

## NOTICE OF PLAN AMENDMENT

This is to notify the participants and their dependents (collectively, "Claimant") of the New York State Teamsters Council Health and Hospital Fund (the "Plan") that the Plan has passed Plan Amendment No. 1. This Amendment clarifies Claimants' obligations to subrogate claims, preserve funds and reimburse the Plan from third party recoveries. For purposes of this Amendment, a "third party" means any individual or entity, other than Claimant, who is responsible or liable for expenses relating to any illness or injury, including but not limited to, tortfeasors, insurance companies, workers compensation programs or other benefits plans. The most common example of when this Amendment will apply is if a Claimant is involved in an automobile accident and then sues the driver of the other vehicle.

**In exchange for receiving Plan benefits, the Claimant expressly agrees to provide the Plan with a lien or an equitable lien by agreement on and a future interest in any recovery from a third party related to an illness or injury for which the Plan provided benefits. The amount of the lien and future interest shall be equal to the amount of the paid Plan benefits.**

The Plan may pay medical benefits to (or on behalf of) the Claimant for an injury or sickness caused by a third party, or the Plan may pay medical benefits to (or on behalf of) the Claimant that a third party, such as a workers compensation program or an uninsured motorist policy, is responsible for paying. In either case, the Plan requires, and the parties explicitly agree, that the Claimant will reimburse the Plan from any recovery paid by a third party responsible for paying the costs associated with the Claimant's illnesses or injuries.

If a Claimant may recover from a third party or chooses to bring his or her own action against a third party, then the Claimant must immediately notify the Plan in writing. The Claimant expressly agrees that the Plan is entitled to a portion of any recovery from a third party equal to the full amount of benefits provided to the Claimant. The Plan is entitled to receive these funds before any fees or costs (including legal fees) are taken out of the Claimant's recovery. Also, these funds must be paid to the Plan irrespective of how the recovery is structured or worded, whether or not the recovery is designated for medical costs or expenses and whether or not the Claimant receives a complete or partial recovery.

Once the Claimant receives a recovery, **the Claimant is responsible for holding the Plan's funds in constructive trust until the funds are surrendered to the Plan.** This means the Claimant is responsible for safeguarding the Plan's funds. The Claimant agrees to act as a trustee and fiduciary of the funds and agrees that he or she may be liable if he or she fails to safeguard the Plan's funds. The Claimant is obligated to cooperate with the Plan in the enforcement of Amendment No. 1. This means that the Claimant has an affirmative duty to keep the Plan informed of any accidents, injuries or sickness caused by a third party, and/or of any third party recoveries related to any illness or injury for which the individual applied for or received Plan benefits.

Claimant agrees to provide Amendment No. 1 and this Notice to any attorney retained to represent the Claimant in an action against a third party who caused an illness or injury for which the Plan provided benefits, or who is responsible for paying medical expenses related to any illness or injury for which the Plan provided benefits.

Claimant agrees to notify the Plan immediately if the Claimant files a claim or action related to an injury or sickness for which the Claimant received Plan benefits. Claimant also agrees to enter an Assignment and Subrogation Agreement as the Plan requests.

Claimant agrees to cooperate with Plan representatives as necessary or appropriate to recover from any third party the Plan benefits paid to the Claimant.

Claimant will not do anything to impair, prejudice, or discharge his or her right to any third party recovery and/or the Plan's right of subrogation, including but not limited to settling any claim or lawsuit without the written consent of the Plan.

Claimant agrees that, under Amendment 1, the Fund may collect amounts owed to it by offsetting future benefits due to Claimant and/or his/her dependents.

Claimant agrees that, in order to recover benefits that it has paid, the Plan may also take the following actions:

(1) The Plan may bring an action or claim against a third party in the place of the Claimant to recover the paid Plan benefits. If the Plan recovers from the third party, any amount in excess of the payments made to the Claimant plus the expenses incurred in making the recovery, will be paid to the Claimant.

(2) The Plan may enforce its right to reimbursement by bringing a legal action against a Claimant to recover benefits payments advanced by the Plan. If that occurs, the Claimant will be responsible for paying all costs and expenses, including attorney's fees and costs, incurred by the Plan in connection with the claim against the Claimant. And the Claimant will be required to pay interest from the date the Claimant becomes obligated to repay the Plan through the date that the plan is paid the full amount owed.