

SUMMARY ANNUAL REPORT

To all participants of

AGC-International Union of Operating Engineers Local 701 Health and Welfare Trust Fund

From the Plan Administrator,
who is the Board of Trustees,

AGC-International Union of Operating Engineers Local 701 Health and Welfare Trust Fund

P.O. Box 34203 · Seattle, WA 98124
(503) 657-9740 • (866) 697-5750

FOR THE YEAR ENDING
December 31, 2009

NOTICE OF PRIVACY PRACTICES

In accordance with regulations issued under the Health Insurance Portability and Accountability Act of 1996, the Trust has developed a Notice of Privacy Practices which describes how medical information about you may be used and disclosed, how you can get access to this medical information, and your rights in regard to such health information. If you would like to obtain a copy of the Notice, please contact: Claims Manager, Welfare & Pension Administration Service, Inc., PO Box 34203, Seattle, WA 98124, (503) 657-9740, (866) 697-5750, or Fax (206) 441-9110, or you can access the website at www.agc-iuoe701trusts.com.

We furnish this report to inform you of the financial activity of the
**AGC-International Union of Operating Engineers Local 701
Health and Welfare Trust Fund**
and to assist you in better understanding how your Plan operates.

This is the summary annual report for the **AGC-International Union of Operating Engineers Local 701 Health and Welfare Trust Fund**, EIN **93-6022485**, **Plan number 501**, a medical, dental, vision, weekly disability income, life, and accidental death and dismemberment insurance welfare benefit plan, for the period **January 1, 2009 to December 31, 2009**. The annual report has been filed with the Employee Benefits Security Administration, as required under Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of the AGC-International Union of Operating Engineers Local 701 Health and Welfare Trust Fund has committed itself to pay certain medical and all dental, vision, and weekly disability income claims incurred under the terms of the Plan.

INSURANCE INFORMATION

The plan has contracts with **Kaiser Foundation Health Plan, Pacificare of Oregon, Pacificare of Washington**, and **Symetra Life Insurance Co.** to pay certain medical claims and with **Regence Life and Health Insurance** to pay all life and accidental death and dismemberment claims incurred under the terms of the plan. The total premiums paid during the plan year was **\$4,383,099**.

Because the contract with **Regence Life and Health Insurance** is a so called "experience-rated" contract, 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 ending **December 31, 2009**, the premiums paid under such "experience-rated" contracts were **\$113,986**, and the total of all benefit claims paid under these "experience-rated" contracts during the plan year was **\$123,827**.

BASIC FINANCIAL STATEMENT

The value of plan assets, after subtracting liabilities of the plan, was **\$18,919,109** as of **December 31, 2009**, compared to **\$18,834,094** as of **January 1, 2009**. During the year, the plan experienced an **increase** in its net assets of **\$85,010**. This increase includes unrealized appreciation in the value of plan assets; that is, the difference between the value of the plan's 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 **\$26,262,361** including employer contributions of **\$20,788,487**, participant contributions of **\$3,228,192**, earnings from investments of **\$1,743,893**, and other income of **\$501,789**.

Plan expenses were **\$26,177,351**. These expenses included **\$1,824,690** in administrative and operating expenses, and **\$24,352,661** in benefits paid to participants and beneficiaries. (Administrative expenses include administration fees, investment fees, auditing fees, attorney fees, banking fees, consulting fees and miscellaneous expenses.)

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:

- An accountant's report
- Financial information and information on payments to service providers
- Assets held for investment
- Transactions in excess of 5% of plan assets
- 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 Welfare & Pension Administration Service, Inc., which is the plan's administrative agent, **P.O. Box 34203, Seattle, WA 98124**, telephone **(503) 657-9740** or **(866) 697-5750**. The charge to cover copying costs will be **\$9.50** or **\$.25** per page for any part thereof.

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 given above does not include a charge for the copying of these portions of the report because these portions of the report are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: Board of Trustees of AGC-International Union of Operating Engineers, Local 701 Health and Welfare Trust Fund, c/o Welfare & Pension Administration Service, Inc., **2815 Second Avenue, Suite 300, Seattle, Washington 98121**, at the Local Union Office: IUOE Local 701, 555 E 1st St., Gladstone, OR 97027, 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 N-1513, Washington, DC 20210.

ADDITIONAL INFORMATION

To comply with the Department of Labor instructions the nonvested accumulated eligibility credits of **\$4,498,400** was not included in the Form 5500 at **December 31, 2009**, and has not been included in this Summary Annual Report. The exclusion of the accumulated eligibility credits increased net assets, reflected in this Summary Annual Report, at **December 31, 2009**, by **\$4,498,400** and increased the benefits paid to participants and beneficiaries, reflected in this Summary Annual Report, by **\$925,600**

NOTICE REGARDING YOUR RIGHTS UNDER THE WOMEN'S HEALTH & CANCER RIGHTS ACT OF 1998

Pursuant to the Women's Health and Cancer Rights Act of 1998, the Plan provides benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Consult your Plan booklet or contact the Trust Administration Office at **(503) 657-9740** or **(866) 697-5750** if you have questions.