

Alert No. 2016-8

U.S. ASR Hip Settlement Alert – 9/27/16

Future EIF Award Reduction in the 2013 and 2015 Settlement Programs

- 1. Introduction.** The Claims Processor previously posted Claims Administration Procedure Number 4 (“CAP 4”) describing the application of PART B EIF reductions to Future Matrix Level Awards. The exact percentages of the reductions were not final at the time of the CAP. In March and June of 2016, the Claims Processor posted Alerts with updated information regarding the finalized reductions to Future Matrix Level Awards for claims in the 2013 and 2015 Settlements, respectively. This Alert provides updated information regarding the Future Matrix reduction for both Settlements.
- 2. Maximum Future Reduction Percentages.** Under the PART B Award Schedule, Future Matrix Level Awards are subject to the same reductions as Past Matrix Level Awards, except that Future Matrix Level Awards are also subject to reductions of up to 50% (for Matrix Level IV) or 75% (for Matrix Levels I-III and V-VII). In consultation with the SOC, the Claims Processor previously began issuing notices on all eligible Future Claims in Matrix Levels I-VII applying the maximum reductions of 50% to Matrix Level IV awards and 75% to awards from all other Matrix Levels.

After further consultation, the Claims Processor will now begin processing all eligible Future Claims in Matrix Levels I-VII with a 25% reduction. For eligible Future Claims that appeared on a prior Funding Report with a 50% or 75% Future Reduction Percentage, the Claims Processor will include the difference between the prior reduction and the new 25% reduction on the 9/30/16 Funding Report. On the corresponding Distribution Report, the Claims Processor will authorize the Escrow Agent to release these funds.

To the extent that funds remain after paying all eligible PART B EIF Claims, the Team and SOC may, at their discretion, compensate claimants for some portion of the 25% reduction from their Future Matrix Level Awards.

- 3. Questions.** If you have any questions about this Alert, call or email your assigned Claims Processor contact, email us at claimsprocessor@usashipsettlement.com, or call 1 (877) 391-3169.