

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For NRECA Directors AD&D Only Insurance Plan

EFFECTIVE: January 1, 2024

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 4: AD&D Insurance Benefits

The subsection titled "Benefit Payment" under "Additional AD&D Insurance Features" has been changed as follows:

At the time of the claim, MetLife will offer you or your Beneficiary(ies) the option to pay the claim either by check or by establishing a Total Control Account (TCA). A TCA is an interest-bearing account, established by MetLife from which you or your Beneficiary may immediately access the entire amount of the insurance proceeds.

MetLife pays interest on the balance in the TCA at a guaranteed minimum rate starting on the date the TCA is established. Thereafter, you or your Beneficiary can access the TCA balance at any time without charge or penalty by writing drafts from the TCA for \$250 or more or by withdrawing the entire benefit immediately from the TCA, if desired. Note that the TCA is not a bank account and is not a checking, savings, or money market account.

Chapter 5: Claims and Appeals

The section titled "Authorizing a Representative" has been updated as follows:

You or your Beneficiary, as may be applicable, may authorize another individual to speak with MetLife, by giving verbal consent for MetLife to speak with that individual. Any required forms would still need to be Signed by you or your Beneficiary, depending upon the person eligible to receive payment for the claim. Contact the MetLife claims representative for more information.

Your Beneficiary may designate a power of attorney or guardian in Writing. Such documentation will be held on file with MetLife. Contact the MetLife claims representative for instructions.

The subsection titled “Filing a Claim” under “Claims” has been updated as follows:

Claims For Accidental Death and Dismemberment Benefits

A Claimant must complete and return the appropriate claim forms to the benefits administrator, within 20 days of the date of a loss (this only applies to AD&D coverage) who will verify eligibility and the benefits to be claimed, certify the forms, and forward all documents to NRECA. NRECA will then forward the forms to MetLife for processing.

Chapter 7: General Information

The section titled “Fraud Warning Statements” has been removed.

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

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

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 1-800-638-5433 Claims or 1-800-638-6420 general information.

The first paragraph of the “Notice for Residents of Idaho” has been updated as follows:

If You have a question concerning Your coverage or a claim, first contact the Policyholder. If, after doing so, You still have a concern, You may call the toll free telephone number 1-800-638-5433 Claims or 1-800-638-6420 general information.

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

You have the right to designate a third party to receive notice if Your insurance is in danger of lapsing due to a default on Your part, such as for nonpayment of a contribution that is due. The intent is to allow reinstatements where the default is due to the insured person’s suffering from cognitive impairment or functional incapacity. You may make this designation by completing a “Third-Party Notice Request Form” and sending it to MetLife. Once You have made a designation, You may cancel or change it by filling out a new Third-Party Notice Request Form and sending it to MetLife. The designation will be effective as of the date MetLife receives the form. Call MetLife at the toll-free telephone number 1-800-638-5433 Claims or 1-800-638-6420 general information to obtain a Third-Party Notice Request Form. Within 90 days after cancellation of coverage for nonpayment of premium, You or any person authorized to act on Your behalf may request reinstatement of the certificate on the basis that You suffered from cognitive impairment or functional incapacity at the time of cancellation.

The last three paragraphs of the “Notice for Residents of Utah” have been updated as follows:

To learn more about the above protections, as well as protections relating to group contracts or retirement plans, please visit the Association’s website at www.ulhiga.org or contact:

Utah Life and Health Insurance Guaranty Assoc.
60 East South Temple, Suite 500
Salt Lake City, UT 84111
(801) 320-9955

Utah Insurance Department
3110 State Office Building
Salt Lake City UT 84114-6901
(801) 538-3800

A written complaint about misuse of this Notice or the improper use of the existence of the Association may be filed with the Utah Insurance Department at the above address.

Chapter 8: Important Notifications and Disclosures

The section titled “Amendment or Termination” has been updated as follows:

This Plan may be amended or terminated at any time, for any reason, by action of the Plan Sponsor, MetLife, or your Employer. Your Employer also has the right to change the cost of coverage or change job classifications that are eligible to participate in the Plan. These changes may be made with or without advance notice to you. However, your rights to claim benefits for the period prior to the termination or amendment will not be affected if such benefit is payable under the Plan as in effect before the Plan is terminated or amended.

The subsection titled “Enforce Your Rights” under “Statement of ERISA Rights” has been updated as follows:

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 \$184 a day, not to exceed \$1,846 per request (2023 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.

Appendix A: Key Terms

The definition “Authorized Representative” has been updated as follows:

Authorized Representative means a person you or your Beneficiary has authorized in Writing to represent you or your Beneficiary in the claims process, the appeals process, or both.

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
Plan Sponsor’s Employer Identification Number: 53-0116145
Plan Number: 501