per week, starting the first day we are unable to work because of an accident or hospitalization -- or the eighth day we are unable to work because of sickness, and are not hospitalized. This benefit is available after our regular pay stops.

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QUESTION: I have a child in college -- can I include him in my family coverage?

ANSWER: If your child is a dependent, and a full-time student, he can be insured up to age 23. Coverage for dependent children otherwise ends at age 19.

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QUESTION: How much does all this insurance coverage cost me?

ANSWER: Your company shares the cost with you on a 50-50 basis. If you are insuring yourself only, your cost is \$6.00 per month. Exempt employees pay an additional .50¢ per thousand, per month, for all life insurance over \$4,000.00.

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QUESTION: When is this new coverage effective?

ANSWER: November 1, 1964 at 10:01 a.m.

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QUESTION: I saw a doctor the other day about a pain in my side. I am taking medication with the hope an appendectomy will not be necessary. However, what if I have an operation after November 1 -- will this be covered under our new plan?

ANSWER: If an illness has been established prior to November 1, 1964, and treatment is being continued, future claims for that illness will apply to the old plan. All maternity cases -- where the conception occurred prior to November 1 will receive benefits under the old plan.

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QUESTION: This non-duplication clause, or coordination of benefits, under our new plan, is confusing to me -- what does that mean?

ANSWER: It means our group insurance plan will coordinate with any other group insurance plans where benefits may be available, and will start paying where the other group plan left off. It will pay up to the total out-of-pocket cost an individual has, according to the benefits available.

QUESTION: What is the advantage of this? You say it keeps our premium costs down -- how will it do that?

ANSWER: It means insurance companies will not be paying benefits twice for the same hospital room -- or the same laboratory fee -- the same surgical procedure, etc. Some people have been receiving double benefits -- others have been receiving one benefit under a group plan depending upon whether or not the husband and wife both work where a group plan is available. It makes good sense that we can take the same amount of total group insurance benefit money that is being paid out -- distribute it to everyone who is covered once -- and make that one time payment a better one.

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QUESTION: I have carried an individual hospitalization plan for years. How does this effect this coordination of benefits?

ANSWER: Not at all -- coordination of benefits applies to recognized Group Plans only. Several Quincy firms have coordination of benefits and it is the coming thing in group insurance to help keep the cost of premiums more reasonable.

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AN IMPORTANT POINT: With our new Major Medical Plan it is essential that we be a good bookkeeper. Keep a record of medical expenses. You may wish to get a small ledger book for this purpose and jot down the cost of prescriptions, office visits, etc., for each member of your family. You will want the date, nature of expense, the nature of the illness, as well as the name of the person involved -- and YOU WILL WANT TO KEEP COPIES OF ALL MEDICAL STATEMENTS. Then if in some 6-month period we reach the \$100.00 cost on one specific illness or accident, we will know that we may be eligible for Major Medical Benefits and can file a claim.

PLEASE SEE THE PERSONNEL DEPARTMENT right away if you have any questions about filing a claim -- or about your insurance coverage. We have a great plan -- it will help us pay excessive medical bills and offers much security against the financial ruin that can come from the terrific expense that can come from serious accidents and illnesses. Fortunately very few of us have such major expense. Let's hope and pray it won't happen to any of us -- and let's also be thankful that we have protection should it happen.



The All-American Quartette, comprised of the Melton family started the program in grand style -- presenting several selections which were enjoyed tremendously by everyone. This outstanding family group is pictured above l. to r., "Mom" Mrs. Melton, "Pop" Clarence, their sons, Clarence Jr., and Donald.



CHOW TIME -- completed the program -- Clara Taylor is heading the parade -- with Millie Hermann right behind her.



Short talks were made by members of our management staff. Nibs Jochem, Vice-President Engineering, told about engineering activities and plans for new products. Nibs pointed out how every Gates employee is vital in the development of new products. Larry Cervone, Vice-President Sales, was in an especially jovial mood -- and perhaps the big reason was because he could announce a new contract from the U. S. Navy for 46 A/N URN-5 Low Frequency Beacons. Jim Eaton, Manufacturing Manager, gave a brief summary of recent improvements in production methods and how further improvements would be made in production methods and facilities. Roger Wach, Controller, spoke on the current sound financial condition of the company and pointed out how the fiscal year ending June 30, 1964 had exceeded company goals.



President, P. S. Gates, spoke briefly on company activities. He kidded the men pictured above a bit -- told of his involuntary involvement with the Quincy High School Homecoming Parade -- and as you can see -- presented a real happy picture.

On the right we find some of our "Chow Hounds" -- and it looks as though some of the fellows only ate three or four sandwiches. We understand that Bill Straight was just settling down with his second helping when this picture was shot. Glad you enjoyed the food -- it was a very nice meeting.

