




**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

**NRECA
Group Term Life and AD&D
Insurance Plan
Summary Plan Description
For
WAYNE-WHITE COUNTIES ELECTRIC
CO-OP
01-14002-003**

Effective Date: January 1, 2011

To Our Employees

In today's economy, you and your family need protection against the financial hardship that can happen when death or a serious injury occurs.

That's why we have arranged for Group Term Life and AD&D insurance through the National Rural Electric Cooperative Association (NRECA) Group Benefits Program.

This document is a Summary Plan Description (SPD). It explains how the Group Term Life and AD&D Insurance Plan works. It is important for you and your spouse to read the entire SPD so that you know

- What benefits are available for you, your spouse and your children
- When you, your spouse or your children are eligible for benefits
- What policies and procedures you need to follow to receive your benefits
- Who you should contact for help or information about your benefits

For an overview of your benefit options, refer to the benefit chart in the *Benefits at a Glance* section. It will give you a brief description of your benefit options, who pays for each option and which job classifications are not covered.

This SPD represents the Plan, but is not a replacement for the actual Plan documents. If there are any inconsistencies between what is written in this SPD and what is written in the master Plan document, the master Plan document will govern in all cases.

Your employer reserves the right, in its sole discretion, to modify or terminate the Plan at any time. Any change will supersede the information contained in this SPD. You will be sent updates, when necessary, to describe any changes in the Plan.

This SPD is not a contract and participation in this Plan does not guarantee employment by any participating employer or other entity.

If you have any questions, please contact the benefits administrator at your employer, or call the NRECA Member Contact Center at 866.673.2299, Monday through Friday, from 7 a.m. to 7 p.m. Central Time.

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Please note

The Definitions section lists the terms used in this booklet and explains how they are defined by the Plan. Refer to this section if you have any questions about the meaning of specific words or phrases.

YOUR LIFE AND AD&D INSURANCE PLAN

You and your eligible spouse and children may choose to participate in the NRECA Group Term Life and Accidental Death & Dismemberment (AD&D) Insurance Plan (Plan) that is part of the NRECA Group Benefits Program.

Group means you are covered for life and AD&D insurance only while you are eligible to be part of the group – in this case, the employees at your employer.

Term means that you are covered only for a specified term – in this case, so long as you are employed by your employer.

Insured means that the NRECA Group Benefit Program has purchased the insurance coverage from MetLife. As the claims adjudicator, MetLife processes your claims and approves the payment of benefits to you or your beneficiary, based on your eligibility for benefits as determined by NRECA and your employer.

Questions?

If you have questions or need more information about your life and AD&D insurance benefits

1. Contact the **benefits administrator at your employer**

WAYNE-WHITE COUNTIES ELECTRIC CO-OP
P.O. BOX E
FAIRFIELD, IL 62837

2. Call the **NRECA Member Contact Center** at 866.673.2299, Monday through Friday, from 7 a.m. to 7 p.m. Central Time
3. Visit the **NRECA Employee Benefits web site** 24 hours a day, 7 days a week
 - Log in to Cooperative.com
 - Click NRECA Employee Benefits in the left-hand menu (or My Benefits under your name)

OVERVIEW OF YOUR BENEFITS

Benefits at a Glance

In the table below and the chart that follows is an overview of the group term life insurance and accidental death & dismemberment (AD&D) coverage offered by your employer.

Key Information	
When benefits are paid	<ul style="list-style-type: none">• Upon your death, your life insurance benefits are paid to your beneficiary• If your death was due to an accident, your beneficiary also will receive your accidental death benefits• Accidental dismemberment benefits are paid if you lose an arm, leg, hand, foot, sight in your eye, speech or hearing or if you become paralyzed; how much you receive will depend on the loss• If you select life or AD&D coverage for your spouse or children, the beneficiary you choose will receive those benefits upon their death, and you or your spouse will receive the accidental dismemberment benefits
Salary Multiple Plan	<ul style="list-style-type: none">• For some benefits, you may choose a benefit level based on a multiple of your salary—one times (1x), two times (2x), three times (3x), four times (4x) or five times (5x)• Your salary is your base annual pay, rounded up to the next multiple of \$1,000• Base annual pay is your pay for a normal work week, not exceeding 40 hours; it does not include bonus or overtime pay
Statement of Health (SOH)	<ul style="list-style-type: none">• Either you or your spouse must complete a statement of health (SOH) to determine if you, your spouse or your children can be insured by the Plan<ul style="list-style-type: none">○ For certain levels of life insurance (see <i>Supplemental Life</i> and <i>Spouse Life</i>)○ For <i>any increase</i> in the amount of insurance that you choose in future years○ For <i>any</i> amount of insurance if you do not enroll in the Plan within 31 days of when you, your spouse or your children are first eligible (see <i>Late Enrollment</i>)• If the benefits level you choose is denied due to the SOH, you will automatically be enrolled in the highest benefit amount that does not require a SOH. The benefit amount that does not require a SOH is also called the guaranteed issue.

Benefits Overview Chart

In the chart starting on the next page is an overview of the benefits available and your coverage options.

Your employer may pay all, part or none of the cost of your life and AD&D coverage. You may be responsible for some or all of the cost of your coverage, as well as coverage for your spouse and your children. See the “Who Pays” column of the chart.

For each benefit, your benefits administrator will give you the specific information about

- the costs the employer will pay
- the costs that you must pay if you choose that coverage

See **When Coverage Begins** for the **Eligibility Waiting Period**, if any, that you must meet before you are eligible for coverage.

Key to Benefits Overview Chart:

Who Pays

Employer	Your employer pays the full cost of the premium
Employee	You pay the full cost of the premium
Employer and Employee	Both you and your employer pay part of the premium
Retiree	You pay the full cost of the premium for Retired Life
Employer and Retiree	Both you and the employer pay part of the premium for Retired Life
N/A	Not applicable

See the Eligibility section under **Who is Not Covered** for a list of job classifications that are not eligible for coverage under the Group Term Life Insurance Plan.

Detailed information on these benefits is provided in the *Your Benefits* section.

BENEFIT LEVEL		COVERAGE	WHO PAYS
Basic Life and AD&D			
	<ul style="list-style-type: none">• Covers employee only• Maximum benefit for <i>either</i> Basic Life <i>or</i> Basic AD&D is the lower amount of<ul style="list-style-type: none">◦ the benefit level selected by your employer, <i>or</i>◦ \$1,000,000• Benefit reduced if you are age 70 or older• Life Insurance benefit equal to two times your base annual pay		Employer
Life— 2 x Salary			
AD&D—	<ul style="list-style-type: none">• Accidental dismemberment benefit is a maximum of your Basic Life insurance benefit amount• Accidental death benefit is the same as your Basic Life insurance benefit amount• Accidental death benefit paid in addition to the life insurance benefit• Additional benefits included in this plan for you:<ul style="list-style-type: none">* Spouse Education* Using a Seat Belt* Child Care* Common Carrier* Child Education* Having Air Bags* Hospital Confinement		
Supplemental Life			
	<ul style="list-style-type: none">• Covers only you, the employee• Only available if you are covered for Basic Life and AD&D• This Supplemental Life insurance benefit is paid in addition to the Basic Life insurance benefit provided by your employer• Your employer pays all, part or none of the premium for certain benefit levels<ul style="list-style-type: none">◦ You may choose a higher benefit level◦ You pay the difference in cost between the amount the employer pays and the premium for the benefit level you choose		

BENEFIT LEVEL	COVERAGE	WHO PAYS
	<ul style="list-style-type: none"> Maximum benefit of \$1,500,000 for Supplemental Life Maximum <i>combined</i> benefit for Basic Life and Supplemental Life is the lower of <ul style="list-style-type: none"> the benefit levels your employer and you selected and have been approved, <i>or</i> eight times (8x) your base annual pay, <i>or</i> \$2,500,000 Premiums based on your age <ul style="list-style-type: none"> as of January 1 of the current year in five-year age bands, such as 25-29, 30-34, 35-39, etc. Benefit reduced if you are age 70 or older Additional benefits included in this plan for you: <ul style="list-style-type: none"> * MetLife Will Preparation * MetLife Estate Resolution Services 	
1x salary	<ul style="list-style-type: none"> Life insurance benefit equal to your base annual pay 	Employee
2x salary	<ul style="list-style-type: none"> Life insurance benefit equal to twice your base annual pay 	Employee
3x salary	<ul style="list-style-type: none"> Life insurance benefit equal to three times your base annual pay 	Employee
4x salary	<ul style="list-style-type: none"> Life insurance benefit equal to four times your base annual pay 	Employee
5x salary	<ul style="list-style-type: none"> Life insurance benefit equal to five times your base annual pay 	Employee
Spouse Life		
	<ul style="list-style-type: none"> Covers only employee's spouse Spouse can be covered only if you are covered for Basic Life and AD&D 	

BENEFIT LEVEL	COVERAGE	WHO PAYS
	<ul style="list-style-type: none"> • Spouse's benefit level can not be higher than your Basic Life and Supplemental Life benefit combined • Your employer pays all, part or none of the premium for certain benefit levels <ul style="list-style-type: none"> ◦ You may choose a higher benefit level ◦ You pay the difference in cost between the amount the employer pays and the premium for the benefit level you choose • Premiums based on your age <ul style="list-style-type: none"> ◦ as of January 1 of the current year ◦ in five-year age bands, such as 25-29, 30-34, 35-39, etc. • Spouse's benefit will be reduced when your Basic Life and Supplemental Life benefits are reduced after you reach age 70 or older 	
\$ 10,000	<ul style="list-style-type: none"> • \$10,000 life insurance benefit for your spouse • Your Basic Life amount must equal at least \$10,000 	Employee
\$ 25,000	<ul style="list-style-type: none"> • \$25,000 life insurance benefit for your spouse • Your Basic Life amount must equal at least \$25,000 	Employee
\$ 50,000	<ul style="list-style-type: none"> • \$50,000 life insurance benefit for your spouse • Your Basic Life amount must equal at least \$50,000 	Employee
\$ 75,000	<ul style="list-style-type: none"> • \$75,000 life insurance benefit for your spouse • Your Basic Life amount must equal at least \$75,000 	Employee
\$ 100,000	<ul style="list-style-type: none"> • \$100,000 life insurance benefit for your spouse • Your Basic Life amount must equal at least \$100,000 	Employee
Child Life		
	<ul style="list-style-type: none"> • Covers only your children • Children can be covered only if you are covered for Basic Life and AD&D • Each child will be covered from live birth to age 26 	

BENEFIT LEVEL		COVERAGE		WHO PAYS
\$ 10,000		<ul style="list-style-type: none"> • \$10,000 life insurance benefit for each of your children • Same premium whether you have one child or more than one child 		Employee
Supplemental AD&D				
		<ul style="list-style-type: none"> • Covers only you, the employee • Only available if you are covered for Basic Life and AD&D • This Supplemental AD&D insurance benefit is paid in addition to the Basic AD&D insurance benefit provided by your employer • Your employer pays all, part or none of the premium for certain benefit levels <ul style="list-style-type: none"> ◦ You may choose a higher benefit level ◦ You pay the difference in cost between the amount the employer pays and the premium for the benefit level you choose • Maximum benefit of \$1,500,000 for Supplemental AD&D • Maximum <i>combined</i> benefit for Basic AD&D and Supplemental AD&D is the lower amount of <ul style="list-style-type: none"> ◦ the benefit levels your employer and you selected and have been approved, <i>or</i> ◦ eight times (8x) your base annual pay, <i>or</i> ◦ \$2,500,000 • Benefit reduced if you are age 70 or older 		
1x salary		<ul style="list-style-type: none"> • AD&D benefit equal to your base annual pay 		Employee
2x salary		<ul style="list-style-type: none"> • AD&D benefit equal to two times your base annual pay 		Employee
3x salary		<ul style="list-style-type: none"> • AD&D benefit equal to three times your base annual pay 		Employee
4x salary		<ul style="list-style-type: none"> • AD&D benefit equal to four times your base annual pay 		Employee

BENEFIT LEVEL		COVERAGE	WHO PAYS
5x salary	• AD&D benefit equal to five times your base annual pay		Employee
Supplemental Family AD&D			
	<ul style="list-style-type: none">• Covers your spouse and/or your children• Only available if you choose Supplemental AD&D for yourself• Spouse and/or child benefit is a percentage of your Supplemental AD&D benefit• Additional benefits included in this plan for your spouse and your children:<ul style="list-style-type: none">◦ Common Disaster◦ Using a Seat Belt◦ Having Air Bags◦ Common Carrier	Employee	
Spouse only	<ul style="list-style-type: none">• Your spouse is covered for 50% of your Supplemental AD&D benefit amount• This option applies if you have no children enrolled in the Plan		
Spouse and Child	<ul style="list-style-type: none">• For your spouse – 40% of your Supplemental AD&D benefit amount• For each of your children – 10% of your Supplemental AD&D benefit amount• This option applies if your spouse and your children are enrolled in the Plan		
Child only	<ul style="list-style-type: none">• Each of your children is covered for 15% of your Supplemental AD&D benefit amount		
Retired Life			
	<ul style="list-style-type: none">• Covers retiree only• Your employer pays all, part or none of the premium for certain benefit levels<ul style="list-style-type: none">◦ You may choose a higher benefit level <i>only</i> when you retire◦ You may choose a lower benefit level during your employer’s annual enrollment or when a Life Event occurs (see <i>Life Event</i>); however, you will not be able to increase your benefit at a later time◦ You pay the difference in cost between the amount the employer pays and the premium for the benefit level you choose		

BENEFIT LEVEL	COVERAGE	WHO PAYS
	<ul style="list-style-type: none"> Premium based on your age when you retire 	
\$5,000	<ul style="list-style-type: none"> Life insurance benefit of \$5,000 	Retiree
\$10,000	<ul style="list-style-type: none"> Life insurance benefit of \$10,000 	Retiree
\$15,000	<ul style="list-style-type: none"> Life insurance benefit of \$15,000 	Retiree
\$20,000	<ul style="list-style-type: none"> Life insurance benefit of \$20,000 	Retiree
Retired Life benefit prior to 2008	<ul style="list-style-type: none"> If you retired before your employer's renewal date in 2008, your Retired Life benefit is the same as it was prior to the 2008 renewal date You continue to be covered for that pre-2008 benefit as long as you are eligible 	Talk to your benefits administrator

ELIGIBILITY

WHO IS ELIGIBLE

You

You are eligible to participate in the Group Term Life and Accidental Death & Dismemberment Insurance Plan if you are an **Active Employee** who

- is in a covered job classification, *and*
- has worked, or expects to work, at least 1,000 hours during your first 12 months in a covered job classification, *and*
- continues to work at least 1,000 hours during subsequent calendar years, *and*
- has completed the eligibility waiting period, if any, for your employer (see *When Coverage Begins*), *and*
- is actively at work on the day your coverage begins, *or*
- has worked at another rural electric employer within the past 6 months and meets these conditions.

You are eligible to participate in the Retired Life plan if you are a **Retired Employee** meeting the requirements of your employer.

Husband and Wife Work for Cooperatives

If you and your spouse work for cooperatives that participate in NRECA's Group Term Life plan, then the following Group Term Life coverage is allowable, provided each employee is eligible for coverage separately.

- Husband **and** wife may separately be enrolled in Basic Life
- Husband **and** wife may separately be enrolled in Supplemental Life and Supplemental AD&D
- Husband **and** wife may each elect the Family AD&D option for their spouse and child
- Husband **and** wife may each elect the Spouse Life option for their spouse
- Husband **or** wife (**but not both**) may elect Child Life

If You Become a Director

If you become a director, you may choose to enroll in a Director's Life and AD&D Plan or Director's AD&D Only Plan that may be available through that cooperative.

If you choose the Director's Life and AD&D Plan or the Director's AD&D Only Plan, any other NRECA-sponsored group term life and AD&D insurance coverage you have will end. This includes any coverage you have as an Active Employee at the same or different cooperative,

or Retired Life coverage at the same or a different cooperative. However, you may choose the Director's AD&D Only Plan and continue your other NRECA-sponsored group term life and AD&D insurance coverage.

You may convert your group life insurance coverage to an individual policy (see *Continuing Your Coverage*). At that point, your coverage is no longer part of the cooperative's benefits. You are responsible for paying the premiums and following the rules to keep your individual coverage. You cannot convert the AD&D coverage.

Please note: when your term as a director ends, you may not re-enroll in any Retired Life plan that you had before becoming a director.

Check with the benefits administrator for information about the Director's Life and AD&D Plan and the Director's AD&D Only Plan.

Your Spouse

In addition to you, your spouse is eligible for coverage if:

- You are an Active Employee, *and*
- You and your spouse are legally married, or your "common-law spouse" has applied for consideration by the Plan and been approved, *and*
- He or she is living in the United States or Canada.

Your Children

In addition to you, each of your children is eligible for coverage if you are an Active Employee and your child is:

- your legal child through live birth, adoption or guardianship, *and*
- under age 26 *and*
- living in the United States or Canada.

Children who live with you in a child-parent relationship—such as step-children or children placed for adoption—may be eligible if:

- You have requested and been approved by NRECA to include them as dependents
 - Complete and submit the Statement of Dependency form that you can get from your benefits administrator, *and*
 - Provide any additional documents NRECA requests as part of your application process, *and*
- The children meet the age and status conditions listed above.

Children with Disabilities

If your child becomes disabled, he or she may still be eligible for coverage under the Plan **after the maximum age** if:

- He or she is incapable of caring for himself or herself, *and*
- He or she is unmarried, *and*
- He or she was covered by the Plan when the disability occurred, *and*
- You provide satisfactory proof of your child's disability to NRECA within 31 days after coverage would end due to your child's age, *and*
- He or she continues to be disabled and you provide additional proof when requested.

Who is Not Covered

For **Basic Life** benefit, employees with the following job classifications (or titles) are not eligible for coverage.

Employees of any subsidiary (including employees of affiliated business)

Intern (including student intern, work-study student)

Management position

Temporary employee

For **Retired Life** benefit, employees with the following job classifications (or titles) are not eligible for coverage.

Retired before the following date: 01/01/2008

If you have any questions, contact your Benefits Administrator.

WHEN COVERAGE BEGINS

For You

You are covered by the Plan after you have

- completed the eligibility waiting period, if any, for your employer (*See Eligibility Waiting Period below*), *and*
- met all the eligibility requirements (see *Who is Eligible*), *and*
- completed and submitted a paper or online enrollment form in a timely manner (see *Enrolling in the Plan*), *and*
- completed the Statement of Health, if required (see *Provide Statement of Health When Needed*).

You must pay your share of the cost of your coverage, if any, in order to keep your coverage.

When you are a **new hire and/or complete the eligibility waiting period** at your employer, your coverage is effective on the later of

- the first day that you are eligible for coverage, *or*
- the date that you submit a completed enrollment form

When you enroll or change your coverage due to a **Life Event** (see below), your coverage is effective on the later of

- the first day that you are eligible for coverage, *or*
- the date that you submit a completed enrollment form

When you enroll or make changes in your coverage during **your employer's annual enrollment**, your coverage is effective on your employer's renewal date.

Eligibility Waiting Period

Your eligibility waiting period is the same for all the life and AD&D insurance options, except for Retired Life.

This Plan has no waiting period.

Actively at Work

If you are not Actively at Work on the day your coverage starts, then your coverage will begin on the day you return to work.

Actively at Work (also referred to as the Active Work Requirement) means that you must

- be present to work at your employer's business location, or at other locations to which your employer requires you to travel, *and*
- be there on a day that is one of your employer's scheduled work days, *and*
- perform all of the regular duties of your job on a full-time basis on that day.

You are considered Actively at Work on a day that is not one of your employer's regularly scheduled work days only if you were Actively at Work on the preceding scheduled work day.

You also are Actively at Work if you are on an employer-approved leave of absence.

However, if you are staying in a hospital, another institution or at home for medical care or treatment on the date your coverage otherwise would become effective, you are *not* Actively at Work. Your eligibility to participate in the Plan will be postponed until you receive a final medical release from the medical confinement and are Actively at Work.

If you are not Actively at Work on the date that coverage for your spouse or your children would take effect, their coverage will take effect on the day you are Actively at Work and the Additional Requirement for Spouse and Children is satisfied. (See later in this section.)

For Your Spouse

You must be enrolled in the Plan before your spouse can be covered. Your spouse's coverage begins on the date that

- your coverage begins, if you are married and enrolled your spouse at the same time that you enrolled in the Plan, *or*
- you got married, if you enrolled your spouse before the date of your marriage, *or*
- you enrolled your spouse, if it is within the first 31 days of the date of your marriage, *or*
- your spouse is approved by NRECA, if you wait to enroll your spouse more than 31 days after the date of your marriage.

Additional Requirement for Your Spouse and Children

On the day that your spouse or child's coverage is scheduled to take effect, your spouse or child must not be:

- confined at home under a Physician's care;
- receiving or applying to receive disability benefits from any source; or
- in the hospital.

If your spouse or child does not meet this requirement, his or her coverage will take effect on the date he or she is no longer:

- confined at home;
- receiving or applying to receive disability benefits from any source; or
- in the hospital.

For Your Children

You must be enrolled in the Plan before your children can be covered. Your child's coverage begins on the date that

- your coverage begins, if you enrolled your child at the same time that you enrolled in the Plan, *or*
- your child was born alive, if you enrolled your child within 31 days of the date of birth, *or*
- your child was adopted, if you enrolled your child before the date the adoption was finalized, *or*

-
- his or her coverage was approved by NRECA, if you enrolled the child placed with you for adoption while you were waiting for NRECA to approve his or her eligibility, *or*
 - his or her coverage was approved by NRECA, if you enrolled the child living with you while you were waiting for NRECA to approve his or her eligibility, *or*
 - you enrolled your child, if it is within the first 31 days of the day your child was eligible for coverage – the date that
 - Your child was born alive, *or*
 - Your child's adoption was finalized, *or*
 - Your child's eligibility was approved by NRECA, *or*
 - your child is approved by NRECA, if you wait to enroll him or her after the first 31 days that he or she is eligible for coverage

See your benefits administrator for instructions on how to enroll a child that is not your natural or legal child.

Life Event

You may enroll, change or drop your coverage **within 31 days** of one of the following Life Events:

- You get married
- You get divorced
- You have a baby
- You adopt a child
- You become a child's legal guardian
- The death of your spouse
- The death of your child

Age-related Event

You may change, drop or convert your coverage **within 31 days** of one of the following Age-related Events:

- You reach age 70 and your benefits and your spouse's benefits, are reduced
- Your spouse reaches age 70 and is no longer eligible for coverage
- Your child reaches age 26 and is no longer eligible for coverage

See *Continuing Your Coverage* for more information on converting some or all of your coverage to an individual policy.

Late Enrollment

If you do not enroll yourself, your spouse or your children **within 31 days** of the date when you first became eligible, or within 31 days of a qualified Life Event,

- You must complete a Statement of Health for each person being insured (you, your spouse or your children) before you can be covered for *any* benefit amount, *and*
- You cannot enroll until your employer's next annual enrollment period, *and*
- Your coverage, as well as coverage for your spouse and/or your children, does not start until the date it is approved by the NRECA.

Check with your benefits administrator to find out whether your employer has any additional requirements.

ENROLLING IN THE PLAN

Complete an Enrollment Form

Before you, your spouse or your children are covered for life and AD&D, you must enroll in the Plan. Your benefits administrator can provide you with instructions on how to enroll.

When you start working for your employer, your benefits administrator will review the life and accidental death & dismemberment options available to you during your initial benefits orientation.

You automatically will be enrolled in any benefits that your employer is providing at no cost to you. Your employer is paying the full cost of those benefits.

Provide Statement of Health When Needed

You will have to complete a Statement of Health (SOH) to determine if you can be insured by the Plan when you

- enroll for certain benefits, *or*
- increase your coverage to a higher benefit amount during future annual enrollment periods, *or*
- enroll after 31 days of the date when you, your spouse or your child was first eligible to participate in the Plan (see *Late Enrollment*).

If a Statement of Health is required, you will be asked to complete one or more Statement of Health forms when you enroll. In some cases, MetLife may ask you for additional information, such as a physician's report.

You do not have to provide a Statement of Health if you

- are eligible to participate in the Plan, *and*
- enroll or increase your coverage within 31 days of the date

-
- that you are first eligible for coverage, *or*
 - of a Life Event (see *Life Event*) and
 - select benefit amounts that are guaranteed issue and do not require a SOH (see *Supplemental Life and Spouse Life*).

Guaranteed issue is the amount of insurance you can receive without a Statement of Health. For some benefits, guaranteed issue is only available when

- These plans are first offered by your employer, *or*
- You, your spouse and/or your child are first eligible for benefits, *or*
- You have a Life Event (see *Life Event*)

If the benefit amount you choose is denied due to the SOH, you will automatically be enrolled in the highest benefit amount that is a guaranteed issue.

A Statement of Health is required only for life insurance, not accidental death and dismemberment insurance.

Don't Forget to Select Your Beneficiary

Remember to select your beneficiary when you complete your enrollment form. You may select anyone you choose.

Your beneficiary is the person who will receive your life insurance benefits upon your death, as well as your accidental death benefit if your death is an accident.

You as the employee, are automatically designated as the beneficiary for your spouse or children who are covered under Spouse Life, Child Life or the Family AD&D benefit.

You may change your beneficiary at any time. Ask your benefits administrator for instructions on how to change your beneficiary.

When You Want to Change Your Coverage

You have the opportunity to change the life and AD&D insurance coverage for yourself, your spouse or your children

- during your employer's annual enrollment period, *or*
- when a Life Event occurs (see *Life Event*), *or*
- when an Age-related Event occurs (see *Age-related Event*).

Ask your benefits administrator for instructions on how to make changes to your coverage.

WHEN COVERAGE ENDS

For You

You are no longer eligible and your group life and AD&D insurance coverage ends on the day that

- You are no longer employed by your employer, *or*
- You are no longer in a covered job classification, *or*
- You do not pay your share of the cost of your coverage, *or*
- Your employer stops participating in the Plan.

You may continue your life insurance coverage by converting to an individual policy (see *Continuing your Coverage*).

You may choose to change or drop any Supplemental Life or AD&D coverage for yourself if you are paying some or all of the cost. You can make this change during your employer's annual enrollment or when a Life Event or an Age-related Event occurs (see *Enrolling in the Plan*).

Even if you drop your Supplemental Life or AD&D coverage, you will continue to be covered on your employer's Basic Life and AD&D insurance and any other employer-paid coverage offered by your employer.

If you retire, check with your benefits administrator to see if your employer offers Retired Life insurance. See *When You Retire*.

If You Become a Director

If you become a director, you may choose to enroll in a Director's Life and AD&D Plan or Director's AD&D Only Plan that may be available through that cooperative.

If you choose the Director's Life and AD&D Plan or the Director's AD&D Only Plan, any other NRECA-sponsored group term life and AD&D insurance coverage you have will end. This includes any coverage you have as an Active Employee at the same or different cooperative, or Retired Life coverage at the same or a different cooperative. However, you may choose the Director's AD&D Only Plan and continue your other NRECA-sponsored group term life and AD&D insurance coverage.

You may convert your group life insurance coverage to an individual policy (see *Continuing Your Coverage*). At that point, your coverage is no longer part of the cooperative's benefits. You are responsible for paying the premiums and following the rules to keep your individual coverage. You cannot convert the AD&D coverage.

Please note: when your term as a director ends, you may not re-enroll in any Retired Life plan that you had before becoming a director.

<p>Check with the benefits administrator for information about the Director's Life and AD&D Plan and the Director's AD&D Only Plan.</p>

For Your Spouse

Your spouse's coverage will end on the day that

- You are no longer eligible, *or*
- You choose to drop coverage for your spouse, *or*
- You do not pay your share of the cost of your spouse's coverage, *or*
- You and your spouse are divorced.

Please note, coverage for your spouse is reduced when you reach the age of 70. (see Your Benefits)

Your spouse may continue his or her life insurance coverage by converting to an individual policy (see *Continuing your Coverage*).

For Your Children

Your child's coverage will end on the day that

- You are no longer eligible, *or*
- You choose to drop coverage for your children, *or*
- You do not pay your share of the cost for your child's coverage, *or*
- Your child is over age 26, *or*
- Your disabled child gets married, *or*
- Your child no longer meets the eligibility requirements (see *Who is Eligible*).

You may continue your child's life insurance coverage by converting to an individual policy (see *Continuing your Coverage*).

YOUR BENEFITS

How Your Life Insurance Benefit Works

This Plan provides **group term life** insurance coverage.

Group means you are covered for life insurance only while you are eligible to be part of the group – in this case, the employees at your employer.

Term means that you are only covered for a specified term – in this case, so long as you are employed by your employer.

There are several options for group term life insurance through your employer:

- Basic Life
- Supplemental Life
- Spouse Life
- Child Life
- Retired Life

Your Beneficiary

When the person insured – you, your spouse or your child – dies, the benefit is paid to the beneficiary.

You can choose anyone to be the beneficiary for your life insurance benefits. You can designate one or more than one beneficiary.

To choose your beneficiary, complete the appropriate section on your enrollment form or during the online enrollment process.

You can change your beneficiary at any time. You may want to change your beneficiary to

- add a child as another beneficiary
- drop your spouse if you get divorced
- change your spouse if you get remarried
- drop a beneficiary who has died

You, as the employee, are automatically designated as the beneficiary for your spouse and children if they are covered by the Plan. You may not designate a beneficiary for your covered spouse or child.

Contact your benefits administrator for instructions on how to change your beneficiary.

Benefit Amount

The benefit amount for group term life insurance may be

- a flat dollar amount, such as \$10,000
- a multiple of your salary

With a **flat dollar amount**, the benefit is always that dollar amount. When you die, your beneficiary will receive the dollar amount.

If your coverage is a **multiple of your salary**, the benefit amount is multiplied by your base annual pay for a normal work week, not exceeding 40 hours. It does *not* include overtime or bonus pay. Your benefit changes as your base annual pay changes.

Your base annual pay is rounded up to the next \$1,000. Then it is multiplied by the multiple selected by your employer or by you, such as one times (1x), two times (2x), three times (3x), etc., to determine your benefit amount.

In the event of your death, your beneficiary receives a benefit that is a multiple of your base annual pay at the time of your death.

Benefit Reduced After You Reach Age 70

If you are age 70 or older and still an Active Employee, your benefit amount is reduced based on your age:

Ages 70-74:	60% of your benefit before age 70
Ages 75-79:	40% of your benefit before age 70
Age 80 and over:	26% of your benefit before age 70

Your benefits are reduced on the first of the month following your birthday. If your birthday is on the first of the month, your benefits are reduced on the first day of the month following your birth month.

Your base annual pay when you reach age 70 is the salary amount used to calculate your benefits after age 70. Any pay increases you receive after age 70 will not be included when calculating your benefits in the future.

Example:

Donna has a base annual pay of \$25,000 when she reaches age 70 and her life insurance benefit is reduced. The next year she gets a pay increase to \$27,000. Her benefit will continue to be based on the \$25,000 salary she had when she turned age 70.

Spouse's Benefit Reduced After You Reach Age 70

If you are age 70 or older and still an Active Employee, your spouse's benefit amount is reduced based on your age. The following are the reduction amounts:

Ages 70-74:	60% of your spouse's benefit before age 70
Ages 75-79:	40% of your spouse's benefit before age 70
Age 80 and over:	26% of your spouse's benefit before age 70

Your spouse's benefits are reduced on the first of the month following your birthday. If your birthday is on the first of the month, your spouse's benefits are reduced on the first day of the month following your birth month.

Benefits Available Before Death

The Accelerated Benefits Option (ABO) allows the person insured – you, your spouse or your child – to receive a portion of his or her life insurance benefit before death.

This option is available only if the person insured

- is covered for a life insurance benefit of \$10,000 or more, *and*
- has a medically-certified terminal illness, *and*
- is expected to live for one year (12 months) or less.

You can receive up to 80% of your life insurance benefit for a minimum benefit of \$8,000 and a maximum benefit of \$500,000.

The benefit paid to your beneficiary upon your death will be reduced by the amount of the accelerated benefit.

How Your Accidental Death & Dismemberment Insurance Benefit Works

Accidental death & dismemberment coverage provides an

- **accidental death benefit** to your beneficiary if you die in an accident on or off the job
- **accidental dismemberment benefit** to you if you suffer a loss due to an accidental injury on or off the job

Like your life insurance benefit, AD&D also is a group plan and covers you only while you are eligible for coverage from your employer.

There are several options for AD&D through your employer:

- Basic AD&D
- Supplemental AD&D
- Family AD&D

Like your life insurance options, the benefit amount for accidental death and dismemberment can be either

- a flat dollar amount, *or*
- a multiple of your base annual pay

The Family AD&D benefit amount for your spouse and/or your child is a percentage of your Supplemental AD&D benefit amount.

If Base Annual Pay over \$245,000

Due to the compensation limit imposed by the Internal Revenue Code, effective January 1, 1994, no more than \$245,000 of annual earnings (in 2011 and adjusted each year for inflation) may be considered when the Plan calculates your AD&D benefit.

However, a supplemental insurance policy outside the NRECA Group Benefits Trust has been established to provide benefits to the extent an employee's salary exceeds the \$245,000 (in 2011) compensation limit. This supplemental insurance policy is provided under the NRECA Excess AD&D Plan.

Your beneficiary will receive one check for the full amount of your benefit.

Benefit Reduced After You Reach Age 70

If you are age 70 or older and still an Active Employee, your benefit amount is reduced based on your age:

Ages 70-74:	60% of your benefit before age 70
Ages 75-79:	40% of your benefit before age 70
Age 80 and over:	26% of your benefit before age 70

Your benefits are reduced on the first of the month following your birthday. If your birthday is on the first of the month, your benefits are reduced on the first day of the month following your birth month.

Your base annual pay when you reach age 70 is the salary amount used to calculate your benefits after age 70. Any pay increases you receive after age 70 will not be included when calculating your benefits in the future.

Example:

Donna has a base annual pay of \$25,000 when she reaches age 70 and her life insurance benefit is reduced. The next year she gets a pay increase to \$27,000. Her benefit will continue to be based on her \$25,000 salary when she turned age 70.

Accidental Death

If you die due to an accident on or off your job while covered by the Plan, your beneficiary will be paid an accidental death benefit, in addition to your life insurance benefit.

If your spouse or your child dies due to an accident, you will be paid the accidental death benefit.

Accidental Dismemberment

The **full (100%) accidental dismemberment benefit** is paid if the person insured – you, your spouse or your child – is injured in an accident and suffers one of the following:

- loss of both hands
- loss of both feet
- loss of sight in both eyes
- loss of hand and a foot
- loss of a hand and sight in one eye
- loss of a foot and sight in one eye
- loss of his or her speech and hearing
- both arms and both legs are paralyzed

Three quarters (75%) of the accidental dismemberment benefit is paid if the person insured – you, your spouse or your child – is injured in an accident and suffers one of the following:

- loss of an arm
- loss of a leg

Half (50%) of the accidental dismemberment benefit is paid if the person insured – you, your spouse or your child – is injured in an accident and suffers one of the following:

- loss of one hand
- loss of one foot
- loss of sight in one eye
- loss of his or her speech
- loss of his or her hearing

-
- both legs are paralyzed
 - both arms are paralyzed
 - the arm and leg on either side of the body is paralyzed

One quarter (25%) of the accidental dismemberment benefit is paid if the person insured – you, your spouse or your child – is injured in an accident and suffers one of the following:

- one arm is paralyzed
- one leg is paralyzed
- loss of the thumb and index finger on the same hand

Loss means

- **hand** permanently severed at or above the wrist, but below the elbow
- **foot** permanently severed at or above the ankle, but below the knee
- permanent and uncorrectable loss of **sight** with visual acuity of 20/200 or worse or field of vision less than 20 degrees
- **arm** permanently severed at or above the elbow
- **leg** permanently severed at or above the knee
- entire and irrecoverable loss of **speech** that continues for 6 consecutive months after the accident
- entire and irrecoverable loss of **hearing** in both ears that continues for 6 consecutive months after the accident
- **index finger** permanently severed through or above the third joint from the tip of the finger
- **thumb** permanently severed through or above the second joint from the tip of the thumb

Paralysis means permanent, complete and irreversible loss of use of a limb, without it being severed.

Brain Damage or Coma

If the person insured – you, your spouse or your child – is injured in an accident and suffers **brain damage**, the full (100%) accidental dismemberment benefit is paid.

Brain damage means permanent and irreversible physical damage to the brain that makes the person completely unable to perform all the substantial and material functions and activities normal to everyday life. This brain damage must

- manifest itself within 30 days of the accident, *and*
- require a hospital stay of at least 5 days, *and*
- persist for 12 consecutive months after the date of the accident

If the person insured – you, your spouse or your child – is injured in an accident and is in a **coma:**

- One percent (1%) of the accidental death and dismemberment benefit is paid each month
- Benefit begins on the 7th day of the coma
- Benefit stops at the end of the coma or after a maximum of 60 months, whichever comes first.

Coma means a state of deep and total unconsciousness from which the comatose person cannot be aroused. This state must begin within 30 days of the accident and continue for 7 consecutive days.

Maximum Payment for AD&D

The maximum payment for all losses due to any one accident is the full amount of all your AD&D benefits.

Example:

Stacy is severely injured in an automobile accident, including the immediate loss of her left hand. She receives 50% of her AD&D benefit for accidental dismemberment.

Six months later, Stacy dies due to the injuries she received in the accident. Her beneficiary will receive only the remaining 50% of Stacy's AD&D benefit for accidental death because her death is due to the same accident as her dismemberment.

Additional AD&D Benefits

The Plan includes benefits, paid in addition to your Basic AD&D benefit and/or your spouse and your children's Family AD&D benefit under certain circumstances, for

- Common Disaster
- Spouse Education
- Child Education
- Child Care
- Using a Seat Belt
- Having Air Bags
- Hospital Confinement
- Common Carrier

See the descriptions of these benefits as they apply under *Basic Life and AD&D* for you and *Supplemental and Family AD&D* for your spouse and your children.

What is Not Covered by AD&D

You, your spouse and your children are not covered for an accidental death or loss that is caused by or contributed to by

- a physical or mental illness or disease, or the diagnosis or treatment of that illness or disease
- an infection, other than an infection that occurs in an external accidental wound
- suicide or attempted suicide
- injuring yourself on purpose
- service in the armed forces of any country or international authority, except for the United States National Guard
- any incident related to
 - travel in an aircraft as a pilot, crew member or flight student
 - travel in an aircraft for the purpose of parachuting or otherwise exiting from the aircraft while it is in flight
 - parachuting or otherwise exiting from an aircraft while the aircraft is in flight, except for self-preservation
 - travel in an aircraft or device used
 - for testing or experimental purposes
 - by or for any military authority
 - for travel or designed for travel beyond the earth's atmosphere
- committing or attempting a felony
- the voluntary intake or use by any means of
 - any drug, medication or sedative, unless it is
 - taken or used as prescribed by a Physician
 - an over-the-counter drug, medication or sedative taken as directed
 - alcohol in combination with any drug, medication or sedative
 - poison, gas or fumes
- war, whether declared or undeclared, or act of war, insurrection, rebellion or riot

The Plan will not pay any AD&D benefits for any loss if the injured party is

- intoxicated at the time of the accident, *and*
- the operator of a vehicle or other device involved in the accident.

Intoxicated means that the injured person's blood alcohol level met or exceeded the level that creates a legal presumption of intoxication under the laws of the jurisdiction in which the accident occurred.

BASIC LIFE AND AD&D

Basic Life

You are covered for Basic Life, equal to 2 x Salary.

This benefit covers you while you are an employee and Actively at Work. It does not cover your spouse or your children... nor does it cover you if you are a Retired Employee.

Your employer pays 100% of the cost of this coverage

Basic AD&D

You also are covered for Basic AD&D coverage which is equal to your Basic Life coverage.

This benefit covers you while you are an employee and Actively at Work. It does not cover your spouse or your children... nor does it cover you if you are a Retired Employee.

The cost of the Basic AD&D coverage is included in the Basic Life amount.

Maximum Benefit

The maximum benefit paid for *either* Basic Life *or* Basic AD&D is the lower amount of

- the benefit level selected by your employer, *or*
- \$1,000,000

If You Become a Director

If you become a director, you may choose to enroll in a Director's Life and AD&D Plan or Director's AD&D Only Plan that may be available through that cooperative.

If you choose the Director's Life and AD&D Plan or the Director's AD&D Only Plan, any other NRECA-sponsored group term life and AD&D insurance coverage you have will end. This includes any coverage you have as an Active Employee at the same or different cooperative, or Retired Life coverage at the same or a different cooperative. However, you may choose the Director's AD&D Only Plan and continue your other NRECA-sponsored group term life and AD&D insurance coverage.

You may convert your group life insurance coverage to an individual policy (see *Continuing Your Coverage*). At that point, your coverage is no longer part of the cooperative's benefits. You are responsible for paying the premiums and following the rules to keep your individual coverage. You cannot convert the AD&D coverage.

Please note: when your term as a director ends, you may not re-enroll in any Retired Life plan that you had before becoming a director.

Check with the benefits administrator for information about the Director's Life and AD&D Plan and the Director's AD&D Only Plan.

Additional AD&D Benefits

Spouse Education

Your spouse will receive a benefit to offset the cost of enrollment full-time in an accredited school for one year for training or to refresh skills needed for employment if

- You die as a result of an accident, *and*
- Your spouse provides proof that he or she was already enrolled full-time in such a school at the time of your death, *and*
- Your spouse provides proof that he or she returns to such a school full-time within 12 months after the date of your death, *and*
- A benefit is paid for accidental death, *and*
- Your spouse is an eligible dependent.

Your spouse will receive an amount equal to the tuition charges to enroll in an accredited school for up to one academic year, not to exceed the **lower amount of**

- \$5,000 for the year, *or*
- three percent (3%) of your Basic AD&D benefit.

The benefit is paid twice during the academic year. Your spouse will need to provide proof that

- he or she has paid the tuition charges, *and*
- he or she continues to be enrolled as a full-time student during the period for which the benefit is paid.

If your spouse would not qualify for this benefit on the date of your death, your beneficiary will receive a benefit of \$1,000.

Child Education

Each of your children will receive a benefit to offset the cost of enrollment in an accredited school if

- You die as a result of an accident, *and*
- A benefit is paid for loss of life from your Basic AD&D plan, *and*

-
- Proof is provided showing that on the date of your death your child is either
 - enrolled as a full-time student in a college, university or vocational school above the 12th grade level, *or*
 - in the 12th grade and then enrolls as a full-time student in a college, university or vocational school within 365 days following the date of the accident.

An amount will be paid for each child that qualifies for this benefit. This benefit will not exceed the **lower amount of**

- the actual cost of tuition for up to 4 consecutive years, *or*
- \$10,000 per year for up to 4 consecutive years, *or*
- twenty percent (20%) of the amount of your Basic AD&D benefit.

The benefit is paid twice during the academic year to the person making the tuition payments. He or she will need to provide proof that

- the tuition charges have been paid, *and*
- your child continues to be enrolled as a full-time student during the period for which the benefit is paid.

If you have children who do not qualify for this benefit on the date of your death, your beneficiary will receive an additional benefit of \$1,000 per child.

Child Care

An additional benefit will be paid to offset the cost of enrollment in a child care center if

- You die as a result of an accident, *and*
- A benefit is paid for loss of life from your Basic AD&D plan, *and*
- Proof is provided showing that your child is enrolled in a child care center either
 - on the date of your death, *or*
 - within 12 months after the date of your death.

An amount will be paid for each child that qualifies for this benefit. This benefit will not exceed the **lower amount of**

- the actual child center charges for up to 4 consecutive years, *or*
- \$5,000 per year for up to 4 consecutive years, *or*
- twelve percent (12%) of the amount of your Basic AD&D benefit.

The benefit is paid quarterly to your spouse or the person making the payments. This benefit is only payable until the child attains the age of 12.

If you have children who do not qualify for this benefit on the date of your death, your beneficiary will receive an additional benefit of \$1,000 per child.

Using a Seat Belt

An additional benefit will be paid if you die as a result of an injury received in an accident

- while driving or riding in a private passenger car, *and*
- if your seat belt was properly fastened, as certified in the official police accident report, *and*
- if the accident is covered for loss of life by the Basic AD&D plan.

Your beneficiary will receive an additional benefit of ten percent (10%) of your Basic AD&D benefit for your death. There is a minimum benefit of \$1,000 per person and a maximum benefit of \$25,000 per person.

The passenger car must be a validly registered four-wheel private passenger car. No benefit is paid if the accident occurs in a commercially licensed car or private passenger car used for commercial purposes.

Seat belt means any restraint device that

- meets published U.S. government safety standards, *and*
- is properly installed by the car manufacturer, *and*
- is not altered after being installed, *and*
- meets the requirements of any state law, in the case of a child restraint device.

Having Air Bags

An additional benefit will be paid if you die as a result of an injury received in an accident

- while driving or riding in a private passenger car equipped with an air bag, *and*
- if you were riding in a seat protected by an air bag, as certified in the official police accident report, *and*
- if your seat belt was properly fastened, as certified in the official police accident report, *and*
- if the accident is covered for loss of life by the Basic AD&D plan.

Your beneficiary will receive an additional benefit of five percent (5%) of your Basic AD&D benefit for your death. There is a minimum benefit of \$1,000 per person and a maximum benefit of \$10,000 per person.

The passenger car must be a validly registered four-wheel private passenger car. No benefit is paid if the accident occurs in a commercially licensed car or private passenger car used for commercial purposes.

Air bag means an inflatable restraint device that

- meets published U.S. government safety standards, *and*

-
- is properly installed by the car manufacturer, *and*
 - is not altered after being installed.

Hospital Confinement

An additional benefit will be paid if you need to stay in the hospital

- due to an injury received in an accident, *and*
- that the injury is the only reason why you need to stay in the hospital, *and*
- if the accident is covered by the Basic AD&D plan.

You will receive the **lower amount of**

- one percent (1%) of your Basic AD&D benefit for your hospital stay, *or*
- \$2,500 per accident.

The benefit is paid each month

- starting on the 5th day of your hospital stay
- for only one period of continuous confinement per accident
- for only the first period of continuous confinement per accident
- up to a maximum of 12 months of continuous confinement
- on a pro-rata basis for any partial month of confinement

Common Carrier

An additional benefit will be paid to you when proof is received that the deceased's death was the result of an accident in a Common Carrier.

A Common Carrier means a government regulated entity that is in the business of transporting fare-paying passengers. The term does not include chartered or other privately arranged transportation, taxis, or limousines.

The Common Carrier benefit is an additional 100% of the full amount for loss of life payable under the AD&D benefit.

Example:

You are injured in a car accident and admitted to the hospital for treatment. You are in the hospital for 15 days before you are discharged. Because you were in the hospital longer than 5 days, you will receive a hospital confinement benefit. This benefit will be pro-rated because you were in the hospital for less than one month.

A week later, you need to return to the hospital because of complications due to the same injury received in the same accident. You will not be eligible for the hospital confinement benefit because you are covered for only the first hospital stay due to any one accident.

SUPPLEMENTAL, SPOUSE AND CHILD LIFE

Supplemental Life for You

Supplemental Life provides you with extra coverage, in addition to the Basic Life amount offered by your employer. You decide whether or not you want this additional coverage. You and/or your employer can choose from five benefit amounts, all based on your base annual pay:

- One time (1x) salary
- Two times (2x) salary
- Three times (3x) salary
- Four times (4x) salary
- Five times (5x) salary

See *Benefits at a Glance* for the specific benefit amounts offered by your employer and if you share the cost of this coverage. In some cases, your employer may pay all or part of the cost of your coverage.

In the event of your death, your beneficiary will receive the Basic Life benefit provided by your employer **plus** the benefit amount for Supplemental Life. If your death is due to an accident you will also receive the Basic AD&D benefit.

When Your Employer Selects a Benefit Amount

Your employer may pay all, part or none of the cost of your coverage for a certain benefit amount (see *Benefits at a Glance*).

You may choose a higher amount to meet your family's financial needs and pay the difference in cost. You may *not* choose a lower amount than your employer's selected benefit amount.

If you share the cost of this coverage with your employer, you can choose to

- Accept the employer-selected benefit amount and pay that premium, *or*
- Select a higher benefit amount and pay the difference in premium, *or*
- Decline this benefit so you do not have to pay your share of the cost for the employer-selected benefit amount.

Example:

Howie and Dwight's employer has chosen two times (2x) salary as the benefit amount for Supplemental Life. The employer pays part of the cost and the employees pay part of the cost for this coverage.

Howie decides that he wants to take the maximum benefit he can to provide for his wife and four children if something happens to him. He chooses five times (5x) salary and the difference in cost between the 2x salary and 5x salary options is deducted from his paycheck.

Dwight is on a tight budget and does not want to pay for the extra cost of the Supplemental Life coverage. He declines the benefit selected by his employer. He will not be covered by the Supplemental Life plan.

Maximum Benefit

The maximum benefit for Supplemental Life is \$1,500,000.

The maximum benefit for Basic Life and Supplemental life *combined* is the lower amount of

- the combined Basic Life and Supplemental Life benefit amounts your employer and you selected and have been approved, *or*
- eight times (8x) your base annual pay, *or*
- \$2,500,000

Statement of Health (SOH)

You will have to complete a Statement of Health if you choose one of these Supplemental Life options:

- Three times (3x) base annual pay
- Four times (4x) base annual pay
- Five times (5x) base annual pay

Before you can be covered for these benefit amounts, MetLife has to determine whether you are in good health and can be insured by the Plan.

You will be asked to complete one or more Statement of Health forms when you enroll. In some cases, MetLife may ask for additional information, such as a physician's report.

Guaranteed issue is the amount of insurance you can receive without a Statement of Health. For Supplemental Life, those amounts are

- One times (1x) base annual pay
- Two times (2x) base annual pay

Guaranteed issue is only available when

- The Supplemental Life plan is first offered by your employer, *or*
- You are first eligible for benefits, *or*
- You have a Life Event (see *Life Event*).

If the benefit amount you choose is denied due to the SOH, you will automatically be enrolled in two times (2x) base annual pay, the highest benefit amount that is a guaranteed issue for Supplemental Life.

Please note: If you do not enroll when you are first eligible for the Plan, you will have to complete a Statement of Health for *all* benefit levels (see *Late Enrollment*). Also, you will have to complete a Statement of Health to increase your benefit level during a future annual enrollment period.

Premiums Based on Your Age

The cost of your Supplemental Life – the monthly premium – is based on your age as of January 1 of the current year.

In addition, the premium cost is grouped in five-year age bands, such as ages 25-29, 30-34, 35-39, etc. Your premium will change when you move from one age band to the next.

Check with your benefits administrator about the premiums for Supplemental Life.

Additional Supplemental Life Benefits

MetLife Will Preparation Benefit

You will be eligible to access your MetLife Will Preparation Benefit, provided by Hyatt Legal Plans, once your Supplemental Life 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

There is no limit to the number of Wills or updates to your Will(s) or your spouse's Will(s).

The following is not covered under this Will Preparation Benefit:

- A Living Trust, which is a Trust that takes effect during a person's lifetime.
- Documents such as Living Wills, Powers of Attorney or Living Trusts

-
- Tax Planning
 - Non-attorney fees

You may use an attorney outside of the Hyatt Legal Plans' network and receive reimbursement of a pre-determined amount 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 the document library: Cooperative.com > NRECA Employee Benefits > Document Library > Documents for Employees > Life Insurance Plans.

MetLife Estate Resolution Services

You will automatically be eligible to access the Estate Resolution Services, provided by Hyatt Legal Plans, once your Supplemental Life benefit becomes effective.

Estate Resolution Services are available to your beneficiary and covers the following probate services when your beneficiary contacts the Hyatt Legal Plan's network:

- Telephone and office consultations to discuss matters related to probating your estate
- Preparation of documents related to probating your estate
- Representation at court proceedings related to probating your estate
- Completion of correspondence necessary to transfer probate assets (insurance policies, joint bank accounts, stock accounts and property)
- Associated tax filings related to probating your estate

You may use an attorney outside of the Hyatt Legal Plans' network and receive reimbursement of a pre-determined amount for attorneys' fees for Estate Resolution Services. Further information is available through Hyatt Legal Plans.

Program details and contact information can be obtained from your Benefits Administrator or by visiting the document library: Cooperative.com > NRECA Employee Benefits > Document Library > Documents for Employees > Life Insurance Plans.

Spouse Life

You and/or your employer can select life insurance coverage for your spouse, choosing from one of these flat dollar benefit amounts:

- \$ 10,000
- \$ 25,000
- \$ 50,000
- \$ 75,000
- \$100,000

Your spouse can be covered only if you are covered for Basic Life and Basic AD&D.

See *Benefits at a Glance* for the specific benefit amounts offered by your employer and if you share the cost of this coverage. In some cases, your employer may pay all or part of the cost of your coverage.

If your spouse dies, you will be paid the benefit.

The premium for your spouse's life insurance is

- Based on **your (the employee's) age** as of January 1 of the current year
- Grouped in five-year age bands, the same as Supplemental Life

If you are age 70 or older and still an Active Employee, your spouse's benefit amount is reduced based on your age. The following are the reduction amounts:

Ages 70-74:	60% of your spouse's benefit before age 70
Ages 75-79:	40% of your spouse's benefit before age 70
Age 80 and over:	26% of your spouse's benefit before age 70

Your spouse's benefits are reduced on the first of the month following your birthday. If your birthday is on the first of the month, your spouse's benefits are reduced on your birthday.

Please note: Coverage for your spouse ends **when your spouse reaches age 70**, either

- the first of the month following his or her birthday, *or*
- on his or her birthday if your spouse's birthday is the first of the month.

Check with your benefits administrator about the premiums for Spouse Life.

When Your Employer Selects a Benefit Amount

Your employer may pay all, part or none of the cost of your spouse's coverage for a certain benefit amount (see *Benefits at a Glance*).

You may choose a higher amount to meet your family's financial needs and pay the difference in cost. You may *not* choose a lower amount than your employer's selected benefit amount.

If you share the cost of this coverage with your employer, you can choose to

- Accept the employer-selected benefit amount and pay that premium, *or*
- Select a higher benefit amount and pay the difference in premium, *or*
- Decline this benefit so you do not have to pay your share of the cost for the employer-selected benefit amount.

Limit on Benefit Amount

The benefit amount for your spouse cannot be higher than the value of your *combined* Basic Life and Supplement Life benefits.

For instance, let's say your base annual pay is \$26,000, your employer selects two times (2x) salary for your Basic Life benefit, and your Supplemental Life benefit is one times (1x) salary. Upon your death, your Basic Life benefit would be \$52,000 and your Supplemental Life benefit would be \$26,000 for a total of \$78,000. You can choose either a \$10,000; \$25,000; \$50,000 or \$75,000 life insurance amount for your spouse.

Example #1:

Jim and Kathy's employer has chosen \$25,000 as the benefit amount for Spouse Life. The employer pays part of the cost and the employees pay part of the cost for this coverage.

For Basic Life, their employer has selected the 3x salary benefit level.

Jim's base annual pay is \$30,000 so his Basic Life benefit equals \$90,000. His Supplemental Life benefit is 1x salary for an additional \$30,000. The total for both his Basic Life and Supplemental Life benefits is \$120,000.

He decides to take the maximum benefit he can to cover his wife and chooses the \$100,000 benefit amount for Spouse Life. He pays his share of the \$25,000 benefit plus the difference in cost between the \$25,000 and \$100,000 options.

Example #2:

Kathy's base annual pay is \$23,000 so her Basic Life benefit equals \$69,000. She decides not to get the Supplemental Life coverage. Since her husband's benefit can not be higher than her Basic Life benefit, she can choose either the \$25,000 or \$50,000 benefit level to cover her husband.

Statement of Health (SOH)

Your spouse will have to complete a Statement of Health if you choose one of these Spouse Life options:

- \$ 50,000
- \$ 75,000
- \$100,000

Before your spouse can be covered for these benefit amounts, MetLife has to determine whether your spouse is in good health and can be insured by the Plan.

Your spouse will be asked to complete one or more Statement of Health forms when you enroll him or her. In some cases, MetLife may ask for additional information, such as a physician's report.

Guaranteed issue is the amount of insurance your spouse can receive without a Statement of Health. For Spouse Life, those amounts are

- \$10,000
- \$25,000

Guaranteed issue is only available when

- The Spouse Life plan is first offered by your employer, *or*
- Your spouse is first eligible for benefits, *or*
- You have a Life Event (see *Life Event*).

If the benefit amount you choose is denied due to the SOH, your spouse will automatically be enrolled in \$25,000 option, the highest benefit amount that is a guaranteed issue for Spouse Life.

Please note: If you do not enroll your spouse or your child when he or she is first eligible for the Plan, a Statement of Health will have to be completed for *all* benefit levels (see *Late Enrollment*). Also, if you want to increase the amount of Spouse Life during a future annual enrollment period, your spouse will have to complete a Statement of Health.

Child Life

You and/or your employer can select a \$10,000 life insurance benefit for each of your children. You pay one premium whether you have one child or more than one child. Each of your children is covered as long as they are eligible for coverage.

Your children can be covered only if you are covered for Basic Life and Basic AD&D.

See *Benefits at a Glance* to find out if you share the cost of this coverage. In some cases, your employer may pay all or part of the cost of your coverage.

If your child dies, you will be paid the benefit.

A Statement of Health is not required for your child if you enroll your child when he or she is first eligible for benefits (see *Enrolling in the Plan*).

SUPPLEMENTAL AND FAMILY AD&D

Supplemental AD&D for You

Supplemental AD&D provides you with extra coverage in case you die or sustain a serious injury due to an accident. This AD&D coverage is **in addition to the Basic AD&D amount** offered by your employer. You decide whether or not you want this additional coverage.

You and/or your employer can choose from five benefit amounts, all based on your base annual pay:

- One time (1x) salary
- Two times (2x) salary
- Three times (3x) salary
- Four times (4x) salary
- Five times (5x) salary

See *Benefits at a Glance* for the specific benefit amounts offered by your employer and if you share the cost of this coverage. In some cases, your employer may pay all or part of the cost of your coverage.

In the event of your accidental death, your beneficiary will receive the Basic AD&D benefit provided by your employer *plus* the benefit amount for Supplemental AD&D. These amounts are in addition to your Basic Life benefit provided by your employer and any Supplemental Life benefit you may choose.

In the event of an accidental dismemberment, you will receive the Basic AD&D benefit offered by your employer *plus* the benefit amount for Supplemental AD&D.

No Statement of Health is needed for accidental death and dismemberment insurance.

When Your Employer Selects a Benefit Amount

Like Supplemental Life, your employer may pay all, part or none of the cost of your coverage for a certain benefit amount.

You automatically will be enrolled in any benefit amount that your employer is providing at no cost to you. Your employer is paying the full cost of those benefits.

You may choose a higher amount and pay the difference in cost. However, you may *not* choose a lower amount than your employer's selected benefit amount.

If you share the cost of this coverage with your employer, you can choose to

- Accept the employer-selected benefit amount and pay that premium, *or*
- Select a higher benefit amount and pay the difference in premium, *or*
- Decline this benefit so you do not have to pay your share of the cost for the employer-selected benefit amount.

Maximum Benefit

The maximum benefit for Supplemental AD&D is \$1,500,000.

The maximum benefit is for Basic AD&D and Supplemental AD&D *combined* is the lower amount of

- the combined Basic AD&D and Supplemental AD&D benefit amounts your employer and you selected and have been approved, *or*
- eight times (8x) your base annual pay, *or*
- \$2,500,000

Family AD&D for Your Spouse and Child

You can choose accidental death and dismemberment (AD&D) coverage for your spouse and/or your children. You must be covered by the Supplemental AD&D plan in order to select this benefit for your family.

If you select Family AD&D, the option that applies is based on the family members eligible for coverage:

1. **Spouse only** – your spouse is covered for 50% of your Supplemental AD&D benefit
2. **Spouse and Child** – your spouse is covered for 40% of your Supplemental AD&D benefit and each child is covered for 10% of your Supplemental AD&D benefit
3. **Child only** – each of your children is covered for 15% of your Supplemental AD&D benefit

Coverage for your spouse is reduced when you reach the age of 70.

Your spouse is no longer eligible for coverage after age 70.

Example:

Your base annual pay is \$26,000 and you select three times (3x) salary for Supplemental AD&D. Your supplemental AD&D benefit will be three times your base annual pay or \$78,000.

If you do not have any children, the Family AD&D benefit for your spouse will be \$39,000.

If your spouse and your children are covered by the Plan, the Family AD&D benefit for your spouse will be \$31,200 and for each of your children will be \$7,800.

If you are not married, the Family AD&D benefit for each of your child will be \$11,700.

See *Benefits at a Glance* to find out if you share the cost of this coverage. In some cases, your employer may pay all or part of the cost of your coverage.

Your spouse and your children automatically will be enrolled in any benefit amount that your employer is providing at no cost to you. Your employer is paying the full cost of those benefits.

Additional AD&D Benefits for Your Family

Common Disaster

Your spouse's accidental death benefit will increase to the same amount as your Supplemental AD&D benefit if you and your spouse both die within one year due to injuries received

- in the same accident, *or*
- in separate accidents that occurred within the same 24 hour period.

You must be enrolled in Supplemental AD&D for yourself and Family AD&D for your spouse.

Using a Seat Belt

An additional benefit will be paid if the person insured – your spouse or your child – dies as a result of an injury received in an accident

- while driving or riding in a private passenger car, *and*
- if his or her seat belt was properly fastened, as certified in the official police accident report, *and*
- if the accident is covered for loss of life by the Family AD&D plan, *and*
- if he or she was eligible for benefits from the Family AD&D plan.

You will receive an additional benefit of ten percent (10%) of

- your spouse's benefit from the Family AD&D plan for your spouse's death
- your child's benefit from the Family AD&D plan for your child's death

There is a minimum benefit of \$1,000 per covered person and a maximum benefit of \$25,000 per covered person.

The passenger car must be a validly registered four-wheel private passenger car. No benefit is paid if the accident occurs in a commercially licensed car or private passenger car used for commercial purposes.

Seat belt means any restraint device that

- meets published U.S. government safety standards, *and*
- is properly installed by the car manufacturer, *and*
- is not altered after being installed, *and*
- meets the requirements of any state law, in the case of a child restraint device.

Having Air Bags

An additional benefit will be paid if the person insured – your spouse or your child – dies as a result of an injury received in an accident

- while driving or riding in a private passenger car equipped with an air bag, *and*
- if he or she was riding in a seat protected by an air bag, as certified in the official police accident report, *and*
- if his or her seat belt was properly fastened, as certified in the official police accident report, *and*
- if the accident is covered for loss of life by the Family AD&D plan, *and*
- if he or she was eligible for benefits from the Family AD&D plan.

You will receive an additional benefit of five percent (5%) of

- your spouse's benefit from the Family AD&D plan for your spouse's death
- your child's benefit from the Family AD&D plan for your child's death

There is a minimum benefit of \$1,000 per covered person and a maximum benefit of \$25,000 per covered person.

The passenger car must be a validly registered four-wheel private passenger car. No benefit is paid if the accident occurs in a commercially licensed car or private passenger car used for commercial purposes.

Air bag means an inflatable restraint device that

- meets published U.S. government safety standards, *and*
- is properly installed by the car manufacturer, *and*
- is not altered after being installed.

Common Carrier

An additional benefit will be paid to you when proof is received that the deceased's death was the result of an accident in a Common Carrier.

A Common Carrier means a government regulated entity that is in the business of transporting fare-paying passengers. The term does not include chartered or other privately arranged transportation, taxis, or limousines.

The Common Carrier benefit is an additional 100% of the full amount for loss of life payable under the AD&D benefit.

WHEN YOU BECOME DISABLED

If Your Disability Occurs Before Normal Retirement Age

If you become Disabled before your employer's Normal Retirement Age, you may qualify to continue your Basic Life, Basic AD&D and Supplemental Life insurance. We will determine if you qualify for this continuation after proof is received by NRECA, that you have satisfied the conditions of this section. The conditions are:

- You and/or your benefits administrator submit to NRECA the forms to qualify your disability, *and*
- You meet the definition of Disability or Disabled (see *Definitions*), *and*
- You keep your status as an employee and have not terminated your employment or retired, *and*
- You continue to pay your share of the premiums, if any, *and*
- Your employer continues to participate in the NRECA Group Life and AD&D Insurance Plan.

If you meet the above conditions, your premiums for Basic Life, Basic AD&D and Supplemental Life are waived after six months. This means you do not have to pay your share of the cost of your coverage after the waiver takes effect. This waiver takes effect on the first of the month on or after six months from the date of your disability.

The amount of insurance provided will be the same as the amount in force on the date last worked. For this purpose, your base annual pay and life insurance amount in force are frozen as of the date last worked and remain at those amounts until you return to work or terminate your employment.

The premium waiver does not apply to Spouse Life, Child Life, Supplemental AD&D and Family AD&D. You would have to pay the full premiums to continue the coverage until it would otherwise end, or you retire (see *When Coverage Ends*).

As a disabled employee, your life insurance will end

- if you do not pay your premium between the date of your disability and the date your premium waiver takes effect, *or*
- when you are no longer employed by your employer because you terminated your employment or retired, *or*
- when you reach your employer's Normal Retirement Age, *or*
- if your employer stops participating in the NRECA Plan

Your waiver of premium will end

- when you no longer meet the definition of Disabled or Disability (see *Definitions*), *or*
- when you reach your employer's Normal Retirement Age, *or*

-
- if you return to active employment or your insurance ends (as outlined above).

When your life insurance ends, you will no longer be able to participate in the Basic Life, Basic AD&D and Supplemental Life plans, and the premium waiver ends.

You can convert all or part of your former coverage to an individual policy (see *Continuing Your Coverage*).

If you retire while you are disabled, or reach your employer's Normal Retirement Age while disabled and still employed by your employer, you may

- enroll in Retired Life insurance if offered by your employer (see *When You Retire*), or
- convert to an individual policy (see *Continuing Your Coverage*)
 - the amount of coverage not covered by Retired Life, or
 - the full amount of your coverage as an Active Employee if you decide not to select Retired Life.

If Your Disability Occurs After Normal Retirement Age

If you are an Active Employee and become disabled after the Normal Retirement Age for your employer, your Basic Life, Basic AD&D and Supplemental Life coverage will continue for six months

- subject to any benefit reductions if you are over age 70, and
- if your employer continues to participate in the NRECA Group Life and AD&D Plan.

After six months, the Basic Life, Basic AD&D and Supplemental Life coverage you had as an employee will end.

You may

- enroll in Retired Life insurance if offered by your employer (see *When You Retire*), or
- convert to an individual policy (see *Continuing Your Coverage*)
 - the amount of coverage not covered by Retired Life, or
 - the full amount of your coverage as an Active Employee if you decide not to select Retired Life.

WHEN YOU RETIRE

Retired Life

If you are a Retired Employee, your employer provides you with Retired Life insurance coverage. You can choose from these benefit options:

-
- \$ 5,000
 - \$10,000
 - \$15,000
 - \$20,000

Your employer has chosen a certain benefit amount and may pay all, part or none of the cost of your coverage (see *Benefits at a Glance*). You may choose

- a higher benefit amount up to \$20,000, and pay the difference in cost, *or*
- a lower benefit amount, with a minimum of \$5,000*

*If your employer contributes to a specific benefit amount, then you may **not** choose a level of coverage lower than your employer's selection.

Please note: You can select a higher benefit amount only when you retire.

You must enroll in Retired Life **within 31 days of your retirement date**. No Statement of Health is needed.

You may select a lower benefit amount or drop your Retired Life coverage

- during your employer's annual enrollment, *or*
- when a Life Event occurs (see *Life Events*)

Once you select a lower benefit, it cannot be increased.

Contact your benefits administrator for the cost of Retired Life.

Also, you can convert to an individual policy some or all of the amount of your Basic Life and Supplemental Life insurance coverage that you had as an Active Employee before you retired (see *Continuing Your Coverage*).

You may convert either

- The amount of the Basic Life and Supplemental Life insurance coverage that is not covered by Retired Life, *or*
- The full amount of your Basic Life and Supplemental Life insurance coverage if you decide not to select Retired Life.

Your right to benefits after you retire is subject to the policies at your employer. They can change at any time. Contact the benefits administrator at your employer for more information.

If You Retired Before 2008

If you retired before your employer's benefit renewal date in 2008 (see *Benefits at a Glance*), you may be covered under a former Retired Life plan, if one was offered by your employer.

Your Retired Life coverage, if applicable, would continue to be the same as it was before your employer's benefit renewal date in 2008. In that case, you would not be eligible for the Retired Life options listed above.

Contact your benefits administrator if you have any questions.

If You Become a Director

If you become a director on or after the date of your retirement, you may choose to enroll in a Director's Life and AD&D Plan or Director's AD&D Only Plan that may be available through that cooperative.

If you choose the Director's Life and AD&D Plan or the Director's AD&D Only Plan, any other NRECA-sponsored group term life insurance coverage you have will end.

You may convert your group life insurance coverage to an individual policy (see *Continuing Your Coverage*). At that point, your coverage is no longer part of the cooperative's benefits. You are responsible for paying the premiums and following the rules to keep your individual coverage. However, you may choose the Director's AD&D Only Plan and continue your other NRECA-sponsored group term life and AD&D insurance coverage.

Please note: when your term as a director ends, you may not re-enroll in any Retired Life plan that you had before becoming a director.

Check with the benefits administrator for information about the Director's Life and AD&D Plan and the Director's AD&D Only Plan.

CONTINUING YOUR LIFE INSURANCE COVERAGE

Convert to an Individual Policy

You may convert your, your spouse's and your children's group term life insurance coverage to an individual life insurance policy whenever your group life insurance coverage ends due to a change in your employment, your benefits or the Plan (see *When Coverage Ends*).

You may *not* convert your AD&D benefits.

You must apply in writing **within 31 days** of the date that

-
- your group life insurance coverage ends because you are no longer employed by your employer or you have retired, *or*
 - you are no longer in a covered job classification and eligible for benefits, *or*
 - your group life insurance benefit is being reduced on or after you reach age 70, *or*
 - the Plan changes and your benefit is reduced, *or*
 - the Plan ends; however, you may convert your coverage only if you have been covered under the Plan for at least 5 years.

Your individual life insurance policy will go into effect at the end of the 31-day period. **You are not required to complete a Statement of Health.**

If you die during this 31-day conversion period, your previous group term life insurance benefit will be paid to your beneficiary.

Example:

Stan retired from his co-op on June 1. On June 20 he had a heart attack and died on June 29.

Because his death was within the 31-day conversion period, his wife received the Basic Life and Supplemental Life insurance benefit that he had as an Active Employee before he retired.

The standard MetLife conversion policy is an individual whole life policy. A number of other options are available and will be discussed with you when you contact a MetLife agent.

Contact your benefits administrator for the application forms to convert to an individual policy.

APPLYING FOR BENEFITS

FILING A CLAIM

NRECA only determines **eligibility for coverage** under the Group Term Life Insurance and Accidental Death & Dismemberment Plan. This means that NRECA reviews claims to determine if you, your spouse or your child is eligible to receive benefits under this Plan.

MetLife, as the claims adjudicator, reviews the Statement of Health (if needed) when you enroll, processes your claim for benefits and approves the payment of benefits to you or your beneficiary.

1. Notify Your Benefits Administrator

For Death benefits

Upon your death or the death of your spouse or child, the beneficiary must

- contact the benefits administrator at your employer (see *Your Life and AD&D Insurance Plan*), and
- provide any information necessary so that your benefits administrator can complete and submit the **Notice of Death** form.

Your benefits administrator will send the form to the NRECA Employee Benefit Services Unit to

- confirm that you, your spouse or your child is eligible for benefits, and
- request the claim form that needs to be sent to MetLife

For Accidental Dismemberment

When you, your spouse or your child suffers a loss or paralysis covered by the Accidental Dismemberment benefit (see *Accidental Dismemberment*), you must contact the benefits administrator at your employer (see *Your Life and AD&D Insurance Plan*).

Your benefits administrator will notify the NRECA Employee Benefit Services Unit to

- confirm that you, your spouse or your child is eligible for benefits, and
- request the claim form that needs to be sent to MetLife.

The date that your claim request is considered to be “filed” is the date that NRECA receives the completed Notice of Death and/or any other eligibility for coverage claim form or notice.

2. NRECA Processes Your Eligibility for Coverage Request

NRECA has **90 days from the date your claim is filed** to notify you, your beneficiary or your authorized representative that your eligibility for coverage request is approved or denied.

In some cases, NRECA may need a **90-day extension**. You will be notified that it needs more time to evaluate whether or not you, your spouse or your child is eligible for benefits before the initial 90-day period is over.

If NRECA decides that you, your spouse or your child is not eligible for benefits and not covered by the Plan, the denial notice will

- state the specific reasons why the claim is denied
- refer to the specific Plan provisions on which the decision is based
- describe any additional information needed and why this information is needed
- explain the Plan's claims review and appeal procedures.

3. Complete Claim Forms for MetLife

After the NRECA Employee Benefit Services Unit confirms that you, your spouse or your child is eligible for benefits, a claim form and instructions will be sent to you or the beneficiary.

For **death benefits**, the beneficiary will be sent a **Life Insurance Claim** form.

For **accidental dismemberment benefits**, you will be sent the **Statement of Claim for Accidental Dismemberment Benefits** form.

You or the beneficiary must

- ask your benefits administrator to complete the Employer section of the claim form, *and*
- ask the doctor to complete the physician's section for accidental dismemberment benefits, *and*
- complete your section of the claim form, *and*
- provide any documents requested, such as a death certificate, *and*
- send the claim form and any documents to

Metropolitan Life Insurance Company
Group Life Claims
P.O. Box 6100
Scranton, PA 18505-6100

All special delivery shipping (FedEx, Certified Return Receipt, etc.) should be forwarded to:

Metropolitan Life Insurance Company
Group Life Claims
c/o Diversified Information Technologies
123 Wyoming Avenue
Scranton, PA 18503

If Not Eligible for Benefits

If you or the beneficiary disagree with the NRECA Employee Benefit Services Unit's decision that you, your spouse or your child is not covered by the Plan and is not eligible for benefits, please refer to the next section *Appealing Your Claim for Eligibility*.

APPEALING YOUR CLAIM FOR ELIGIBILITY

If a claim for benefits is denied because you, your spouse or your child is not eligible for coverage under the Plan, you may appeal this decision made by NRECA. Eligibility of coverage claims or appeals of adverse decisions may be filed by

- You
- Your beneficiary, or the beneficiary for your spouse or your child
- Your authorized representative.

An **authorized representative** is a person you authorize in writing to act on your behalf. An authorized representative may not be a doctor or other health care provider.

Please note: There are specific response time periods for your claims and appeals. Below is the process for reviewing claims and filing claims or appeals. If you need more information, please contact your benefits administrator.

1. You Can Appeal the Decision Regarding Eligibility

You, your beneficiary or your authorized representative have **60 days from the date you receive the denial notice** to request an appeal of NRECA's decision.

To prepare your appeal for eligibility, you may request from the Plan, free of charge, copies of all documents, records and other information related to your eligibility for coverage claim.

To submit your appeal:

- Put your request in writing
- Include any written comments, records, documents and other information to support your appeal, even if you have already submitted these materials

-
- Send to

Appeals Administrator
NRECA
Attn: Life Insurance Product Advisor
4301 Wilson Blvd., Mailstop IFS7-333
Arlington, VA 22203

2. Your Appeal is Reviewed

The Appeals Administrator has **60 days from the date your appeal is received** to review it and make a decision. He or she is not the person who made the original decision to deny your claim, nor is he or she directly supervised by the original decision-maker.

The Appeals Administrator will conduct a full and fair review of all documents and evidence you submit to support your eligibility for coverage claim. He or she may consult with medical or vocational experts in order to make a decision. These medical or vocational experts are different than the experts consulted previously.

In some cases, the Appeals Administrator may need a **60-day extension**. You will be notified that he or she needs more time to evaluate your appeal before the initial 60-day period is over.

If your appeal is denied, the denial notice will

- state the specific reasons why the appeal is denied
- refer to the specific Plan provisions on which the decision is based
- explain your rights under ERISA's claim and appeal rules
- explain your right to file a civil action under ERISA within 12 months

You have now completed the Plan's appeal process.

However, you may voluntarily take part in one more review process, called the **Voluntary Final Appeal Process**. If you do not choose to use the Voluntary Final Appeal Process, you may seek legal action.

3. You May Use the Voluntary Final Appeal Process

You may use this option if you wish to have the Plan's Appeals Committee review your denied appeal of an eligibility of coverage claim. You have **60 days from the date you receive the notice that your appeal has been denied** to request this review.

Using this Voluntary Final Appeal Process has no effect on your rights to any other benefits under the Plan or your rights to legal review.

Before you submit your request, **please call 402.483.9200 if you have any questions** or you want to request additional information about the Voluntary Final Appeal Process from the Appeals Committee.

To prepare your appeal, you may request from the Plan, free of charge, copies of all documents, records and other information related to your eligibility of coverage claim and appeal.

To submit your final appeal:

- Put your request in writing
- Include any written comments, records, documents and other information to support your appeal, even if you have already submitted these materials
- Send to

Appeals Committee
NRECA
Attn: Senior Director of Plan Operations
4301 Wilson Blvd., Mailstop IFS7-333
Arlington, VA 22203

4. The Appeals Committee Reviews Your Final Appeal

The Appeals Committee has **60 days from the date your final appeal is received** to review it and make a decision.

The Appeals Committee is selected by the Vice-President, Insurance & Financial Services Administration, and has no financial or personal interest in the final appeal's result.

The Appeals Committee will conduct a full and fair review of all documents and evidence you submit to support your eligibility for coverage claim. It may consult with medical or vocational experts in order to make a decision. These medical or vocational experts are different than the experts consulted previously.

In some cases, the Appeals Committee may need a **60-day extension**. You will be notified that it needs more time to evaluate your final appeal before the initial 60-day period is over.

If your Voluntary Final Appeal is denied, the denial notice will

- state the specific reasons why the final appeal is denied
- refer to the specific Plan provisions on which the decision is based
- explain your rights under ERISA's claim and appeal rules
- explain your right to file a civil action under ERISA within 12 months

APPEALING YOUR CLAIM WITH METLIFE

If MetLife denies a claim for benefits for you, your spouse or your child, this decision may be appealed, following MetLife's appeals process. Appeals may be filed by

- You
- Your beneficiary, or the beneficiary for your spouse or your child
- Your authorized representative

An **authorized representative** is a person you authorize in writing to act on your behalf. An authorized representative may not be a doctor or other health care provider.

Please note: There are specific response time periods for your claims and appeals. Below is the process for reviewing claims and filing claims or appeals. If you need more information, please contact your benefits administrator.

1. MetLife Reviews Your Claim for Benefits

After it receives your claim for benefits under this Plan, MetLife will review your claim and notify you **within 90 days of the date it receives your claim** whether your claim is approved or denied.

In some cases, MetLife may need a **90-day extension**. You will be notified that it needs more time to evaluate your claim before the initial 90-day period is over.

If MetLife denies your claim in whole or in part, the denial notice will

- state the reason why your claim was denied
- refer to the specific Plan provision(s) on which the denial is based
- describe any additional information needed and why this information is needed
- explain the Plan review procedures and time limits
- include a statement of your right to bring a civil action if your claim is denied after an appeal

Upon your written request, MetLife will provide you, free of charge, with copies of relevant documents, records and other information.

2. You May Appeal the Initial Determination

You, your beneficiary or your authorized representative may request a review of your claim by MetLife **within 60 days after the date you receive the initial determination**.

When requesting a review

-
- submit your request in writing
 - state the reason you, your beneficiary or authorized representative believe the claim was improperly denied
 - include any written comments, documents, records or other information to support your appeal, even if you have already submitted these materials
 - send it to “Group Insurance Claims Review” at the address of the MetLife office which processed the claim

3. Your Appeal is Reviewed

MetLife has **60 days from the date it receives your request for review** to

- re-evaluate all the information
- conduct a full and fair review of the claim
- notify you, your beneficiary or authorized representative of its decision

In some cases, MetLife may need a **60-day extension**. You, your beneficiary or authorized representative will be notified that it needs more time to evaluate your appeal before the initial 60-day period is over.

If your appeal is denied, the denial notice will

- states the reason(s) why the claim you appealed is being denied
- refer to any specific Plan provision(s) on which the denial is based
- explain any voluntary appeal procedures offered by the Plan
- include a statement of your right to bring a civil action if your claim is denied after an appeal.

Upon written request, MetLife will provide you free of charge with copies of documents, records and other information relevant to your claim.

GENERAL INFORMATION

PLAN INFORMATION

Plan Name: The NRECA Group Benefits Program

Plan Number: 501

Year Ends: December 31

Group Term Life and Accidental Death & Dismemberment Insurance

Underwritten by: Metropolitan Life Insurance Company
501 US Highway 22
P.O. Box 6891
Bridgewater, NJ 08807

Plan Sponsor: National Rural Electric Cooperative Association
4301 Wilson Boulevard
Arlington, VA 22203-1860

**Plan Sponsor Employer
Identification Number:** 53-0116145

The Insurance & Financial Services Department of the National Rural Electric Cooperative Association (NRECA) performs the general administrative duties. The names of persons who have the decision-making responsibilities are on file at the NRECA Insurance & Financial Services Department.

Plan Administrator: Senior Vice-President
Insurance & Financial Services
National Rural Electric Cooperative Association
4301 Wilson Boulevard
Arlington, VA 22203-1860

Telephone number 703.907.5500

**Plan Administrator
Employer Identification Number:** 54-2072724

In addition to the Senior Vice-President of the Insurance and Financial Services Department, the **benefits administrator** is the person with **Plan Administrator responsibilities for your employer**:

WAYNE-WHITE COUNTIES ELECTRIC CO-OP
P.O. BOX E
FAIRFIELD, IL 62837

Employer Identification Number: 37-0574965

The agent for service of process receives all legal notices on behalf of the Plan Sponsor regarding claims or suits filed with respect to the Plans.

Agent for service of process: Senior Vice-President
Insurance & Financial Services Department
National Rural Electric Cooperative Association

In addition to the agent for service of legal process, service may also be made upon the Plan Trustee.

Plan Trustee,
NRECA Group Benefits Trust: State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02101

Claim Adjudicator: Metropolitan Life Insurance Company
Group Life Claims
P.O. Box 6100
Scranton, PA 18505-6100

Authority of Plan Fiduciaries

The NRECA Insurance and Financial Services Committee, the Plan Administrator and their delegates shall have the discretion and final authority to

- interpret and construe the terms of the Plan in carrying out their respective responsibilities under the Plan
- determine coverage and eligibility for benefits under the Plan
- adopt, amend and rescind rules, regulations and procedures pertaining to their duties under the Plan and the administration of the Plan
- make all other determinations that they believe are necessary or advisable for the discharge of their duties or the administration of the Plan

This discretionary authority is final, absolute, conclusive and exclusive and binds all parties so long as exercised in good faith. NRECA, as Plan Sponsor, specifically intends that judicial

review of any decision of the Committee, the Plan Administrator, MetLife as claims adjudicator, or their delegates be limited to the arbitrary and capricious standard of review.

The express grant of any specific power to a party with respect to any duty assigned to it under the Plan should not be construed as limiting any power or authority of that party to discharge its duties.

YOUR ERISA RIGHTS

As a participant in the Plan, you have certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA).

Getting Information

You have the right to:

- Receive information about the Plan and its benefits
- Examine, without charge, at the Plan Administrator's office or at other specified locations, such as worksites and union halls, all Plan documents, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain copies of documents governing the Plan's operation, including insurance contracts, collective bargaining agreements, a copy of the latest annual report (Form 5500 series) and updated summary plan description, upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to provide each participant with a copy of this Summary Annual Report.

Fiduciary Responsibility

In addition to creating rights for Plan participants, ERISA imposes duties on the people responsible for operating the Plan, called "fiduciaries."

The fiduciaries have a responsibility to operate the Plan prudently and in the interest of all Plan participants and beneficiaries.

No one, including your employer, your union or any other person, may fire you or discriminate against you in any way to prevent you from obtaining a benefit from this Plan or from otherwise exercising your rights under ERISA.

If your claim for benefits is entirely or partially denied or ignored, you have a right within certain time schedules to

- Receive a written explanation of the reason why this was done
- Obtain copies of documents relating to the denial free of charge
- Appeal any denial

Enforcing Your Rights

Under ERISA, there are steps you can take to enforce your rights:

- If you request a copy of the Plan documents or the latest annual report from the Plan and you do not receive them within 30 days, you may file suit in Federal Court.

In this case, the court may require the Plan Administrator to provide the documents and possibly pay you up to \$110 a day until you receive the materials, unless the documents were not sent because of reasons beyond the control of the Plan Administrator.

- If you have a claim for benefits which is entirely or partially denied or ignored, you may file suit in a State or Federal Court after exhausting all mandatory appeals procedures under the Plan.

In addition, if you disagree with the Plan's decision, or lack thereof, concerning the qualified status of a Medical Child Support Order, you may file suit in Federal Court after exhausting all mandatory appeals procedures under the Plan.

- If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may get help from the U.S. Department of Labor, or you may file suit in a Federal Court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order that you be paid these costs and fees. If you lose, the court may require you to pay these costs and fees (for example, if it finds your claim is frivolous).

Please remember that you may not file a lawsuit in Federal or State court to enforce your rights until you have exercised and exhausted all administrative claim and appeals rights described in the Plan and in this document.

Questions?

If you have any questions about:

- Your Plan or if you need to obtain documents from the Plan, contact the Plan Administrator
- Your rights under ERISA, contact the nearest area office of the

-
- Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or
 - The Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210
 - You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration

DEFINITIONS

Accident – For accidental death and dismemberment coverage, an accident is caused by an event on the job or off the job that is sudden and unforeseen and occurred at an exact time and place.

Actively at Work or Active Work Requirement – A requirement that you must

- be present to work at your employer's business location, or at other locations to which your employer requires you to travel, *and*
- be there on a day that is one of your employer's scheduled work days, *and*
- perform all of the regular duties of your job on a full-time basis on that day.

You are considered Actively at Work on a day that is not one of your employer's regularly scheduled work days only if you were Actively at Work on the preceding scheduled work day.

You also are Actively at Work if you are on an employer-approved leave of absence.

However, if you are staying in a hospital, another institution or at home for medical care or treatment on the date your coverage otherwise would become effective, you are not Actively at Work. Your eligibility to participate in the Plan will be postponed until you receive a final medical release from the medical confinement and are Actively at Work.

Base Annual Pay – Your earnings from your employer for a normal work week, not exceeding 40 hours; does not include bonus or overtime pay.

Beneficiary – The person or entity named, on a form and in a manner approved by NRECA, to receive benefits for loss of life.

Benefit maximum – A maximum dollar amount that is payable by the Plan for your life or AD&D insurance benefit.

Benefit waiting period for long term disability – A time of continuous disability extending for 13 or 26 consecutive weeks (as selected by your employer) between the first day of disability and the day on which benefits begin.

Benefit waiting period for short term disability – A seven day period of continuous disability beginning on the first day of disability.

Board – The Board of Directors of NRECA.

Calendar year - The period of time that begins on January 1 and ends on the following December 31. When you first become eligible for coverage, the first calendar year begins on your effective date.

Child - Your natural born live child, legally adopted child, or stepchild. The term also includes any child for whom you are the legal guardian and/or a child placed with you for adoption. The Plan Administrator has the right to request proof of the child's dependency status. A child other than your natural born live child is subject to approval by the Plan Administrator.

Committee – The NRECA Insurance and Financial Services Committee, appointed by the President of NRECA from the members of the Board.

Contributory – When you (the employee) pay all or part of the cost for your coverage.

Deferment of effective date - If you, your spouse or your child is eligible to be covered under this Plan and are staying either in an institution or at home for medical care or treatment on the date any coverage, or change in coverage, would otherwise become effective, then your coverage or change in coverage will be deferred until you, your spouse or your child receives a final medical release.

Dependent

- Your legal spouse, *or*
- Your Child (including a legally adopted child, or court appointed legal guardianship) from live birth and until the date the child reaches age 26, except for an unmarried child age 26 or over who is:
 - mentally or physically unable to earn his or her own living and proof of incapacity is provided to the Plan Administrator within 31 days of the date your child's coverage would have ended due to age and is approved by NRECA (see *Who is Eligible*)

To keep your child's coverage, you will have to provide satisfactory proof to the Plan Administrator, when requested, to show that your child continues to be eligible as a dependent.

- A spouse or child who is covered under the Plan as an employee is not covered as a dependent.
- When a husband and wife are both employees of the same employer or any employer included under the Group Plan and such dependent coverage is in effect under the Group Plan:
 - A child will be an eligible dependent of one employee.
 - Either the husband or the wife will be considered an eligible dependent spouse and not an employee for the purpose of such coverage under the Group Plan.
 - The person to be considered an eligible dependent spouse will be determined by the written request of these employees, filed with the Plan Administrator.

Director - An elected member of the board of directors of a cooperative.

Disability or Disabled – A status of disability met due to an injury or sickness where:

- You are unable to perform the duties of your regular job; *or*
- You are unable to perform any other job for which you are fit by education, training or experience

Doctor or Physician - A legally qualified medical doctor or practitioner who is licensed in the governing jurisdiction and practicing within the scope of his or her license. The physician or doctor must not be related to the participant by blood or marriage.

Employee - A person who is

- actively at work for the employer, *and*
- receiving earnings.

Employer - The organization, association, cooperative, system, entity, etc. from which you receive a salary for performing your job responsibilities and through which you receive the benefits under the Group Plan.

Eligibility Waiting Period – The length of time that an active employee must work before he or she is eligible to participate in the Plan.

ERISA – The Employee Retirement Income Security Act of 1974, as amended.

Evidence of insurability (EOI) – Satisfactory medical information, representations and/or proof provided to NRECA to show that you, your spouse or your children are in satisfactory good health and can be insured by the Plan. In most cases, a Statement of Health form completed at enrollment is all that is required.

Family – You, your spouse and your children who are eligible to receive benefits.

Guaranteed issue – the amount of insurance you can receive without a Statement of Health.

Individual – You (the employee) or one of your eligible dependents (your spouse or your children).

Injury – For purposes of accidental death and dismemberment benefits, bodily loss or harm which occurs on the job or off the job.

Non-contributory – When you (the employee) pay none of the cost of your coverage.

Normal Retirement Age – the age at which you are eligible for a full pension from your employer. For purposes of the life insurance premium waiver, if you are disabled before the

Normal Retirement Age and your employer has a 30-year/age 62 retirement plan, the Normal Retirement Age is age 62, whether or not you have completed 30 years of participation.

Participant – You, your spouse and/or your children who are eligible for coverage and enroll in, or choose to participate, in the Plan.

Physician or Doctor - A legally qualified medical doctor or practitioner who is licensed in the governing jurisdiction and practicing within the scope of his or her license. The physician or doctor must not be related to the participant by blood or marriage.

Plan - A term used generally for the purpose of naming as a whole the benefits, provisions and exclusions for the Group Term Life and Accidental Death & Dismemberment Insurance Plan, as described in this Summary Plan Description.

Plan year – The calendar year.

Premium – The monthly amount your employer and/or you contribute to the cost of providing your benefits.

Salary – Your annual earnings from your employer, not including your bonus, deferred compensation and overtime pay, which does not exceed the compensation limit of Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, divided by twelve. For purposes of this Plan, your salary is your base annual pay, rounded up to the next multiple of \$1,000.

Spouse – The person to whom you are legally married and who is eligible for benefits.

Statement of Health – A form that you complete when you enroll in the Plan which provides NRECA with information needed to determine if it is reasonable to expect that you will not become disabled in the immediate future and can be insured by the Plan.

You or Your – The employee who is covered by the Plan and eligible for benefits.