

**Memorandum of Understanding  
Post-Retirement Medical Care  
September 26, 2007**

The UAW and the Company have discussed at length the Company's on-going financial difficulties, loss of market share and other competitive challenges. The parties have also discussed that the current cost of providing post-retirement medical care is one of the most critical issues facing the Company's ability to compete in the North American marketplace. The UAW's goal in these discussions was to secure, to the greatest extent possible, these benefits which are absolutely crucial to the retirement security of UAW retirees who have spent a lifetime working for the Company.

In connection with these discussions, the Company has provided the UAW extensive access to the Company's financial records as well as actuarial information about the current and future costs of the Company's post-retirement medical programs. The UAW, along with its outside consultants and advisors, has conducted a thorough review of the Company's financial position and the actuarial information.

The importance of permanently restructuring post-retirement medical coverage for UAW represented employees and retirees is underscored by the fact that the Company advised the UAW that it plans to terminate the settlement agreement approved in the class action of *Int'l Union, UAW, et. al. v. General Motors Corp.*, Case No. 06-1475/2064 (the "Henry Case"), in accordance with its terms in 2011, and exercise its right to terminate and/or modify post-retirement medical coverage for UAW retirees and their dependents. In these discussions, the UAW has reasserted its legal position that post-retirement medical coverage for current UAW retirees is vested and unalterable.

As a result of these discussions, the parties have agreed, as set forth below, that responsibility for providing post retirement medical benefits will permanently shift from the Company to the New Plan and New VEBA as described in this MOU. This MOU is subject in its entirety to ratification and necessary approvals as described below. This shall include, inter alia, approval by the SEC of settlement or negative plan amendment accounting, and final court approval of this Memorandum of Understanding ("MOU") and the Final Settlement Documentation acceptable to the parties and Class Counsel, including approval of a non-opt out class.

**1. Definitions**

- a. **Approval Order** shall mean the order to be obtained from the United States District Court for the Eastern District of Michigan, approving in all respects this MOU and the Final Settlement Agreement Documentation, on a class-wide basis, applicable to the Covered Group.
- b. **Cash Flow Projections** shall have the meaning set forth in Appendix A.

- c. **Class Counsel** shall mean counsel retained by named plaintiffs in the Henry Case.
- d. **The Committee** shall mean the governing body that is responsible for the management and operation of the New Plan and New VEBA.
- e. **Company** shall mean General Motors Corporation.
- f. **Covered Group** shall mean: i) all “Class Members” as such term is defined in the settlement agreement in the Henry Case; ii) all “Future Retirees” as such term is defined in the settlement agreement in the Henry Case who are retired as of September 14, 2007; iii) all active UAW-represented employees of the Company who are on roll and have attained seniority as of September 14, 2007, and who retire from the Company with eligibility for Retiree Medical Benefits utilizing the eligibility provisions of the General Motors Health Care Program for Hourly Employees, as applicable to UAW represented Company employees under the Supplemental Agreement Covering Health Care Program of the 2003 GM-UAW National Agreement; iv) all UAW retirees of Delphi who are retired as of September 14, 2007 and entitled to Retiree Medical Benefits from the Company under the terms of Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring; v) all UAW represented active employees of Delphi or a former Delphi unit as of September 14, 2007, who retire with eligibility for Retiree Medical Benefits from the Company under the terms of Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring; vi) all UAW retirees of any other closed or divested Company-UAW business unit who are retired as of the date of this MOU to the extent the Company has responsibility for their Retiree Medical Benefits; and vii) all UAW represented active employees of any other closed or divested Company-UAW business unit who retire after the date of this MOU under circumstances where the Company has responsibility for their Retiree Medical Benefits. For purposes of this paragraph, the term active employee shall include employees on vacation, layoff, protected status, medical or other leave of absence, and any other employees who have not broken seniority as of September 14, 2007. The Covered Group shall also include eligible spouses, surviving spouses and dependents of the employees and retirees in the Covered Group, and surviving spouses entitled to Retiree Medical Benefits as a consequence of the death of an employee, who had seniority on or prior to September 14, 2007 and who died prior to retirement while still an employee with seniority, but in all cases only if they otherwise meet applicable health care program eligibility rules for Retiree Medical Benefits. In applying this term, it is the intent of the parties that all Company obligations for Retiree Medical Benefits for UAW represented retirees and employees, including that related to the eligible spouses, surviving spouses and dependents of such UAW represented retirees and employees, shall be terminated and transferred to the New Plan and New VEBA as of the Implementation Date. Under no circumstances can the definition of the

Covered Group be expanded beyond such individuals or additional individuals be allowed to participate in the New Plan or New VEBA.

- g. **Existing External VEBA** shall mean the DC VEBA established for mitigation purposes pursuant to the settlement agreement in the Henry Case.
- h. **Existing Internal VEBA** shall mean the General Motors Welfare Benefit Trust which is funded and maintained by the Company.
- i. **Final Effective Date** shall mean the date on which any appeals from, or other challenges to, the Approval Order have been exhausted or the time periods for filing such appeal(s) or challenge(s) have expired, provided that the Final Effective Date shall be deemed to have occurred only if, at such time, the Approval Order has not been disapproved or modified as a result of any appeal(s) from or other challenge(s) to the Approval Order and the Company has completed, on a basis reasonably satisfactory to the Company, its discussions with the staff of the SEC regarding accounting treatment with respect to the New VEBA and the Company's post-employment retiree health obligation for the Covered Group as set forth in paragraph 24 – Accounting Treatment.
- j. **Final Settlement Documentation** shall mean a detailed settlement agreement, trust agreement, and other necessary documents, consistent in all material respects with this MOU, as agreed to by the UAW, the Company, and Class Counsel and submitted for court approval.
- k. **Implementation Date** shall mean the later of January 1, 2010 or the Final Effective Date.
- l. **Initial Effective Date** shall mean the date on which the U.S. District Court enters the Approval Order.
- m. **New Plan** shall mean the new retiree health care plan funded by the New VEBA and established and maintained by either an independent committee or the joint labor-management committee, as set forth in paragraph 16 - Trust Management, to provide Retiree Medical Benefits for the Covered Group.
- n. **New VEBA** shall mean a new trust fund to be established effective on the Implementation Date pursuant to this MOU and the Final Settlement Documentation. Such trust fund shall be qualified as a Voluntary Employee Beneficiary Association by the Internal Revenue Service under Section 501(c)(9) of the Internal Revenue Code and, if applicable, meet the requirements of Section 302(c)(5) of the Labor Management Relations Act, 29 U.S.C. Section 186(c)(5).

- o. **Retiree Medical Benefits** shall mean all post retirement medical benefits, including but not limited to HSM, prescription drug, vision, dental and the \$76.20 Special Benefit related to Medicare.
- p. **Shortfall Amount Contribution** shall mean the contribution amount, if any, defined in section 11 - Shortfall Amount Contributions of this MOU.

### **Coverage and Benefits**

**2. Coverage.** Under this MOU and the Final Settlement Documentation the New Plan and the New VEBA will, as of the Implementation Date, assume responsibility for all Retiree Medical Benefits for which the Company would have formerly been responsible with regard to the Covered Group. The medical benefit coverages for active employees prior to their retirement are not within the scope of this MOU and will continue to be provided in accordance with the terms of the applicable collective bargaining agreement and health care benefit plan. Similarly, Retiree Medical Benefits for UAW-represented employees of the Company who become seniority employees after September 14, 2007 are outside the scope of this MOU and such benefits, if any, will be provided in accordance with the applicable provisions of the 2007 or a subsequent GM-UAW National Agreement.

**3. Benefits for the Covered Group.** Retiree Medical Benefits for the Covered Group will be provided as follows: (i) Retiree Medical Benefits will continue to be provided through the Implementation Date under the General Motors Health Care Program for Hourly Employees at the same scope and level set forth in the settlement agreement in the Henry Case, including Mitigation (for those entitled to it) by the Existing External VEBA; (ii) from the Implementation Date through December 31, 2015, Retiree Medical Benefits will continue to be provided at the scope and level set forth in the settlement agreement in the Henry Case but shall be provided through the New Plan and the New VEBA; and (iii) commencing January 1, 2016, Retiree Medical Benefits will continue to be provided through the New Plan and New VEBA at the scope and level set forth in the settlement agreement in the Henry Case, except that the Escalation (as defined in the settlement agreement in the Henry Case) will be 4%. Provided that as to both (ii) and (iii) the Committee will have the authority provided for in the Trust Agreement as set forth in paragraph 17 – Trust Agreement.

**4. Implementation of New VEBA and Benefits Upon the Implementation Date.** The New VEBA shall be solely responsible for providing Retiree Medical Benefits to the Covered Group beginning with claims incurred on or after the Implementation Date. In this regard, the Approval Order shall provide that on the Implementation Date the New VEBA shall assume all the responsibilities and liabilities of the Company and any Company benefit plan associated with the provision of Retiree Medical Benefits for the Covered Group for claims incurred on or after the Implementation Date and all the responsibilities and liabilities of the Existing External VEBA on such date. The parties agree that the provisions of the General Motors Health Care Program for Hourly Employees in any way related to Retiree Medical Benefits for the Covered Group and all

applicable collective bargaining agreements, letters and understandings in any way related to Retiree Medical Benefits for the Covered Group will be amended to terminate effective on the Implementation Date. No Retiree Medical Benefits or payments related to claims incurred after the Implementation Date will be provided by the Company or a Company benefit plan to the Covered Group after the Implementation Date. The General Motors Health Care Program for Hourly Employees will remain responsible for claims incurred prior to the Implementation Date and the payment of such claims will not reduce the Company's funding obligations regarding the New VEBA under this MOU.

### **Payments to the New VEBA and Certain Other Financial Items**

**5. Separate Bookkeeping Within Existing Internal VEBA.** Effective January 1, 2008 for bookkeeping purposes only, the Company will cause the Existing Internal VEBA to be divided into two bookkeeping accounts. One account will consist of the percentage of the Existing Internal VEBA's assets as of January 1, 2008 equal to the percentage of GM's hourly OPEB liability that is not attributable to UAW associated employees and retirees, their eligible spouses, surviving spouses and dependents (the "Non-UAW Related Account"). The second account will consist of the remaining assets as of January 1, 2008 (the "UAW Related Account"). Investment returns on and after January 1, 2008 will be applied to the bookkeeping accounts proportionally in relation to the value the assets in the UAW Related Account have to all the assets in the Existing Internal VEBA. All the assets in the Existing Internal VEBA (both in the Non-UAW Related Account and the UAW Related Account) shall be invested by the Company in the same manner as it has historically invested the assets of the Existing Internal VEBA. During the period beginning January 1, 2008 and ending on the Final Effective Date no amounts from the UAW Related Account, including its asset returns, will be disbursed from the Existing Internal VEBA. If the Final Effective Date occurs, the Company will cause the assets in the UAW Related Account on the date of the transfer to be transferred from the Existing Internal VEBA to the New VEBA as provided in paragraph 9 - Sequencing of Initial Payments to the New VEBA. The Company can elect to transfer cash in lieu of some or all of the investments in the Existing Internal VEBA, including an amount equivalent to accrued and unpaid interest and dividends net of reasonable liquidation costs.

**6. Temporary Asset Account.** On January 1, 2008, or as soon as reasonably practicable thereafter, the Company shall establish a Temporary Asset Account ("TAA") to be held by the Company or a wholly owned subsidiary thereof, and shall deposit to the TAA a contingent cash payment in an amount equal to the difference between \$18.5 billion and the value of the UAW Related Account on January 1, 2008, plus interest on the amount of the contingent cash payment at 9% for the period from January 1, 2008 to the date of deposit. The \$18.5 billion includes \$2.5 billion which represents the present value of the COLA adjustments (\$1 billion) and the UAW's decision to forego a 2009 wage increase (\$1.5 billion) as referred to in sub-paragraphs 10.c and 10.b - Wage Deferral of this MOU. The Approval Order and the Final Settlement Documentation shall provide that, on the Initial Effective Date, or as soon as reasonably practicable thereafter, the Company will deposit in the TAA: (i) an amount representing the \$3.8 billion on a

present value basis as of January 1, 2008, as adjusted below, or in its discretion an annual amount as described in the amortization schedule under Appendix C; and (ii) pay a \$1.8 billion lump sum on a present value basis as of January 1, 2008 or in its discretion pay an annual amount as described in the amortization schedule under Appendix C. The payments in both (i) and (ii) will be increased to reflect interest at 9% from January 1, 2008 to date of deposit. With regard to the adjustment of the \$3.8 billion, if the Initial Effective Date is after January 1, 2008, then the \$3.8 billion will be reduced by the value of wage deferral contributions paid or payable to the Existing External VEBA under the settlement agreement in the Henry Case (assuming a 9% rate of return on such contributions) from January 1, 2008 through the Initial Effective Date. With regard to payments in (i) and (ii) above, the Company reserves the right to pre-fund the future annual payments by paying the applicable "Buyout Amount" shown in Appendix C. Except as provided in this MOU, control of the TAA and the assets in it shall be solely within the Company's discretion. To the extent practicable the assets in the TAA, other than the GM convertible note, shall be invested in a manner consistent with the Existing Internal VEBA.

**7. Convertible Note.** On January 1, 2008, or as soon as practicable thereafter, the Company will deposit in the TAA the GM convertible note described in Appendix B.

**8. Payment to New VEBA.** If the Final Effective Date occurs, the balance in the TAA as of the Final Effective Date, excluding the convertible note provided for in Appendix B (the "TAA Equivalency"), shall be deposited in the New VEBA as provided in section 9 - Sequencing of Initial Payments to the New VEBA. If the Final Effective Date does not occur because (a) the Approval Order has been disapproved or modified as the result of an appeal, or (b) the Company has not completed, on a basis reasonably satisfactory to the Company, its discussions with the staff of the SEC regarding accounting treatment with respect to the New VEBA and the Company's obligation for Retiree Medical Benefits for the Covered Group as set forth in paragraph 24 – Accounting Treatment, the TAA shall be terminated. In addition, if the Final Effective Date has not occurred by December 31, 2011, the TAA shall be terminated. If the TAA is terminated prior to the Final Effective Date, the Company shall contribute to the Existing External VEBA cash in an amount equal to the amount that would have otherwise been contributed to the Existing External VEBA, under the terms of the settlement agreement in the Henry case, between the Initial Effective Date and the date of termination of the TAA plus the earnings associated with such amount. Upon termination of the TAA, the remaining assets may be used for any corporate purpose or purposes by the Company. The December 31, 2011 date may be extended by agreement between the Company and the UAW.

**9. Sequencing of Initial Payments to the New VEBA; Termination of Existing External VEBA and TAA.** The initial payments to the New VEBA shall be made, and the Existing External VEBA and TAA shall be terminated, as provided below.

- a. Within 10 business days after the Final Effective Date, the Company shall direct the trustee of the Existing Internal VEBA to transfer to the New VEBA the assets of the UAW Related Account or an amount equal to the balance in

the UAW Related Account on the date of the transfer (“Payment No. 1”). Upon transfer, the Existing Internal VEBA trust agreement shall be amended to terminate participation and coverage regarding Retiree Medical Benefits for the Covered Group.

- b. The Approval Order shall provide that the Existing External VEBA Committee shall amend the terms of that VEBA to permit the transfer of its assets to and the assumption of its liabilities by the New VEBA, and such Committee shall instruct the trustee of the Existing External VEBA to transfer the entire balance of that VEBA to the New VEBA after Payment No. 1 has been made and before the 15<sup>th</sup> business day after the Final Effective Date (“Payment No. 2”). The Approval Order shall also provide that the Existing External VEBA shall be terminated after Payment No. 2 has been made.
- c. The balance in the TAA, excluding the convertible note, or at GM’s discretion assets having a value equal to the balance in the TAA, excluding the convertible note, as of the Final Effective Date, shall be transferred to the New VEBA after Payment No. 2 has been made and before the 20<sup>th</sup> business day after the Final Effective Date (Payment No. 3). If the Company elects to transfer cash in lieu of some or all of the investments in the TAA (other than the convertible note), it will include an amount equivalent to accrued and unpaid interest and dividends net of reasonable liquidation costs.
- d. The convertible note will be transferred to the New VEBA after Payment No. 3 has been made. This transfer will occur within 25 business days after the Final Effective Date assuming the contribution is permitted by law. If the convertible note is not a qualifying employer security, the Company and the New VEBA will apply for a prohibited transaction exemption to permit the New VEBA to acquire and hold such employer securities. Similarly, if employer securities and employer real property would exceed 10 percent of the total assets in the New VEBA immediately after deposit of the convertible note, the Company and the New VEBA will apply for a prohibited transaction exemption to permit the New VEBA to acquire and hold the convertible note. If the Company and New VEBA cannot timely obtain a needed exemption, the parties will meet and discuss an appropriate alternative with comparable risk and value parameters. After the contribution of the convertible note, the TAA shall be terminated.
- e. The UAW and the Company acknowledge that the instrument establishing the TAA and communications to the Covered Group regarding the TAA, shall be consistent with the principles set forth in DOL Advisory Opinions 92-02A, 92-24 and 94-31A so as to avoid the assets in the TAA being deemed “plan assets” within the meaning of ERISA. In the event the Company determines that the assets in the TAA are plan assets the Company will apply for a prohibited transaction exemption to permit the acquisition and holding of the employer securities in the TAA.

## 10. Wage Deferral.

- a. The Company will continue to deposit into the Existing External VEBA the wage deferral established pursuant to the Section 13.C. of the settlement agreement in the Henry Case (including all of the Cost of Living Allowance "COLA" subtraction and non-payment of the September 18, 2006 general increase to the hourly wage rate) until the Initial Effective Date. As a result of the Company agreeing to pre-fund into the TAA the future wage deferral cash flow impact of \$3.8 billion from the Henry Case on the basis set forth in paragraph 6 - Temporary Asset Account, the Approval Order shall provide that the Company will no longer be required to make deposits of the wage deferral from the Henry Case and such wage deferral will continue into perpetuity increasing at \$0.02 per hour per quarter as described in the settlement agreement in the Henry Case.
- b. There shall be no general increase to the hourly wage rate in 2009 regardless of whether or not the Final Effective Date occurs. As a result, the Company agreed to pre-fund into the TAA \$1.5 billion which represents the future impact of a 3% Wage Increase in 2009.
- c. Effective with the December 1, 2007 COLA adjustment and ending September 1, 2011, up to four cents (\$0.04) per hour per quarter will be diverted from COLA otherwise calculated for current or future employees into perpetuity. As a result, the Company agreed to pre-fund into the TAA \$1 billion which represents the impact of this future COLA adjustments; provided however, that if the Final Effective Date does not occur the cumulative effect of four cents (\$0.04) per hour per quarter of COLA referred to in this subsection c. will be reinstated and contributed prospectively to the Existing External VEBA, if permitted by law. If not permitted by the law, the Company and the UAW will agree on the disposition of such COLA adjustment.

**11. Shortfall Amount Contributions.** The Company will make an initial Shortfall Amount Contribution of \$165 million to the TAA on April 1, 2008. If in a given year after the year of such initial payment, the Cash Flow Projection shows that the Company account or sub-account of the New VEBA will become insolvent within 25 years following the January 1 immediately preceding such Cash Flow Projection, the Company shall contribute to the New VEBA (or the TAA for periods prior to the Final Effective Date) by April 1 an amount in cash equal to \$165 million per occurrence. There will be no more than 19 Shortfall Amount Contributions after the initial Shortfall Amount Contribution on April 1, 2008. For any year in which the Cash Flow Projection shows that the Company's account or sub-account will maintain solvency for more than 25 years beyond the January 1 immediately preceding such Cash Flow Projection, no Shortfall Amount Contribution will be required. (See Appendix A for details concerning the Cash Flow Projections and Shortfall Amount Contributions calculations.) Further, the Company reserves the right to pre-fund, at any time, all then-remaining future annual Shortfall Amount payments by paying the applicable "buyout amount" (determined by



the number of Shortfall Amount payments made prior to the exercise of this pre-payment option) as shown in the amortization schedule in Appendix C.

**12. Other Payments to the Existing External VEBA.**

- a. The “Third Contribution” of \$1 billion will continue to be payable by the Company as set forth in the settlement agreement in the Henry Case. In the event such payment becomes payable only after the Final Effective Date, the Approval Order shall provide that such payment will be made to the New VEBA rather than the Existing External VEBA.
- b. The Approval Order shall provide that any obligation of the Company related to the amounts called for in the “Benefit Change Profits” or the “Incremental Amount”, as set forth and defined in section 13 of the settlement agreement in the Henry Case, shall cease upon the Initial Effective Date. In the event that any amounts related to such items have been paid by the Company to the Existing External VEBA prior to the Final Effective Date, the required contributions set forth in paragraph 8 – Payment to New VEBA will be reduced by such amount plus interest at 6%.
- c. The Approval Order shall also provide that if the contribution related to “Increase in Stock Value” and “Dividends” as set forth in section 17 of the settlement agreement in the Henry Case is less than \$240 million the Company will contribute to the New VEBA the difference between the total proceeds received in normal course and \$240 million plus interest at 9% effective from January 1, 2008 up to September 1, 2009. If the contribution related to “Increase in Stock Value” and “Dividends” is more than \$240 million the required contributions set forth in paragraph 8 - Payment to New VEBA will be reduced by the amount in excess of \$240 million, plus interest at 9%.

**13. Future Contributions.** The UAW and the Covered Group may not negotiate to increase any of the funding obligations set out herein. The UAW also agrees not to seek to obligate GM to: (i) provide any additional contributions to the New VEBA; (ii) make any other payments for the purpose of providing Retiree Medical Benefits to the Covered Group; or (iii) provide Retiree Medical Benefits through any other means to the Covered Group. Provided, that, to the extent that may be proposed by the UAW, employees are permitted to make contributions to the New VEBA of amounts otherwise payable in profit sharing, COLA, wages and/or signing bonuses. The Approval Order shall specify that any such future contribution by employees is permitted under Section 302.

**14. Pension Benefits.** As part of the consideration for the economic substance of the matters set forth in this MOU, the Company and the UAW agree to amend the General Motors Hourly-Rate Employees Pension Plan (“Pension Plan”) on the Final Effective Date to provide to retirees who are members of the Covered Group and eligible surviving spouses who are members of the Covered Group a flat monthly special lifetime benefit of

\$66.70 (which will not be escalated) commencing on the first of the month immediately following the Final Effective Date. This special lifetime benefit is intended to serve as a cost pass-through to the New VEBA of an equivalent after tax increase in the monthly contribution regarding Retiree Medical Benefits for the Covered Group. As a result, the New Plan and New VEBA shall assess an additional non-escalating monthly contribution payable by the Covered Group for Retiree Medical Benefits of \$51.67 per month.

Retirees and surviving spouses who are members of the Covered Group but not currently receiving a monthly benefit from the Pension Plan will not be entitled to receive the flat monthly special lifetime benefit of \$66.70 nor will they be required to make the monthly contribution to the VEBA of \$51.67. For purposes of determining a current or future Covered Group member's status as a Protected Retiree under the terms of the settlement agreement in the Henry Case, the flat monthly special lifetime benefit described above and any other new pension increase negotiated in the 2007 GM-UAW National Agreement shall not be included in pension income.

**15. Administrative Costs.** The New VEBA will be responsible for all administrative costs of the New Plan and the New VEBA commencing on the Implementation Date.

#### **Other Items**

**16. Trust Management.** During the negotiations regarding this MOU, the UAW proposed that the Company agree to structure the New VEBA as a multi-employer trust governed by a joint labor-management committee in accordance with Section 302(c)(5) of the Labor Management Relations Act, 29 U.S.C. §186(c)(5), that included Company representation. The Company responded by indicating that it would consider the request subject to the need to secure appropriate accounting treatment as set forth in paragraph 24 – Accounting Treatment. To resolve this issue, the Company has agreed to include as a part of its submission to the SEC a request for guidance on the impact of a Company representative serving as a member of the New VEBA trust committee in accordance with the terms of the trust agreement as described in paragraph 17 – Trust Agreement. If as a result of the Company's discussions with the SEC staff the Company reasonably believes that participation on the New VEBA trust committee would adversely impact the Company's proposed accounting regarding the transaction, the Company may elect not to participate on the New VEBA trust committee. The Company's failure to secure the required favorable accounting treatment as set forth in paragraph 24 – Accounting Treatment will result in no Company participation on the New VEBA trust committee.

In the event that the Company participates on a trust committee with Ford and/or Chrysler, the Trust Agreement and the Final Settlement Documentation will provide for separate accounts or separate sub-accounts for each participating company and that the assets in each separate account or sub-account may only be used for the covered group of each respective company. If more than one company participates in the New VEBA, all benefits provided shall be paid from the respective company's sub-account. No assets in the Company account or sub-account may be used to pay for benefits to persons other than the Covered Group and assets from any other account or sub-account in the New