

SUBROGATION AND REIMBURSEMENT

If benefits are paid under the Plan and another party's action or inaction was responsible for you or your Dependents having incurred the expenses, the Plan is entitled to be subrogated to all of you, your estate's, or your Dependents' rights to recover damages for such benefits (e.g., automobile accidents that cause medical expenses to be incurred). In that way, financial liability remains where it belongs – with the party responsible for incurring the expenses – while the Plan's costs are reduced.

In addition, the Plan has a right of reimbursement from any recovery by judgment, settlement, or otherwise, which you, your estate's, or your Dependents may receive or be entitled to receive from any source, including but not limited to, liability or other insurance covering the third party, uninsured or underinsured motorist insurance, medical payment or personal injury protection insurance, and no-fault insurance, and direct recoveries from liable parties.

If you or your Dependents are involved in such a situation, you are required to provide the Plan with whatever assistance is necessary to recover payments made on behalf of the Plan, including providing information regarding the event and cooperating with the Plan. The Plan may require that you or your attorney or other representative must execute an agreement to hold any sums collected in a Plan or escrow account pending agreement with the Plan or its agent, or until distribution is ordered by a court of competent jurisdiction. You and your attorneys and representatives may not prejudice the Plan's rights.

If you or your Dependents receive payment for medical expenses, you will be required to reimburse the Plan. The Plan shall have a first priority lien on any recovery from a third party. This lien is binding on any attorney, insurance company, or other party who agrees or is obligated to make payment to you or your Dependents as compensation for any damages. The lien exists at the time the Plan pays medical benefits. If you or your Dependent files a petition for bankruptcy, you or your Dependent agrees that the Plan's lien existed in time prior to the creation of the bankruptcy estate.

The Plan's rights to subrogation and reimbursement shall not be reduced by any reason, including but not limited to the made-whole doctrine or the common fund doctrine. The Plan must be repaid in full regardless of whether the settlement or judgment specifically designates the recovery or a portion of it as including medical expenses. The Plan will not pay attorney fees or costs associated with your client or lawsuit without the express written authorization of the Plan.

If you fail to repay the Plan, the Plan may offset future benefit payments by withholding payments until the entire amount due is reimbursed.

If you are enrolled in an HMO or Medicare Advantage plan, this section does not apply to you, because the HMO or Medicare Advantage plan will apply its own subrogation and reimbursement rules. Consult your Certificate of Coverage for further information.