

ST. PAUL ELECTRICAL WORKERS HEALTH PLAN

SUMMARY OF MATERIAL MODIFICATIONS

To: All Participants and Beneficiaries

From: Board of Trustees

Date: September 1, 2020

Re: Plan Exclusions from Coverage

Effective October 1, 2020, the Plan has amended provisions regarding certain exclusions from coverage and coordination of benefits for the Health Plan.

Specifically, the Plan has added the following exclusions:

General Exclusions of the Medical Plan

The Medical Plan does not pay for and excludes from benefits

...

- In the event you recover any sums from any third party, insurance company, or any other source relating to a specific event, injury, occurrence, or condition before making claim against the Plan for benefits related to that specific event, injury, occurrence, or condition, the Plan will be (a) responsible to make payments for benefits only in excess of your net recovery (gross amount of recovery less the costs of collection); or (b) entitled to reimbursement from you for payment of any benefit up to the amount of your net recovery.
- Any loss, expense or charge arising from the maintenance or use of an automobile where (a) you fail to maintain the statutory minimum level of no-fault insurance required by the State in which you reside (for example: \$20,000 in Minnesota); (b) where you fail to apply for the no-fault benefits available to you; (c) where a no-fault insurer has determined charges not to be Medically Necessary or exceed the Allowed Amount; or (d) you do not first exhaust any no-fault coverage available to you.
- Any loss, expense or charge arising from the maintenance or use of an automobile in non-no fault states where (a) you failed to maintain the statutory minimum level of applicable automobile medical and/or disability insurance protection in the jurisdiction in which you reside (this exclusion will apply only up to the amount of automobile medical and/or disability insurance so required); (b) you failed to apply for any available automobile medical and/or disability insurance; (c) the automobile insurer has determined that charges are not Medically Necessary, exceed the Allowed Amount; or (d) you do not first exhaust any medical payment and/or disability coverage on the vehicle(s) involved in the accident.

- Any loss, expense or charge for any Injury or Illness that results from an event occurring on any property where a lessee, lessor, or owner of the property is responsible for the Injury or Illness or where the loss, expense or charge is otherwise covered under homeowner's insurance on the property. The Plan may pay the loss, expense or charge only if (a) no insurance or other form of compensation is available to you; and (b) you (or other individual legally responsible for payment of expenses) signs an acknowledgment of the Plan's first priority right to subrogation and reimbursement.

The Plan is further amended to supplement the Plan's Coordination of Benefits provisions with the following section regarding coordinating with automobile insurance.

Coordination of Benefits with Automobile Insurance:

Benefits payable by this Plan are not in lieu of those that would be payable under no-fault automobile insurance or other statutorily required automobile insurance and does not affect any legal requirement that you maintain the minimum insurance coverage within the jurisdiction in which you reside.

For any medical expenses arising from the maintenance or use of a motor vehicle, no-fault automobile insurance will calculate and pay its benefits first and this Plan will calculate and pay benefits second. If no-fault coverage is not required within the jurisdiction in which you reside, any medical payments coverage or personal injury protection insurance will pay its benefits first and this Plan will calculate and pay benefits second. The amount of benefits payable by this Plan will be coordinated so that the total amount paid will not exceed one hundred (100%) of the expenses incurred.

Benefits that would be payable by no-fault automobile insurance will not be paid by this Plan merely because you failed to file a claim for no-fault benefits. Likewise, benefits will not be paid by this Plan until any medical payments coverage or personal injury protection coverage is exhausted. If you failed to maintain the legally required no-fault or other legally required coverage within the jurisdiction in which you reside, Plan benefits will not be payable for amounts which the legally required amount of automobile insurance otherwise would have paid.

In the event that the no-fault automobile insurer discontinues payments prior to the statutory minimum or denies coverage, if you were injured in an automobile accident which is, or should be, covered by no-fault automobile insurance, you must arbitrate any notice of discontinuance or denial of coverage by no-fault automobile insurance or benefits related to the accident will not be payable under this Plan.

The trustees have made these changes with an eye toward protection of the Health Plan and the benefits it provides for all participants in the Plan.

Keep this notice, also called a "Summary of Material Modification" or "SMM" with you Summary Plan Description (SPD) for the St. Paul Electrical Workers Health Plan (restated effective January 1, 2017).

If you have any questions, please contact Ronald G. Ethier, Fund Coordinator at 651-772-8767.

