

★★SUMMARY OF MATERIAL MODIFICATIONS★★

August, 2007

To All Employees and Dependents:

This Summary of Material Modifications is an amendment to your Summary Plan Description (SPD) booklet effective November 1, 2005, to formalize language incorporating recent Trustee actions regarding your Plan. New SPD language is shown in italics throughout.

Blue Cross Blue Shield of Minnesota Preferred Provider Arrangement Changes

Effective July 1, 2007, there are some new provisions to the Plan's Network Agreement with Blue Cross Blue Shield of Minnesota. The rules of Blue Cross' Blue Card program state that you must be informed of the following information. The Plan will have the ability to accept assignments of claims for non-PPO providers as long as the provider is located outside the geographic reach of the Blue Cross Blue Shield of Minnesota AWARE Network. However, for claims with non-PPO providers located within the Minnesota AWARE Network, the Plan may not accept assignments. To incorporate these new provisions, we are adding language to page 21 of your Summary Plan Description booklet in the section entitled, "Blue Cross Blue Shield of Minnesota Preferred Provider Arrangement" as new paragraphs 4, 5, and 6. The new language will read as follows:

For charges incurred with PPO providers, the Plan will pay a discounted amount. These providers have agreed to accept payment from the Plan as payment in full, except for applicable deductibles, copayments, maximum benefit limitations, or other similar limitations under the Plan.

For charges incurred with non-PPO providers within the geographic area of the Blue Cross Blue Shield of Minnesota AWARE Network, the Plan will pay the reasonable expense or, if applicable, a separately negotiated amount to the non-PPO provider. The rules applicable to the network provide that the Plan is not permitted to accept an assignment for these charges. Rather, the Plan is supposed to pay you directly and you then will be responsible for paying the non-PPO provider for the charges and the Plan will make no further payment. Additionally, you will be responsible for applicable deductibles, copayments, maximum benefit limitations, or other similar limitations under the Plan and may be billed for the balance by the non-PPO provider.

-over-

Charges incurred with non-PPO providers outside the geographic area of the Blue Cross Blue Shield of Minnesota AWARE Network will come through Blue Cross' Blue Card program. The Plan will pay the reasonable expense as provided by the Blue Card Host Plan in the Blue Card system or, if applicable, an amount separately negotiated with the non-PPO provider. The Plan may accept an assignment of these claims to make payment directly to the non-PPO provider. You will be responsible for applicable deductibles, copayments, maximum benefit limitations, or other similar limitations under the Plan and may be billed for the balance by the non-PPO provider.

Revised General Exclusion

To comply with the Uniformed Services Employment and Reemployment Rights Act (USERRA), we are revising the Plan's military injury exclusion language. The current General Exclusion reads, "Accidental bodily injury or sickness caused by war or any act of war (declared or undeclared), participation in a riot, or commission of a felony by the eligible person." USERRA allows a plan to exclude any injury determined by the Secretary of Veterans Affairs to have occurred in the course of military service. Such service is not limited to war or armed aggression. Injury incurred during training may be included, for example. Accordingly, we will be revising General Exclusion (g) on page 41 of your Summary Plan Description booklet to read as follows:

(g) Any loss or services to treat injuries or sicknesses incurred in, or aggravated during, performance of service in the uniformed services; accidental bodily injury or sickness caused by participation in a riot or commission of a felony by the eligible person.

Please keep this Summary of Material Modifications with your Summary Plan Description (SPD) booklet for future reference. If you have any questions, feel free to contact the Fund Office.

Yours very truly,

THE BOARD OF TRUSTEES

ufc\not\SMM 0807