

ASBESTOS WORKERS LOCAL 42 WELFARE FUND
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September 2007

SUMMARY OF MATERIAL MODIFICATIONS #2

TO ALL PARTICIPANTS:

Your Summary Plan Description was revised effective October 1, 2006. From time to time the Trustees update the information contained in the Summary Plan Description. These updates are provided to you through a Summary of Material Modifications.

The purpose of this notice is to provide you with updated information concerning the rights of employees who enter into the Uniformed Services to elect to continue benefit coverage under the Plan. This important information should be kept with your Summary Plan Description for future reference.

Uniformed Services

Special rules concerning continuing eligibility, termination of benefits and reinstatement of eligibility apply to participants who leave active employment for service in the Uniformed Services as defined under the Uniformed Services Employment Rights and Reemployment Act. They are as follows.

An active employee who is eligible for benefits and who leaves covered employment for service in the Uniformed Services may elect to continue his coverage (and coverage for his eligible dependants, if any) by giving notice to the Fund's Administrative Agent 30 days in advance of commencing the Uniformed Service. The time period for the notice will be waived where such notice is impossible, unreasonable or precluded by military necessity. The failure to give notice of Uniformed Service and to elect continuation of benefits will result in the termination of benefits as otherwise provided under the terms of the Plan. An employee who gives timely notice of Uniformed Service but does not initially elect to continue benefits shall have up to 90 days from the commencement of Uniformed Service to elect to continue benefits.

An employee who elects to continue benefits (and his eligible dependants, where applicable) has the right to extend his benefits for the shorter of 24 months from the commencement of Uniformed Service or the period from the commencement of Uniformed Service until the date the employee fails to return from the service or to apply for reemployment (usually within 90 days after the end of such Uniformed Service or as otherwise permitted under the Act). For the first 30 days of Uniformed Service, the Welfare Fund will pay the cost of continuation coverage for the employee and, where applicable, the employee's eligible dependents. Commencing with the 31st day of Uniformed Service, the employee must pay the

cost of continuation coverage in such amounts as determined by the Trustees which shall not exceed 102% of the actual premiums. The failure of the employee to pay required costs, including the cost of retroactive coverage, within 90 days after the commencement of Uniformed Service will result in the termination of eligibility as otherwise provided under the Plan. Notwithstanding anything in this paragraph to the contrary, however, in the event of a declaration of war or the existence of an armed conflict involving the United States, as determined by Congress or by the President of the United States as permitted under law, the Fund will pay the cost of continuation coverage for an employee who commences Uniformed Service, and for the employee's eligible dependants where applicable, where the employee has been an active eligible participant in the Welfare Plan (including the use of the hour bank) for a period of 2 two years prior to entering Uniformed Services. Such continuation coverage at the expense of the Fund shall commence upon entry of the employee into Uniformed Services and shall continue for the shorter of a period of 2 years or until the employee returns from Uniformed Services as set forth below.

Upon conclusion of the Uniformed Service, an employee who returns to active employment within 90 days of the termination of the Uniformed Service, or within such additional time as permitted under the regulations, will again be eligible for benefits upon meeting the continuing eligibility requirements of the Plan. An employee who fails to return to active employment within the time permitted shall be required to meet the initial eligibility requirements of the Plan.

An employee who has hours in his hour bank can elect to use these hours to offset the cost of continuation coverage and/or to meet the continuing eligibility requirements upon return to employment. Any banked hours not so utilized will remain in the employee's hour bank consistent with the terms of the Plan.

Definitions

Certain terms are used in your Plan which have a special meaning. Some of these terms define or limit benefits or rights under the Plan so it is important that you be familiar with them:

Dependent

1. As used in the Plan, "Dependent" means your spouse and unmarried (i.e. never married) children to their 20th birth date.
2. The term "Dependent" shall not include (1) a spouse from whom you are divorced or from whom you are legally separated or (2) any children who are not being primarily supported by you.
3. Dependents shall also include unmarried children from their 20th birthday to their 26th birthday who meet the following four criteria:
 - (a) are primarily dependent upon you for support and maintenance;
 - (b) are enrolled as a full-time student in an accredited school or college;
 - (c) for whom you are entitled to claim as an exemption for income tax purposes, and
 - (d) have been reported to the Fund Office on a "Student Certification Form" available at the Fund Office. **The Student Certification form must be filed with the Fund Office each semester.**

Children

The term "children" shall mean your own unmarried natural children, unmarried step-children, your legally adopted children or children placed in the eligible participants home in anticipation of adoption, and any children for whom you have been legally appointed as guardian of the person. Children shall mean only such persons as are: (a) Dependent upon you for support and maintenance; (b) maintain a regular parent-child relationship; and (c) for whom you are entitled to an exemption for income tax purposes. Also, children shall mean such persons as the Fund may be required by State or Federal law to provide coverage under the Plan (Title 18 Del. Code, Section 4001 et seq.) Upon notification of divorce, the Fund Office will request a copy of your tax return as proof of support of dependent children.

Hospital

Hospital shall mean an institution which is engaged primarily in providing medical care and treatment of sick and injured persons on an in-patient basis at the patient's expense and which fully meets all of the tests set forth in (1) or (2) or (3) below:

1. It is a Hospital accredited by the Joint Commission on Accreditation of Hospitals.
2. It is a hospital, a psychiatric hospital, or a tuberculosis hospital, as those terms are defined in Medicare, which is qualified to participate and eligible to receive payments under and in accordance with the provisions of Medicare.
3. It is an institution which fully meets all of the following tests:
 - (a) It maintains on the premises diagnosis and therapeutic facilities for surgical and medical diagnosis and treatment of sick and injured persons by or under the supervision of a staff of duly qualified physicians; and
 - (b) It continuously provides on the premises 24 hour a day nursing service by or under the supervision of a staff of duly qualified physicians; and
 - (c) It is operated continuously with organized facilities for operative surgery on its premises.

Medically Necessary/Medical Necessity

Medically Necessary and/or Medical Necessity shall mean care and treatment for those services, supplies and places where treatment is rendered which are: (1) appropriate for the Injury or Illness being treated and consistent with the medical condition's recorded diagnosis; (2) broadly accepted, at the time furnished by the organized medical community in the United States as being required in accordance with good medical practice and generally recognized professional standard; (3) approved for reimbursement by the Health Care Financing Administration; (4) Not primarily the convenience of the patient or any provider of services; and (5) Not generally regarded as experimental, investigational or unproven.

Physician or Surgeon

“Physician” or “Surgeon” shall mean a legally qualified Physician and Surgeon (M.D. or D.O.) licensed to practice medicine in the state in which he practices. To the extent that benefits are provided and while practicing within the scope of his license, the term “Physician” includes a dentist, podiatrist, chiropractor, psychiatrist or psychologist.

Reasonable & Customary Charges

Reasonable & Customary Charges shall mean charges by a service provider which are reasonable and not higher than the usual or Reasonable and Customary charges rendered by similar service providers in your geographic area.

Skilled Nursing Facility

Skilled Nursing Facility shall mean a facility that provides additional short-term care necessary due to Hospital confinement as follows:

1. It is a facility approved by Medicare;
2. confinement must be directly from a Hospital confinement or within a reasonable time thereafter;
3. charges will be payable at semi-private room rate;
4. maximum care is 30 days;
5. expenses will be covered only for those which are proven to be medically necessary;
6. treatment for nervous and mental and drug and alcohol related conditions are not covered.
7. Excluded from payment are charges in a Skilled Nursing Facility, unless such confinement:
 - (a) starts within 14 days after the insured individual has been confined for at least three days in a Hospital for which room and board charges were paid;
 - (b) is for treatment of the illness causing the Hospital confinement;
 - (c) is one during which a doctor visits the insured individual at least once every 30 days;
 - (d) is not routine custodial-type care.

We suggest that you keep this Summary of Material Modifications with your Summary Plan Description. If you should have any questions about the coverage provided under the Fund, the Summary Plan Description or these changes, please contact the Administrative Manager.

Very truly yours,
The Board of Trustees