

**AFL Hotel & Restaurant Workers  
Health & Welfare Trust Fund  
Benefit and Risk Management Services**  
560 N. Nimitz Highway, Suite 209  
Honolulu, HI 96817-5315

August 2009

**TO:** All Participants of the AFL Hotel & Restaurant Workers Health & Welfare Trust

**FROM:** Board of Trustees

**RE: COMPREHENSIVE MEDICAL PLAN**

I. COMPREHENSIVE MEDICAL PLAN

On February 14, 2007, you were notified that the advance or loan provision for third party liability had been reinstated on December 20, 2006 and made applicable to injury or illness caused by a third party on and after March 9, 2005 pursuant to the language provided in the February 14, 2007 participant notice.

**Effective August 1, 2009**, the Comprehensive Medical Plan's advance or loan provision for third party liability claims has been amended. The "Third Party Liability" provision on page 59 of the Summary Plan Description which had been replaced effective December 20, 2006 as described above, has been replaced by the following provision, effective August 1, 2009:

THIRD PARTY LIABILITY

If an injury or illness is or may have been caused by a third party and you have a right or assert a right to recover damages from that third party or your own insurance company, the plan is not liable for benefits in connection with services rendered. However, upon the execution and delivery to the Trust Fund of all papers it requires to secure its rights of reimbursement, **within one hundred eighty (180) days from the date they are sent to you**, the plan may pay such benefits. Time is of the essence as to your timely delivering of these documents to the Plan. If the fully executed papers are not received within the one hundred eighty (180) days, this loan provision will expire and will not be available and no payments will be made. Such payments shall be considered only as an advance or a loan to you and you agree to repay 100% of this advance or loan, without any deduction for legal fees and costs which you incurred or paid, from any recovery received, however classified or allocated, and you promise not to waive or impair any of the rights of the Trust Fund without written consent. If and when there is a recovery on or settlement of the

third party claim, all payments cease and 100% reimbursement of all amounts so advanced (without any offset for attorney's fees) is required.

If the plan makes payments for such injury or illness, the Trust Fund shall have reimbursement rights and shall have a lien on that portion of any recovery you obtain from the third party or your insurance company which is due for said benefits paid by the plan, even if the recovery does not make you whole or does not include medical payments. Such lien may be filed with you, the third party, his or her agent or insurance company, your insurance company, any other person or party holding such recovery for you, or the court. If you do not repay the loan from the recovery, the Trust Fund has the right to either:

1. Take legal and/or equitable action to collect 100% of any payments made plus any legal fees and costs incurred or paid by the plan to secure reimbursement, or
2. Offset future benefit payments by the amount of such reimbursement plus any legal fees and costs incurred or paid by the plan to secure reimbursement.

However, there continues to be no coverage under the Plan for third party liability claims. The Plan will not be liable for the provision of any benefits where an injury or illness is or may have been caused by a third party and you have a right or have asserted a right to recover damages from that third party or your insurance company.

Should you have any questions, please contact HMA at (808) 951-4621 or (866) 377-3977 for Neighbor Islands.