

Summary Annual Report for Operating
Engineers Health & Welfare Fund

This is a summary of the annual report of the Operating Engineers Health & Welfare Fund, Employer Identification Number 95-6034886, a multiemployer Plan for the year ended June 30, 2017. The annual report has been filed with the Department of Labor as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay certain hospital, medical, vision, accidental death, dental, and disability claims incurred under the terms of the Plan.

Insurance Information

The Plan has contracts with Kaiser Foundation Health Plan, Health Plan of Nevada/Sierra Health & Life Insurance Co., Vision Service Plan, Delta Dental of California, United Concordia Insurance Co., United Concordia Dental Plan of California, Safeguard Health Plans, CVS Pharmacy, Anthem Blue Cross of California, Sierra Health & Life Insurance/United Healthcare Insurance Co. and Managed Health Network (MHN) to pay certain hospital, medical, vision, accidental death, dental, and disability claims incurred under the terms of the Plan. The total premiums paid for Plan Year ended June 30, 2017, were \$112,492,292.

Because these are so called "experienced-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the Plan Year ended June 30, 2017, the premiums paid under such "experienced-rated" contracts were \$1,632,161 and the total of all benefit claims paid under these experienced-rated contracts during the Plan Year were \$1,234,434.

Basic Financial Statements

The value of Plan assets after subtracting liabilities of the Plan, was (\$15,562,507) as of June 30, 2017, compared to (\$30,318,215) as of July 1, 2016. During the Plan Year, the Plan experienced an increase in its net assets of \$14,755,708. This increase included unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the Plan Year, the Plan had total income of \$249,427,480 including employer contributions of \$215,855,154, participant contributions of \$22,323,532, earnings from investments of \$770,769, unrealized appreciation of \$1,160,266, loss on sale of investments of \$(452,414) and other income of \$9,770,173. Plan expenses were \$234,671,772. These expenses included \$15,232,483 in operating expenses and \$219,439,289 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. assets held for investment;
4. transactions in excess of 5% of the Plan assets; and
5. insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Board of Trustees, Operating Engineers Health and Welfare Fund (who is the Plan Administrator), 100 Corson Street, Suite 100, Pasadena, California 91103 – (866) 400-5200. The charge to cover copying costs will be \$0.25 per page.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, 100 Corson Street, Suite 100, Pasadena, California 91103, and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: U.S. Department of Labor, Employee Benefits Security Administration, Public Disclosure Room, 200 Constitution Avenue, N.W., Room-1513, Washington, D.C. 20210. To request copies by phone, call (202) 693-8673.