

Important Notice from Coldwater Creek About

Your Prescription Drug Coverage and Medicare

The key purpose of this notice is to advise you that the prescription drug coverage you have under your Coldwater Creek medical plan is expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage will pay in 2009. (This is known as “creditable coverage.”) The reason this is important is that if you or a covered dependent are or become covered by Medicare and you decide to enroll in a Medicare prescription drug plan during a subsequent annual enrollment period, you will not be subject to a late enrollment penalty as long as you had creditable coverage within 63 days of your Medicare prescription drug plan enrollment. You should keep this notice with your important records.

Notice of Creditable Coverage

Please read this notice carefully. This notice has information about your current prescription drug coverage with Coldwater Creek and prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage is available to everyone with Medicare. All Medicare prescription drug plans and Medicare Advantage Plans provide at least a standard level of coverage. Some plans may also offer more coverage for a higher monthly premium.
2. Coldwater Creek has determined that the prescription drug coverage offered by the Coldwater Creek group insurance program is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay in 2009.
3. Read this notice carefully – it explains the options you have under Medicare’s prescription drug coverage, and can help you decide whether or not you want to enroll.

You may have heard about Medicare’s prescription drug coverage, and wondered how it would affect you. Prescription drug coverage is available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

If you are covered under the Coldwater Creek prescription drug plan, your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage in 2009. Therefore, if you are or become eligible for Medicare, you can keep this coverage and not pay extra if you later decide to enroll in a Medicare prescription drug plan.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible, and each year from November 15th through December 31st. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

If you decide to enroll in a Medicare prescription drug plan, you may also continue your employer coverage. The employer plan will continue to pay primary or secondary as it had before you enrolled in a Medicare prescription drug plan. You may also drop your employer coverage, in which case Medicare will be your only payer. You can reenroll in the employer plan at annual enrollment or if you have a special enrollment event.

At this time, Coldwater Creek is planning to continue, for 2009, its prescription drug plan offerings available to Medicare eligible individuals, which include:

Coldwater Creek medical plan

You should know that if you drop or lose your coverage with Coldwater Creek and don't promptly enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage, that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your Medicare prescription drug plan premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll. 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, if this coverage changes, or upon your request.

For more information about your options under Medicare prescription drug coverage:

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov for personalized help.
- Call your State Health Insurance Assistance Program (see a copy of the "Medicare & You" handbook for their telephone number).
- Call 800.MEDICARE 800.633.4227. TTY users should call 877.486.2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov or call them at 800.772.1213 (TTY 800.325.0778).

Remember: Keep this notice. If you enroll in a Medicare prescription drug plan after May 15, 2006, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

For more information about this notice or your current prescription drug coverage, contact:

July 1, 2009
Nathlie White, Benefits Manager
One Coldwater Creek Dr.
Sandpoint, Idaho 83864
208.265.7079