

**UNION PACIFIC GROUP LONG TERM CARE PLAN  
EFFECTIVE SEPTEMBER 1, 2002  
SUMMARY PLAN DESCRIPTION**

This document, along with your insurance certificate issued by Continental Casualty Company ("the Insurance Company"), CNA Plaza, Chicago, Illinois, 60685, summarizes how the Union Pacific Group Long Term Care Plan (the "Plan") works as of September 1, 2002. This document and your insurance certificate include information about who is covered, the benefits provided, limitations or restrictions you should know about, and how to claim your benefits. The benefits under the Plan are covered by provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), a federal law that governs the operation of employee benefit plans.

ERISA requires that you receive an easily understood description of your benefits, called a summary plan description. The information about the Plan described in this document constitutes the Summary Plan Description under ERISA ("SPD"). For more information concerning your ERISA rights, see the ERISA section of this SPD.

While Union Pacific Corporation intends to continue the Plan indefinitely, it reserves the right to terminate or amend the Plan for any reason. If Union Pacific Corporation, through its chief human resources executive, terminates or amends the Plan, benefits under the Plan would cease or change. Similarly, a participating employer can take such actions with respect to its Employees. Every effort will be made to provide you with reasonable notice of any such change. Note that capitalized terms not defined in this document are defined in the insurance certificate. In addition, the terms "You" and "Your" throughout the SPD refers to the Eligible Employee.

**Name of Plan**

The Plan for which this Summary Plan Description is provided is known as the:

Union Pacific Corporation Group Long Term Care Plan

**Maintenance of Plan**

The Plan is maintained by:

Union Pacific Corporation  
1416 Dodge Street  
Omaha, NE 68179

The Plan is extended to employees of participating Union Pacific subsidiaries. A complete list of these subsidiaries, including their addresses and employer identification numbers, is available in the Union Pacific Human Resources Department in Omaha, and may be obtained upon written request.

**Plan Documents**

This SPD helps you use your benefits and understand your rights under the Plan and ERISA. It also provides a summary of the more important Plan features. The complete provisions concerning the insured benefits are contained in the master contract between the Insurance Company and Union Pacific Corporation. If the contents of this SPD should disagree with the master contract, the wording of the master contract will always govern.

**Employer Identification Number and Plan Number**

The employer identification number (EIN) assigned by the Internal Revenue Service to the Plan sponsor is:  
13-2626465

The Plan Number assigned by the Plan sponsor is:  
Plan No. 553

**Type of Welfare Plan**

The Plan is a group long term care plan.

**Administration of Plan**

The Plan is administered by the Plan Administrator through an insurance contract purchased from the Insurance Company.

**Plan Administrator**

Senior Vice President-Human Resources  
Union Pacific  
1416 Dodge Street Omaha, NE 68179  
(402) 271-5000

**Discretionary Authority of Plan Administrator and other Plan Fiduciaries**

In carrying out their respective responsibilities under the Plan, the Plan Administrator and other Plan fiduciaries, including the Insurance Company (fiduciary with respect to claims), shall have discretionary authority to make factual findings, interpret the terms of the Plan and determine eligibility for and entitlement to Plan benefits in accordance with the terms of the Plan. Any finding, interpretation or determination made pursuant to such discretionary authority shall be given full force and effect, unless it can be shown that the finding, interpretation or determination was arbitrary and capricious.

**Agent for Service of Legal Process**

The person designated as agent for service of legal process upon the Plan is:

Senior Vice President-Human Resources  
Union Pacific  
1416 Dodge Street Omaha, NE 68179  
(402) 271-5000

**Eligibility and Enrollment**

For purposes of the Plan, the following definitions apply:

Employer means Union Pacific Corporation, Union Pacific Railroad, UPT-Transportation Systems, UP Washington D.C. Company, UPDS, UPFE, UP Financial Corporation, DK&S, CHTT, Selma Properties or Insight Network Logistics.

Employee means any agreement or nonagreement person employed by the Employer, except that Employee does not include any person classified as a temporary employee, co-op or intern.

Eligible Employee means an Employee working more than 20 hours per week.

Actively at Work means the Employee is physically at his or her usual place of business performing the regular duties of his or her work.

The following individuals are eligible to participate in the Plan:

A. Class A – Active Employees

Active Employee means an Eligible Employee who is Actively at Work.

**Enrollment Information for Active Employees**

- (1) An Active Employee may elect to enroll or apply for coverage at any time during the year.
- (2) The following underwriting criteria shall apply:
  - a. Coverage shall be granted without demonstrating evidence of insurability, using the Enrollment Form, if the Employee elects to enroll:
    - i. During the Initial Enrollment Period;
    - ii. Within 31 days of his or her return to work, if the Employee was not Actively at Work during the Initial Enrollment Period;
    - iii. Within 31 days after his or her date of hire with the Employer; or
    - iv. Within 31 days after first becoming an Eligible Employee in one of the Employer companies listed above.
  - b. Coverage shall be granted subject to the Insurance Company’s approval of evidence of insurability, using the Short-Form Application, if the Employee applies for coverage at any other time.

- (3) Coverage shall take effect as follows:
- a. If the Employee enrolls during the Initial Enrollment Period, coverage will be effective on the Master Policy Effective Date.
  - b. If the Employee enrolls/applies for coverage at any other time, coverage shall be effective as follows:
    - i. If the Insurance Company receives and processes the enrollment form or approves and processes the evidence of insurability on or before the 15th of the month, the insurance will take effect on the first day of the month immediately following approval.
    - ii. If the Insurance Company receives and processes the enrollment form or approves and processes the evidence of insurability after the 15th of the month, the insurance will take effect on the first day of the second month following approval.

The Active Employee must be Actively at Work on the Coverage Effective Date. If the Active Employee was Actively at Work when he/she enrolled for coverage, but is not Actively at Work on the Coverage Effective Date due to a paid or unpaid absence, the insurance will take effect on the first day of the month following the date the Active Employee returns to work. However, if such Active Employee is not Actively at Work on the Coverage Effective Date due to a paid or unpaid absence for non-medical reasons (for example, scheduled vacation, jury duty, sabbatical or legal holiday) **and** if the Active Employee returns to work no later than ten (10) days after the Coverage Effective Date, the Active Employee will be deemed to be Actively at Work on the Coverage Effective Date.

**B. Class B – Spouses of Active Employees**

The Spouse must be the current, lawful spouse of the Active Employee.

**Enrollment Information for Spouses of Active Employees**

- (1) The Spouse of an Active Employee may elect to apply for coverage at any time during the year.
- (2) Members of Class B must demonstrate evidence of insurability using the Short-Form Application and coverage shall be granted subject to the Insurance Company's approval of evidence of insurability.
- (3) Coverage shall take effect as follows:
  - a. If the Insurance Company approves and processes the evidence of insurability on or before the 15th of the month, the insurance will take effect on the first day of the month immediately following approval.
  - b. If the Insurance Company approves and processes the evidence of insurability after the 15th of the month, the insurance will take effect on the first day of the second month following approval.

**C. Class C – A Retiree**

Retiree means an individual who immediately before retirement participated in the Union Pacific Corporation Flexible Benefits Program, and upon retirement, is eligible (age 65 or at least age 55 with 10 years of vesting service) to begin receiving pension payments immediately (whether or not the individual actually begins to receive payments) from a qualified pension plan sponsored by Union Pacific Corporation or any of its subsidiaries participating in the Corporation's Flexible Benefits Program.

**D. Class D – A Spouse of a Retiree**

The Spouse of the Retiree must be the current, lawful spouse of the Retiree.

**Enrollment Information for Retirees and Spouses of Retirees.**

- (1) Retirees and their Spouses may elect to apply for coverage at anytime.

- (2) Members of Class C and Class D must demonstrate evidence of insurability using the Long-Form Application and coverage shall be granted subject to the Insurance Company's approval of evidence of insurability.
- (3) Coverage shall take effect on the first day of the month that falls on or next following the date the Insurance Company approves and processes the evidence of insurability.

E. Class E – An On Leave Employee

On Leave Employee means an Eligible Employee who is: a) on furlough; b) on suspension; or c) on a leave of absence approved by the Employer, including, but not limited to, leave approved as short-term disability, long-term disability, Family Medical Leave Act or Uniformed Services Employment and Re-employment Rights Act leave.

F. Class F – A Spouse of an On Leave Employee

The Spouse must be the current, lawful spouse of the On Leave Employee.

**Enrollment Information for On Leave Employees and Spouses of On Leave Employees.**

- (1) On Leave Employees and their Spouses may elect to apply for coverage at anytime.
- (2) Members of Class E and Class F must demonstrate evidence of insurability using the Long-Form Application and coverage shall be granted subject to the Insurance Company's approval of evidence of insurability.
- (3) Coverage shall take effect on the first day of the month that falls on or next following the date the Insurance Company approves and processes the evidence of insurability.

G. Class G – Parents and Grandparents of Eligible Employees and Spouses of Eligible Employees

Parent means a natural parent; an adoptive parent; or any other person who is the current lawful spouse of a natural parent or adoptive parent.

Grandparent means a natural grandparent; an adoptive grandparent; or any person who is the current lawful spouse of a natural or adoptive grandparent.

**Enrollment Information for Parents and Grandparents of Eligible Employees and Spouses of Eligible Employees**

- (1) Parents and Grandparents may elect to apply for coverage at anytime.
- (2) Members of Class G must demonstrate evidence of insurability using the Long-Form Application and coverage shall be granted subject to the Insurance Company's approval of evidence of insurability.
- (3) Coverage shall take effect on the first day of the month that falls on or next following the date the Insurance Company approves and processes the evidence of insurability.

**Benefits**

The Plan's conditions pertaining to eligibility to receive benefits and a description or summary of the benefits are listed in the insurance certificate.

**Circumstances Which May Affect Benefits**

Circumstances which may result in disqualification, ineligibility, denial, loss, forfeiture or suspension of any benefits are listed in the insurance certificate.

**Sources of Plan Contributions**

The Plan is fully insured. 100% of the premium is paid by the Insured.

**Medium for Providing Benefits**

The Plan is fully insured. Benefits under the Plan are provided in accordance with the provisions of Group Insurance Policy Number 0010170TQ issued by the Insurance Company.

**Date of End of Plan's Fiscal Year**

The date of the end of each year for purposes of maintaining the Plan's fiscal records is December 31.

**Claim Procedures**

The Insurance Company is responsible for paying claims. The Insurance Company has been given final discretionary authority to make claim determinations in accordance with the terms of the Plan. Any determination made pursuant to such discretionary authority shall be given full force and effect, unless it can be shown that the determination was arbitrary and capricious.

The procedures you must follow for filing a claim for benefits and appealing a decision of the Insurance Company to deny a claim for benefits is described on page 13 of the insurance certificate.

**Statement of ERISA Rights**

The statement of ERISA Rights is required by federal law and regulation.

As a participant in this Plan You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

1. Examine, without charge, all official documents governing the Plan, including the master contract and a copy of the latest annual report filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefits Administration. You can examine copies of these documents in the Human Resources Department in Omaha or at your company headquarters, if copies are kept there.
2. Obtain copies of all documents governing the operation of the Plan, including the master contract and the latest annual report and updated summary plan description. Copies of these documents can be acquired by writing to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
3. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate Your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of You and other Plan participants and beneficiaries.

No one, including Your employer or anyone else, may fire You or otherwise discriminate against You in any way to prevent You from obtaining a welfare benefit or exercising Your rights under ERISA.

If Your claim for a welfare 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.

Under ERISA, there are steps You can take to enforce the above rights. For instance, if You request materials for the Plan and do not receive them within 30 days, You may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay You up to \$110 a day until You receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. To ensure your request was not lost in the mail, call the Plan Administrator. If You have a claim for benefits which is denied or ignored, in whole or in part, You may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan'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 the cost 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.

If You have any questions about Your Plan, You should contact the Plan Administrator. If You have any questions about this statement or about Your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, You should contact the nearest Area Office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in Your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about Your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.