

# NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

## For NRECA Directors AD&D Only 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) Directors AD&D Only 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 Directors AD&D Only Insurance Plan SPD:

#### Chapter 3: Eligibility and Participation Information

The section titled "Date Your Insurance Ends" has been updated as follows:

##### **Date Your Insurance Ends**

Your insurance will end on the earliest of:

- The date the Plan ends;
- The date insurance ends for Directors, Retained Attorney or Director Emeritus;
- The end of the period for which the last premium has been paid for you (or by you); or
- The date your Directorship ends; the date you are no longer a Director Emeritus; or the date you cease to be a Retained Attorney.

See the *Porting Coverage* chapter for information about the option to continue your insurance with an individual insurance policy if your insurance ends.

The section titled "Date Your Insurance for Your Spouse and Child Ends" has been updated as follows:

##### **Date Your Insurance for Your Spouse and Child Ends**

A Spouse's or Child's insurance will end on the earliest of:

- For Spouse and Child Family AD&D Insurance, the date the AD&D Insurance ends;
- The date you die;
- The date the Plan ends;
- The date Plan insurance for your Spouse and Child ends;
- The date insurance for your Spouse and Child ends for your class;

- The date the person ceases to be a Spouse or Child;
- The end of the period for which the last premium has been paid for the Spouse and Child; or
- The date your Directorship ends, you are no longer a Director Emeritus; or the date you cease to be a Retained Attorney.

See the *Porting Coverage* chapter for information about the option to continue to an individual policy of life insurance if insurance for a Spouse or Child ends.

## **Chapter 6: Porting Coverage**

The Chapter 6: “Porting or Converting Coverage” was renamed as follows:

### **Chapter 6: Porting Coverage**

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

#### **Portability For AD&D Insurance**

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 stated below, you have the option to continue that insurance under another 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.

For purposes of this subsection the term “Portability Eligible Insurance” refers to your AD&D insurance benefits (shown in the *Directors AD&D Only Plan Highlights* chapter) for which the Portability Eligible insurance is available. If insurance for your Spouse or Child is in effect, the term “Portability Eligible Spouse or Child Insurance” refers to your AD&D insurance for your Spouse or Child (shown in the *Directors AD&D Only Plan Highlights* chapter) for which the Portability insurance is available.

Conversion is not an available option for this benefit.

## **Chapter 7: General Information**

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

The “Notice for Residents of Arkansas” has been updated as follows:

#### **Notice for Residents of Arkansas:**

If You have a question concerning Your coverage or a claim, first contact the Policyholder or group account administrator. If, after doing so, You still have a concern, You may call the toll free telephone number shown on the Certificate Face Page.

If you are still concerned after contacting both the Policyholder and MetLife, You should feel free to contact:

Arkansas Insurance Department  
 Consumer Services Division  
 1200 West Third Street  
 Little Rock, Arkansas 72201  
 (501) 371-2640 or (800) 852-5494

**The “Notice for Residents of California” has been updated to add 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](http://www.scc.virginia.gov)  
Email: [BureauOfinsurance@scc.virginia.gov](mailto: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.

**The following “State Notices” sections have been removed from the “State Notices” as follows:**

**Notice for Residents of Minnesota:**

**Continuation of Basic or Supplemental or Dependent Life Insurance with Premium Payment**

If Your Life Insurance ends due to termination of Your employment for any reason other than gross misconduct, You may continue such insurance for You or Your Dependents.

If You are eligible for continuation of Life insurance, Your employer will notify You of:

- Your right to elect to continue Life Insurance for You or Your Dependents;
- The amount You must pay each month to Your employer to keep such insurance in force;
- Instructions for payment; and
- The time that payments are due.

The amount of the premium You will be required to pay for continuation of Life Insurance will not exceed 102 percent of the amount of premium required to be paid for active employees in Your class for such insurance (this includes any premium amounts paid by the employer as well as the employee).

You will have 60 days within which to elect to continue Life Insurance under this section. The 60-day period begin on the date Life Insurance would otherwise end or

on the date upon which notice of the right to continue Life Insurance is received, whichever is later. If You or Your Dependents die during the 60-day election period, we will consider You to have elected to continue Life Insurance under this section.

If Your employer fails to notify You of Your right to continue insurance under this section, or fails to forward a required premium to Us that You have paid, causing insurance for You or Your Dependents to end, then Your employer will become liable for these benefits to the same extent as, and in place of, us.

If You continue Life Insurance under this section, any reductions in Life Insurance that would have applied if

You were actively at work applies to the continued insurance.

Continuation of Life Insurance under this section will end on the earliest of:

- The date the group policy ends for all employees or for the class of employees to which you belonged when Your active work ceased;
- The date you fail to make a required premium payment when due;
- The date you become covered for life insurance under this or any other group term life insurance plan;
- With respect to Your Spouse or Civil Union partner, the date Your marriage ends in divorce or annulment;
- With respect to a Child, the date the Child no longer qualifies as a Child for purposes of Life Insurance;
- With respect to You or Your Dependents, the date You or Your Dependents reach any applicable age limits; or
- The end of 18 months following the date Your active work ended.

When a continuation under this section ends, You or Your Dependents may buy an individual policy of life insurance from Us. The details of this option are described in the sections titled *Life Insurance: Conversion Options for You* and *Life Insurance: Conversion Options for your Dependents*. For the purpose of that section, the end of this continuation will be considered the end of your employment.

#### **Effect of Previous Conversion**

If You or Your Dependents converted Life Insurance to an individual policy, We will only pay Life Insurance under this section if such individual policy is returned to Us. If it is returned to Us, We will refund to You, Your estate, or Your Dependents estate, as applicable, the premiums paid for such policy without interest, less any debt incurred under such policy.

If such individual policy is not returned to Us, We will pay the life insurance in effect under the individual policy.

We will not pay insurance under both the Group Policy and the individual policy.

#### **Notice for Residents of Texas:**

##### **Life Insurance: Accelerated Benefit Option (ABO)**

The laws of the state of Texas mandate that the terms “Terminally Ill” and “Terminal Illness” when used in the Life Insurance: Accelerated Benefit Option (ABO) for You and the Life Insurance Accelerated Benefit Option (ABO) for Your Dependents provision means that due to injury or sickness, You or Your Dependent are expected to die within 24 months of the date You request payment of an Accelerated Benefit.

#### **Notice for Residents of Washington:**

##### **LIFE INSURANCE: ACCELERATED BENEFIT OPTION (ABO)**

The Life Insurance accelerated benefit does not and is not intended to qualify as long-term care under Washington state law. Washington state law prevents this accelerated life benefit from being marketed or sold as long-term care.

## **Chapter 8: Important Notifications 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  
4301 Wilson Boulevard, Arlington, VA 22203-1860  
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**Plan Number:** 501