



Heat and Frost Insulators Local 34

Fringe Benefit Funds

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## **SUBROGATION AND REIMBURSEMENT ACKNOWLEDGMENT**

I acknowledge receipt of a copy of the attached Subrogation and Reimbursement provisions contained in the Heat and Frost Insulators Local 34 Health and Welfare Plan (Plan) Plan Document -and Summary Plan Description. I have reviewed these provisions and understand that I and my attorney, if I'm so represented, are bound by them.

In light of the above, pursuant to the Subrogation and Reimbursement provisions of the Plan, in the event I recover money from any third party, including any insurance company of any kind, as a result of an injury or illness, I agree to the following:

1. I am a Subrogee as that term is defined in the attached Subrogation and Reimbursement provisions from the Plan.
2. The Plan will have a constructive trust or equitable lien on the money I recover and any money shall be held in trust for the Plan. In the event I fail to hold the money in trust or in any way adversely impact the Plan's subrogation and reimbursement rights, I understand that the Plan may, among other things, and at the discretion of its trustees, pursue all available equitable and legal remedies at its disposal and reserves the right to take any and all action to protect its subrogation and reimbursement rights including denying the payment of benefits, offsetting any future benefits payable under the Plan, recouping any benefits previously paid, and/or suspending and/or terminating coverage under the Plan.
3. The Plan shall be reimbursed first to the full extent of its subrogation and reimbursement rights out of any money I recover or that is recovered in any way on my behalf for my injuries or damages, even if this means I am not fully compensated for my injuries or damages.
4. The Plan's subrogation and reimbursement rights apply to all claims I have,, regardless of whether I am legally obligated for expenses of treatment.
5. I will not assign any rights or causes of action I, as a Subrogee, may have against a third-party to recover money without the express written consent of the Plan.
6. I will fully cooperate with the Plan and do nothing to prejudice or adversely affect the Plan's subrogation and reimbursement rights. As noted under paragraph No. 2 above, I understand that the Plan may deny the payment of benefits, offset any future benefits payable under the Plan, recoup any benefits previously paid, suspend and/or terminate coverage if I do not cooperate with the Plan or otherwise fail to timely respond to the Plan's requests for periodic updates or information regarding the status of my claim.
7. I will promptly advise the Plan Administrator, in writing, of any claim being made against any person or entity relating to an injury or illness for which I receive benefits.
8. The Plan will not be responsible for any attorney's fees or costs incurred by me in any legal proceeding or claim for recovery, unless the Trustees agree in writing to pay all or some portion of attorney's fees or costs.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Claimant or Claimant's Parent, Guardian, or Legal Representative

\_\_\_\_\_  
Printed Name of Claimant

### **Attorney Acknowledgment**

I have reviewed this Subrogation and Reimbursement Acknowledgment and the subrogation and reimbursement provisions contained in the Plan Document and agree to their terms without exception. I acknowledge that, if I procure a settlement or judgment on behalf of the Subrogee, the Plan has a constructive trust or equitable lien on the proceeds. I further acknowledge that it is my professional duty to notify the Plan and Fund Counsel promptly (1) of the existence and terms of the settlement or judgment and (2) that I hold funds in which the Plan has an interest, in my trust account.

If my representation relates to a workers' compensation matter, I may not hold the funds that are the subject of a judgment or settlement in which the Plan has an interest, as under workers' compensation law they are usually paid directly to the Plan participant. Nevertheless, I will (1) take no action to prejudice the Plan's first priority subrogation rights related to the settlement and judgment, (2) will notify the Plan's Fund Counsel promptly of the existence and terms of the workers' compensation settlement or judgment in which the Plan has an interest, and (3) will take all steps necessary to assure that the portion of the settlement or judgment in which the Plan has an interest will not be disbursed to any other party other than the Plan.

\_\_\_\_\_  
Signature of Attorney for Claimant

\_\_\_\_\_  
Printed Name of Attorney

\_\_\_\_\_  
Attorney's Address

\_\_\_\_\_  
Attorney's Telephone Number

## **SUBROGATION AND REIMBURSEMENT**

### **Section 1. General**

The Plan has a first priority subrogation and reimbursement right if it provides benefits resulting from or related to an injury, occurrence or condition for which the Subrogee has a right of redress against any third-party. For purposes of this Subrogation and Reimbursement section, Subrogee means the participant, employee, dependent, beneficiary, representative (including a trustee in a wrongful death action), an administrator of an estate or any other person asserting a claim related to the injury, claim, action or occurrence under this section.

What does first priority right of subrogation and reimbursement mean? It means that if the Plan pays benefits which are, in any way, compensated by a third-party, such as an insurance company, the Subrogee agrees that when a recovery is made from that third-party, the Plan is fully reimbursed out of that recovery for the benefits the Plan previously paid. If the Subrogee does not agree to the Plan's subrogation and reimbursement rules, benefits will not be paid.

For example, the subrogation and reimbursement right may apply if a Subrogee is injured at work, in an automobile accident, at a home or business, in an assault, as a result of medical or other negligence or in any other way for which a third-party has or may have responsibility. If a recovery is obtained from a third-party, such as an insurance company, the Plan will be paid first and to the full extent of the benefits it paid. The Subrogee receives payment only after the Plan is fully reimbursed.

The rights of subrogation and reimbursement are incorporated into this Plan for the benefit of each Subrogee in recognition of the fact that the value of benefits provided to each employee or dependent will be maintained and enhanced by enforcement of these rights.

### **Section 2. Rules for the Plan**

The following rules apply to the Plan's right of subrogation and reimbursement:

1) Subrogation and Reimbursement Rights in Return for Benefits: In return for the receipt of benefits from the Plan, the Subrogee agrees that the Plan has the subrogation and reimbursement rights as described in this Subrogation and Reimbursement section. Further, the Subrogee and their attorney will sign a Subrogation Agreement with the Plan acknowledging the Plan's subrogation and reimbursement rights prior to payment, or further payment, of benefits. Benefits will not be paid if the Subrogee and/or their attorney refuses to sign the Subrogation Agreement. The Plan's subrogation and reimbursement rights to benefits paid prior to Plan notice of a subrogation and reimbursement right are not impacted if the Subrogee and (if represented) their attorney refuses to sign the Subrogation Agreement. Should the Subrogee and/or their attorney fail to sign the required Subrogation Agreement, the Plan will take any and all action necessary to protect its subrogation and reimbursement rights including denying the payment of benefits, offsetting any future benefits payable under the Plan, recouping any benefits previously paid, suspending and/or terminating coverage under the Plan.

2) Plan Granted Constructive Trust or Equitable Lien: The Plan's subrogation and reimbursement rights grant the Plan an equitable lien on the proceeds of any recovery obtained by the Subrogee from a third-party, whether by settlement, judgment or otherwise and in consideration for the payment of benefits, the aforementioned individual(s) agree to the same. When a recovery is obtained, the recovery proceeds are held in trust for the Plan. The Plan then imposes a constructive trust or equitable lien on the recovery proceeds and is paid to the full extent of its equitable subrogation and reimbursement rights. If the Subrogee fails to hold the recovery proceeds in trust or in any other way prejudices or adversely impacts the Plan's subrogation and reimbursement rights, the Plan reserves the right to, among other things, and at the discretion of the Trustees, pursue all available equitable remedies, pursue all available legal

remedies, offset any benefits payable under the Plan, recoup any benefits previously paid, suspend all benefits available under the Plan, deny all claims related to the incident in which a recovery was received in addition to non-related claims submitted by the-Subrogee,- or terminate coverage of-the-Subrogee-or Subrogees:-

3) Subrogee Constructive Trust and/or Equitable Lien Duties: The Subrogee is required to use his or her best efforts to preserve the Plan's right of subrogation and reimbursement. This will include, but not be limited to, the Subrogee's causing of the Plan's subrogation or reimbursement interest to be paid to the Plan, advising their legal counsel to segregate the Plan's subrogation or reimbursement interest to be held in such legal counsel's trust account until the Plan's interest is agreed to or completely adjudicated, and not allowing any other disbursement from any settlement or judgment proceeds to Subrogee, Subrogee's attorney, or any other third-party, prior to complete disbursement to the Plan. Should Subrogee fail to use their best efforts to preserve the Plan's right of subrogation and reimbursement, including but not limited to, the actions set-forth in paragraph (2) above as well as the entirety of these subrogation provisions and the terms of the Plan as a whole, Subrogee's coverage under the Plan will terminate until such time as the Plan is made whole, including the reimbursement of all interest, attorney's fees and costs reasonably incurred. Only upon the Plan's being made whole may the Subrogee make application to the Board of Trustees of the Plan for reinstatement of their coverage.

4) Plan Paid First: Amounts recovered or recoverable by or on the Subrogee's behalf are paid to the Plan first, to the full extent of its subrogation and reimbursement rights, and the remaining balance, if any, to the Subrogee. The Plan's subrogation and reimbursement right comes first even if the Subrogee is not paid for all of their claims for damages. If the Plan's subrogation and reimbursement rights are not fully satisfied directly by a third-party, the Plan's right to reimbursement may be enforced to the full extent of any recovery that the Subrogee may have received or may be entitled to receive from the third-party.

5) Right to Take Action: The Plan's right of subrogation and reimbursement is an equitable one and applies to all categories of benefits paid by the Plan. The Plan can bring an action (including in the Subrogee's name) for, breach of contract, specific performance, injunction or any other equitable action necessary to protect its rights in the cause of action, right of recovery or recovery by a Subrogee. The Plan will commence any action it deems appropriate against a Subrogee, an attorney or any third-party to protect its subrogation and reimbursement rights. The subrogation and reimbursement right applies to claims of eligible dependents covered by the Plan regardless of whether such dependent is legally obligated for expenses of treatment.

6) Applies to all Rights of Recovery or Causes of Action: The Plan's subrogation and reimbursement rights apply to 'any and all rights of recovery or causes of action the Subrogee, regardless of whether such person or entity has the right, legal or otherwise, to recover the medical expenses paid by the Plan, has or may have against any third party.

7) No Assignment: The Subrogee cannot assign any rights or causes of action they may have against a third-party to recover medical expenses without the express written consent of the Plan.

8) Full Cooperation: The Subrogee will cooperate fully with the Plan and do nothing to prejudice or adversely affect the Plan's subrogation and reimbursement rights. Benefits will be denied or recouped if the Subrogee does not cooperate with the Plan. This includes, but is not limited to, responding to any Plan request for information and updates.

9) Notification to the Plan: The Subrogee must promptly advise the Plan Administrator, in writing, of any claim being made against any person or entity to pay the Subrogee for their injuries, sickness, or death. Further, the Subrogee must periodically update the Plan regarding the claim and notify the Plan of a settlement prior to reaching a compromise of their claims. The Subrogee must promptly notify the Plan

Administrator, in writing, with the name, address and telephone number of their attorney in the event a claim is pursued.

10) Third-Party: Third-party includes, but is not limited to, all individuals, entities, federal, state or local governments, and insurers (including, but not limited to, liability, medical expense, wage loss, workers' compensation, premises liability, no-fault, uninsured or underinsured motorist insurers), who reimburse, compensate, pay or are liable for a Subrogee's losses, damages, injuries or claims relating in any way to the injury, occurrence, conditions or circumstances leading to the Plan's payment of benefits. This right of subrogation and reimbursement exists regardless of whether the policy of insurance is owned by the Subrogee.

11) Apportionment, Comparative Fault, Contributory Negligence, Make-Whole and Common-Fund Doctrines Do Not Apply: The Plan's subrogation and reimbursement rights include all portions of the Subrogee's claims regardless of any allocation or apportionment that purports to dispose of any portion of the claims not otherwise subject to subrogation, including, but not limited to, any apportionment for pain and suffering, wage loss, partial or total disability, or to a spouse for loss of consortium. The Plan's subrogation and reimbursement rights are not affected, reduced or eliminated by comparative fault, contributory negligence, the make-whole and common-fund doctrines or any other equitable defenses.

12) Attorney's Fees: The Plan will not be responsible for any attorney's fees or costs incurred by the Subrogee in any legal proceeding or claim for recovery, unless prior to incurring such fees or costs, the Trustees agree in writing to pay all or some portion of attorney's fees or costs.

13) Course and Scope of Employment: If the Plan has paid benefits for any injury which may have arisen out of and in the course and scope of employment, the Plan's right of subrogation and reimbursement will apply to all awards or settlements received by the Subrogee regardless of how the award or settlement is characterized and regardless of whether the Plan has intervened in the action. If attorney's fees are awarded to the Subrogee's attorney from the Plan's recovery, the Subrogee will reimburse the Plan for the attorney's fees.

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