

Duluth Building Trades Health Fund

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Fund Administrators

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SUMMARY OF MATERIAL MODIFICATION No. 4

May 2021

Dear Participants:

Effective June 1, 2021, the Trustees of the Duluth Building Trades Health Fund announce the following change to the Summary Plan Description (SPD) dated October 1, 2018:

1. Exclusion of Future Medical Claims Related to Receipt of a Third-Party Recovery

When a Participant receives a recovery or settlement from a Responsible Third Party related to an injury, the Fund excludes coverage of future related medical benefits in certain circumstances. This exclusion is limited to three (3) defined circumstances and limited to the amount of the Participant's net recovery. This provision is meant to clarify existing language and rights under the SPD and is intended to keep costs low for all Plan Participants.

This change is effective June 1, 2021, and amends the Summary Plan Description dated October 1, 2018, and is reflected in the enclosed pages. Please insert the enclosed pages according to their page number in your SPD and discard the pages they replace.

If you have any questions about this amendment, please contact the Fund Office at the address or telephone number shown above.

Board of Trustees
Duluth Building Trades Health Fund

The Plan's Trustees believes this Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for external claims review. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Fund Office at 218-728-4231. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Subrogation

Whenever the Duluth Building Trades Health Fund has been or is providing Benefits under the Plan to a Plan Participant or eligible dependent as a result of an occurrence which results in the injury, sickness, or death to the Plan Participant or eligible dependent and for which a Plan Participant or eligible dependent could possibly recover damages, indemnity, or any other benefits or payments from any Responsible Third Party (including without limitation any person; any legal entity; any liability insurer, health insurer, Workers Compensation insurer, self-insurer, or any other insurer, whether first-party or third-party; any provider of no-fault, underinsurance, or uninsurance; or any indemnitor), the Fund will be subrogated to the rights of the Plan Participant and eligible dependent against such Responsible Third Party to the extent the Fund has paid benefits on behalf of the Plan Participant and eligible dependent and to the extent the Fund has incurred reasonable attorneys' fees and costs in the representation of its interests. The Fund may make a claim or commence and prosecute a legal action against any Responsible Third Party to recover benefits it has paid and to recover any fees and costs (including attorneys' fees) the Fund may have incurred in obtaining such a recovery.

If a Plan Participant or eligible dependent recovers any payments from any Responsible Third Party (whether through settlement, judgment, or otherwise, and whether or not denominated as medical damages), the Fund has a first priority subrogation and reimbursement claim against any such recovery. The proceeds from any such recovery, however denominated, from any Responsible Third Party will be allocated as follows:

First, the Fund will be paid that amount that fully reimburses the Fund for all benefits it has paid on behalf of the Plan Participant or eligible dependent and for the Fund's reasonable attorneys' fees and costs incurred by the Fund in the representation of its interests.

If there is any balance then remaining from such recovery, the Plan Participant or eligible dependent will receive such balance, but the Plan Participant or eligible dependent will be fully responsible for payment of his fees and costs of collection, including but not limited to his attorneys' fees.

The payment of proceeds will be made in the order described whether or not the Plan Participant or eligible dependent or those claiming under him have been fully compensated for damages arising from the injury, sickness, or death. Furthermore, this allocation will apply to any claim of any eligible dependent, regardless of whether the Plan Participant or eligible dependent was legally responsible for expenses of treatment. Unless it agrees in writing, the Fund will not be liable for any expenses, costs, or fees (including attorneys' fees) a Plan Participant or eligible dependent may incur in connection with his recovery.

If a Plan Participant or eligible dependent recovers from a Responsible Third Party and does not fully reimburse the Fund the amount of benefit payments the Fund has made and the reasonable attorneys' fees and costs incurred by the Fund in the representation of its interests, the Plan Participant or eligible dependent is personally liable to the Fund for the full amount of benefits paid on behalf of the Plan Participant or eligible dependent by the Fund, along with all costs and attorneys' fees incurred by the Fund to recover that amount.

A Plan Participant or eligible dependent must not settle or compromise any claims they might have against any Responsible Third Party without obtaining the prior written consent of the Fund. A Plan Participant or eligible dependent must cooperate fully with the Fund in the prosecution of any claims against any Responsible Third Party, and must provide the Fund with the names and addresses of all potential Responsible Third Parties and their insurers; all accident reports; and all authorizations and other papers and information the Fund might request from a Plan Participant or eligible dependent. A Plan

Participant or eligible dependent must notify the Fund if they pursue a claim to recover damages and/or reimbursement of expenses related to the injury, sickness, or death that necessitated their request for and receipt of benefits.

If a Plan Participant or eligible dependent does not provide the Fund with information the Fund has requested or is entitled to receive, or fails to reimburse the Fund out of any recovery, or fails to assign to the Fund their rights of recovery, or fails to promise to reimburse the Fund, or in any way prejudices the Fund's reimbursement and subrogation rights, the Fund in its discretion may withhold payment of present and future benefits to the Plan Participant or eligible dependents until they provide the requested information, reimburse the Fund, or otherwise cease prejudicing the Fund's reimbursement and subrogation rights.

The Fund will have the right to intervene in any legal action (wherever located) that a Plan Participant or eligible dependent might commence against any Responsible Third Party. The Fund will have the right to seek equitable or legal relief in order to enforce its reimbursement and subrogation rights that exist pursuant to law or equity, pursuant to the Summary Plan Description, or pursuant to any other document. A Plan Participant or eligible dependent or their attorney or agent must hold in trust the Fund's first priority interest in any recovery they might obtain from any Responsible Third Party. By virtue of applying for and accepting benefits from the Fund, a Plan Participant or eligible dependent authorizes the Fund to seek the imposition of a constructive trust or file a claim for equitable restitution against any recipient of monies recovered from any Responsible Third Parties, or to seek any other relief (whether characterized as legal or equitable) in any court or tribunal in order to protect the Fund's interest in any such recovery.

Any rights the Fund may possess pursuant to this section will be enforceable against the heirs, successors, and assigns of the Plan Participant or eligible dependent. As a condition precedent to providing benefits, the Fund may require the Plan Participant or eligible dependent to acknowledge their responsibilities and the Fund's rights under the Summary Plan Description, to assign to the Fund the Plan Participant's or eligible dependent's rights to recovery, and to promise to reimburse the Fund.

In the event a Plan Participant recovers any sums from any Responsible Third Party related to a specific event or health condition that is or would be subject to the Plan's Subrogation provision and the Participant either: (1) recovered such sum prior to becoming covered under the Plan; or (2) the Participant failed to fully comply with the rules of the Plan's Subrogation provision, as determined by the Trustees in their sole discretion; or (3) the Participant received a sum from a Responsible Third Party, including a workers' compensation insurer, as compensation for future medical expenses and/or as consideration for closing out and resolving any claim for future medical benefits, then the Plan will be:

1. responsible to make payments for benefits only in excess of the Participant's net recovery (gross amount less actual costs of collection); or
2. entitled to reimbursement from the Participant for payment of any benefit up to the amount of the Participant's net recovery.

Intervention Rights

If the Fund pays benefits on behalf of an eligible Plan participant for any Accidental Injury or Sickness that is determined to be work related, the Fund has the right to intervene in the Workers' Compensation proceeding to recover benefits paid to or on behalf of the Plan participant for the Accidental Injury or Sickness. The recovery may be made from the employer, insurer of employer, or any other party determined to be responsible for payment.

It is your responsibility and the responsibility of your attorney to notify the Fund in writing of any claim filed by you or on your behalf for a work related Accidental Injury or Sickness.

The Fund may pay benefits for an eligible participant before claims are identified as work-related claims. This provision does not obligate the Fund to pay benefits for a work-related Accidental Injury or Sickness, but is intended to prevent the payment of duplicate benefits. The Fund may recover benefits from all components of the Workers' Compensation payment.

Unless otherwise required by law, the Fund will not be responsible for any costs or attorney fees incurred by the Plan participant in prosecution of a claim for Workers' Compensation benefits.