

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Group Term Life and AD&D Insurance Plan

EFFECTIVE: January 1, 2019

System name: OZARK BORDER ELECTRIC COOPERATIVE

RUS/Subgroup Number: 01-26033-003

Employer Tax Identification Number: 43-0445644

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 this change is noted above. You should read this SMM very carefully and retain this SMM with your SPD for future reference. If you have any questions regarding this change, please see your benefits administrator.

Summary of Changes for your Group Term Life and AD&D Insurance Plan SPD:

Plan Information:

The “Plan Name” section has been updated, as follows:

Plan Name

The NRECA Directors AD&D Only Insurance Plan, which is a component Plan of the NRECA Group Benefits Program.

The “Plan Information” has been updated to add the following sections:

Plan Administration

Except where pre-empted by ERISA or other U.S. laws, the validity of the Plan and any other provisions will be determined under the laws of the Commonwealth of Virginia. The type of administration of the Plan is sponsor administration. The records of the Plan are kept on a calendar-year basis.

Named Fiduciary

The named fiduciary of the NRECA Group Benefits Program (Program) is the Insurance and Financial Services Committee (I&FS Committee) of the NRECA board of directors (Board), whose members are appointed by the president of the Board from members of the Board. This I&FS Committee has the central fiduciary responsibility for the Program, and is vested with the discretion to select providers for the Program, including the Plan Administrator, investment managers and trustee, and is charged with management of the Program and the NRECA Group benefits Trust.

The I&FS Committee delegates authority to various entities and individuals to carry out required plan operations and then actively monitors its delegates in order to help

ensure compliance with complex federal laws and regulations governing employee benefit plans.

The “Plan Administrator and Named Fiduciary” section was renamed, as follows:

Plan Administrator

The “Plan Administrator Employer Identification Number” has been removed.

The “Plan Administrator” section has been updated, as follows:

In addition to the Senior Vice-President of the Insurance and Financial Services department, the person listed below has certain administration responsibilities for your Employer:

The “Plan Administrator, Your Employer’s Identification Number (EIN)” number has been removed.

The “Plan Trustee, NRECA Group Benefits Trust” address has been updated, as follows:

Plan Trustee
State Street Bank and Trust Company
1200 Crown Colony Drive, 5th Floor
Quincy, MA 02169

Chapter 3: Eligibility and Participation Information

The “Enrollment Due to a Qualifying Life Event” section has been renamed and updated, as follows:

Making Changes During the Year and Special Enrollment

If you experience one of the qualifying life events noted below, you may be able to add, change or drop coverage for yourself or your dependents.

Also, if you decline coverage during your initial enrollment period and later experience one of the events listed here, you may qualify to add coverage for yourself and your eligible dependents. If you have a qualifying event, you will have 31 days from the date of the event to make a request for enrollment or disenrollment. New dependents may be enrolled as indicated, if they satisfy the requirements for eligibility under the Plan.

Events include:

- Marriage;
- Divorce or annulment
- Birth, adoption, placement for adoption or court-appointed legal guardianship of your dependent Child;
- Death of your Spouse or dependent Child;
- Loss of or enrollment in other group plan coverage or coverage provided by one of the U.S. armed forces (see *Losing Other Coverage* below);
- Changes in your employment status that would make you eligible to participate in the Plan; or

- Changes in your employment status (i.e., part-time to Full-time, completion of an Employer trial work period or waiting period, going on or returning from an Employer-approved leave of absence, going on or returning from long-term disability leave, termination of employment or retirement) that would make you eligible to participate in the Plan or to make a change to your Plan elections.

Such coverage, if elected on a timely basis, will be effective retroactively to the date of the divorce, marriage, birth, adoption, placement for adoption or legal guardianship. If you, as an Employee, or your Spouse is not currently enrolled, you may enroll yourself and your Spouse when you enroll a new dependent Child.

If you do not enroll new dependents within **31 days**, you must wait until the next event in the list above, change in employment status or annual enrollment to obtain coverage for the new dependent.

Contact your benefits administrator if you have questions on qualified events.

If you have a qualifying event, you will have 31 days from the date of that event to make a request for enrollment. The insurance enrolled for or changes to your insurance made as a result of a qualifying event will take effect as follows:

- For any coverage amount for which you are **not required** to give evidence of your insurability, such insurance will take effect the day of the qualifying event, if you are Actively at Work on that date. You are not required to give evidence of your insurability for Supplemental AD&D Insurance.
- For any coverage amount for which you are required to give evidence of your insurability and MetLife determines that you are insurable, such insurance will take effect on the date MetLife states in Writing, if you are Actively at Work on that date. Supplemental AD&D Insurances does not require evidence of your insurability but such insurance will not take effect until the day your Basic Life Insurance takes effect.

Chapter 5: Term Life Benefits

The “Grief Counseling Services” section has been updated, as follows:

Help Is Just a Phone Call Away

To contact a professional grief counselor or to access helpful funeral planning related information and resources call 1-888-319-7819 or go to metlifegc.lifeworks.com (Username: metlifeassist, Password: support).

Chapter 10: General Information

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

Notice for Residents of Texas:

Life Insurance: Accelerated Benefit Option (ABO)

The laws of the state of Texas mandate that the terms "Terminally III" 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 provisions mean that due to injury or sickness, You or Your Dependent is expected to die within 24 months of the date You request payment of an Accelerated Benefit.

Chapter 11: Important Notifications and Disclosures

The “Non-Assignment of Benefits” section has been updated, as follows:

You cannot assign, pledge, borrow against or otherwise promise any benefit payable under the Plan to a third party before you receive it. An Authorized Representative designation made by you or another Beneficiary of the Plan in accordance with the Plan’s procedures is not a prohibited assignment of benefits with respect to the Plan. An attorney-in-fact designation made by you or another Beneficiary of the Plan pursuant to a power of attorney is not a prohibited assignment of benefits with respect to the Plan.

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 \$149 a day, not to exceed \$1,496 (2018 limit, 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 which 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 “Appendix A: Key Terms” section has been updated, as follows:

The definition of “Child or Children” has been revised, as follows:

Child or Children means the following:

For Life Insurance and AD&D, your natural Child from live birth, your adopted Child (including a Child from the date of placement with the adopting parents until the legal adoption), your stepchild, your unmarried foster Child; or any Child under your custody and care who, in each case, is under age 26 and supported by you.

The term includes an unmarried newly eligible employee’s Child who is incapable of self-sustaining employment because of a mental or physical handicap as defined by applicable law, and has been so handicapped continuously since a date before the Child reaches the limiting age and who otherwise qualifies as a Child except for the age limit.

The term does **not** include any person who:

- Is insured under the Group Policy as an Employee or spouse.

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

Eligibility Waiting Period means the period, if any, chosen by the Employer, of continuous employment with the Employer required before participation in the Plan is available to an Employee.

Employee means a person who is:

- Actively working for the Employer; and
- Receiving **Earnings** as defined in this Appendix.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

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

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Retired Life Insurance Plan

EFFECTIVE: January 1, 2019

System name: OZARK BORDER ELECTRIC COOPERATIVE

RUS/Subgroup Number: 01-26033-003

Employer Tax Identification Number: 43-0445644

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 this change is noted above. You should read this SMM very carefully and retain this SMM with your SPD for future reference. If you have any questions regarding this change, please see your benefits administrator.

Summary of Changes for your Retired Life Insurance Plan SPD:

Plan Information:

The “Plan Name” section has been updated, as follows:

Plan Name

The NRECA Directors AD&D Only Insurance Plan, which is a component Plan of the NRECA Group Benefits Program.

The “Plan Information” has been updated to add the following sections:

Plan Administration

Except where pre-empted by ERISA or other U.S. laws, the validity of the Plan and any other provisions will be determined under the laws of the Commonwealth of Virginia. The type of administration of the Plan is sponsor administration. The records of the Plan are kept on a calendar-year basis.

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The I&FS Committee delegates authority to various entities and individuals to carry out required plan operations and then actively monitors its delegates in order to help ensure compliance with complex federal laws and regulations governing employee benefit plans.

The “Plan Administrator Employer Identification Number” has been removed.

The “Plan Administrator” section has been updated, as follows:

In addition to the Senior Vice-President of the Insurance and Financial Services department, the person listed below has certain administration responsibilities for your Employer:

The “Plan Administrator, Your Employer’s Identification Number (EIN)” number has been removed.

The “Plan Trustee, NRECA Group Benefits Trust” address has been updated, as follows:

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State Street Bank and Trust Company
1200 Crown Colony Drive, 5th Floor
Quincy, MA 02169

Chapter 4: Term Life Benefits

The “Term Life Benefits” has been updated to add the following section:

Additional Retired Life Insurance Coverage Features

MetLife Will Preparation Benefit

You are eligible to use your MetLife Will Preparation benefit (which is provided by participating Hyatt Legal Plan attorneys) once your Retired Life Insurance benefit becomes effective. When you use the Hyatt Legal Plan’s network, the Will Preparation benefit fully covers the following legal fees:

- Telephone and office consultations to discuss the preparation or updating of your will or your Spouse’s will;
- Preparation of the will(s);
- Updating of the will(s);
- Preparation of codicils; and
- Documents such as living wills, powers of attorney.

There is no limit to the number of wills or updates to your will(s) or your Spouse’s will(s) that are covered under this benefit.

The following services are **not** covered under this Will Preparation benefit:

- Tax planning;
- Non-attorney fees; and
- A living trust, which is a trust that takes effect during a person’s lifetime.

You may use an attorney outside of the Hyatt Legal Plans’ network and be reimbursed up to \$150 (for an Employee) and \$200 (for an Employee and Spouse) for attorneys’ fees for preparation of your will(s). Further information is available through Hyatt Legal Plans.

Program details and contact information can be obtained from your benefits administrator or by visiting: cooperative.com > My Benefits > Education & Resources > Insurance Plan Documents.

Chapter 6: Claims and Appeals

The “Authorizing a Representative” section has been updated, as follows:

Authorizing a Representative

Your Beneficiary may authorize another individual to speak with MetLife, by giving verbal consent for MetLife to speak with that individual. Any forms would still need to be Signed by the Beneficiary. Contact the MetLife claims representative for more information.

Your Beneficiary may designate a power of attorney or guardian by providing Written documentation to be held on file with MetLife. Contact the MetLife claims representative for more information.

Chapter 8: General Information

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

Notice for Residents of Texas:

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Chapter 9: Important Notifications and Disclosures

The “Non-Assignment of Benefits” section has been updated, as follows:

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sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which 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:

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

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.

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