

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Retired Life 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) 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 4: Term Life Benefits

The subsection titled "Benefit Payment" has been updated as follows:

At the time of the claim, MetLife will offer your Beneficiary(ies) the option to receive payment of 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 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, 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 6: 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” has been updated as follows:

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: Porting or Converting Coverage:

The subsection titled "If You Die Within 31 Calendar Days After Your Life Insurance Ends" has been updated as follows:

If you die within **31 calendar days** after your life insurance ends, Proof of your death must be sent to MetLife. When MetLife receives such Proof with the claim, MetLife will review the claim and, if MetLife approves it, MetLife will pay the Beneficiary the amount of life insurance you were entitled to convert. If you were covered under Group Life, retire from employment and elect coverage under this Plan then die within 31 days, your coverage under this Plan will be cancelled and your coverage while an active employee in Group Life will pay to your Beneficiary. Your Beneficiary cannot claim benefits under both Group Life and Retired Life. Only one will pay out a benefit.

Chapter 8: 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.

Chapter 9: 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.

The definition “Terminally III” or Terminal Illness” has been added as follows:

“Terminally III” or “Terminal Illness” means that, due to injury or sickness, you are expected to die within 12 months. **For residents of Texas only**, “Terminally III” or “Terminal Illness” means that, due to injury or sickness, you are expected to die within 24 months.

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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