



NASA Employees Benefit Association

Group Life and Travel Accident Life Insurance

John H. Glenn Research Center

Lewis Field

Cleveland, Ohio 44135

To NEBA Basic/Dependent Life Plan Members:

June 17, 2002

The NEBA Board of Directors has decided to increase the coverage, at no additional cost to members, of the Accidental Death and Dismemberment (AD&D) clause of the Basic life insurance plan. The current AD&D provision for an accidental death is double the amount of Basic life insurance. The Board's modification will triple the amount of Basic/Dependent coverage. That means that anyone with NEBA Basic life insurance will automatically be covered by the new AD&D provision and their beneficiary would receive three times the face amount of their Basic/Dependent coverage, should they die from an accident. This added no-cost feature for NEBA Basic Plan members was enacted to help mitigate the loss of Travel Accident insurance for members of the Plan.

At the NASA Employees Benefit Association (NEBA) Board annual meeting on May 29 and 30, 2002, we were informed by the insurance carrier that the NEBA Travel Accident Plan will end as of June 29, 2002, and that a search conducted to identify an underwriter for the NEBA Travel Accident Plan was unsuccessful. It appears that since the tragic events of September 11, 2001, the market for travel policies has been dramatically affected. Travel Accident Plan members were previously notified of this change and will be given an opportunity to join the Basic Plan.

In addition, the Board decided to conduct another refund of premium. The refund will be issued to members of record for at least one year as of May 31, 2002 and be based on their basic and dependent coverage. The refund will be equivalent to 12 pay periods of payments. The checks will be delivered to the chapters by September 1, 2002 in envelopes marked "NEBA refund check enclosed" and made available to you immediately. The checks will be valid for at least six months after September 1, 2002. Look for your checks this fall.

For the entire Board,

Robert E. Fails, Chairman