

WELLS RURAL ELECTRIC COMPANY
Adopted: March 14, 2012
Reviewed: June 20, 2017
Revised: May 19, 2020

POLICY NO. 1-16

Director Insurance

I. OBJECTIVES

To provide the procedures for insurance benefits for Directors or, in the alternative, waivers for reimbursable undefined business expenses associated with being a Director.

II. POLICY CONTENT

A. All Directors are eligible to participate in the company provided insurance plan(s), pursuant to the following requirements and restrictions:

1. Directors elected prior to January 1, 2019 may participate as follows:
 - a. Plan A consists of medical, prescription drugs, vision and dental insurances.
 - b. Plan B consists of vision and dental insurances.
 - c. Changes between Plans can only occur during the open enrollment period.
 - d. The Company will provide funding for 95% of premiums for directors participating in Plan A.
 - e. The Company will not provide any funding for Directors participating in Plan B.
 - f. All premium payments will constitute income to a Director, properly reportable and allocated as such by the cooperative on the IRS Form 1099 annually.
 - g. If a Director who was elected after January 1, 2006, becomes deceased during his or her term, the Director's spouse may continue to be covered by the insurance plans for a six (6) month grace period.
2. Any Director elected for their first term after January 1, 2019 will be prohibited from participation in the Plans.
3. Following the six (6) month grace period, the director's spouse may only continue such insurance as permitted by the Company's plan so long as the deceased director's spouse pays the premiums for such insurance.

B. Following re-election or appointment, and during the annual open enrollment period designated by the company provided health insurance carrier, Directors may, at their sole option, elect to participate in or decline the company provided medical and prescription, vision or dental

insurance plans.

C. Alternatively, an eligible Director may decline to participate in the Company provided medical and prescription plan. In such event, the Director shall receive a waiver for reimbursable undefined business expenses associated with being a Director, in the amount of \$1,200.00 per month.

D. The company shall pay one hundred percent (100%) of the premiums for:

a. \$15,000 life insurance policy.

b. \$100,000 business travel insurance policy.

c. \$100,000 accidental death and dismemberment insurance policy.

III. RESPONSIBILITY

The Board of Directors shall be responsible for administering this policy.