

REMINDER OF REIMBURSEMENT OBLIGATION

Dear Participant:

You recently submitted a claim form on which you indicated that you were injured in a non-work related accident. When the Fund pays benefits to you or to someone else on your behalf as a result of that accident, you have an obligation to reimburse the Fund for any amount it paid up to the amount you recover on any claim you make against the person whom you believe is responsible for your injury. The reimbursement obligation applies to all claims paid by the Fund, both for medical benefits and disability income.

Here is an example of how this reimbursement obligation works

Assume that you are injured in a car accident while driving to a movie with your family (a non-work related injury). You believe that the driver of the other car involved in the accident was at fault. You file an application for medical benefits with the Fund and the Fund pays the medical bills that you incurred as a result of the accident. You then sue or threaten to sue the driver of the other car (called "third party"). The driver of the other car (or his insurance company) pays you to compensate you for the accident. Under these circumstances, you must reimburse the Fund for all of the benefits which the Fund has paid to you or on your behalf as a result of the accident up to the amount which you have recovered from the other person or the insurance company.

The Plan's rules require that:

1. If claims for medical expenses relate to an accident or injury, you must sign the enclosed reimbursement agreement before any claim is paid by the Fund.
2. If you retain a lawyer to assist in making a claim against a third party:
 - (a) You must inform the Fund in writing of the name, address, and telephone number of your lawyer and furnish him or her with a copy of the Reimbursement Agreement; and
 - (b) You must direct your lawyer to contact the Fund regarding your claim against the third party and keep the Fund informed of the status of that claim.
3. The Plan's rules also say that if you do not pay the Fund what is due, the Fund may:
 - (a) Sue you to collect the amount which is due;
 - (b) Make you pay the Fund's attorneys' fees and related costs which it incurs in that lawsuit; and
 - (c) Refuse to pay any future health benefits which you would otherwise be entitled to receive.

Questions about how this reimbursement obligation works

Question: Referring to the auto accident example above, do I have to reimburse the Fund for money that I receive from the other driver's insurance company if I do not actually start a lawsuit?

Answer: Yes. You must reimburse the Fund if you settle your claim against the driver of the other car even though no lawsuit is started.

Question: Referring to the auto accident example, do I have to reimburse the Fund if the money I receive from the other person (or his insurance company) is to compensate me for my pain and suffering?

Answer: Yes.

Question: Do I have to reimburse the Fund if the injury results from something other than an automobile accident? For example, I injure myself as a result of slipping on ice in front of my neighbor's house.

Answer: Yes.

Question: Do these procedures apply equally to any dependent of mine who receives benefit payments from the Fund?

Answer: Yes.

Question: Do these procedures mean that I have to sue or threaten to sue someone who I believe is responsible for my non-work related accident?

Answer: No. You do not have to make a claim against anybody unless you want to.

Question: If I decide to sue someone as a result of my non-work related accident, should I show this form and the Reimbursement Agreement to my lawyer?

Answer: Yes.

This reminder notice is intended to remind you of the important terms of the Plan's reimbursement provisions. It is not intended to vary those provisions which will control in case of any conflict with this Reminder Notice. The Plan provisions are attached to this notice.

Please call the Fund office if you have any questions.

Connecticut Carpenters Health Fund

Plan effective 4/1/2000 (applicable excerpt only)

Section 16.7 Reimbursement

(a) The Fund is not liable for any medical expenses or disability income resulting from the negligence of third parties. It may, however, advance these medical expenses and disability income under the terms of this Section 16.7 if and only if the Member and Eligible Dependent sign the Fund's standard form of Reimbursement Agreement. If Benefits are paid under this Plan related to any one accident or event, and if the Active Member, Retired Member or any Eligible Dependent has a claim against one or more insurance companies or one or more parties who may be responsible or liable for the cost of such Benefits paid by the Fund, the Fund must be repaid out of any proceeds received by that Eligible Individual from the other party or from any insurer, whether by way of settlement of the claim or by way of judgment, whether denominated for medical expenses, pain and suffering, or any other category and even if the Eligible Individual is not made whole. The obligation to reimburse the Fund shall be without any deduction or adjustment for attorney fees, except that attorneys fees not to exceed 20% of the proceeds may be used to reduce the obligation only when the injured party has signed a contract to pay attorney fees of at least that amount and when the total gross proceeds are less than the obligation to reimburse the Fund. The Fund shall have an equitable interest in any amount so recovered or to be recovered by the Eligible Individual.

(b) If it should be necessary for the Fund to institute legal action against any individual who fails to repay the Fund as required by this Section or honor the equitable interest in any amount recovered by the individual from any other party or insurer, the Active Member, Retired Member or any Eligible Dependent shall be liable for interest at the rate of 12% per annum and for all costs of collection, including reasonable attorney's fees. The Fund shall have a lien to the extent permitted by law against the proceeds from any claim immediately upon receipt by the Eligible Individual, or the attorney acting on his behalf, and may take such action as it deems necessary to protect its interests.

(c) When a claim by an Eligible Individual against a third party is settled or otherwise resolved, and the Fund becomes entitled to or is reimbursed under this Section, the Fund will not pay future Benefits for claims relating to that injury or illness. This provision will apply as soon as there is any settlement or resolution against a party or insurer, even if there remain other parties or insurers to pursue.

(d) Once the Fund becomes entitled to reimbursement under this Section, the Fund may withhold payment on other claims made by the Eligible Individual or any of his or her family members until reimbursement is received.

(e) The above terms shall also apply where the Active Member, Retired Member and/or Eligible Dependent receives or is entitled to receive payment under an uninsured or underinsured motorist insurance policy, or from any other form of insurance, including policies maintained by, or for the benefit of, that individual.

REIMBURSEMENT AGREEMENT

I, _____ (member) and I, _____, (dependent) understand that I/we must inform the Connecticut Carpenters Health Fund (Fund) of any accident and injury related to such accident and that the Fund will provide benefits for myself and/or my dependent(s) relating to injuries sustained as a result of such accident only on the condition I/we sign a written Reimbursement Agreement before any benefits will be paid. This is notice of such accident that occurred on _____.

I/we agree if I and/or my dependent(s) make a claim or claims against any third party, including the party claimed to be legally responsible for the injury, and the claim or claims is/are settled in any manner, including an agreement with or without trial or as a result of judgment after trial or by arbitration or other voluntary means, I and my dependent(s) agree to reimburse the Fund in full from any proceeds received. Such reimbursement shall cover all payments made by the Fund in connection with such injury or injuries without any deductions of any type. Such reimbursement shall be required even if I am not, or my dependents are not, "made whole" by the settlement.

Such reimbursement shall be made within thirty (30) days following receipt by me and/or my dependent(s) or by an attorney acting on behalf of myself and/or my dependent(s). I also agree that if reimbursement is not made within the thirty (30) day period, I and/or my dependent(s) shall be liable for interest on the amount owed to the Fund at the rate of 1% per month commencing on the 31st day following receipt of the proceeds of settlement or judgment, together with all costs, including reasonable attorney fees and expenses of suit incurred by the Fund in collecting such reimbursement.

In addition, I/we understand and agree that if I and/or my dependent(s) fail to reimburse the Fund as required by this Reimbursement Agreement and the Fund's rules and regulations, the Fund shall have the right to withhold any benefits otherwise due me and/or my dependent(s) thereafter until the full amount is recovered by the Fund.

I/we understand that once a settlement is made with respect to any injury or injuries covered by this Reimbursement Agreement, the Fund will not provide any future benefits related directly or indirectly to that injury or injuries.

I/we further agree that to secure the above rights of reimbursement and any additional interest, costs and attorneys' fee for which I/we and/or my dependent(s) may be liable, the Fund shall have a lien against such proceeds to the extent permitted by law. The lien shall attach to such proceeds immediately upon receipt by myself and/or my dependent(s) or by an attorney acting on behalf of myself and/or my dependent(s), whichever occurs first, and shall be discharged only by a written release executed by the Fund or its authorized representatives or attorneys.

I/we further agree and irrevocably direct that any attorney acting on behalf of myself and/or my dependent(s) to recover any such settlement or judgment shall be bound by the terms of this Agreement and shall honor the lien and pay over to the Fund so much of the proceeds as are required to satisfy the obligations of this Agreement. The name and address of such attorney, if already retained by me and/or my dependents are set forth below. I/we agree to notify the Fund promptly if any new or different attorney is retained at a later date.

I/we understand that the Fund will not make any payments relating to these injuries unless this signed agreement is returned to the Fund Office.

I/we further understand and agree that the Fund is exempt from Connecticut General Statute 52-225c, as amended, because that statute is pre-empted by ERISA, and this Agreement is valid and enforceable in accordance with its terms.

Name of Attorney: _____

Address: _____

Telephone Number: _____

Witness

Member's Signature

Witness

Dependent-Claimant Signature

Personally appeared at _____, Connecticut, this _____ day of _____, 20____, the within named _____ (member) and _____ (dependent) who is acknowledged the same to be his/her/their free act, before me.

Commissioner of the Superior Court
Notary Public
My commission expires: _____