



LIFE INSURANCE PROGRAM FOR RETIREES

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LIFE INSURANCE PROGRAM FOR RETIREES

The Big Picture

An Overview of the Life Insurance Program

Effective Jan. 1, 2020

LIFE INSURANCE: FINANCIAL PROTECTION

BNSF provides a basic level of retiree life insurance at no cost to you. Be sure to consider your individual need for life insurance as you may want additional coverage based on your personal situation.

RETIREE LIFE INSURANCE IN BRIEF

| Retiree Life Insurance <i>Provided by BNSF</i> | Retiree Amount |
|--|--|
| Employees Hired, Rehired or Promoted Scheduled to Exempt after Dec. 31, 2017, and Any Active Employee Not Age 45 or Over as of July 1, 2018 | No Coverage |
| Former BNSF Salaried Employees Hired or Promoted into a Salaried Position¹ after Sept. 22, 1995 | \$10,000 |
| Former BN Salaried Employees | \$10,000 |
| Former Santa Fe Employees <i>Hired or Promoted into a Salaried Position² before Jan. 1, 1993</i> | Up to age 65 – 25% of final base salary (rounded to nearest \$1,000); maximum \$75,000 Age 65 and older – 25% of final base salary (rounded to nearest \$1,000); maximum \$50,000 |
| <i>Hired or Promoted into a Salaried Position² on or after Jan. 1, 1993, but before Sept. 23, 1995</i> | 25% of final base salary (rounded to the nearest \$1,000); maximum \$25,000 |

¹ Eligibility requires retirement directly from active salaried service and the immediate commencement of BNSF Retirement Plan pension payments.

² Eligibility requires continuous salaried employment until retirement.

RETIREE LIFE INSURANCE FOR GRANDFATHERED FORMER SALARIED EMPLOYEES

| Retiree Life Insurance <i>Provided by BNSF</i> | Retiree Amount | |
|---|--|--|
| <p><i>Former employees who were:</i></p> <ol style="list-style-type: none"> 1) <i>Insured under the Santa Fe Industries Group Life Insurance Program on April 30, 1979;</i> 2) <i>Born between May 1, 1924, and June 30, 1934; and</i> 3) <i>Elected life insurance of one times salary both before and after retirement.</i> | <p style="text-align: center;">Up to age 65 – one times annual salary</p> <p style="text-align: center;">Age 65 or older – one times annual salary; maximum \$50,000</p> | |
| <p>Grandfathered Former Salaried Employees of Southern Pacific Company and Affiliated Companies</p> <p><i>Former salaried employees, except Southern Pacific Pipelines Company salaried employees (see next section), who were:</i></p> <ol style="list-style-type: none"> 1) <i>Age 45 or older on June 30, 1984;</i> 2) <i>Participating in the Group Life Insurance Company of Southern Pacific Company or an affiliated company on that date; and</i> 3) <i>Eligible for life insurance equal to three times annual salary while actively employed.</i> | <p>Age on <u>June 30, 1984</u></p> <p>55 or older</p> <p>50 but less than 55</p> <p>45 but less than 50</p> | <p><u>Retiree Life Insurance Amount</u></p> <p>Three times salary³</p> <p>Two times salary³</p> <p>One times salary³</p> |
| <p><i>Former Southern Pacific Pipe Lines salaried employees who were:</i></p> <ol style="list-style-type: none"> 1) <i>Age 45 or older on June 30, 1984;</i> 2) <i>Participating in the Group Life Insurance Company of Southern Pacific Company or an affiliated company on that date; and</i> 3) <i>Eligible for life insurance equal to one times annual salary while actively employed.</i> | <p>50% of annual salary as of June 30, 1984</p> | |

³ Salary as of June 30, 1984.

| Retiree Life Insurance <i>Provided by BNSF</i> | Retiree Amount | |
|---|--|---|
| Grandfathered Former Salaried Employees of Burlington Northern and Its Predecessors <i>Former salaried employees, except former Frisco salaried employees, disabled or retired before Nov. 21, 1980</i> | \$2,500 (if last annual salary less than \$20,000) \$5,000 (if last annual salary \$20,000 or more) | |
| <i>Former Frisco salaried employees retired before Nov. 21, 1980</i> | <u>Date of Retirement</u> | <u>Retiree Life Insurance Amount</u> |
| | Before 09/01/1960 | 25% of basic annual salary; minimum \$2,500 |
| | 09/01/1960 – 05/31/1964 | 75% of basic annual salary at retirement |
| | 06/01/1964 – 12/31/1970 | 50% of basic annual salary |
| | 01/01/1971 – 06/30/1977 | 25% of basic annual salary; minimum \$2,500 |
| | 07/01/1977 – 11/20/1980 | 50% of basic annual salary; maximum \$50,000, minimum \$5,000 |
| <i>Former Frisco salaried employees who were on LTD on Nov. 21, 1980, or who were age 40 or older on that date and worked thereafter</i> | 50% of salary on Nov. 21, 1980; minimum \$10,000, maximum \$50,000 | |
| <i>Former Frisco salaried employees who were disabled before Nov. 21, 1980</i> | 50% of salary on Nov. 21, 1980; minimum \$10,000 | |

HOW YOUR RETIREE LIFE INSURANCE COVERAGE WORKS IN BRIEF

What's Covered?

If you die while covered under the program, the [Claims Administrator](#) will pay your benefit amount to the beneficiary you have designated.

Your Beneficiaries

The purpose of life insurance is to provide financial assistance for your loved ones. That's why you'll need to designate one or more primary beneficiaries who would receive your benefit amount if you die. You also may name one or more secondary beneficiaries to receive the benefit if your primary beneficiaries die before you do.

Filing Benefit Claims and Appeals

The [Claims Administrator](#) for the Retiree Life Insurance Program has rules for filing claims, such as time limits and the information required. These rules also include a process for you to appeal benefit claims decisions. The Claims Administrator is responsible for its own benefit



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claims administration, and all appeals of benefit claims decisions are made directly to the Claims Administrator without involvement of BNSF. See the *Claims Procedures – Life Insurance Program for Retirees* chapter of this Summary Plan Description (SPD) for specific information.

The Program Administrator (BNSF) is responsible only for claims relating to program administration, such as eligibility and rights under the program.

IMPORTANT RULES AND ADMINISTRATIVE INFORMATION IN BRIEF

When Coverage Begins

Life insurance coverage for retirees begins when you retire if you meet eligibility requirements. Refer to the chapter of this SPD titled *Who Is Eligible and When Coverage Ends – Life Insurance Program for Retirees* for specific information.

General and Administrative Information

This SPD contains detailed information, including your privacy rights, which may assist you in using the program. For details, refer to the chapters of this SPD titled *General Information About Your Rights to Benefits – BNSF Retirees* and *Administrative Information – Life Insurance Program for Retirees*.

State Rules and Regulations May Apply

Your life insurance is subject to regulation by the state where you live. The insurance company's certificate of insurance notes whether the state has rules and regulations governing your benefits. For a copy of the certificate, call the [Claims Administrator](#).

Your ERISA Rights

A federal law, ERISA, gives you important rights under the program. Those rights are described in the chapter of this SPD titled *Your Rights Under ERISA – Life Insurance Program for Retirees*.

Coverage Details

Life Insurance Program for Retirees

ADDITIONAL INFORMATION

Irrevocable Assignment

You may assign your life insurance irrevocably to another person or entity. This means you give up all future rights to any life insurance benefit paid from the program. The amount you have assigned can be changed only by written consent of the person or entity to which your life insurance is assigned. The BNSF Benefits Center can provide additional information. You should consult a tax or legal advisor before making any assignment of your life insurance.

Facility of Payment

Life insurance benefits will be payable directly to the named beneficiary. If, as determined by the [Claims Administrator](#), the named beneficiary is in any way incapacitated and unable to manage financial affairs, the Claims Administrator will make payment to the court-appointed representative of the beneficiary. In the event there is no court-appointed representative, the Claims Administrator will determine to whom payment may be made under the terms of the insurance contract and pursuant to any applicable state law.

Accelerated Benefit

If you are under age 63 and your death is expected within 12 months, you may be eligible for payment of an accelerated benefit under the program prior to the death. The amount of accelerated benefit can be up to 50% of the death benefit, reduced by administrative charges and a discount for mortality and interest. In no event will the accelerated benefit be greater than \$250,000. The accelerated benefit feature is not available:

- ▶ If you have assigned your life insurance benefits; or
- ▶ If the amount of death benefit otherwise payable is less than \$10,000.

To be eligible for an accelerated benefit, you must provide adequate proof of eligibility to the [Claims Administrator](#). Call the BNSF Benefits Center for information on qualifying for an accelerated benefit. Payment of an accelerated benefit will reduce any amount otherwise payable under the program. An accelerated benefit will not be payable if you would otherwise become eligible as a result of attempted suicide or intentional self-injury. If the BNSF Benefits Center has been notified that all or a portion of your life insurance is to be paid to a former spouse as part of a divorce agreement, you will not be eligible for an accelerated benefit.

Receiving an accelerated benefit may affect your eligibility, or that of your spouse or family, for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary Social Security Income (SSI) and drug assistance programs. You should consult your tax advisor and with social service agencies to determine the effects of receiving an accelerated benefit.

BENEFICIARIES AND BENEFIT PAYMENTS

Naming a Beneficiary

Your beneficiary is the person or persons you choose to receive any life insurance benefit payable because of your death. You must designate a beneficiary with the BNSF Benefits Center when you become eligible for retiree life insurance coverage.

You may name more than one beneficiary. When you die, if more than one person is named, the beneficiaries will share in the life insurance benefits payable equally unless you have chosen otherwise on the beneficiary designation form.

If your designated beneficiary dies before you, or at the same time or within 24 hours of your death, that person's share of the death benefit will be divided among any remaining named beneficiaries.

If a divorce decree requires you to name your former spouse as a beneficiary, you must provide the BNSF Benefits Center with a copy of the divorce decree.

Review Your Beneficiaries Regularly

You should review your beneficiary designation(s) during each annual enrollment period and after any major changes in your life, such as marriage, divorce, marriage of a child, the death of your spouse or child, or a change in the financial or health conditions of any member of your immediate family.

Changing Your Beneficiary Designation

You may change your beneficiary designation at any time either by entering the information on the BNSF Benefits Center site or by calling 833-277-8051. You do not need the consent of the beneficiary to make a change. A beneficiary change will take effect for any future benefit payments after it is entered into the BNSF Benefits Center system.

If There Is No Valid Beneficiary

If there is no valid beneficiary named for any life insurance benefits payable, that amount will be paid to the survivors in the order listed below, or in compliance with state law if the law differs:

- ▶ Spouse,
- ▶ Child(ren),
- ▶ Parent,
- ▶ Brother or sister, or
- ▶ Estate.

Any payment made by the [Claims Administrator](#) in the absence of a valid beneficiary designation will fulfill the program's requirements, and no further death benefit will be paid under the program under any circumstances.

How Death Benefits Are Paid

The [Claims Administrator](#) normally pays death benefits to a beneficiary through a "Total Control Account." The beneficiary may use the account until it is exhausted or make a full withdrawal and close the account. If the benefit amount is less than \$7,500, a check will be sent to the beneficiary.

WHO TO CALL ABOUT YOUR BENEFITS



Life Insurance

Enrollment, Eligibility and Coverage – For questions about the enrollment process for the Life Insurance Program for Retirees, your eligibility to participate, or the amount of your coverage, call the BNSF Benefits Center at 833-277-8051. Benefits Center representatives are available Monday through Friday, 7 a.m. to 7 p.m. Central time.

Claims Administrator – For questions about life insurance coverage, call the Claims Administrator, MetLife, at 800-638-5433.