

# NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

## NRECA Group Term Life and AD&D Insurance Plan

EFFECTIVE: January 1, 2023

System name: COASTAL ELEC COOPERATIVE INC

RUS/Subgroup Number: 01-41030-001

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 2: Group Term Life and AD&D Plan Highlights

The subsection titled "Reduction in Insurance at Age 70" has been updated as follows:

**Example after January 1, 2018 with a Plan change:** Mike has Spouse life coverage of \$75,000 which was reduced in 2016 to \$45,000 due to age. During annual enrollment he makes a plan change to \$50,000, the full amount of \$50,000 will be available with no future reductions.

#### Chapter 3: Eligibility and Participation Information

The subsection titled "If You Become a Director" has been updated as follows:

##### **If You Become a Director or Retire**

If you become a Director, you may choose to enroll in either the Director's Life and AD&D Insurance Plan, the Director's AD&D Only Insurance Plan, or both, provided your Employer participates in such plans and you are eligible to participate in them.

If you enroll in the Director's Life and AD&D Insurance Plan, coverage under this Plan will end. If you choose the Director's AD&D Only Insurance Plan, you may continue Basic Life Insurance coverage under this Plan as an Employee.

**Note:** If you enroll in the NRECA Directors Life and AD&D Insurance Plan, or the Retired Life Plan, you will not be eligible for coverage under this Plan.

## **Chapter 6: AD&D Insurance Benefits**

The section titled “If Your Base Annual Pay is More Than \$330,000” has been updated as follows:

### **If Your Base Annual Pay is More Than \$330,000**

Due to the compensation limit imposed by the Internal Revenue Code, effective January 1, 1994, no more than \$330,000 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 \$330,000 (in 2022) compensation limit. This arrangement ensures that the employee will receive one check for the full amount of your benefit.

The section titled “Additional AD&D Insurance Features” has been as follows:

### **Rehabilitative Physical Therapy Benefit**

Subject to the terms of your AD&D Insurance, MetLife will pay an additional rehabilitative physical therapy benefit to you if:

- MetLife receives Proof that rehabilitative physical therapy has been prescribed within 90 days of the accidental injury by the attending Physician as necessary to treat a physical condition resulting from the accidental injury; and
- This benefit is in effect on the date of the injury.

Such rehabilitative physical therapy must be provided within one year of the prescription by a Physician or therapist licensed to provide the therapy in the jurisdiction where such services are performed.

### **Benefit Amount**

MetLife will pay an amount equal to the least of:

- The actual charges incurred;
- 10% of the Full Amount of AD&D Insurance coverage shown in the *Group Term Life and AD&D Plan Highlights* chapter; or
- \$25,000.

### **Benefit Payment**

MetLife will pay this rehabilitative physical therapy benefit quarterly when MetLife receives Proof that charges for rehabilitative physical therapy have been paid. Payment will be made to you.

## **Chapter 7: Accelerated Benefit Option (ABO)**

The section titled “Proof of Your, Your Spouse’s, or Your Child’s Terminal Illness” has been updated as follows:

### **Proof of Terminal Illness**

MetLife will require the following Proof of terminal illness:

- A completed accelerated benefit claim form;

- A Signed Physician’s certification of terminal illness; and
- An examination by a Physician of MetLife’s choice, at MetLife’s expense, if MetLife requests it.

When MetLife receives your request to accelerate benefits, MetLife will send you a letter with information about the accelerated benefit payment including the accelerated benefit payment amount and the remaining amount of life insurance after the accelerated benefit is paid. The remaining benefit will be paid to your Beneficiary upon your death.

## **Chapter 9: Porting or Converting Coverage**

**The subsection titled “Maximum Amount of the New Policy” has been updated as follows:**

If your life insurance ends due to the end of the Plan or the amendment of the Plan to end life insurance for an eligible class of which you are a member, the maximum amount of insurance that you may elect for the new policy is the lesser of:

The amount of your life insurance that ends under the Plan less the amount of life insurance for which you become eligible under any Plan within 31 calendar days after the date insurance ends under the Plan; or  
\$10,000.

**The subsection titled “If You Die Within 31 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 had elected retired life prior to your death but within 31 days, the retired life benefit will not be paid to your beneficiary. You cannot have both Retired and Basic life coverage at the same time.

## **Chapter 10: General Information**

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

**The “Notice for Residents of California” has been updated to remove the following:**

**FOR CALIFORNIA RESIDENTS: REVIEW THIS CERTIFICATE CAREFULLY. IF YOU ARE 65 OR OLDER ON YOUR EFFECTIVE DATE OF THIS CERTIFICATE, YOU MAY RETURN IT TO US WITHIN 30 DAYS FROM THE DATE YOU RECEIVE IT AND WE WILL REFUND ANY PREMIUM YOU PAID. IN THIS CASE, THIS CERTIFICATE WILL BE CONSIDERED TO NEVER HAVE BEEN ISSUED.**

## **Chapter 11: Important Notifications and Disclosures**

**The subsection titled “Enforce Your Rights” under “Statement of ERISA Rights” 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 \$171 a day, not to exceed \$1,713 per request (2022 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  
**Plan Sponsor's Employer Identification Number:** 53-0116145  
**Plan Number:** 501