

NEA Members Insurance Trust

The National Education Association sponsors the NEA Members Insurance Trust

Summary Plan Description NEA Introductory Term Life Insurance

(Effective September 2008)

This is to certify that, as an **Eligible First-Year Member** in good standing of the National Education Association (“**NEA**”), you are automatically covered under the **NEA Introductory Term Life Insurance Program** (the “**Program**”). The **NEA** sponsors this Program to provide **Eligible First-Year Members** in good standing of the **NEA** with term life insurance coverage for the first year of their membership. Participation is automatic and the life insurance coverage is provided at no cost to the **Eligible First-Year Members** by the **NEA Members Insurance Trust (“NEA MIT”)**. Coverage under the **Program**, as described herein, will remain in effect until the end of the calendar month immediately following your first anniversary of becoming a member of **NEA** 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 insurance program. It is provided by the **NEA Members Insurance Trust (“NEA MIT” or “Trust”)** at no cost to **eligible first-year 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 **Marsh Consumer (“Marsh”)**, the **Program’s** administrator.

All assets of the **Plan**, including all insurance policies and reserves, are in a separate tax-exempt trust, the **NEA Members Insurance Trust**. A panel of independent trustees is responsible for the financial management of such assets. The members of the current Board of Trustees of **NEA MIT** are: Becky Pringle (Chairperson), Robert H. Chanin, Chris Banks, James Testerman, Mary Ann Blankenship, Valerie Maholmes and Judy L. 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-20400**

Summary Plan Description - NEA Introductory Term Life Insurance

(Revised September 2008)

The terms of the Group Policy that mainly affect insurance are summarized in this Summary Plan Description. All benefits are subject in every way to the Group Policy. This Summary Plan Description, the Group Policy and the **NEA MIT Plan** form the agreement under which payments are made. This Summary Plan Description replaces any previous descriptions you may have of the **NEA Introductory Term Life 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. Contract Series: **83500**.

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

Benefits

A benefit is payable in the event of the death of an **Eligible First-Year Member**. The benefit is determined by (1) the fact that the **Eligible First-Year Member** has held Continuous Membership in the **NEA**, (2) the **Eligible First-Year Member** has not passed his or her first anniversary as a member of the **NEA**, (3) the cause of death and (4) membership classification.

Term Life Insurance Benefit: If the death of an **Eligible First-Year Member** is due to any reason, other than suicide, the benefit payable is \$15,000. The Term Life Insurance Benefit does not cover any loss which results from suicide.

Payment of Benefits

The **Term Life Insurance Benefit** is payable if you die while you are an **Eligible First-Year Member**. The benefit is payable when Prudential receives written proof of your death and, in its sole discretion, determines that a benefit is payable. The **Term Life Benefit** is payable in one sum in accordance with the **Beneficiaries** section below.

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 in equal amounts; (c) surviving parents in equal amounts; (d) surviving siblings in equal amounts; (e) estate.

You may name a **Beneficiary** by contacting **NEA's MBC**. 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 notification.

Summary Plan Description - NEA Introductory Term Life Insurance

(Revised September 2008)

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, Staff** and **Reserve** members who are **Actively Employed in the Field of Education**, are in their first year of membership with the **NEA**, and are members in good standing with their **State Associations** are eligible for the **Program**. Members who had previously had an interruption of their membership of less than five years and have since reinstated, will not be eligible. (See **Interruptions of NEA Membership** below.)

Interruptions of NEA Membership

If an **Eligible First-Year Member** ceases **Continuous Membership** in the **NEA**, his or her insurance under the program will terminate. If a member who has ceased their membership rejoins the **NEA** in a subsequent year, they will not be eligible for the **Program**, unless the term of the absence from membership equaled or exceeded five years.

Claims

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 through **NEA's MBC**.

Prior to paying claims, the NEA Operations Center will verify that this deceased was an **Eligible First-Year Member**. Records utilized to determine this information will include, but not necessarily be limited to, the database of record for **NEA MIT, 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 for which claim is made. Proof of death must be given to the NEA Insurance Operations Center within three years after death.

Summary Plan Description - NEA Introductory Term Life Insurance

(Revised September 2008)

Right of Appeal

If a claim for benefits is denied in whole or part, your **Beneficiary** is entitled to have your claim initially reviewed by Prudential. Your **Beneficiary** or an 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, the Summary Plan Description, or the **Plan** upon which the denial of the claim is based; a description of any additional information or material necessary to perfect the claim, accompanied by an explanation of why such material or information is necessary; and an explanation of the claims review procedure under the **Plan**. They will then be entitled to a reconsideration of the denial of the claim in accordance with the Employee Retirement Income Security Act (ERISA), as explained later in this document. **Prudential**, in its sole discretion, makes the final decision to approve or deny the claim.

If you have any 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.

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.

Summary Plan Description - NEA Introductory Term Life Insurance

(Revised September 2008)

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 the latest 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 or the **Plan**, including insurance contracts, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The **Plan 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 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

Summary Plan Description - NEA Introductory Term Life Insurance

(Revised September 2008)

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 you **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 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.

DEFINITIONS

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

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 or no less than one day per academic year.

BENEFICIARY is a person or persons identified by the **Eligible First-Year Member** to receive the death benefit in the event of the **Eligible First-Year 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 throughout the first year by being **Actively Employed in the Field of Education** no less than one day during the first year of membership.

ELIGIBLE FIRST-YEAR MEMBER is an **NEA** member in one of the eligible classes (as described in the section entitled "Eligible Classes of NEA Membership") who has been a member of the NEA for less than 12 months and is entitled to participate in the **Program**.

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

NEA is the National Education Association of the United States.

Summary Plan Description - NEA Introductory Term Life Insurance

(Revised September 2008)

NEA INTRODUCTORY TERM LIFE INSURANCE PROGRAM is the group term life insurance program provided by the **NEA MIT** to **Eligible First-Year 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’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**.

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

PLAN ADMINISTRATOR is the **NEA**. The **NEA**, however, may delegate specific non-discretionary administrative functions to **NEA’s MBC** and to **MARSH 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.

MARSH U.S 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**.