

NEW YORK DISTRICT COUNCIL OF CARPENTERS

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SUMMARY OF MATERIAL MODIFICATIONS TO THE NEW YORK CITY DISTRICT COUNCIL OF CARPENTERS WELFARE FUND SUMMARY PLAN DESCRIPTION

To: All Welfare Fund Participants
From: Board of Trustees
Date: July 19, 2013
Re: Amendments to the Welfare Fund Summary Plan Description

This Summary of Material Modification ("SMM") is intended to notify you of certain changes to the Summary Plan Description ("SPD") for the New York City District Council of Carpenters Welfare Fund (the "Welfare Fund"). Please read this summary carefully and keep it with the SPD that was previously provided to you.

If you have any questions about any of the following changes, please call the Fund Office.

Lawsuits

Any action by a Participant or Beneficiary for benefits following a denial of an appeal must be filed within 365 days from the notice of the denial of the appeal. Any such action may only be filed in the United States District Court for the Southern District of New York in New York County, New York.

Recovery of Overpayments

If a payment to a participant or dependent or provider is determined to be paid in error or otherwise be an overpayment, the Board of Trustees may commence legal action to recover the overpayment and/or offset future claim payments to recover the amount overpaid.

Claims and Appeals Procedures

The following is a summary of changes to the Welfare Funds' Claims and Appeals Procedures which are effective for appeals reviewed on or after June 1, 2012. These changes are required by the health care law, the Patient Protection and Affordable Care Act.

1. Right to Appeal Rescissions of Coverage

A "rescission of coverage" refers to a cancellation or discontinuance of coverage that has a retroactive effect, except to the extent that the rescission is due to a failure to pay timely premiums towards coverage or fraud. You may appeal a rescission of coverage even if the rescission does not have an adverse effect on any particular benefit. To appeal a rescission of coverage follow the Claims and Appeals Procedures set forth in the SPD. In addition, rescissions of coverage are eligible for External Review as described below.

2. External Review of Certain Types of Claims

Claims that involve (1) medical judgment or (2) a rescission of coverage are eligible for external review. Some examples of situations in which a claim is considered to involve medical judgment include adverse benefit determinations (full or partial claim denials) based on the Welfare Fund's requirements for medical necessity, appropriateness, health care setting, level of care or effectiveness of a covered benefit, or based on the Welfare Fund's determination that a treatment is experimental or investigational. As part of the External Review process, Empire BlueCross and BlueShield ("Empire") has contracted with at least three (3) Independent Review Organizations ("IROs") and has taken other steps to ensure that the External Review Process is independent and without bias.

For medical and hospital administered by Empire benefits, please follow the following process for External Review:

If the outcome of the mandatory first level appeal is adverse to you, you may be eligible for an independent External Review.