

ILWU-PMA WELFARE PLAN
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SUMMARY ANNUAL REPORT FOR ILWU-PMA WELFARE PLAN

This is a summary of the annual report for the ILWU-PMA Welfare Plan (“Plan”) (Employer Identification Number 94-6068578) for the Plan year beginning July 1, 2005 and ending June 30, 2006. The annual report is filed with the Internal Revenue Service as required under the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan sponsor (the Trustees of the ILWU-PMA Welfare Plan) has committed itself to pay directly from Plan assets certain types of claims incurred under the terms of the Plan. These include claims for hospital-medical-surgical benefits, prescription drug benefits, hearing aid program benefits, disability benefits, social security supplementation benefits and benefits under the Widows’ Independent Living Subsidy Program.

Insurance Information

The Plan has contracts with insurance carriers to pay certain types of claims incurred under the terms of the Plan, including claims for dental benefits, death and dismemberment benefits and vision care benefits. In addition, the Plan has contracts with organizations which directly provide hospital-medical-surgical care, vision care, prescription drugs and dental care under the terms of the Plan. A list of the names of the Plan’s insurance carriers and providers of care appears at the end of this report. The total premiums paid for the Plan year ending June 30, 2006 were \$126,478,429.

In the case of “experience-rated” contracts with insurance carriers, the premium costs are affected by, among other things, the number and size of claims. The premiums paid under such “experience-rated” contracts for the Plan year ended June 30, 2006 were \$24,099,425 and the total of all benefit claims paid under these “experience-rated” contracts during the Plan year was \$22,917,789.

Basic Financial Statement

The value of Plan assets after subtracting liabilities of the Plan was \$72,129,773 as of June 30, 2006 compared to \$61,307,046 as of July 1, 2005. During the Plan year, the Plan experienced an increase in its net assets of \$10,822,727. The Plan had total income of \$396,852,116, including employer contributions of \$387,576,685, employee contributions of \$8,328,290, union contributions of \$249,977 and earnings from investments of \$697,164.

Plan expenses were \$386,029,389. These expenses included \$5,459,589 in administrative expenses, \$254,091,371 in benefits paid directly to participants and beneficiaries and \$126,478,429 paid to insurance carriers and providers of care.

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:

(over)

1. an accountant's report;
2. assets held for investment;
3. transactions in excess of 5 percent of Plan assets; and
4. insurance information including fees paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the ILWU-PMA Welfare Plan, 1188 Franklin Street, Suite 300, San Francisco, CA 94109, telephone (415) 673-8500. It may be necessary for the Plan to impose a reasonable charge to cover copying costs. If so, you will be advised of the charge for specific documents requested before they are mailed to you.

You also have the right to receive from the Plan office, 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 office, these two statements and accompanying notes will be included as part of that report. Any charge made 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 ILWU-PMA Welfare Plan, 1188 Franklin Street, Suite 300, San Francisco, CA 94109, 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: Public Disclosure Room, N-1513, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington D.C. 20210.

Additional Explanation

This report is being distributed in accordance with provisions of the Employee Retirement Income Security Act (ERISA). ERISA requires that an annual report be filed with the Internal Revenue Service, and that a summary of the annual report be furnished each year to all Plan participants. This summary is being given general distribution to assure that all participants receive it. It may therefore be received by some persons who are not participants in the Plan.

ILWU-PMA Welfare Plan insurance carriers and providers of care:

Blue Cross of Northern California
John Burns Professional Dental Corporation DBA City Center Dental
Delta Dental Plan (Dental Service Plans of California, Oregon, Washington)
Dental Health Services
Gentle Dental
Great-West Healthcare
Group Health Cooperative of Puget Sound
Harbor Dental Associates
Kaiser Foundation Health Plan (Northern California)
Kaiser Foundation Health Plan (Southern California)
Kaiser Foundation Health Plan of the Northwest
Premera Blue Cross of Washington
Prescription Solutions
Regence BlueCross BlueShield of Oregon
Vision Service Plan (California, Oregon, Washington)