

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Retired Life Insurance Plan

EFFECTIVE: January 1, 2022

System name: ASSOCIATED ELECTRIC CO-OP

RUS/Subgroup Number: 01-26073-002

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association (NRECA) Retired Life 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 Retired Life Insurance Plan SPD:

Chapter 7: Porting or Converting Coverage:

The section titled "Conversion" has been updated as follows:

Conversion

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 has a set premium that does not increase. This option is only available for life insurance **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 "Life Insurance Portability" has been updated as follows:

Life Insurance Portability

The Portability option allows you to continue the term coverage you currently have for all or a part of your life insurance coverage. Term life insurance renews annually, and at that time premiums could increase. If your Portability-eligible 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; however, if you complete a SOH and are approved, your premium costs could be lower.

Chapter 8: 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 Arkansas” has been updated as follows:

Notice for Residents of Arkansas:

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 the Residents of Texas" has been updated as follows:

Notice for the 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 Your provision means that due to injury or sickness, You are expected to die within 24 months of the date You request payment of an Accelerated Benefit.

The following "State Notices" have been removed from the "State Notices" section as follows:

Notice for Residents of Louisiana:

The Definition Of Child Is Modified For The Coverages Listed Below:

Accidental Death and Dismemberment Insurance:

The term also includes Your grandchildren residing with You. The age limit for children and grandchildren will not be less than 26, regardless of the child's or grandchild's marital status, student status or full-time employment status. Your natural child, adopted child, stepchild or grandchild under age 26 will not need to be supported by You to qualify as a Child under this insurance. In addition, marital status will not prevent or cease the continuation of insurance for a mentally or physically handicapped child or grandchild past the age limit.

Notice for Residents of Massachusetts:

Continuation of Accidental Death and Dismemberment (AD&D) Insurance

1. If Your AD&D Insurance ends due to a Plant Closing or Covered Partial Closing, such insurance will be continued for 90 days after the date it ends.
2. If Your AD&D Insurance ends because:
 - You cease to be in an Eligible Class; or
 - Your employment terminates;

for any reason other than a Plant Closing or Covered Partial Closing, such insurance will continue for 31 days after the date it ends.

Continuation of Your AD&D Insurance under the Continuation of Insurance with Premium Payment subsection will end before the end of continuation periods shown above if You become covered for similar benefits under another plan.

Plant Closing and Covered Partial Closing have the meaning set forth in Massachusetts Annotated Laws, Chapter 151A, Section 71A.

Notice for Residents of Minnesota:

The Definition Of Child Is Modified For The Coverages Listed Below:

Accidental Death and Dismemberment Insurance:

The term also includes Your grandchildren who are financially dependent upon You and reside with You continuously from birth. The age limit for children and grandchildren will not be less than 25 regardless of the child's or grandchild's student status or full-time employment status. Your natural child, adopted child or stepchild under age 25 will not need to be supported by You to qualify as a Child under this insurance.

This is a life insurance policy which pays accelerated death benefits at your option under conditions specified in the policy. This policy is not a long-term care policy meeting the requirements of sections M.S.62A.46 to 62A.56 or chapter 62S.

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 begins 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.

Notice for Residents of Montana:

The Definition of Child Is Modified for the Coverages Listed Below:

Accidental Death and Dismemberment Insurance:

The term also includes newborn infants of any person insured under this certificate. The age limit for children will not be less than 25, regardless of the child's student status or full-time employment status. Your natural child, adopted child, or stepchild under age 25 will not need to be supported by You to qualify as a child under this insurance.

Notice for Residents of New Mexico:

The Definition Of Child Is Modified For The Coverages Listed Below:

Accidental Death and Dismemberment Insurance:

The age limit for children will not be less than 25, regardless of the child's student status or full-time employment status. Your natural child, adopted child or stepchild will not be denied accidental death and dismemberment insurance coverage under this certificate because:

- That child was born out of wedlock;
- That child is not claimed as Your dependent on Your federal income tax return; or
- That child does not reside with You.

If a Child is insured for Accidental Death and Dismemberment Insurance under this certificate and You are not the custodial parent, notify Us that such is the case and provide Us with the name and address of the custodial parent. After receipt of such notice We will:

1. Provide such information to the custodial parent as may be necessary for the Child to obtain benefits through that insurance;
2. Permit the custodial parent or the provider, with the custodial parent's approval, to submit claims for covered services without the approval of the non-custodial parent; and
3. Make payments on claims submitted in accordance with Paragraph (2) of this subsection directly to the custodial parent, the provider or the state Medicaid agency.

If You are required by a court or administrative order to provide Accidental Death and Dismemberment Insurance for a Child, and You are eligible to provide such insurance for that child, We will:

1. Permit You to enroll a Child who is otherwise eligible for such insurance without regard to any enrollment season restrictions;
2. If You are enrolled but fail to make application to obtain insurance for such Child, We will enroll the Child for insurance upon application of the Child's other parent, the state agency administering the Medicaid program or the state agency administering 42 U.S.C. Sections 651 through 669, the child support enforcement program; and
3. We will not disenroll or eliminate insurance for such Child unless the insurer is provided satisfactory written evidence that:
 - a) The court or administrative order is no longer in effect; or
 - b) The Child is or will be enrolled in comparable health insurance through another insurer that will take effect not later than the effective date of disenrollment.

We will not impose requirements on a state agency that has been assigned the rights of an individual eligible for medical assistance under the Medicaid program and insured for Accidental Death and Dismemberment Insurance with Us that are different from requirements applicable to an agent or assignee of any other individual so insured. We will not pay insurance under both the Group Policy and the individual policy.

Notice for Residents of Pennsylvania:

Accidental Death and Dismemberment Insurance for a Dependent Child may be continued past the age limit if that Child is a full-time student and insurance ends due to the Child being ordered to active duty (other than active duty for training) for 30 or more consecutive days as a member of the Pennsylvania National Guard or a Reserve Component of the Armed Forces of the United States.

Insurance will continue if such Child:

- Re-enrolls as a full-time student at an accredited school, college or university that is licensed in the jurisdiction where it is located;
- Re-enrolls for the first term or semester, beginning 60 or more days from the child's release from active duty;
- Continues to qualify as a Child, except for the age limit; and
- Submits the required proof of the child's active duty in the National Guard or a Reserve Component of the United States Armed Forces.

Subject to the *Date Insurance For Your Dependents Ends* subsection of the section titled *Eligibility Provisions: Insurance for your Dependents*, this continuation will continue until the earliest of the date:

- The insurance has been continued for a period of time equal to the duration of the child's service on active duty; or

The child is no longer a full-time student.

The following "State Notices" sections have been removed from the "State Notices" as follows:

Notice for Residents of Texas:

The Definition Of Child Is Modified For The Coverage Listed Below:

Life Insurance: The term also includes Your grandchildren. The age limit for children and grandchildren will not be less than 25, regardless of the child's or grandchild's student status or full-time employment status. Your natural child, adopted child or stepchild under age 25 will not need to be supported by You to qualify as a child under this insurance. In addition, grandchildren must be able to be claimed by You as a dependent for Federal Income Tax purposes at the time You applied for Insurance.

Accidental Death and Dismemberment Insurance:

The term also includes Your grandchildren. The age limit for children and grandchildren will not be less than 25, regardless of the child's or grandchild's student status, full-time employment status or military service status. Your natural child, adopted child or stepchild under age 25 will not need to be supported by You to qualify as a Child under this insurance. In addition, grandchildren must be able to be claimed by You as a dependent for Federal Income Tax purposes at the time You applied for Insurance.

Notice for Residents of Utah:

The Definition Of Child Is Modified For The Coverage Listed Below:

Accidental Death and Dismemberment Insurance:

The age limit for children will not be less than 26, regardless of the child's student status or full-time employment status. Your natural child, adopted child or stepchild under age 26 will not need to be supported by You to qualify as a Child under this insurance.

For Utah Residents (Dependent Life or Voluntary Accidental Death and Dismemberment Insurance):

The age limit for children will not be less than 26, regardless of the child's student status or full-time employment status. Your natural child, adopted child or stepchild under age 26 will not need to be supported by You to qualify as a Child under this insurance. The term

includes an unmarried child who is incapable of self-sustaining employment because of a mental or physical handicap as defined by applicable law and who has been continuously covered under an Accidental Death and Dismemberment plan since reaching age 26, with no break in coverage of more than 63 days, and who otherwise qualifies as a Child except for the age limit. Proof of such handicap must be sent to Us within 31 days after:

- The date the Child attains the limiting age in order to continue coverage; or
- You enroll a Child to be covered under this provision;

and at reasonable intervals after such date, but no more often than annually after the two-year period immediately following the date the Child qualifies for coverage under this provision. The Additional Requirement will not apply to a mentally or physically handicapped Child who has been continuously handicapped since a date before the Child reached the limiting age under this certificate and for whom satisfactory Proof of such handicap has been provided.

Notice for Residents of Washington:

Voluntary Accidental Death and Dismemberment Insurance:

The age limit for children will not be less than 26, regardless of the child's marital status, student status, or full-time employment status. Your natural child, adopted child or stepchild under age 26 will not need to be supported by You to qualify as a Child under this insurance.

Chapter 9: 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 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.

The “Appendix A: Key Terms” section has been updated to add the following:

Physician means:

- A person licensed to practice medicine in the jurisdiction where such services are performed; or
- Any other person whose services, according to applicable law, must be treated as Physician's services for purposes of the Group Policy. Each such person must be licensed in the jurisdiction where he performs the service and must act within the scope of that license. He must also be certified and/or registered if required by such jurisdiction.

The term does not include:

- You;
- Your Spouse; or
- any member of Your immediate family including Your and/or Your Spouse's:
 - parents;
 - children (natural, step or adopted);
 - siblings;
 - grandparents; or
 - grandchildren.

Spouse means your lawful spouse. Wherever the term "Spouse" appears in this Plan it shall, unless otherwise specified, be read to include the definitions of Your Civil Union partner or Your Domestic Partner.

No further changes have been made 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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