# BURLINGTON NORTHERN SANTA FE LIFE INSURANCE AND ACCIDENTAL DEATH & DISMEMBERMENT PROGRAM

## Summary Plan Description

Effective January 1, 2006

# TABLE OF CONTENTS

Page

*BNSF*

# Life Insurance and Accidental Death & Dismemberment ("AD&D") Program

The BNSF Life Insurance and AD&D Program provide you with Employer-paid Basic Group Term Life Insurance coverage.

You may elect to purchase Optional Life Insurance for yourself, Dependent Life Insurance for your Dependents, and Optional Accidental Death or Dismemberment ("AD&D") Insurance for yourself and your Dependents. Your spouse, and your unmarried children over the age of 14 days up to age 19, may be covered under Dependent Life or AD&D Insurance. Your unmarried dependent children between the ages of 19 but less than 23 also may be covered if they are enrolled full-time in an accredited college or university, and depend on you for financial support.

You are automatically covered for Basic Life Insurance, which is fully paid by BNSF. If you elect Optional Life, Dependent Life, or AD&D Insurance, you must pay for such coverage. Your payments will be made on an after-tax basis through payroll deduction.

This is a Summary Plan Description ("SPD") explaining the main features of the Life Insurance and AD&D Program. The Program is fully insured by Metropolitan Life Insurance Company ("MetLife") and is subject to the terms of the MetLife group insurance contract. The terms and provisions of the insurance contract control payment of Program benefits. If there is any unintended inconsistency between this SPD and the insurance contract, the insurance contract will control. A copy of the insurance contract is available from the Forth Worth Human Resources Benefits Department.

# *Eligibility and Enrollment*

## Your Eligibility for Coverage

You are eligible for Life Insurance and AD&D Program coverage if you are a regularly assigned, salaried Employee of BNSF or a Participating Affiliated Company. If you are a newly hired employee, your Initial Eligibility Date is the first day you are a regularly assigned salaried Employee of BNSF. For newly eligible employees (e.g., employees promoted from union to salaried exempt positions), the Initial Eligibility Date is the first day of the month following 30 day's classification as a regularly assigned salaried employee. An exception applies to newly promoted salaried employees whose promotion date is February 1. This group of employees Initial Eligibility Date will be March 1. Employees covered under a collective bargaining agreement that does not provide for participation in the Life Insurance and AD&D Program are not eligible to participate. The Life Insurance and AD&D Program is not available to leased employees, or independent contractors.

## Dependent Eligibility

Family members you may cover as eligible Dependents if you elect Dependent Life or AD&D Insurance include:

- Your legal spouse, unless you are legally separated or divorced.

- Your newborn dependent child who is over 14 days old, and your unmarried children under age 19 (or over 19 and under age 23 if the child is a full-time student at an accredited college or university) and who are dependent solely on you for financial support. Dependent children include your unmarried:

    - natural children;

    - stepchildren or other children related by blood or marriage;

    - legally adopted children who are over the age of 14 days;

    - child for whom benefits must be provided by court order or divorce decree, of whom the insurance company has been notified by your providing a copy of the divorce decree;

    - children over the age of 14 days placed under the full legal guardianship of you or your spouse and dependent on you; or

    - a grandchild over the age of 14 days who is entitled to be claimed as your dependent.

To be eligible, your dependent children or grandchildren must live with you in a parent-child relationship; receive more than 50% of their financial support from you; and they are eligible to be claimed as dependents on your federal income tax return. Coverage ends on the first to occur of the following:

- the end of the month in which a child who is not a full-time student turns 19;

- the date that the child over 19 graduates or ceases to be a full-time student;

- the end of the month in which a child who is a full-time student reaches age 23;

- the child's marriage; or

- the date the child ceases to be a dependent for income tax purposes.

If both you and your spouse are eligible for coverage under the BNSF Life Insurance and AD&D Program as Employees, only one of you may elect to purchase Dependent Life or AD&D Insurance for your Dependent children. You may divide coverage of Dependent children between the two of you, but no child can be covered as a Dependent of more than one Employee.

If a Dependent child is covered under the Program on the day before that child reaches the applicable age limit, the child will continue to be a covered Dependent as long as the child remains unable to work in self-sustaining employment due to a physical handicap, or mental retardation. The child must remain chiefly dependent upon you for support, must live with you, and you must give proof to the Claims Administrator that the child continues to be dependent on you and unable to work. You will not be asked for proof more than once a year. The proof must be acceptable to the Claims Administrator.

The following Dependents (whether your spouse or children) are not eligible for coverage under the Program:

- A person who is serving in the military;

- A person who lives outside of the United States or Canada;

- A dependent child or grandchild 14 days of age or younger;

- A child who is a regularly assigned Employee of BNSF or a related Employer; and

- A child who has reached the maximum age limit under the Program.

## Retiree Eligibility

When you retire, if you were covered under the Program immediately prior to your retirement, you will be eligible for a reduced amount of Life Insurance coverage at no cost to you. You will not be eligible for AD&D Insurance upon retirement. Certain covered Employees may be eligible for grandfathered benefits. See the Appendix of this SPD for more details.

## Life Enrollment and Effective Date of Coverage

*Basic Insurance:* You are automatically covered for Basic Life Insurance on your Initial Eligibility Date. You must be actively at work on the date coverage is scheduled to become effective. If you are not actively at work, your coverage will become effective on the first day you return to active employment with BNSF.

For purposes of Life Insurance Program eligibility, you are considered to be "actively at work" if you meet one of the following conditions:

- The date your Program coverage becomes effective is a scheduled work day and you are performing your regular salaried assignment with BNSF, either at one of your Employer's usual places of business or at some location to which your Employer's business requires you to travel; or

- The date your coverage becomes effective is a scheduled holiday, vacation day, rest day, or weekend and you were at work on the preceding scheduled workday, provided you are not disabled.

*Optional Insurance:* You may elect Optional Life Insurance coverage for yourself. You must make the election within 31 days of your Initial Eligibility Date. If you do not elect Optional Life coverage within 31 days of your initial eligibility date, you must wait until you have a Family Status Event or until the next Annual Enrollment, whichever occurs first. You are required to request enrollment within 31 days of the Family Status Event. You can enroll via Your Benefits Resources (YBR) web site at www.ybr.com/benefits or through the YBR Automated Response System or by talking to a Customer Care Representative at 1-877-847-2436.

If you enroll in Optional Life coverage on a date later than your Initial Eligibility Date or you make a request to increase your Optional Life Benefits during Annual Enrollment, you must give evidence of good health to the Claims Administrator before your Optional Insurance election will take effect. You can request late enrollment forms through YBR as described above.

*Effective Dates for Optional Life Insurance Election:* Provided you meet all of the enrollment requirements, the effective date for your Optional Life Insurance will be determined at the time you request coverage, as follows.

- You must request coverage within 31 days of the Family Status Event. Your coverage will become effective on the later of the date of the Family Status Event and the date of your request.

- The effective date of coverage elected during Annual Enrollment will be the first day of the next Program Year.

You must give evidence of good health to the Claims Administrator on request. You must be actively at work on your effective date of coverage. If you are not actively at work, your coverage will not go into effect until the day you return to active employment.

*Dependent Insurance:* You may elect optional Dependent Life Insurance coverage within 31 days of the date of your Initial Eligibility Date under the Program. If you make a timely election, your Dependent Life coverage will be effective on the same effective date as your Basic Life coverage. If you do not enroll your Dependents within 31 days of your Initial Eligibility Date, you must wait until you have a Family Status Event or until the next Annual Enrollment date, whichever occurs first. You may need to give the Claims Administrator evidence of good health for the Dependents you elect to cover. The evidence of good health must be satisfactory to the Claims Administrator before Dependent Life coverage goes into effect.

If you previously elected Dependent Life coverage and you acquire a new Dependent, coverage will be effective on the date that person becomes your Dependent. If the Dependent is a newborn, coverage will become effective when the newborn is 15 days old. If you acquire a new Dependent and had not previously elected Dependent Life coverage, you need to notify YBR within 31 days in order to elect coverage.

*Effective Date of Dependent Insurance:* If you make a request for Dependent Life coverage within 31 days of your Initial Eligibility Date, in most cases Dependent Life coverage will become effective on the later of your Initial Eligibility Date or the date the Claims Administrator accepts the enrollment information (including any evidence of good health the Claims Administrator may require for enrollment).

If you make a request for Dependent Life coverage within 31 days of a Family Status Event, the coverage will become effective on the first day of the month following the date of your request, subject to the Claims Administrator accepting the enrollment information (including any evidence of good health required for enrollment).

If you make a request for Dependent Life coverage during the Annual Enrollment period, Dependent coverage will become effective on the first day of the next Program Year, provided the Dependent meets the Claims Administrator's requirement of evidence of good health.

*Additional Dependent Requirements:* If, on the effective date of Dependent Life coverage, a Dependent has been hospitalized in the three months prior to the date you made a request for Dependent Life coverage, or if the Dependent is hospitalized or unable to perform normal activities, you must give evidence of good health for that Dependent. The evidence of good health must be acceptable to the Claims Administrator. If the evidence of good health is not acceptable, the Dependent will not be covered under the Program.

## AD&D Enrollment and Effective Date of Coverage

*AD&D Insurance:* You may elect AD&D Insurance coverage within 31 days of your Initial Eligibility Date under the Program. If you make a timely election, your AD&D coverage will be effective on the same effective date as your Basic Life coverage. If you do not enroll yourself or your Dependents within 31 days of your Initial Eligibility Date, you must wait until you have a Family Status Event or until the next Annual Enrollment Date, whichever occurs first. You can enroll via the YBR web site at www.ybr.com/benefits or through the YBR Automated Response System or by talking to a Customer Care Representative at 1-877-847-2436.

*Change in AD&D Insurance Election:* Any increase or decrease in your AD&D Insurance election due to a change in your Benefits Pay will take place on January 1st of the following year. If you are not actively at work on that date, your benefit level will be increased or decreased on the first date you return to active employment with BNSF provided you continue to be eligible for Program coverage.

If you wish to change your AD&D Insurance election, you may do so only during Annual Enrollment, or if you have a Family Status Event. If you have a Family Status Event, you must give notice within 31 days of the Event. The change you request must be consistent with your Family Status Event. If you do not give notice in time, your AD&D coverage will remain at the same level as immediately prior to the Family Status Event.

If you elect AD&D coverage for yourself or your Dependents after your Initial Enrollment Date, or you wish to increase your coverage, you may be required to give the Claims Administrator evidence of good health for yourself or the Dependents you elect to cover. The evidence of good health must be satisfactory to the Claims Administrator before AD&D coverage goes into effect.

If you previously elected AD&D coverage and you acquire a new Dependent, coverage will be effective on the date that person becomes your Dependent. If the Dependent is a newborn, coverage will become effective when the newborn is 15 days old. If you acquire a new Dependent and had not previously elected AD&D coverage, you need to notify YBR within 31 days in order to elect coverage.

*Effective Date of AD&D Insurance:* If you make a request for AD&D coverage within 31 days of your Initial Eligibility Date, in most cases AD&D coverage will become effective on the later of your Initial Eligibility Date or the date the Claims Administrator accepts the enrollment information (including any evidence of good health the Claims Administrator may require for enrollment).

If you make a request for AD&D coverage within 31 days of a Family Status Event, the coverage will become effective on the first day of the month following the date of your request, subject to the Claims Administrator accepting the enrollment information (including any evidence of good health required for enrollment).

If you make a request for AD&D coverage during the Annual Enrollment period, AD&D coverage will become effective on the first day of the next Program Year, provided you or your Dependents meet the Claims Administrator's requirement of evidence of good health.

## Changing Your Elections During The Year

Outside of an open enrollment period, you will be permitted to make a change *only* if you experience a Family Status Event. Otherwise, you must wait until the next Annual Enrollment period to make a change.

## Family or Employment Status Changes

The Program allows you to change your options during the year if you have an eligible change in your family or employment status (a "Family Status Event").

Eligible changes in family or employment status include:

- Your marriage, divorce, legal separation or annulment;
- Death of your spouse or other covered Dependent;
- Birth, placement for adoption, adoption or marriage of a Dependent;
- Commencement or termination of your spouse's employment;
- A Dependent satisfies or ceases to satisfy eligibility requirements; or
- Your spouse's change from full-time to part-time employment or vice versa, or your spouse has a change in employment class or status, or the spouse's group policy changes.

***You must request enrollment or a change in enrollment within 31 days of your Family Status Event. If you experience one of the Family Status Events noted above, any changes to your benefit selections will be based on the type of event you experience. You can make only those changes that directly relate to the event and are consistent with the event.***

## Giving Notice of a Family Status Event

If you have a Family Status Event, you can log on to YBR's web site at www.ybr.com/benefits. You can also link to YBR's web site from the BNSF Intranet site to make changes. Or, if you prefer to use the phone, you can use the YBR Resource Line by dialing 1-877-847-2436. If you do not request the change with 31 days of the event, you will not be allowed to make any changes until the next Annual Enrollment period unless you have a subsequent Family Status Event.

# *Amounts of Coverage*

## Basic Life Insurance for Eligible Employees

Your Basic Life Insurance benefit under the Program is equal to 2 times your Benefits Pay rounded up to the next $1,000. The maximum Basic Life Insurance benefit is $1,250,000. Your "Benefits Pay" is your base annual salary plus your target ICP or target commission for your salary band (not actual payout), prorated based on the percentage of full-time employment. Your base annual salary is your base compensation as of August 31 of the prior year, and prior to any deductions for 401(k), salary exchange, or flexible spending account contributions.

Any change in the amount of your monthly Benefits Pay will be effective for purposes of Life Insurance Program coverage on each January 1st of the following year. The amount of your Basic Life benefit will be based on your Benefits Pay as of August 31st of the prior year. If you are not actively at work on a date an increase or decrease in your Basic Life benefit would otherwise take effect, your benefit level will be increased or decreased on the first date you return to active employment with BNSF provided you continue to be eligible for Program coverage.

## Optional Life Insurance

If you are eligible for Basic Life Insurance, you may elect Optional Life Insurance in an amount of 1 to 5 times your Benefits Pay rounded up to the next $1,000. The maximum Optional Life Insurance benefit is the lesser of 5 times your Benefits Pay or $1,250,000 minus your Basic Life Insurance benefit under the Program. (Additionally, if you are grandfathered in the ERISA exception Group Universal Life product (commonly referred to as GUL), your Optional Life coverage will be reduced further by the amount of your grandfathered GUL coverage.) The insurance company determines the rates for Optional Life Insurance. You pay for coverage through after-tax payroll deductions.

Any increase or decrease in your Optional Life Insurance election due to a change in your Benefits Pay will take place on January 1st of the following year. If you are not actively at work on that date, your benefit level will be increased or decreased on the first date you return to active employment with BNSF provided you continue to be eligible for Program coverage.

If you wish to increase or decrease your Optional Life Insurance election, you may do so only during Annual Enrollment, or if you have a Family Status Event. If you have a Family Status Event, you must give notice within 31 days of the Event. The change you request must be consistent with your Family Status Event. If you do not give notice in time, your Optional Life coverage will remain at the same level as immediately prior to the Family Status Event.

*Evidence of Good Health:* You must give the Claims Administrator evidence of your good health, at your expense, if you become covered under the Program for a combined amount of Basic and Optional Life Insurance greater than $500,000. Likewise, if you receive, due to an increase in your Benefits Pay, an increase in the combined amount of Basic and Optional Life Insurance of $25,000 or more if you are already covered for a combined amount of Life Insurance greater than $500,000, you must give the Claims Administrator evidence of good health.

If you fail to give evidence of good health, or if the Claims Administrator does not accept the evidence you provide, the amount of your combined Life Insurance (Basic and Optional) will not be more than the greater of:

- The combined amount of Life Insurance (Basic and Optional) for which you were covered immediately prior to the date the increase would have been effective; or

- $500,000.

If you enrolled by December 31, 2000, you were not required to give evidence of your good health to receive Basic Life Insurance as long as that amount does not exceed $1,250,000. Any subsequent increase in coverage will require evidence of your good health.

## Dependent Life Insurance

If you elect to purchase optional Dependent Life Insurance coverage, you may elect to insure your spouse only, or your Dependent children only, or both.

Optional spousal coverage is available for spouses under age 70 in the following amounts: $10,000, $25,000, $50,000, $75,000 or $100,000. Spousal coverage cannot exceed 50% of your life insurance benefit, and amounts over $50,000 are subject to satisfactory evidence of good health.

Optional coverage for your Dependent children is available in the following amounts: $5,000, $10,000, $15,000, $20,000, or $25,000.

*Evidence of Good Health:* If you elect Dependent Life Insurance for the first time during an open enrollment period, but after your Initial Eligibility Date, your spouse or child (as applicable) will be required to provide satisfactory evidence of good health.

Additionally, if you elect to increase your spouse's life insurance coverage in an amount greater than a one-increment increase over your spouse's then current coverage or the increase is to an amount greater than $50,000, your spouse must give evidence of good health to the Claims Administrator, at your expense. The increased coverage will take effect on the date the Claims Administrator accepts the evidence as being satisfactory, as long as you continue to be eligible under the Program. If your spouse does not give evidence of good health, or if the evidence is not accepted by the Claims Administrator, your spouse's Life Insurance amount will not be more than the greater of:

- The amount of Dependent Life Insurance for which your spouse was covered immediately prior to the date any increase would become effective; or

- An increase in spousal Dependent Life Insurance of one increment.

You may increase or decrease the coverage level you elected for your spouse only during the annual open enrollment process for benefit plans unless there has been a Family Status Event. If you have a Family Status Event, you must give notice within 31 days of the Event and the change you request must be consistent with your Family Status Event. You may also be required to show satisfactory evidence of good health.

## AD&D Insurance

You may elect to purchase AD&D Insurance for yourself only or for yourself and your eligible dependents. You may elect AD&D Insurance for yourself in an amount of 1 to 7 times your Benefits Pay up to a maximum of $1,250,000. If you choose family coverage, the amount of your spouse's AD&D coverage is equal to 50% of your AD&D Insurance benefit and the amount of each Dependent child's AD&D coverage is equal to the lesser of 20% of your AD&D Insurance benefit or $10,000.

## If You Are Age 65 Or Older and Actively Employed with BNSF

The amounts of your Basic Life Insurance benefits on and after age 65 will be determined by applying the appropriate percentage from the following table to the Basic Life Insurance in effect on the day before your 65th birthday.

| Age of Employee | Percentage |
|---|---|
| 65 but less than 70 | 65% |
| 70 but less than 75 | 45% |
| 75 but less than 80 | 30% |
| 80 or older | 20% |

The amount of your Optional Life Insurance election will not be subject to reduction under the above chart.

If you continue active employment and your Basic Life is reduced under the above chart, you may apply to MetLife for individual insurance. The amount of the individual policy will not be more than the total amount of Basic Life in effect on the day before the reduction less the amount of reduced Basic Life provided under the Program. In no event may the total of individual life insurance exceed $100,000.

# *Covered Loss Under AD&D*

If you or a Dependent have an accident which occurs while you or your Dependent are covered under AD&D Insurance, the Program will pay the AD&D benefits for a Covered Loss (as defined below) as described in this section if:

- That accident is the sole cause of the injury;
- That injury is the sole cause of the Covered Loss; and
- That Covered Loss occurs not more than one year after the date of the accident.

A Covered Loss means the following:

- Loss of life;
- Loss of a hand - meaning that all of the hand is cut off at or above the wrist;
- Loss of a foot - meaning that all of the foot is cut off at or above the ankle;
- Loss of sight of an eye - meaning that the eye is entirely blind and that no sight can be restored in that eye;
- Any combination of a loss of a hand, a foot or sight of an eye;
- Loss of thumb and index finger of same hand - meaning actual severance through or above the third joint from the tip of the index finger and the second joint from the tip of the thumb;
- Loss of speech and hearing - meaning the entire and irrecoverable loss which has lasted continuously for 12 consecutive months following the injury;
- Loss of speech or hearing in both ears;
- Quadriplegia - meaning total paralysis of both upper and lower limbs;
- Paraplegia - meaning total paralysis of both lower limbs; and
- Hemiplegia - meaning total paralysis of upper and lower limbs on one side of the body.

Paralysis means the loss of use, without severance, of a limb. Paralysis must be determined by competent medical authority to be permanent, complete, and irreversible.

For all Covered Losses caused by all injuries which you or your covered Dependent sustain in one accident, the Program will pay no more than the amount of AD&D Insurance in effect on you or your covered Dependent on the date of the accident.

The amount of AD&D Insurance payable is equal to the percentage of the AD&D Insurance in effect for the covered person on the date of the accident, as shown below:

| Loss | Percentage |
|---|---|
| Life | 100% |
| A hand, a foot or sight of an eye | 50% |
| Any combination of a hand, a foot,or sight of an eye | 100% |
| Thumb and index finger of same hand | 25% |
| Speech and hearing | 100% |
| Speech or hearing in both ears | 50% |
| Quadriplegia | 100% |
| Paraplegia or hemiplegia | 50% |

*Exposure Benefit:* The Program will pay 100% of the amount of AD&D Insurance in effect on the date of an accident if (i) you or your covered Dependent suffers a loss of life resulting from the unavoidable exposure to the elements, and (ii) after one year, you or your covered Dependent's body is not found after the conveyance in which you were traveling either disappeared, made a forced landing, sank, or was wrecked. This benefit will be paid in addition to any other AD&D benefits payable under the Program for the same accident.

*Seat Belt Benefit:* The Program will pay 10% of the amount of AD&D Insurance in effect on the date of an accident if you or your covered Dependent suffers a loss of life resulting from injuries sustained while driving or riding in a private Passenger Car if your Seat Belt was properly fastened. The amount payable will be at least $1,000, but may not exceed $25,000. The Program will not pay a Seat Belt Benefit if you were driving while under the influence of alcohol or drugs. This benefit will be paid in addition to any other AD&D benefits payable under the Program for the same accident.

Passenger Care means any validly registered four-wheel private passenger car, but does not include any commercially licensed car or a private passenger car which is being used for commercial purposes. Seat Belt means any child restraint device which meets the definition of the state law or any other restraint device which meets published federal safety standards, has been installed by the car manufacturer, and has not been altered after such installation. The correct position of the Seat Belt must be certified by the investigating officer. You or your covered Dependent must also submit a copy of the police report with the claim.

*Hospital Benefit:* The Program will pay a monthly amount equal to 1% of the amount of AD&D Insurance in effect on the date of an accident for the period that you or your covered Dependent are confined in a hospital as a result of an accident, subject to a 4-day waiting period. The amount payable will not exceed $2,500 per month. The Program will not pay a Hospital Benefit for the first 4 days of hospital confinement or for more than 12 months during a period of hospital confinement. Payments for periods of confinement of less than a full month will be made on a pro-rata basis. This benefit will be paid in addition to any other AD&D benefits payable under the Program for the same accident.

*AD&D Exclusions:* No AD&D Insurance benefit is payable for any Covered Loss that in any way results from, or is caused or contributed to by:

- Physical or mental illness, diagnosis of or treatment for the illness;
- An infection, unless it is caused by an external wound that can be seen and which was sustained in an accident;

- Suicide or attempted suicide;
- Injuring oneself on purpose;
- The use of any drug or medicine;
- A war, or a warlike action in a time of peace, including terrorist acts;
- Committing or trying to commit a felony or other serious crime or an assault;
- Any poison or gas, voluntarily taken, administered or absorbed;
- Service in the armed forces of any country or international authority, except the United States National Guard;
- Operating, learning to operate, or serving as a member of a crew of an aircraft; or while in any aircraft (i) operated by or under any military authority (other than the Military Airlift Command), (ii) being used for a test or experimental purposes, (iii) used or designed for use beyond the earth's atmosphere, (iv) for the purpose of descent from such aircraft while in flight (except for self-preservation); or
- Driving a vehicle while intoxicated as defined by the laws of the jurisdiction in which the vehicle was being operated.

# *Continued Life Coverage During Total Disability*

## Life Insurance Coverage During Total Disability

If you incur a Total Disability and can no longer report for active work, your coverage for Basic Life will continue for 12 months. A Total Disability or Totally Disabled means that because of a sickness or injury you cannot do your job, and you cannot do any other job for which you are fit by your education, your training or your experience. If you were covered for Optional Life benefits for at least one year prior to your Total Disability, Optional Life coverage will continue for 12 months, provided you continue to pay the premium. During the final 3 months of this initial 12-month period of Total Disability, you must file for waiver of premium due to Total Disability with Claims Administrator. If The Claims Administrator determines your Total Disability meets the above definition and will continue beyond the initial 12 months, your Basic and any Optional insurance you may have will continue under the insurance policy's waiver of premium provision beginning with the 13th month of your Total Disability. This continued coverage under waiver of premium will end on the first to occur of the date (a) you are no longer Totally Disabled, (b) or you fail to give The Claims Administrator acceptable proof of your continuing Total Disability; or (c) you reach age 65.

If you die within the first 12 months after you cannot work due to Total Disability, but you have not yet given proof of your Total Disability, The Claims Administrator will request proof that your Total Disability lasted until your death. This proof must be in a form that is satisfactory to The Claims Administrator.

No death benefits are payable under the Program if you have converted your coverage to a personal policy.

## AD&D Insurance Coverage During Total Disability

If you incur a Total Disability and can no longer report for active work, your coverage for Accidental Death and Dismemberment will cease. A Total Disability or Totally Disabled means that because of a sickness or injury you cannot do your job, and you cannot do any other job for which you are fit by your education, your training or your experience.

# *Life Insurance and AD&D Beneficiaries*

## Naming a Beneficiary under Your Basic and Optional Life and AD&D Insurance

Your beneficiary is the person or persons you choose to receive any Program benefit payable because of your death. You must designate a beneficiary with YBR when you become eligible for Basic Life Insurance coverage, and when you enroll in Optional Life or AD&D Insurance.

You may change your beneficiary designation at any time either by entering the information via the YBR web site or by calling YBR and informing a Customer Care Representative. You do not need the consent of the beneficiary to make a change. When YBR receives your beneficiary designation, the change will be effective the date it is entered into the YBR system.

**Note:** A change of beneficiary will not apply to any payment made by the insurance company prior to the date the form was entered onto the YBR system.

You may name more than one beneficiary. If, when you die, more than one person is named as your beneficiary, the beneficiaries will share in the death benefits payable under the Program equally unless you have chosen otherwise on the beneficiary designation form.

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

In the event a divorce decree requires you to name your former spouse as a beneficiary under the Program, you must provide the Forth Worth Human Resources Benefits Department with a copy of the divorce decree to be kept with the beneficiary designation you are required to keep in force.

If there is no beneficiary at your death for any death benefits payable under the Program, that amount will be paid to the survivors in the order listed below at the discretion of The Claims Administrator:

- Spouse;
- Child;
- Parent;
- Brother or sister; or
- Estate.

However, The Claims Administrator reserves the right in the policy to pay benefits to the executor or administrator of your estate instead of to one of your surviving family members.

Any payment made by the Claims Administrator in the absence of a valid beneficiary designation will fulfill the Program's benefit requirements and no further death benefit will be paid under the Program under any circumstances.

You should review your beneficiary designation under the Program during each Annual Enrollment period and after any major changes in your life such as your marriage, divorce, birth or adoption of a child, marriage of a child, or the death of your spouse or child, a change in the financial or health conditions of your parents or any member of your immediate family.

## Designated Beneficiary in the Event of a Spouse' or Child Dependent's Death

You are automatically the designated beneficiary of death benefits payable under any Dependent Life coverage or AD&D coverage for your Dependent(s) that you elect to purchase under the Program. Therefore, you are not required to designate a beneficiary for Dependent Life coverage or AD&D coverage for your Dependent(s).

## How Death Benefits Are Paid

Normally, the Claims Administrator pays life insurance to a beneficiary through a Total Control Account. You may keep the Account or make a partial or full withdrawal. If the benefit amount is less than $7,500, a check will be sent to the beneficiary.

# *When Program Coverage Ends*

## Basic Life Insurance

Your Basic Life Insurance coverage under the Program will end on the first to occur of the following events:

- You no longer qualify for coverage as an eligible Employee due to a change in your employment status;
- Your employment is terminated;
- BNSF terminates the Program;
- Your Employer no longer participates in the Program, and terminates coverage for all eligible Employees; or
- The insurance company cancels or fails to renew the policy and BNSF does not purchase replacement coverage under which you would qualify as an eligible Employee.

## Optional and Dependent Life Insurance

If you elected to purchase Optional and/or Dependent Life Insurance, coverage under the Program will end on the first to occur of the following events:

- Your employment terminates;
- You no longer qualify for coverage as an eligible Employee due to a change in your employment status;
- BNSF terminates either the entire Group Term Life Program or the elective Optional and Dependent coverage;
- Your Dependent is no longer eligible for coverage under Program rules; (dependent eligibility is described on page 2 of the SPD.)
- Your Employer terminates participation in the Group Term Life Program;
- You fail to pay the required Employee contribution in a timely manner;
- The date of your death; or
- With respect to your Dependent spouse, the date such Dependent spouse attains age 70.

## AD&D Insurance

If you elected to purchase AD&D Insurance for you and your eligible Dependent, coverage under the Program will end on the first to occur of the following events:

- Your employment terminates;

- You no longer qualify for coverage as an eligible Employee due to a change in your employment status;

- BNSF terminates the AD&D coverage;

- You incur a Total Disability and can no longer report for active work;

- With respect to AD&D coverage for your Dependent, such Dependent is no longer eligible for coverage under Program rules; or

- You fail to pay the required Employee contribution in a timely manner.

## Optional Life Insurance Portability Option

All benefits will end on the last day of your employment. However, if you have Optional Life Insurance in effect, you have the choice of continuing some of your Optional Life coverage under a separate group insurance arrangement through MetLife. In order to choose continued coverage through MetLife, your employment must have ended for one of the following reasons:

1. You are no longer employed due to your voluntary termination, your retirement, or dismissal by your Employer; or

2. Your employment classification has been changed and you are no longer eligible for Optional Life Insurance.

Continuance of your Optional Life Insurance on a separate group basis through MetLife is only available if BNSF has not terminated the MetLife insurance contract. In order to take advantage of this continuance, you must do the following:

- Contact YBR to obtain a request form that should be completed and sent to MetLife for continuance of your Optional Life coverage. The completed form and the first payment for the cost of your continued Optional Life benefits must be received by MetLife in the 31-day enrollment period following your loss of coverage due to the events listed in 1. or 2. above.

## Amount of Continued Optional Life

The amount of Optional Life Insurance that you may continue is the amount indicated on your written request. This amount cannot be more than the lesser of the following:

1. The amount of Optional Life Insurance in effect on the date you lost Program coverage due to termination of employment or change in your employment classification; or

2. $1,000,000.

If you elect to continue Optional Life Insurance, your coverage will automatically include an Accelerated Benefits Option that operates in the same way as the Accelerated Benefits Option under this Program. However, your continued Optional Life Insurance will not include a provision that continues your coverage during a Total Disability.

## Conversion to Individual Life Insurance

You may also be entitled to apply for an individual life insurance policy with MetLife. This is not the same type of coverage as the special group coverage for continued Optional Life Insurance. You must make your request for an individual policy in writing within 31 days of your loss of coverage under the BNSF Life Insurance Program. If you make a written request and are issued an individual policy, you may not make a request to continue your Optional Life Insurance on a special group basis too.

The following rules apply to a conversion to an individual policy:

- If you lose coverage because your employment with BNSF has terminated, or your job classification has changed, you may convert the amount of your Program coverage (both Basic and Optional) in effect on the date your coverage ends.

- If you lose coverage because BNSF terminates the Program, or if you lose coverage due to a change in your employment classification, then you may convert as follows:

    1. You must have been covered under the MetLife contract for at least 5 years on the date you lose coverage.

    2. Your converted insurance will be the lesser of the following amounts:

        (a) the amount of your coverage on the day your benefits end minus any group insurance for which you may be eligible that takes effect within 31 days of your loss of coverage; or

        (b) $2,000.

- If you have been covered under the Program's extension of coverage for Total Disability, and you are not able to return to work on the date the extension of coverage ends, the amount of the individual conversion policy will be the same amount as your coverage on the day the extension for Total Disability ends.

If you should die during the 31-day application period, the amount of the death benefit paid will be the highest amount that you could have converted on the date your coverage ended. Payment of death benefits is subject to MetLife receiving and accepting evidence that you complied with the Program's conversion rules. Failure to file a claim for death benefits within 1 year of your death will result in no death benefits being paid under the Program.

## Conversion of Dependent Life

If a Dependent loses coverage under the Program, you are able to purchase individual life coverage under rules similar to those that apply to your purchase of individual coverage. You must apply within 31 days of the Dependent's loss of coverage. Contact YBR for conversion information within 31 days of a Dependent's loss of coverage due to any one of the following:

- Your employment ends or a change in your job classification;

- The Program ends and MetLife coverage has been in effect for the Dependent for at least 5 years;

- The Program changes and Dependent coverage is no longer available and MetLife coverage has been in effect for the Dependent for at least 5 years;

- You die; or

- The Dependent no longer qualifies as a Dependent under the Program definition.

## Authorized Leaves of Absence

If you are on an authorized leave of absence, with or without pay, the amount of your life insurance in effect on your last day of active employment will continue, for up to 90 days, subject to the rules below. If you were contributing for Optional and/or Dependent coverage and are on an authorized leave of absence without pay, you must pay the accumulated premiums to YBR.

## Military Service

Your insurance ends the earlier of 90 days after the beginning date of your leave of absence or on the date you begin military service, if your leave is for duty with the armed services of any state or country. Coverage will be reinstated upon your return to active employment under the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994.

## Approved Family and Medical Leave Act ("FMLA")

If you are on an approved FMLA leave, your Basic Life Insurance will continue during your period of leave (up to 12 weeks). If you elected Optional and/or Dependent Life coverage, the coverage will continue during your leave. However, the cost of coverage during your leave will be billed to you by YBR and coverage will cease upon your failure to make a timely payment.

# *Retiree Life Insurance*

## Salaried Retiree Benefits

The following classes of salaried Retirees are automatically covered for Retiree Life Insurance.

- Santa Fe salaried Retirees who were hired or promoted into a salaried position prior to January 1, 1993, and remain in continuous salaried employment with BNSF until retirement, are eligible for Retiree Life Insurance equal to 25% of the Retiree's base annual salary (adjusted to the nearest $1,000) at retirement. The maximum coverage for Retirees who have not reached age 65 is $75,000. On the Retiree's reaching age 65, maximum coverage will be reduced to $50,000.

- Santa Fe salaried Retirees who were hired or promoted into a salaried position on or after January 1, 1993 but prior to September 22, 1995, and remain in continuous salaried employment with BNSF until retirement, are eligible for Retiree Life Insurance equal to 25% of the Retiree's base annual salary (adjusted to the nearest $1,000) to a maximum of $25,000 upon their retirement.

- Burlington Northern Retirees who were hired or promoted into a salaried position on or before September 22, 1995, are eligible for $10,000 in life insurance.

- Burlington Northern Santa Fe salaried Retirees who are hired or promoted to a salaried position on or after September 22, 1995, are eligible for $10,000 in life insurance.

## Cost of Retiree Life Insurance

The Employer pays the full cost of Retiree Life Insurance. There are no required Retiree contributions.

## Alternative Life Insurance Amounts for Certain Participants

Some Employees and Retirees are grandfathered for amounts of life insurance based on a BNSF predecessor group life insurance program. Refer to the Appendix at the end of this SPD for further details.

# *Additional Information*

## Irrevocable Assignment

You may assign your life insurance irrevocably by giving up all future rights to the death benefit. Any amount of life insurance you assign may not be reduced without the written consent of the assignee. You may obtain additional information from YBR. You should also consult a tax or legal advisor before making any assignment of your life insurance.

## Accelerated Benefits

If your life span, or the life span of a covered Dependent, is drastically limited and death is expected within six months you may be eligible for certain accelerated benefits under the Program prior to the death of the individual. The amount of accelerated benefit can be up to 50% of the benefit to which you would be entitled upon death, reduced by administrative charges and a discount for mortality and interest for the individual's actuarially determined life span. In no event will the accelerated benefit be greater than $250,000 for Employees. The amount for Retirees is 50% of Retiree Life coverage. The accelerated benefits feature is not available to Retirees age 63 and over.

If your benefit will be reduced within 6 months of a certification for an accelerated benefit, your accelerated benefit will be up to 50% of the reduced amount.

In order to be eligible for accelerated benefits, adequate proof of eligibility must be provided to the Claims Administrator. Contact YBR for information on qualifying for accelerated benefits. Payment of accelerated benefits will reduce the amount otherwise payable under the Program. Accelerated benefits will not be payable if you have assigned your interest in the policy or if you become eligible as a result of attempted suicide, self-injury, a war or warlike action, or any event occurring while you are in violation of criminal law. If we have been notified that all or a portion of your Life Benefits or Death Benefits are to be paid to your former spouse as part of a divorce agreement then you will not be eligible for accelerated benefits.
Accelerated benefits will not be payable if the amount of death benefit otherwise payable is less than $10,000.

The accelerated benefits are intended to qualify for favorable tax treatment. You should check with a tax accountant or your tax advisor on tax treatment. Receipt of accelerated benefits may affect you, your spouse's or your family's eligibility 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 with a qualified tax advisor and with social service agencies on how receipt of accelerated benefits will affect you, your spouse, and your family's eligibility for public assistance.

## Optional Life Benefits Suicide Clause

Optional Life Benefits will not be paid to the beneficiary if you commit suicide, while sane or insane, within 2 years from the effective date of this certificate. Instead the Claims Administrator will pay the Beneficiary an amount equal to any contributions paid, without interest.

If you commit suicide, while sane or insane, more than 2 years after the effective date of this certificate, but within 2 years from the effective date of any increase in the amount of your Optional Life Benefits,

such increased amount will not be paid to the Beneficiary. Instead the Claims Administrator will pay the Beneficiary:

1. an amount equal to all contributions paid for the increased amount, without interest; plus

2. an amount equal to the amount of Optional Life Benefits that was in effect on the day before the effective date of such increased amount.

## Taxes on Current Life Insurance Coverage

Even though salaried Employees do not have to contribute toward the cost of Basic Life coverage, you will pay income taxes on the "value" of your employee life insurance in excess of $50,000. This "value", called imputed income, is based on a table found in the Internal Revenue Code's regulations. Any imputed income you may recognize will be included on your W-2 form each year as part of your taxable income.

# *How to File a Claim*

Under Department of Labor ("DOL") regulations, claimants are entitled to full and fair review of any claims made under the Life Insurance Program. The procedures described below are intended to comply with DOL regulations by providing reasonable procedures governing the filing of benefit claims, notification of benefit decisions, and appeal of adverse benefit decisions. In the event of an Employee or Retiree death, or the death of a covered Dependent of an Employee if Dependent Life Insurance is elected, a claim form should be obtained from YBR. All death benefit claims must be on forms provided by the insurance company.

The completed claim form should be returned to the address shown on the claim form. From the date notice of claim is returned, the Claims Administrator will review the claim within a reasonable period of time but not later than 90 days after receipt of the claim. However, if more time is needed to make a determination, the Claims Administrator will notify you or your beneficiary of the special circumstances requiring the extension and the date by which a determination is expected to be made, which will be no more than 90 days after the notice. If additional information is required before the claim can be processed, the notice will also specify what information is needed and an explanation as to why it is needed. Once a claim for benefits has been approved, you or your beneficiary will receive a lump sum payment, unless it is a life claim and an arrangement has been made with the Claims Administrator for payment in installments. If there are questions about the amount of benefit payable, you or your beneficiary should ask the Claims Administrator to explain the method used to calculate the benefit. If there is disagreement over the amount of the benefit, you or your beneficiary may request a review of the calculation of the benefit by following the procedure outlined under "Claim Review Procedure" starting on this page.

## If a Death Benefit Claim Is Denied

If a claim for death benefits is denied in whole or in part, you or your beneficiary will receive written notice of such denial from the Claims Administrator.

The written notice of denial will set forth:

- The specific reason(s) for the denial of the claim;
- A specific reference to the provision(s) of the insurance contract upon which the denial is based;
- A description of any additional material or information needed by the Claims Administrator to reverse the denial, or in the case of an incomplete claim, to perfect the claim;
- An explanation of the Program's claim review procedures and applicable time limits; and
- A statement regarding your right to bring a civil action under Section 502(a) of ERISA following a denial on appeal.

# Claim Review Procedure

The Program is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA has special rules that must be followed when you or your beneficiary chooses to appeal an adverse benefit decision (denied claim).

In the event a claim has been denied in whole or in part, you or your beneficiary can request a review of your claim. You or your beneficiary should file a written request for appeal as soon as you receive a denial of benefits that you believe should be covered under the Program but no later than **60** days from the date you receive notice of the denial of the claim. Failure to comply with this important deadline may cause you to forfeit any right to appeal the denial.

Along with a written request for a review, you may submit any additional information and written issues and comments you believe should be considered during the review. Upon request, you or your beneficiary will be provided reasonable access to and copies of documents, records and other information relevant to your claim, free of charge.

The request for an appeal should be addressed to:

**Metropolitan Life Insurance Company**
**Group Insurance Claims Review**
**One Madison Avenue**
**New York, New York 10010**

The Claims Administrator has the discretionary authority to review all claims and to make final determinations based on the terms of the insurance policy that has been issued to the Program.

The Claims Administrator will review the claim and respond with a final determination within 60 days. If a longer period of time is needed to review the claim, the claimant will be notified. In no event will the total period for review of the claim exceed 120 days.

The Claims Administrator will notify you, in writing, of its final decision and will include the following:

- The specific reasons for the appeal decision;
- A reference to the specific Life Insurance Program provision(s) on which the decision was based;
- A statement regarding the claimant's right, upon request and without charge, a copy of documents, records and other information relevant to the claim for benefits; and
- A statement regarding your right to bring a civil action under Section 502(a) of ERISA following a denial on appeal.

*The Program may apply special rules for processing claims relating to a disability. Please contact the Claims Administrator for more details in this situation.*

**The Claims Administrator's decision on appeal is final and binding. Benefits under this Program will be paid only if the Claims Administrator decides, in its sole discretion, that you are entitled to them. If you continue to disagree with the decision, you may exercise "Your Rights Under ERISA" as explained on page 24 of this SPD.**

## Special Rules for AD&D Benefit Claims

The following special rules apply to benefit claims for AD&D Insurance.

You must submit written notice of a claim for AD&D benefits to the Claims Administrator within 20 days after the date of the accident which caused the loss. Upon receipt of the notice, the Claims Administrator may furnish you with printed forms for filing proof of the claim. If the Claims Administrator does not furnish you with printed forms within 15 days of receipt of the notice, you must furnish your own form of proof in writing. The proof must describe the event which caused the loss and the nature and extent of the cause for which a claim is made, and must be satisfactory to the Claims Administrator.

You must submit written proof of the claim to the Claims Administrator no later than 90 days after the date of the loss. If notice or proof is not given on time, the delay will not cause a claim to be denied or reduced so long as the notice or proof is given as soon as possible.

You may not begin a lawsuit to obtain benefits until 60 days after written proof is submitted to the Claims Administrator, but in no event may you begin such lawsuit more than 3 years after the deadline for submitting proof to the Claims Administrator.

While a claim is pending, the Claims Administrator, at its expense, reserves the right to request that you be examined by doctors of its choice when and as often as it may reasonably require. In the case of your death, the Claims Administrator reserves the right to request an autopsy, where allowed by state law.

# *General Information Affecting Death Benefits Under Program*

## Incontestability

All statements made to the Claims Administrator by you are representations not warranties. No statement will be used by the insurance company that has issued the insurance or the insurance of a covered Dependent policy under the Program to deny or reduce benefits or as a defense to a claim, unless a copy of the writing containing the statement made by you has been given to you. In the event of your death or legal incapacity, your beneficiary or representative will receive the copy.

Except for fraud or for determining eligibility for insurance, the insurance company issuing the policy under the Program will not use any statement to contest your insurance after two years from the effective date of your coverage, or two years from the effective date of any added or increased coverage under the Program.

## Misstatement of Age

If the age of an otherwise eligible covered Dependent (in the event you elected Dependent Life or AD&D coverage) is misstated, the cost of the optional Dependent Life or AD&D coverage will be adjusted to reflect the correct age, as applicable.

## Facility of Payment

Death 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.

## Autopsy

The Claims Administrator reserves the right to request an autopsy, where allowed by state law.

## No Guarantee of Employment

Coverage under the Program does not guarantee you employment with BNSF or any related BNSF Employer. Neither does it guarantee your right or the right of any person claiming to be a beneficiary to a benefit not otherwise payable under Program terms.

## Amendment or Termination of Program

The Program may be amended or terminated at any time by BSNF. Your Employer may determine it no longer wants to offer one or more of the coverage options under the Program at any time. Amendment or termination of the Program could result in a denial or loss of benefits under the Program. You will be notified of any amendment or termination of the Program within a reasonable time.

## Cooperation with Claims Administrator

If you or your beneficiary fails to cooperate with the Claims Administrator in its administration of a claim for death benefits, the claim will be pending until cooperation has been given as requested. Required

cooperation includes, but is not limited to, providing any information or documents needed to process the claim for a benefit, or any information needed to determine the location or status of any beneficiary under the Program.

# *Administrative Information*

## Program Costs

The Life and AD&D Program benefits are fully insured. BNSF pays the full cost of the Basic Life insurance premium through contributions to a tax-qualified Internal Revenue Code Section 501(c)(9) trust, referred to as a Voluntary Employees' Beneficiary Association ("VEBA"). If you elected Optional Life Insurance, Dependent Life Insurance, or AD&D Insurance, you pay the full cost of the premium on an after-tax basis through payroll deduction. Amounts deducted from your pay are remitted directly to the VEBA from which the premium is forwarded to the insurance company.

## Program Name and Plan Number

The Life Insurance and AD&D Program is a participating program in the Burlington Northern Santa Fe Group Benefits Plan, a consolidated welfare benefits program under ERISA that files its annual return under Plan Number 501.

## Company and Employer

The terms "BNSF," "Company," and "Employer" as used in this SPD refer to Burlington Northern Santa Fe Corporation, or an affiliate of BNSF whose employees are eligible to participate in the Life Insurance and AD&D Program.

## Company Name and Identification Number

The Life Insurance and AD&D Program is sponsored by Burlington Northern Santa Fe Corporation, Employer Identification Number 41-1804964.

## Program Administrator and Agent for Service of Legal Process

The Program Administrator's name, address and telephone number are as follows:

Employee Benefits Committee
c/o BNSF Railway Company
2500 Lou Menk Drive
Fort Worth, Texas 76131
(800) 234-1283

The agent for service of legal process is:

Mr. Jeffrey R. Moreland
Executive Vice President Law & Government Affairs and Secretary
2650 Lou Menk Drive
Ft. Worth, Texas 76131

The Employee Benefits Committee of Burlington Northern Santa Fe Railway Corporation is the Program Administrator. The insurance company issuing the policy of insurance has been delegated full discretionary authority for making all claim determinations under policy terms. The Employee Benefits Committee retains the discretionary authority to determine whether an Employee, Dependent, or Retiree is eligible for initial or continued enrollment in the Program. The discretionary authority delegated to the insurance company includes the authority to interpret the provisions of the insurance policy for purposes

of resolving any inconsistency or ambiguity, correction any error, or supplying information to correct any omission in either the policy or this Summary Program Description.

## Claims Administrator and Insurance Company

Metropolitan Life Insurance Company
One Madison Avenue
New York, New York 10010

## Insurance Policy

The Program is fully insured under Metropolitan Life Insurance Company Group Policy No. 28200-G, originally effective January 1, 1985, and as amended from time to time.

## Named Fiduciary

Metropolitan Life Insurance Company is the Named Fiduciary under ERISA for all ERISA appeals regarding Life Insurance and AD&D Program benefit matters. The BNSF Employee Benefits Committee retains the discretionary authority to determine eligibility and enrollment rights under the Life Insurance and AD&D Program.

## Program Year

The Program Year for the Life Insurance and AD&D Program is the calendar year.

# *Your Rights Under ERISA*

As a participant in the BNSF Life Insurance and AD&D Program, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Life Insurance and AD&D Program participants will be entitled to:

## Receive Information About Your Life Program Benefits

- Examine, without charge, at the Program Administrator's office and other locations, such as worksites and union halls, all documents governing the Life Insurance and AD&D Program, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 series) filed by the Program with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon, written request to the Program Administrator, copies of documents governing the operation of the Program, including insurance contracts and collective bargaining agreements and copies of the latest annual report (Form 5500 Series) an updated summary Program description. The Program Administrator may make a reasonable charge for the copies.

- Receive a summary of the Program's annual financial report. The Program Administrator is required by law to furnish each participant with a copy of this summary annual report.

## Prudent Actions by Program Fiduciaries

In addition to creating rights for Program participants, ERISA imposes duties upon the people who are responsible for the operation of this Program. The people who operate the Program, called fiduciaries of the Program, have a duty to do so prudently and in the interest of you and other Program 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 a benefit or exercising your rights under ERISA.

## Enforce Your Rights

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. After completion of the appeal process (see page 22) you have the right to bring a civil action under ERISA Section 502(a).

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Program 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 Program 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 control of the Program Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If it should happen that Program fiduciaries misuse the Program'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.

You and the Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency.

## Assistance With Your Questions

If you have any questions about the Life Program, you should contact the Program Administrator.

If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Program Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor ("EBSA"), 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 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 Employee Benefits Security Administration.

The next page lists the EBSA area offices.

# Office of the Employee Benefits Security Administration, U.S. Department of Labor

Atlanta Regional Office
61 Forsyth Street, S.W.
Suite 7B54
Atlanta, GA 30303
Phone: 404/562-2156

Boston Regional Office
One Bowdoin Square
7th Floor
Boston, MA 02114
Phone: 617/424-4950

Chicago Regional Office
200 W. Adams Street
Suite 1600
Chicago, IL 60606
Phone: 312/353-0900

Cincinnati Regional Office
1885 Dixie Highway
Suite 210
Ft. Wright, KY 41011-2664
Phone: 606/578-4680

Dallas Regional Office
525 Griffin Street
Room 707
Dallas, TX 75202-5025
Phone: 214/767-6831

Detroit District Office
211 W. Fort Street
Suite 1310
Detroit, MI 48226-3211
Phone: 313/226-7450

Kansas City Regional Office
City Center Square
1100 Main
Suite 1200
Kansas City, MO 64105-2112
Phone: 816/426-5131

Los Angeles Regional Office
790 E. Colorado Boulevard
Suite 514
Pasadena, CA 91101
Phone: 818/583-7862

Miami District Office
111 N.W. 183rd Street
Suite 504
Miami, FL 33169
Phone: 305/651-6464

New York Regional Office
1633 Broadway
Room 226
New York, NY 10019
Phone: 212/399-5191

Philadelphia Regional Office
Gateway Building
3535 Market Street
Room M300
Philadelphia, PA 19104
Phone: 215/596-1134

St. Louis District Office
815 Olive Street
Room 338
St. Louis, MO 63101-1559
Phone: 312/539-2691

San Francisco Regional Office
71 Stevenson Street
Suite 915
P.O. Box 190250
San Francisco, CA 94119-0250
Phone: 415/975-4600

Seattle District Office
1111 Third Avenue
Suite 860
MIDCOM Tower
Seattle, WA 98101-3212
Phone: 206/553-4244

Washington, D.C. District Office
1730 K Street, N.W.
Suite 556
Washington, DC 20006
Phone: 202/254-7013

# *Appendix*

# *Alternative Life Insurance Amounts for Certain Participants*

## Options if Eligible Under a Predecessor Program

You may be eligible for life insurance based on a predecessor group term life program. The following groups of participants were grandfathered in certain benefits. If you belong in one of these groups, your Group Term Life Insurance is determined as follows:

## Grandfathered Employees of Santa Fe Industries, Inc. and Affiliated Companies

- If you were at least 55 on April 30, 1979, and insured under the Santa Fe Industries Group Life Insurance Program on that date, you may have elected to continue coverage of 1 ½ times annual salary while you were an active employee, reduced to one times annual salary at retirement (limited to $50,000 at age 65 and later). You were also allowed to continue contributing coverage equal to one or two times your annual salary while active.

- If you were insured under the Santa Fe Industries Group Life Insurance Program April 30, 1979, and were born during the period starting on May 1, 1924 and ending on June 30, 1934, you may have made an election to be covered by insurance of one times salary both before and after retirement (limited to $50,000 at age 65 or later).

## Grandfathered Employees of Southern Pacific Company and Affiliated Companies

If you were age 45 or older on June 30, 1984, and were a participant in the Group Life Insurance Program of Southern Pacific Company or an affiliated company on June 30, 1984 and eligible for coverage of three times your annual salary, you may continue this coverage subject to the following limitations:

**Amount of Coverage Based on June 30, 1984 Salary**

| *Age on June 30, 1984* | *Before Retirement* | *After Retirement* |
|---|---|---|
| Age 55 or older | 3 x salary | 3 x salary |
| Age 50 to age 55 | 3 x salary | 2 x salary |
| Age 45 to age 50 | 3 x salary | 1 x salary |

Your life insurance election was frozen based on your June 30, 1984 salary, and there were no increases when you received salary increases after June 30, 1984.

Employees of Southern Pacific Pipe Lines Company who were at least age 45 on June 30, 1984 and covered under the Group Life Insurance Program on that date for life insurance of one year's salary while active will be eligible to receive a life insurance benefit upon retirement of 50% of annual salary, frozen as of June 30, 1984.

## Grandfathered Former Employees of Burlington Northern and Its Predecessors

| **Employees Status/Condition** | **Amount of Insurance** |
|---|---|
| Employees (non-Frisco) disabled or retired prior to November 21, 1980 | Retire Life Insurance is equal to $2,500 if Employee's last salary was under $20,000.<br><br>Retiree Life Insurance is equal to $5,000 if Employee's last salary was over $20,000. |
| Former Frisco Employees who were retired prior to November 21, 1980 | Date of retirement:<br>Prior to 09/01/1960 = 25% of basic annual salary, $2,500 minimum<br>09/01/1960 - 05/31/1964 = 50% of 1.5 times annual salary in effect prior to retirement<br>06/01/1964 - 12/31/1970 = 50% of basic annual salary<br>01/01/1971 - 06/30/1977 = 25% of basic annual salary, $2,500 minimum<br>07/01/1977 - 11/20/1980 = 50% of basic annual salary, $5,000 minimum, $50,000 maximum. |
| Former Frisco Employees who worked after November 21, 1980 and were 40 years or older on that date | Retiree Life Insurance equals one-half of salary as of 11/21/80 or $10,000, whichever is greater. In no event will the benefit exceed $50,000. This retiree amount includes those on LTD as of 11/21/1980. |
| Former Frisco Employees who were disabled prior to November 21, 1980 | One half of their salary as of 11/21/1980 or $10,000, whichever is greater. |

## Grandfathered Former Frisco Employees

Employees of the St. Louis – San Francisco Railroad are given special guaranteed amounts of life insurance. Active Employees who were 55 years of age or older on November 21, 1980 are covered for two times annual salary in effect that day, unless the amount provided under the current Program is greater.

Former Frisco Employees who were age 40 or older on November 21, 1980 and who retire on or after that date are covered under the Retiree Life Program for one-half times their annual salary on that date, or $10,000 , whichever is greater. (This Retiree amount includes those on LTD as of November 21, 1980).

This summary Plan Description ("SPD") is only a summary of the benefits offered under the Life Insurance Program. The Program is fully insured. The terms and provisions of the insurance contract will control if there are any differences between this SPD and the insurance contract.