

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Group Term Life and AD&D Insurance Plan

EFFECTIVE: January 1, 2022

System name: ASSOCIATED ELECTRIC CO-OP

RUS/Subgroup Number: 01-26073-001

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association (NRECA) Group Term Life and AD&D Insurance Plan (the Plan) and supplements the Plan's Summary Plan Description (SPD), also known as the Benefits Booklet. The effective date of these changes is noted above. You should read this SMM carefully and keep this SMM with your SPD for future reference. If you have questions about these changes, please see your benefits administrator.

Summary of Changes for your Group Term Life and AD&D Insurance Plan SPD:

Chapter 3: Eligibility and Participation Information

The subsection titled "If Your Disability Occurs Before Normal Retirement Age" has been updated as follows:

The premium waiver does not apply to Spouse Life Insurance, Child Life Insurance, Supplemental AD&D Insurance, and Family AD&D Insurance. If you wish to continue any of these coverages, you or your Employer must pay the full premiums until they would otherwise end or until you retire. You may also convert or port this coverage to an individual plan.

Chapter 6: AD&D Insurance Benefits

The section titled "If Your Base Annual Pay is More Than \$305,000" has been added to Chapter 6 as follows:

If Your Base Annual Pay is More Than \$305,000

Due to the compensation limit imposed by the Internal Revenue Code, effective January 1, 1994, no more than \$305,000 of Base Annual Earnings (in 2022 and until such time as the annual limit is again revised by the IRS) may be considered when the Plan calculates your AD&D Insurance benefit.

However, a separate administrative arrangement has been established with MetLife to provide benefits to the extent an employee's salary exceeds the \$305,000 (in 2022) compensation limit. This arrangement ensures that the employee will receive one check for the full amount of your benefit.

The section titled “AXA Travel Assistance Program– Through MetLife” has been updated as follows:

Travel Assistance

Travel Assistance is a valuable benefit provided and administered by AXA Assistance USA, Inc., through an arrangement with MetLife. You are automatically eligible for Travel Assistance services with your MetLife Basic and Accidental Death & Dismemberment coverage. This service offers you and your dependents medical, travel, and concierge services, 24 hours a day, 365 days a year, while traveling internationally or domestically. When you call 800.454.3679, one of 600,000 pre-qualified providers will help you obtain the assistance you need. You can also visit the Travel Assistance website at www.metlife.com/travelassist.

Chapter 9: Porting or Converting Coverage

The section titled “Conversion of Life Insurance” has been updated as follows:

If all or part of your life insurance ends for one of the reasons below, you have the option to buy an individual whole life insurance policy (a new policy) from MetLife during the application period in accordance with the conditions and requirements of this section. Whole life coverage is a set premium that does not increase. This option is only available for life coverage and does not include AD&D coverage. This is called the “option to convert.” Evidence of insurability will **not** be required. However, if you complete a SOH and are approved, your premium costs could be lower.

The section titled “Portability of Life and AD&D Insurance” has been updated as follows:

The Portability option allows you to continue the term coverage you currently have for all or a part of your Life and AD&D coverage. Term insurance renews annually, and at that time premiums could increase. If your Portability-eligible insurance or Portability-eligible Spouse or Child insurance ends for any of the reasons listed below, you have the option to continue that insurance under another term life policy, in accordance with the conditions and requirements of this section. This is referred to as porting. Evidence of your insurability will not be required. However, if you complete a SOH and are approved, your premium costs could be lower.

Chapter 10: General Information

The section titled “State Notices” has been updated as follows:

The subsection titled “Notice for Residents of All States” has been updated to add the following sections:

The Following Applies To Residents of All States Other Than Texas

Will Preparation Service

A Will Preparation Service (the “Service”) will be made available to You, through a MetLife affiliate (the Affiliate”), while Your Group Basic Life Insurance coverage is in effect. This Service will be made available at no cost to You. It enables You to have a will prepared for You and Your Spouse free of charge by attorneys designated by the Affiliate. If You have a will prepared by an attorney not designated by the Affiliate, You must pay for the attorney’s services directly. Upon Proof of such payment, You will be reimbursed for the attorney’s services in an amount equal to the lesser of the amount You paid for the attorney’s services and the amount customarily reimbursed for such services by the Affiliate.

The Following Applies to Residents of Texas Only

Will Preparation Service

If You become insured for Group Basic Life Insurance coverage, a Will Preparation Service (the "Service") will be made available to You through a MetLife affiliate (the "Affiliate"), as agreed to by the Policyholder and MetLife, while Your Group Basic Life Insurance coverage is in effect under this Policy.

Will Preparation Service means a service covering the preparation of wills and codicils for You and Your Spouse. The creation of any testamentary trust is covered. The Will Preparation Service does not include tax planning.

This Service will be made available at no cost to You. It enables You to have a will prepared for You and Your Spouse free of charge by attorneys designated by the Affiliate. If You have a will prepared by an attorney not designated by the Affiliate, You must pay for the attorney's services directly. Upon Proof of such payment, You will be reimbursed for the attorney's services in an amount equal to the lesser of the amount You paid for the attorney's services and the amount customarily reimbursed for such services by the Affiliate.

The "Notice for Residents of California" has been updated, adding the following paragraphs:

Notice for Residents of California

If Your certificate includes an exclusion for the voluntary intake or use by any means of any drug, medication or sedative, unless it is taken or used as prescribed by a Physician (or a similar exclusion), We will adjudicate your claim as follows:

We will exclude any Covered Loss as a consequence of being under the influence or any Intoxicant or controlled substance unless administered on the advice of a Physician.

The "Notice for Residents of Virginia," Bureau of Insurance," address has been updated as follows:

Notice for Residents of Virginia

Bureau of Insurance
Life and Health Division
P.O. Box 1157
Richmond, VA 23218
Phone: 1-804-371-9691
toll-free: 877-310-6560
fax: 804-371-9944
Web address: www.scc.virginia.gov
Email: BureauOfinsurance@scc.virginia.gov

Written correspondence is preferable so that a record of Your inquiry is maintained. When contacting Your agent, company or the Bureau of Insurance, have Your policy number available

Chapter 11: Important Notification and Disclosures

The "Statement of ERISA Rights" section has been updated as follows:

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without

charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps that you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report (Form 5500), if any, from the Plan and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require NRECA, as Plan Administrator, to provide the materials and pay you up to \$161 a day, not to exceed \$1,613 per request (2021 limit, as may be indexed annually) until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored in whole or in part, and if you have exhausted the claims procedures available to you under the Plan, you may file suit in a state or federal court.

No further changes have been made to your Plan's SPD.

All other rules, provisions, definitions and benefit amounts of the SPD and Plan remain the same. If the terms of this SMM and the SPD conflict with any terms of the governing Plan document, then the terms of the governing Plan document will control in all cases.

Plan Sponsor: National Rural Electric Cooperative Association
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