

AMENDMENT TO YOUR COMPREHENSIVE MAJOR MEDICAL AGREEMENT

QCC INSURANCE COMPANY

This Notice of Change is issued to form part of your Benefit Booklet that describes Health Benefit Plan's or Claims Administrator's (as applicable) Comprehensive Major Medical Health Care Program.

This Notice changes the language that describes the provisions, conditions or other terms of the Benefit Booklet as detailed below.

Effective January 1, 2015:

- I. The third sentence of the first paragraph of the **Precertification Review** provisions of the **SERVICES AND SUPPLIES REQUIRING PRECERTIFICATION** subsection of the **GENERAL INFORMATION** section is replaced by the following:

Precertification review may be initiated by the Provider (for Participating Providers and BlueCard Providers (Inpatient Admissions only)) or the Member.

- II. The third paragraph of the **Other Precertification Requirements** provisions of the **SERVICES AND SUPPLIES REQUIRING PRECERTIFICATION** subsection of the **GENERAL INFORMATION** section is replaced by the following:

The Member is responsible to have the Provider performing the service contact the Health Benefit Plan or Claims Administrator (as applicable) to initiate Precertification for Non-Participating Providers and BlueCard Providers (excluding Inpatient Admissions). The Health Benefit Plan or Claims Administrator (as applicable) will verify the results of the Precertification with the Member and the Provider.

- III. The **Subrogation** provisions of the **COORDINATION OF BENEFITS** subsection of the **GENERAL INFORMATION** section is replaced by the following:

SUBROGATION AND REIMBURSEMENT RIGHTS

By accepting benefits for Covered Services, you agree that the Health Benefit Plan or Claims Administrator (as applicable) has the right to enforce subrogation and reimbursement rights. This section explains these rights and the responsibilities of each Covered Person pertaining to subrogation and reimbursement. The term Covered Person includes Eligible Dependents. The term Responsible Third Party refers to any person or entity, including any insurance company, health benefits plan or other third party, that has an obligation (whether by contract, common law or otherwise) to pay damages, pay compensation, provide benefits or make any type of payment to you for an injury or illness.

The Health Benefit Plan or Claims Administrator (as applicable) or the Plan Administrator, as applicable, retains full discretionary authority to interpret and apply these subrogation and reimbursement rights based on the facts presented.

Subrogation Rights

Subrogation rights arise when the Health Benefit Plan or Claims Administrator (as applicable) pays benefits on behalf of a Covered Person and the Covered Person has a right to receive damages, compensation, benefits or payments of any kind (whether by a court judgment, settlement or otherwise) from a Responsible Third Party. The Health Benefit Plan or Claims Administrator (as applicable) is subrogated to the Covered Person's right to recover from the Responsible Third Party. This means that the Health Benefit Plan or Claims Administrator (as applicable) "stands in your shoes" - and assumes your right to pursue and receive the damages, compensation, benefits or payments from the Responsible Third Party to the full extent that the Health Benefit Plan or Claims Administrator (as applicable) has reimbursed you for medical expenses or paid medical expenses on your behalf, plus the costs and fees that are incurred by the Health Benefit Plan or Claims Administrator (as applicable) to enforce these rights. The right to pursue a subrogation claim is not contingent upon whether or not you pursue the Responsible Third Party for any recovery.

Reimbursement Rights

If a Covered Person obtains any recovery - regardless of how it's described or structured - from a Responsible Third Party, the Covered Person must fully reimburse the Health Benefit Plan or Claims Administrator (as applicable) for all medical expenses that were paid to the Covered Person or on the Covered Person's behalf, plus the costs and fees that are incurred by the Health Benefit Plan or Claims Administrator (as applicable) to enforce these rights. The Health Benefit Plan or Claims Administrator (as applicable) has a right to full reimbursement.

Lien

By accepting benefits for Covered Services from the Health Benefit Plan or Claims Administrator (as applicable), you agree to a first priority equitable lien by agreement on any payment, reimbursement, settlement or judgment received by you, or anyone acting on your behalf, from any Responsible Third Party. As a result, you must repay to the Health Benefit Plan or Claims Administrator (as applicable) the full amount of the medical expenses that were paid to you or on your behalf out of the amounts recovered from the Responsible Third Party (plus the costs and fees that are incurred by the Health Benefit Plan or Claims Administrator (as applicable) to enforce these rights) first, before funds are allotted toward any other form of damages, whether or not there is an admission of fault or liability by the Responsible Third Party. The Health Benefit Plan or Claims Administrator (as applicable) has a lien on any amounts recovered by the Covered Person from a Responsible Third Party, regardless of whether or not the amount is designated as payment for medical expenses. This lien will remain in effect until the Health Benefit Plan or Claims Administrator (as applicable) is reimbursed in full.

Constructive Trust

If you (or anyone acting on your behalf) receive damages, compensation, benefits or payments of any type from a Responsible Third Party (whether by a court judgment, settlement or otherwise), you agree to maintain the funds in a separate, identifiable account and that the Health Benefit Plan or Claims Administrator (as applicable) has a lien on the monies. In addition you agree to serve as the trustee over the monies for the

benefit of Health Benefit Plan or Claims Administrator (as applicable) to the full extent that the Health Benefit Plan or Claims Administrator (as applicable) has reimbursed you for medical expenses or paid medical expenses on your behalf, plus the attorney's fees and the costs of collection incurred by the Health Benefit Plan or Claims Administrator (as applicable).

- These subrogation and reimbursement rights apply regardless of whether money is received through a court decision, settlement, or any other type of resolution.
- These subrogation and reimbursement rights apply even if the recovery is designated or described as covering damages other than medical expenses (such as property damage or pain and suffering).
- These subrogation and reimbursement rights apply with respect to any recoveries made by the Covered Person, including amounts recovered under an uninsured or underinsured motorist policy.
- The Health Benefit Plan or Claims Administrator (as applicable) is entitled to recover the full amount of the benefits paid to the Covered Person or on the Covered Person's behalf plus the costs and fees that are incurred by the Health Benefit Plan or Claims Administrator (as applicable) to enforce these rights without regard to whether the Covered Person has been made whole or received full compensation for other damages (including property damage or pain and suffering). The recovery rights of the Health Benefit Plan or Claims Administrator (as applicable) will not be reduced by the "made whole" doctrine or "double recovery" doctrine.
- The Health Benefit Plan or Claims Administrator (as applicable) will not pay, offset any recovery, or in any way be responsible for attorneys' fees or costs associated with pursuing a claim against a Responsible Third Party unless the Health Benefit Plan or Claims Administrator (as applicable) agrees to do so in writing. The recovery rights of the Health Benefit Plan or Claims Administrator (as applicable) will not be reduced by the "common fund" doctrine.
- In addition to any Coordination of Benefits rules described in this Booklet, the benefits paid by the Health Benefit Plan or Claims Administrator (as applicable) will be secondary to any no-fault auto insurance benefits and to any worker's compensation benefits (no matter how any settlement or award is characterized) to the fullest extent permitted by law.
- These subrogation and reimbursement rights apply and will not be decreased, restricted, or eliminated in any way if the Covered Person receives or has the right to recover no-fault insurance benefits. All rights under this section are enforceable against the heirs, estate, legal guardians or legal representatives of the Covered Person.
- The Health Benefit Plan or Claims Administrator (as applicable) is entitled to recover the full amount of the medical benefits paid without regard to any claim of fault on your part.

Obligations of Covered Person

- Immediately notify the Health Benefit Plan or Claims Administrator (as applicable) or its designee in writing if you assert a claim against a Responsible Third Party, whether informally or through judicial or administrative proceedings.
- Immediately notify the Health Benefit Plan or Claims Administrator (as applicable) or its designee in writing whenever a Responsible Third Party contacts you or your representative - or you or your representative contact a Responsible Third Party - to discuss a potential settlement or resolution.
- Refuse any offer to settle, adjust or resolve a claim for damages, benefits or compensation that involves an injury, illness or medical expenses in any way, unless

and until you receive written authorization from the Health Benefit Plan or Claims Administrator (as applicable) or its delegated representative.

- Fully cooperate with the Health Benefit Plan or Claims Administrator (as applicable) and its designated representative, as needed, to allow for the enforcement of these subrogation and reimbursement rights and promptly supply information/documentation when requested and promptly execute any and all forms/documents that may be needed.
- Avoid taking any action that may prejudice or harm the Health Benefit Plan's or Claims Administrator's (as applicable) ability to enforce these subrogation and reimbursement rights to the fullest extent possible.
- Fully reimburse the Health Benefit Plan or Claims Administrator (as applicable) or its designated representative immediately upon receiving compensation of any kind (whether by court judgment, settlement or otherwise) from a Responsible Third Party.
- Serve as trustee for any and all monies paid to (or payable to) you or for your benefit by any Responsible Third Party to the full extent the Health Benefit Plan or Claims Administrator (as applicable) paid benefits for an injury or illness.
- All of these Obligations apply to the heirs, estate, legal guardians or legal representatives of the Covered Person.

Applicable to Self-Insured groups only:

IMPORTANT: Failure to Cooperate

If the Member fails or refuses to sign forms or documents as requested or otherwise fail or refuse to cooperate or abide by any of the obligations described above, the Claims Administrator or Plan Administrator, as applicable, has full discretion and authority to reduce or withhold benefit payments to recover subrogation/reimbursement amounts that are owed and/or to terminate the Member's participation in the Program.

All other terms of your Benefit Booklet shall remain in effect.

A handwritten signature in black ink, appearing to read "Brian Loble", with a horizontal line underneath.

Brian Loble
Senior Vice President
Marketing & Consumer Business