

IMPORTANT NOTICE CHANGES MADE TO YOUR PLAN OF BENEFITS

March 2009

To All Plan Participants:

The following changes were made to the NECA/IBEW Family Medical Care Plan, and are effective December 16, 2008. After you have read this notice, please keep it with your Summary Plan Description booklet (SPD) for future reference.

Termination Upon Employer Withdrawal

The “31-Day Termination Rule (Termination Upon Employer Withdrawal)” provisions in your SPD have been amended to read as follows:

The following rules apply if an employer withdraws from the NECA/IBEW Family Medical Care Trust Fund. A withdrawal occurs when an employer’s collective bargaining agreement ceases to require contributions to the Plan for active employees. The Trustees in their sole discretion may also deem that a withdrawal has occurred if an employer ceases to make required contributions to the Plan for two consecutive months. A withdrawal can also occur when a local union negotiates health benefit coverage for a substantial number of its members under a plan other than this Plan.

When a withdrawal occurs, persons having Plan coverage because of current or past employment with the employer that has withdrawn will cease to be eligible for coverage under this Plan on the date the employer withdraws from the Plan. This includes active employees, retired employees, employees (and dependents) making self-payments, individuals on COBRA coverage (unless federal law requires the Plan to continue the person’s COBRA coverage), individuals maintaining coverage due to reciprocity, non-bargaining unit employees of the affected employers, and dependents. Termination of eligibility also cancels all of an employee’s credited hours. Therefore, no extended eligibility otherwise available under the Plan because of credited hours will be available. The Plan has no responsibility for claims incurred after the date of withdrawal from the Plan.

Non-Assignability of Fund Assets

The Plan provision in your SPD entitled “Non-Assignability of Fund Assets” has been renamed “Non-Assignability of Fund Assets and Absence of Right to Maintain Independent Actions to Obtain Plan Assets Based Upon Representations Regarding Coverage.”

The following provisions have been added to this section of your SPD:

- A Plan participant can assign benefits to a service provider, but that does not give the service provider any rights to maintain an action against the Fund. Only the Plan participant has that right.
- Any information given to a service provider about coverage or eligibility does not give the service provider any rights against the Fund.
- Only the full Board of Trustees can make commitments on behalf of the Fund.

- If there is a conflict between Fund’s written documents and information provided by a Fund representative, the written documents will govern.
- Appeal procedures may only be brought by a Plan participant.

Subrogation

The “Subrogation” provisions in your SPD have been revised to remove the seventh paragraph, which begins: “The participant or dependents shall be required to pay their own legal fees....,” and by substituting the following paragraphs:

The participant or dependent shall be required to pay their own legal fees and costs and to hire only attorneys who agree to waive the common fund doctrine and to remit the gross rather than the net proceeds from litigation. The Fund shall have a lien, enforceable as a provision of this Fund, either before or after an adjudication of liens, for the full amount of benefits paid by the Fund. In the event a court awards the Fund less than the full amount of benefits, through an “adjudication of liens” or otherwise, the specific proceeds received by the participant or dependent shall be subject to a “constructive trust” or “equitable lien” in favor of the Fund in the amount of the difference between the full amount of benefits paid by the Fund and the amount paid the Fund pursuant to the court’s award and this Plan provision establishing a “constructive trust” or “equitable lien” may be enforced through any available equitable remedy to ensure that the proceeds subject to the “constructive trust” or “equitable lien” are turned over to the Fund

While not affecting the Fund’s right to receive the full amount of benefits paid, the Fund may elect, in an appropriate case to pay a portion of the participant’s or dependent’s attorney’s fees in exchange for the waiver of the terms of the common fund doctrine by the involved attorney and the participant or dependent. The Fund shall pay no legal costs or fees without receiving a recovery and then only within the terms of this provision. In the event that an attorney is hired by or on behalf of the participant or dependent and the Fund is given notice and an opportunity to pursue its own subrogation recovery, the Fund shall not be required to hire an attorney. If the attorney representing the participant or dependent nevertheless wishes to proceed, and creates a common fund in which subrogated amounts are paid, the Fund may agree to pay up to 10% to include legal fees, provided that the participant or dependent and the attorney waive any other payment or agreement to reduce recovery from the Fund including, but not limited to, any rights under the common fund doctrine. Said 10% shall also include any prorated portion of the cost of recovery. If the attorney representing the participant or dependent receives either a payment or an agreement to reduce recovery from the Fund (whether in the form of cash payment or reduction of the Fund’s right to the full amount of benefits paid by the Fund), the attorney and the participant or dependent will be considered to have waived the common fund doctrine.