

## NEA Members Insurance Trust

The National Education Association sponsors the NEA Members Insurance Trust

# Summary Plan Description NEA Complimentary Life Insurance (DUES-TAB)

(Revised September 2008)

This is to certify that, as an **Eligible Member** in good standing of the National Education Association (“**NEA**”), you are automatically covered under the **NEA Complimentary Life Insurance Program** (the “**Program**”). Coverage under the **Program**, as described herein, will remain in effect as long as the eligible class of **NEA** membership is retained and the overall **Program** remains in effect.

## DESCRIPTION

The program is a group term life and accidental death and dismemberment insurance program. It is provided by the **NEA Members Insurance Trust (“NEA MIT”)** at no cost to **eligible members of the NEA**.

**NOTE:** Terms that are in bold print are defined later in this Description under the section labeled “DEFINITIONS.”

## Benefit Funding and Administration

The **Program** is provided and issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102 (“**Prudential**”). The **Plan** number is 520. The **Plan Administrator** is **NEA**. **NEA**, however, has delegated specific administrative functions to **NEA’s Member Benefits Corporation (“NEA’s MBC”)** and to **Mercer Health & Benefits Administration LLC (“Mercer Consumer”)**, the **Program’s** administrator.

All assets of the **Plan**, including all insurance policies and reserves, are in a separate tax-exempt trust. A panel of independent trustees is responsible for the financial management of such assets. The members of the current Board of Trustees are: Becky Pringle (Chairperson), Robert H. Chanin, Mary Ann Blankenship, Kay Brilliant, Kerrie Dallman, Gail Rasmussen, and Judy Schaubach. The Trustees may be contacted c/o **NEA**, 1201 16th Street, NW, Washington, DC 20036.

Insurance is provided under Prudential Group Policy No. **G-37000**.

The terms of the Group Policy that mainly affect the insurance are summarized in this Sample Certificate/Summary Plan Description. All benefits are subject in every way to the Group Policy. It and the NEA MIT Plan form the agreement under which payments are made. This Sample Certificate/Summary Plan Description replaces any previous descriptions you may have of the **NEA Complimentary Life Insurance (DUES-TAB)** Term Life and Accidental Death and Dismemberment Insurance. To the extent that the terms of the Group Policy differ from those in this Summary Plan Description, the terms of the Group Policy shall govern.

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The Booklet-Certificate contains all details, including any policy exclusions, limitations and restrictions, which may apply. Contract Series: 31300

THE **NEA MIT** EXPECTS TO CONTINUE TO PROVIDE THE **PROGRAM FOR ELIGIBLE MEMBERS** BUT RESERVES THE RIGHT TO MODIFY OR TERMINATE IT AT ANY TIME.

### Benefits

A benefit is payable in the event of the death or **Dismemberment** of an **Eligible Member**. The benefit is determined by (1) the amount of **NEA Dues** an **Eligible Member** has paid to the **NEA**, (2) the fact that the **Eligible Member** has held **Continuous Membership** in the **NEA**, (3) the cause of death or **Dismemberment**, and (4) membership classification.

**Term Life Insurance Benefit.** If death of an **Eligible Member** is due to natural causes, the benefit payable is \$200 per year of **Continuous Membership** up to a **Maximum Benefit** of \$1,000.

**Accidental Death Insurance Benefit.** If death of an **Eligible Member** is caused by an **Accident** or **Assault**, the benefit payable is \$1,000 per year of **Continuous Membership** up to a **Maximum Benefit** of \$5,000. The **Accidental Death Insurance Benefit** does not cover any loss which results from suicide or attempt at suicide, or an intentionally self-inflicted injury, nor does it include disease, infirmity, infection (except for pyogenic infections occurring through and at the time of a cut or wound due to accident or assault), or medical or surgical treatment thereof. If death is caused by an **Accident** or **Assault** which occurs while the **Eligible Member** is engaged in any activity which is in the express or implied terms of an **Eligible Member's Occupation** or occurs while the **Eligible Member** is acting on **Association Business** in the capacity of an **Association Leader**, the benefit payable is \$50,000, instead of the benefits stated in the previous paragraph.

If death is caused by a **Homicide** which occurs while the **Eligible Member** is engaged in any activity which is in the express or implied terms of an **Eligible Member's Occupation**, the benefit payable is \$150,000 instead of \$50,000.

**Accidental Dismemberment Insurance Benefit.** In the event a **Dismemberment** of an **Eligible Member** is caused by an **Accident** or **Assault**, the benefit payable is \$1,000 per year of **Continuous Membership** up to a **Maximum Benefit** of \$5,000. The **Accidental Dismemberment Insurance Benefit** does not cover any loss which results from suicide or attempt at suicide, or an intentionally self-inflicted injury, nor does it include disease, infirmity, infection (except for pyogenic infections occurring through and at the time of a cut or wound due to accident or assault), or medical or surgical treatment thereof.

In the event of **Dismemberment** caused by an **Accident** or **Assault** which occurs while the **Eligible Member** is engaged in any activity which is in the express or implied terms of an **Eligible Member's Occupation** or occurs while the **Eligible Member** is acting on **Association Business** in the capacity of an **Association Leader**, the benefit payable is \$50,000, instead of the benefit stated in the previous paragraph.

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### Payment of Benefits

The Term Life Insurance Benefit is payable if you die while you are an **Eligible Member**. The Accidental Death and **Dismemberment** Insurance Benefits are payable if your death or **Dismemberment** is due to an **Accident** or **Assault** which happens while you are an **Eligible Member**. The benefits are payable when Prudential receives written proof of your death or **Dismemberment** and, in its sole discretion, determines that a benefit is payable. The Term Life and Accidental Death Insurance benefits are payable in one sum in accordance with the **Beneficiaries** section below. The Accidental Dismemberment Insurance Benefit is payable in one sum to you.

### Beneficiaries

You have the right to choose a **Beneficiary**. If there is a **Beneficiary** for the insurance, the benefit is payable to that **Beneficiary**. Any amount of insurance for which there is no **Beneficiary** at your death will be payable to the first surviving class of the following classes of successive preference **Beneficiaries**: your (a) spouse; (b) surviving children; (c) surviving parents; (d) surviving siblings; (e) estate.

You may name a **Beneficiary** by contacting the NEA Insurance Operations Center. You may change the **Beneficiary** at any time without the consent of the present **Beneficiary**. The change will take effect on the date the information is received. But it will not apply to any amount paid by Prudential before it receives the notification.

If there is more than one **Beneficiary** but the **Beneficiary** record does not specify their shares, they will share equally. If a **Beneficiary** dies before you, that **Beneficiary's** interest will end. It will be shared equally by any remaining **Beneficiaries**, unless the **Beneficiary** record states otherwise.

### Eligible Classes of NEA Membership

All **Active** (including **Life Active**), **Staff**, and **Reserve** members who are **Actively Employed in the Field of Education** and are members in good standing with their **State Associations** are eligible for the **Program**. **Life Active** members must be **Actively Employed in the Field of Education** at the time of death to qualify for benefits under the **Program**. **Life Active** members will be deemed to have paid the same dues as **Active** members for determining their benefits under the **Program**. (See **Interruptions of NEA Membership** below.)

**NEA Retired** members, only while acting on **Association Business** in the capacity of an **Association Leader** (including **NEA Retired** activities), are eligible only for the \$50,000 **NEA Complimentary Life Insurance** (DUES-TAB) Accidental Death Insurance Benefit or the \$50,000 **NEA Complimentary Life Insurance** (DUES-TAB) Accidental Dismemberment Insurance Benefit.

### Interruptions of NEA Membership

If an **Eligible Member** ceases **Continuous Membership** in the **NEA**, his or her insurance under the **Program** will terminate. If the member rejoins the **NEA** in a subsequent year and is eligible for the **Program**, the benefit under the **Program** will again accumulate starting as of the year he or she rejoins, and

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increases to the benefit limits described above.

**Life Active** members must maintain continuous employment in the field of education. If a **Life Active** member ceases to be employed in the field of education, his or her accumulated benefit under the **Program** will terminate. If the **Life Active** member returns to work in the field of education and is eligible for the **Program**, the benefit under the **Program** will again accumulate starting as of the year he or she returns to work in the field of education and increase to the benefit limits described above.

In the event an **Active** (including **Life Active**), **Reserve** or **Staff** member does not renew **NEA** membership or does not continue employment in the field of education in a succeeding membership year, his or her accumulated benefit will terminate as of September 1 of that succeeding membership year.

### Claims

You or your **Beneficiary** may file a claim for benefits under the **Program** by submitting a claim form to the NEA Insurance Operations Center. Claim forms are available from the NEA Insurance Operations Center and **NEA's MBC**.

Prior to paying claims, the NEA Insurance Operations Center will verify that the deceased was an **Eligible Member**. Records utilized to determine this information will include, but not necessarily be limited to, the **NEA MIT** database, **NEA** membership records, and state and local membership records. In the event of a dispute between any of the above records, the **NEA** membership record will be considered the **Foundation Record**.

The NEA Insurance Operations Center must be given written proof of death or accidental loss for which claim is made. Proof of death must be given to the NEA Insurance Operations Center within three years after death. Proof of accidental death or **Dismemberment** must cover the **Occurrence**, character and extent of loss. A claim for accidental death or **Dismemberment** insurance will not be considered valid unless such proof is furnished within 90 days after the date of the accidental loss or whenever reasonably possible.

Prudential, at its own expense, has the right to examine the person whose accidental loss is the basis of claim. Prudential may do this when and so often as is reasonable while the claim is pending.

No action at law or in equity shall be brought to recover on the Group Policy until 60 days after the written proof of an accidental loss is furnished. No such action shall be brought more than three years after the end of the time within which proof of such loss is required.

### Right of Appeal

If a claim for benefits is denied in whole or in part, you are entitled to have your claim initially reviewed by Prudential. You or your authorized representative should obtain from Prudential a written notice stating the specific reason(s) for the denial; a specific reference to the provisions in the Group Policy or the **Plan** upon which the denial of your claim is based; a description of any additional information or material necessary for you to perfect your claim, accompanied by an explanation of why such material or information is necessary; and an explanation of the claims review procedure under the **Plan**. You will then be entitled to a reconsideration of the denial of your claim in accordance with the Employee Retirement Income Security Act (ERISA), as explained

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later in this document. Prudential, in its sole discretion, makes the final decision to approve or deny your claim.

If you have questions regarding the claims and appeal procedures outlined above, you may obtain answers from the NEA Insurance Operations Center at 1-800-523-5877 or **NEA's MBC** at 1-800-637-4636.

### Rights of Retiring Members

Except for **NEA Retired** members who are eligible for the \$50,000 **NEA Complimentary Life Insurance (DUES-TAB) Association Business** Accidental Death Insurance Benefit and the \$50,000 **NEA Complimentary Life Insurance (DUES-TAB) Association Business** Accidental Dismemberment Benefit, coverage under the **Program** will terminate when **Eligible Members** move out of a **NEA Complimentary Life Insurance (DUES-TAB)** -eligible membership class. Retiring **Eligible Members**, including **NEA Retired** members, will have the right to purchase group term life insurance through the **NEA MIT**. The term life insurance will be issued on a **Guaranteed-Issue** basis and will be equal to \$1,000, the accumulated death benefit under the **Program**, rounded up to the next \$1,000, provided the member meets all of the criteria described below:

- worked in a school-related job for at least 10 years;
- retired from a school-related job;
- maintains **NEA Retired** membership; and
- notifies the **NEA MIT** of his or her retirement and expresses interest in purchasing his or her accrued death benefit by November 1 of the school year following retirement.

The rates charged for the purchased death benefit after retirement will be the rates currently in effect for the **NEA MIT's** Term Life Insurance Program, Schedule 10 of contract G20400.

### Conversion Privilege for Term Life Insurance

If you cease to be insured for the **NEA Complimentary Life Insurance (DUES-TAB) Term Life Insurance** under the Group Policy for one of the reasons stated below, you may convert all or part of your insurance under this coverage, which then ends, to a Prudential individual life insurance contract. Evidence of insurability is not required. You may convert all or part of your insurance to a Prudential individual life insurance contract for either of the following reasons:

1. Your membership in the classes eligible for **NEA Complimentary Life Insurance (DUES-TAB) Term Life Insurance**, other than **NEA Retired**, ends;
2. All term life insurance of the Group Policy for your class ends by amendment or otherwise. But, on the date that term life insurance for your class ends, you must have been insured for five years for **NEA Complimentary Life Insurance (DUES-TAB) Term Life Insurance** (or for **NEA Complimentary Life Insurance (DUES-TAB) Term Life Insurance** and any Prudential rider or group contract replaced by such insurance).

You must apply to Prudential for the individual contract and pay for the first premium within 31 days after you cease to be insured for **NEA Complimentary Life Insurance (DUES-TAB) Term Life Insurance**.

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### Amendment and Termination

#### Program

While the **NEA** expects to continue to provide this **Program** for **Eligible Members**, it reserves the right to amend, modify or terminate the **Program** at any time.

#### Plan and Trust

**NEA** may amend the **Plan** or **Trust** at any time in writing. The **Plan Administrator** must communicate any amendment to the **Plan** or **Trust** to all Participants and **Beneficiaries** then receiving benefits.

**NEA** also may terminate the **Plan** and **Trust** at any time. Termination of the **Plan** and **Trust**, however, may not deprive a Participant or **Beneficiary** of a right to receive benefits under the **Plan** which arose prior to the date of termination.

Upon termination of the **Trust**, the Trustees, with **NEA's** consent, may transfer the insurance policies and any surplus funds to any trust or trusts established for purposes substantially similar to those for which the **NEA MIT** was established.

The **Plan Administrator** must communicate termination of the **Plan** to all Participants, together with a summary describing the effect of the termination on the benefits provided to Participants under the **Plan**.

In addition, benefits provided to you under the **Plan** may be terminated on the first to occur of any of the following events:

- The Group Policy or **Program** is discontinued for any reason.
- You fail to satisfy the **Plan's** or **Program's** criteria for eligibility.
- If you are a **Reserve** member and, at any time, 10 percent or more of all Participants fail to satisfy the **Plan's** employment requirement.

### Your Rights Under the Employee Retirement Income Security Act

As a participant in the **Plan**, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all **Plan** Participants shall be entitled to:

#### Receive Information About Your Plan

You have the right to examine, without charge, at the offices of **NEA's Member Benefits Corporation**, 900 Clopper Road, Suite 300, Gaithersburg, MD 20878, and at other specified locations, such as worksites and union halls, all documents governing the **Plan**, including the insurance contracts (with riders and amendments) with the insurance carrier, the pertinent resolutions adopted by **NEA's** Board of Directors or Executive Committee for the administration of the **Plan**. You may also examine, without charge, copies of all documents pertaining to the **Plan** filed by the **NEA MIT** with the U.S. Department of Labor, including a copy of the latest annual report (Form 5500 series) which is available at the Public Disclosure Room of the Pension and Welfare Benefit Administration. You have the right to obtain, upon written request to the **Plan Administrator** at the above address, copies of documents governing the operation of the **Plan**, including insurance contracts, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The **Plan**

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**Administrator** may make a reasonable charge for the copies.

You are entitled to receive a summary financial report. The **Plan Administrator** is required by law to furnish each participant with a copy of this summary annual report. The **Plan Administrator** furnishes this report to you through publication in the *NEA Today*, *This Active Life*, and *Higher Education Advocate*. If you would like to receive a copy of the most recent summary annual report, please submit your written request to **NEA's MBC** at the above address.

### Prudent Actions by Plan Fiduciaries

In addition to creating rights for you, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your **Plan** are called "fiduciaries." **NEA** and the trustees are fiduciaries. In addition, Prudential is the appropriate fiduciary for purposes of claim settlement and review of denied claims. The fiduciaries have a duty to operate the **Plan** prudently and in the interest of you and other **Plan** participants and **Beneficiaries**. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining the insurance benefits to which you are entitled under the **Plan** or from exercising your rights under ERISA.

### Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part you are entitled to receive a written explanation from Prudential of the reason for the denial, to obtain copies of documents relating to the decision without charge, and to appeal any denial within certain time schedules.

Under ERISA, there are steps that you can take to enforce the above rights. For instance, if you request a copy of **Plan** documents or the latest annual report from the **Plan Administrator** and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the **Plan Administrator** to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the **Plan Administrator's** control. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in federal court. If it should happen that **Plan** fiduciaries misuse the **Plan's** money, or if you are discriminated against for asserting your rights, you may seek assistance 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 the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### Assistance with your Questions

If you have any questions about your **Plan**, you should contact **NEA's MBC**. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the **Plan Administrator**, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

**NEA's MBC** can be reached by calling toll free 1-800-637-4636.



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### DEFINITIONS

The terms defined below are used in the administration of the **Program**.

**ACCIDENT** is an unexpected occurrence that results in the death or bodily injury of an **Eligible Member** while covered under the **Program**. The **NEA Complimentary Life Insurance** (DUES-TAB) accidental death benefit does not provide benefits for suicide or attempt at suicide, intentionally self-inflicted injury, disease, infirmity, infection, medical or surgical treatment thereof.

**ACTIVE** is a class of membership within the **NEA** as defined under the **NEA** Bylaws in the current **NEA** Handbook.

**ACTIVELY EMPLOYED IN THE FIELD OF EDUCATION** refers to members who are currently employed and paid by or employed and paid to work at an institution devoted primarily to public education for no less than one day per academic year.

**ASSAULT** is a violent physical attack.

**ASSOCIATION BUSINESS** is participation in or travel to and from meetings or other activities at the specific direction of a **Local** or **State Association**, or the **NEA**.

**ASSOCIATION LEADER** is an **NEA** member who is serving in an official capacity for a **Local** or **State Association** or the **NEA**, as defined by the applicable affiliate's constitution and bylaws (in the case of a **Local** or **State Association Leader**; or as defined by **NEA's** Constitution and Bylaws (in the case of an **NEA** leader).

This class of individuals can include—but is not necessarily limited to elected officers, executive committee members, members of boards of directors, members of duly constituted standing and special committees, Association or building representatives, and other deemed by the **Plan Administrator** to be officially designated to act on behalf of a **Local** or **State Association** or the **NEA**.

**BENEFICIARY** is a person or persons identified by the **Eligible Member** to receive the death benefit in the event of the **Eligible Member's** death. In the event a **Beneficiary** has not been designated, the death benefit will be payable in the order of priority described in the **Beneficiaries** section.

**CONTINUOUS MEMBERSHIP** is membership in the **NEA** which is maintained without interruption.

**DISMEMBERMENT** is the loss of sight (defined as total and irrevocable loss of sight of either eye) and/or the loss of a hand or foot (defined as severance at or above the wrist or ankle).

**ELIGIBLE MEMBER** is an **NEA** member in one of the eligible classes (as described in the section entitled "Eligible Classes of NEA Membership") who is entitled to participate in the **Program**.

**ELIGIBLE MEMBER'S OCCUPATION** is the job description of the **Eligible Member** as defined by his or her employment contract, collective bargaining agreement, or other government document which describes the duties and responsibilities of the **Eligible Member**.

**FOUNDATION RECORD** is the **NEA** membership record as maintained by **NEA** Membership Records.



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**GUARANTEED-ISSUE** means the guaranteed issuance of life insurance coverage to the qualifying retired member, regardless of the retired member's health.

**HOMICIDE** is the intentional and unlawful killing of one human being by another.

**LIFE ACTIVE** is a class of membership within **NEA** as defined in the current Bylaws by which has not been offered since 1973 when the **Life Active** membership category was terminated prospectively.

**LOCAL ASSOCIATION** is a duly constituted affiliate of a **State Association**.

**MAXIMUM BENEFIT** is the upper limit of benefits payable under the provisions of the **Program**.

**NEA** is the National Education Association of the United States.

**NEA DUES** is the portion of dues paid by **NEA** members that goes to **NEA**, as established annually by the **NEA**. **Life Active** members will be deemed to have paid the same dues as **Active** members.

**NEA DUES-TAB PROGRAM** is the group term life and accidental death and dismemberment insurance program provided by the **NEA MIT** to **Eligible Members** of the **NEA** as set forth in this **Program Document**.

**NEA MEMBERS INSURANCE TRUST (NEA MIT)** is a 501(c)(9) trust created by the **NEA** in 1977 to provide life, accident, Medicare supplement, and other insurance benefits to specified **NEA** members.

**NEA RETIRED** is a special category of membership consisting solely of the retired members of the **NEA**. Pre-retired members can join **NEA Retired** as pre-subscribers.

**NEA'S MEMBER BENEFITS CORPORATION (NEA's MBC)** is **NEA's** wholly owned subsidiary designated by **NEA** to provide certain administrative functions for the **NEA MIT**.

**OCCURRENCE** is an incident resulting in either a single or multiple loss.

**PLAN** is the **Plan** created in conjunction with the **NEA MIT**.

**PLAN ADMINISTRATOR** is the **NEA**. The **NEA**, however, may delegate specific administrative functions to **NEA's MBC** and to **MERCER CONSUMER**, the **Program's** administrator of the NEA Insurance Operations Center.

**RESERVE** is a class of membership within the **NEA** as defined under **NEA** Bylaws in the current **NEA Handbook**.

**MERCER CONSUMER** is the **Program** administrator designated by **NEA**.

**STAFF** is a class of membership within the **NEA** as defined under **NEA** Bylaws in the current **NEA Handbook**.

**STATE ASSOCIATION** is a duly constituted state affiliate of NEA.

**TRUST** is the **NEA Members Insurance Trust**.