



Connecticut Carpenters Health Fund

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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. You have to pay the Fund first, even if you don't think that's the "fair" or equitable result and even if you aren't able to keep any of the recovery amount, and cannot reduce the recovery by your attorney's fees or any other costs or expenses. 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 advances payment of 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 a "third party"). The driver of the other car (or his or your insurance company) pays you to compensate you for the accident. Under these circumstances, you must reimburse the Fund first 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 provide 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 keep the Fund informed of the status of that claim, and honor the Reimbursement Agreement you signed.
3. If you do not pay the Fund what is due, the Fund may:

3. If you do not pay the Fund what is due, the Fund may:
 - (a) Withhold payment on other claims made by you or any of your family members until reimbursement is received;
 - (b) Sue you to collect the amount which is due; and
 - (c) Make you pay interest at an annual rate of 12% on any unpaid amount you owe, plus the Fund's attorney's fees and related costs which it incurs in a lawsuit to collect from you.
4. As soon as you settle your claim against the third-party or are entitled to receive any recovery, the Fund will also have a lien on and equitable interest in the proceeds from any claim and will not pay future benefits for claims relating to your injury or illness in accordance with the rules of the Plan.

Questions about how this reimbursement obligation works

Question 1: Referring to the auto accident example above, do I have to reimburse the Fund for money that I receive from the other driver's or my own 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, or receive any insurance proceeds, even though no lawsuit is started.

Question 2: 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. It does not matter what the payment is designated for.

Question 3: 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 4: What if I don't get enough money to reimburse the Fund? Aren't I entitled to keep some part of what I get? What if I have other bills?

Answer: The Plan's rules require you to reimburse the Fund before you keep any money or use it to pay other bills, including attorney's fees and expenses related to your injury. That's the rule even if the other bills are for your share of treatment related to your accident. You are not entitled to receive any share of the proceeds or to be made whole, until the Fund is completely repaid. Sometimes you will be better off not suing or making insurance claims.

Question 5: How can I get the Fund to reduce the reimbursement amount I owe?

Answer: If you cooperate with the Fund and reimburse it promptly, so the Fund does not have to consult its own attorney or devote a lot of staff time to the matter, the Fund will give you a 25% "discount" off what you owe to help you pay your legal fees. For example, if you owe \$8,000, the Fund will accept \$6,000 if you cooperate fully and reimburse promptly. The discount cannot exceed \$10,000 unless the Board of Trustees

determines that extenuating circumstances exist and your lawyer has agreed to reduce the legal fees owed to him or her.

Question 6: When I settle or resolve my claim against one of the people responsible for my accident or against an insurance company, will the Fund keep paying my medical expenses related to the accident?

Answer: No. Even if you are still eligible for Fund coverage, future accident-related treatment won't be covered. Once you have made full and prompt reimbursement to the Fund and prove to the Fund that you have spent all of the excess proceeds on future accident-related treatment that the Fund would have covered, your coverage for that treatment may resume in accordance with the terms of the Plan.

Question 7: Do these procedures apply equally to any dependent of mine who receives benefit payments from the Fund?

Answer: Yes. Both you and your dependent are obligated to reimburse the Fund.

Question 8: 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. Sometimes, you will be better off by not suing or making insurance claims because you could end up having to reimburse everything you collect to the Fund and still having to pay your lawyer.

Question 9: If I decide to sue someone or make an insurance claim 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 4/1/2013
(applicable excerpt only)**

“Section 16.7 Reimbursement”

(a) The Fund is not liable for any medical expenses or disability income resulting from the negligence, criminal activity, or any actions 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 (Weekly Disability Income shall be specifically included in the term Benefits as it is used in this Section 16.7) are paid under this Plan related to any one accident or event, and if the Active Member, Retired Member, Eligible Dependent, or the attorney for any such individual or any other person acting on the individual's behalf (the “Eligible Individual”) 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, without deduction or adjustment of any kind, including but not limited to for attorney's fees (other than those specifically described in this paragraph (a)), litigation, settlement, mediation and/or arbitration costs, any related fees or expenses, or other liens or amounts owed. Further, regardless of the sufficiency of such proceeds, the Fund's reimbursement claim is not subject to any state law or equitable doctrines, including but not limited to the common-fund doctrine, the make-whole doctrine, or the double-recovery rule, which would purport to require the Fund to reduce its recovery in any way.

The obligation to reimburse the Fund shall be without any deduction or adjustment for any of the fees, costs, and expenses stated above, except that for reimbursements paid on or after April 1, 2010 attorney's fees not to exceed the lesser of (i) 25% of the proceeds, or (ii) \$10,000 may be used to reduce the obligation only when the Eligible Individual has signed a contract to pay attorney's fees of at least that amount and when the Eligible Individual (including any attorney) cooperates promptly in reimbursing the Fund. Effective April 1, 2013, in situations where the Board of Trustees has determined that extenuating circumstances exist and the Eligible Individual's attorney has agreed to reduce the legal fees to which s/he is entitled, the Board of Trustees may, in its sole discretion, increase or eliminate the \$10,000 cap on attorney's fees set forth in 16.7(a)(ii) above. By accepting any Benefits from this Plan, an Eligible Individual agrees that the Fund shall have a first priority and lien, assignment, equitable interest and a constructive trust on any proceeds recovered or received, or to be recovered or received, on the Eligible Individual's behalf in accordance with the provisions described above.

(b) If it should be necessary for the Fund to institute legal action against any Eligible Individual who fails to repay the Fund as required by this Section or honor the equitable interest in any amount recovered by the Eligible Individual from any other party or insurer, the Eligible Individual 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 her/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 reimbursement 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 proceeds have not been paid yet or if there remain other parties or insurers to pursue. This provision will not apply to reimbursements paid on or after April 1, 2010, only if all three of these conditions are satisfied: (i) if the Eligible Individual has made full and prompt reimbursement to the Fund (minus attorney's fees, if that reduction is allowed), and (ii) if the Eligible Individual provides a detailed disclosure of the use of all proceeds, and (iii) after the future covered claims exceed any "excess" proceeds paid to or for the Eligible Individual, all in accordance with policies and procedures adopted by the Health Fund.

(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 Eligible Individual 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, _____ (participant) 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 me 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, or against any insurance policy including my own, 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 that the Fund must first be reimbursed out of any proceeds paid or to be paid to or for me, my dependent(s) or the attorney or any other person acting on my or my dependent(s) behalf from the other party or from any insurer. The obligation to reimburse the Fund will apply to any proceeds received or to be received whether denominated for medical expenses, pain and suffering, or any other category. The obligation to reimburse the Fund will also apply without deduction or adjustment of any kind, including but not limited to for attorney's fees (other than those specifically described in Section 16.7(a) of the Plan), litigation, settlement, mediation and/or arbitration costs, any related fees or expenses, or other liens or amounts owed. The Fund's reimbursement claim is not subject to any state law or equitable doctrine, including but not limited to the common-fund doctrine, the make-whole doctrine, or the double-recovery rule, which could otherwise require the Fund to reduce its recovery in any way. 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 have other bills for accident related treatment.

I recognize that the Fund may reduce its reimbursement claim by 25% (not to exceed \$10,000) in order to make a contribution towards my legal fees, but only in exchange for full cooperation and prompt reimbursement and only if this discount policy remains in effect when my reimbursement is made. In situations where the Board of Trustees has determined that extenuating circumstances exist and my or my dependent's attorney has agreed to reduce the legal fees to which s/he is entitled, the Board of Trustees may, in its sole discretion, increase or eliminate the \$10,000 cap on attorney's fees.

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 12% per annum commencing on the 31st day following receipt (or constructive receipt) of the proceeds of settlement or judgment, together with all costs, including reasonable attorney's 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 or any other recovery 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, except that the Fund may resume that coverage after I demonstrate I

have spent all excess proceeds on future treatment for those injuries and have otherwise met the conditions specified in the Plan's rules.

I/we further agree that to secure the above rights of reimbursement and any additional interest, costs and attorney's fees for which I/we and/or my dependent(s) may be liable, the Fund shall have a first priority and lien, assignment, equitable interest and a constructive trust on any proceeds recovered or received, or to be recovered or received, to the extent permitted by law. Such equitable interests 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 me 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 equitable interests of the Fund described above 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

Participant's Signature

Witness

Dependent-Claimant Signature

Personally appeared at _____, Connecticut, this _____ day of _____, 20____, the within named _____ (participant) 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: _____