

# **TEXAS EMPLOYEES GROUP BENEFITS PROGRAM**

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Group Disability Plan Benefits Book

For Active Employees

Effective September 1, 2012



## Important Notice

To obtain information or make a complaint:

You may call Dearborn National's toll-free telephone number for information or to make a complaint at

**1-855-377-5433**

Complaints filed with the Texas Department of Insurance will be forwarded to ERS by Dearborn National in accordance with Texas Insurance Code, section 1551.209. The Texas Department of Insurance does not have authority over ERS. Dearborn National will advise the Texas Department of Insurance that the complaint will be handled by ERS.

This notice is for information only and does not become a part or condition of the attached document.

## Aviso Importante

Para información o para someter una queja:

Usted puede llamar al número de teléfono gratis de Dearborn National's para información o para someter una queja al:

**1-855-377-5433**

Las demandas presentadas con el Departamento de Seguro de Texas serán expedidas a ERS por Dearborn National de acuerdo con el Código de Seguro de Texas, sección 1551.209. El Departamento de Seguro de Texas no tiene autoridades sobre ERS. Dearborn National informará el Departamento de Seguro de Texas que la queja será manejada por ERS.

Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

## Table of Contents

	<b>For Information About</b>	<b>See Page</b>
Section 1	About This Book .....	1
Section 2	Group Disability Plan .....	4
Section 3	Index.....	1

## About This Book

This book describes the coverages available to Active Employees in the Texas Employees Group Benefits Program.

- Short-term Disability Income Insurance
- Long-term Disability Income Insurance

Please remember that this book does not determine actual benefit payments, or change or replace the Master Benefit Plan Document.

Short-term Disability Income Insurance and Long-term Disability Income Insurance are self-funded coverages under the Master Benefit Plan Document with Dearborn National providing administrative services only. These coverages are called the Plan and are described in Section 2 of this book.

If you have any questions about any of these coverages, contact your benefits coordinator or you may call:

Dearborn National Customer Service Department at  
1-855-377-5433

or write:

Dearborn National  
Customer Service Department  
P.O. Box 655403  
Dallas, Texas 75265-5403

The Master Benefit Plan Document are available at the Dearborn National website accessible at [www.dearbornnational.com/ers](http://www.dearbornnational.com/ers) by following the following steps: clicking on ***active employees*** and then on **Coverages**.

Or, you may write to:

Employees Retirement System of Texas  
P. O. Box 13207  
Austin, Texas 78711

## Terms or Words With Special Meanings

These words and terms refer to titles of coverages, forms or are defined terms or words. The defined terms or words may have meanings which are different from what you might expect. The defined terms or words have the meanings as stated in Section 2. Please refer to these definitions to better understand the coverage descriptions, benefits, limitations and exclusions contained in this book.

## Group Disability Plan

### SECTION TWO AT-A-GLANCE

General Information .....	5
Eligibility and Participation .....	5
Short-term Disability Income Insurance .....	1
Step-by-Step Instructions for Filing a Short-term Disability Income Insurance Claim .....	1
Long-term Disability Income Insurance .....	7
Step-by-Step Instructions for Filing a Long-term Disability Income Insurance Claim .....	9
Limitations and Exclusions .....	10
General Provisions Applicable to the Group Disability Plan .....	11
How to Request a Review of a Claim .....	11
Incomplete or Incorrect Information .....	11
Legal Action .....	11
Physical Examination and Autopsy .....	12
Return to Work During Disability .....	12
Subrogation - Right of Recovery .....	12
Tax Treatment of Disability Benefits .....	12
Termination of Insurance .....	12
Definitions of Terms .....	13

## Group Disability Plan

### General Information

The Group Disability Plan is a self-funded plan designed to provide you with a continuing source of income if you are unable to work due to a Total Disability, defined in the Definitions of Terms. Fort Dearborn Life Insurance Company (Dearborn National) will provide administrative services for the Disability Plan.

Words and terms that are capitalized are either the title of coverage or defined words or terms. You can find their meanings in the Definitions of Terms.

The Disability Plan is composed of two parts: Short-term Disability Income Insurance and Long-term Disability Income Insurance. You may be covered under either or both parts.

A medical determination provided by certain types of Practitioners may not be acceptable for certifying your Total Disability under these plans. Please refer to the

Definitions of Terms for the definition of Approved Practitioner.

### Eligibility and Participation

The Short-term Disability Income Insurance and Long-term Disability Income Insurance coverages are only available for Active Employees, and are not available for Dependents or Retirees.

You may be covered under one or both of the Short-term Disability or Long-term Disability Income Insurance Plans by enrolling within 31 days of your initial eligibility date. If you do not enroll in the Short-term Disability Income Insurance or Long-term Disability Income Insurance coverage within the 31-day period, you must provide Disability Evidence of Insurability before your coverage becomes effective.

**\* Your coverage effective date is determined by when you apply.**

Day you enroll	Coverage effective date
on or before your first day at work	the first day you are Actively at Work as long as the insurance and State Agency hire dates are the same
within 31 days of your first day at work	the first day of the month after the date you enroll (You must be Actively at Work for coverage to be effective.)
after 31 or more days from your first day at work	**

**\*\***You must submit, at no expense to Dearborn National, Disability Evidence of Insurability to Dearborn National for review. Dearborn National will evaluate your medical information. **You will either be approved or denied coverage based on your medical information.** Dearborn National will notify you and your Employer of Dearborn National's approval or denial of your coverage. Coverage will be effective on the first of the month following Dearborn National notifying you and your Employer of Dearborn National's approval of your coverage. You must be Actively at Work for the coverage to become effective. The effective date of coverage is always later than the approval date.

**Note:** If the medical information you provide is false or misrepresented, this may cause an otherwise valid claim to be denied and coverage to be rescinded or canceled, and you may be subject to expulsion from the Group Benefits Program, as well as other sanctions.

Your Short-term Disability Income Insurance or Long-term Disability Income Insurance coverage will end on the last day of the month in which you retire.

You may cancel Short-term Disability Income Insurance or Long-term Disability Income Insurance coverage when you have a Qualifying Life Event or at any time if you are on Leave Without Pay. If you cancel coverage, the change will be effective on the first day of the following month. Your coverage will automatically cancel on the last day of the month in which you retire or terminate your employment.

**Short-term Disability Income Insurance** coverage provides you with the following benefits:

- your Short-term Disability Income Insurance Insured Monthly Salary amount would be equal to your monthly salary up to \$10,000;
- your maximum monthly benefit would be the lesser of 66% of your Insured Monthly Salary or \$6,600; and
- if you are approved for this benefit, your minimum monthly benefit would be 10% of your Insured Monthly Salary.

*For Example:*

Your Insured Monthly Salary is	\$5,000
	<u>X 66%</u>
Monthly benefit	\$3,300
Minimum monthly benefit	\$ 500

You would receive \$3,300 monthly.<sup>1</sup>

**The actual amount which is paid to you as your Short-term Disability Income Insurance monthly benefit will be reduced due to other sources of income to which you may be entitled, such as:**

- **Workers' Compensation**
- **Employees Retirement System of Texas or Teacher Retirement System of Texas disability retirement benefits; and**
- **Other group disability benefits.**

<sup>1</sup>The example above is for illustration purposes only. Please refer to the Master Benefit Plan document and ERS website for further information. The Master Benefit Plan book prevails.

**This reduction is called Integration with other sources of income. If Integration is used to reduce your Short-term Disability Income Insurance monthly benefit, 70% of your Insured Monthly**

**Salary would be used in the calculation instead of 66% as described above.**

*For Example:* Using the previous example, including the Integration of a Workers' Compensation benefit amount of \$2,200 and other group disability benefits of \$1,000, for a total Integration of \$3,200, your monthly benefit would be calculated as follows:

Your Insured Monthly Salary	\$5,000
	<u>X 70%*</u>
Monthly benefit before	
Integration	\$3,500
Minus the total Integration	<u>-\$3,200</u>
Monthly benefit after	
Integration	\$ 300
Minimum monthly benefit	\$ 500

You would receive \$500 monthly.

\* Integration calculation allows use of up to 70% of your Insured Monthly Salary.<sup>2</sup>

Short-term Disability Income Insurance become payable after you:

- have been certified as Totally Disabled by an Approved Practitioner;
- complete the Waiting Period of your sick leave, extended sick leave, and sick leave pool, or 30 consecutive days, whichever is greater; and
- have been approved by Dearborn National.

Short-term Disability Income Insurance may be paid to you for up to the Maximum Benefit Period, which is five months.

<sup>2</sup>The example above is for illustration purposes only. Please refer to the Master Benefit Plan document and ERS website for further information. The Master Benefit Plan book prevails.

## Step-by-Step Instructions for Filing a Short-term Disability Income Insurance Claim

Dearborn National must receive your claim for Short-term Disability Income Insurance benefits, including the Disability Claim form and doctor's statement, within 12 months of the date your Total Disability began, even when receiving Workers' Compensation. If you become Totally Disabled and are not able to work as a result of your Injury or Sickness,

**You must:**

- obtain a claim form.<sup>3</sup> If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance.
- complete identifying information in the *Employee's Preliminary Statement of Disability*, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

- completes the Employer's section, signs, and dates the form; and
- returns the claim form to you for further handling.

**You:**

- obtain the completed form from your benefits coordinator. Have your doctor, who must be an Approved Practitioner, complete sign, and date the Attending Practitioner's Statement as due proof of your disability; and
- receive the claim form from your doctor for further handling;
- complete all outstanding information on the form, sign, and date pages 2 and 4 of the claim form, and forward to Dearborn National at the address shown on the form, together with any additional information needed to process the claim.
- Dearborn National must receive the form within 12 months of the date your Total Disability began.

**Dearborn National:**

- receives the completed claim form and due proof of your Total Disability;

- reviews the claim and requests additional information from you or an Approved Practitioner authorized by you, if needed;
- determines any other benefit amounts you may be entitled to, such as Workers' Compensation, Employees Retirement System of Texas or Teacher Retirement System of Texas disability retirement benefits, and subtracts that amount from your Short-term Disability Income Insurance benefit amount; and
- pays the claim as a monthly benefit to you if your claim is approved; or
- notifies you and your benefits coordinator if your claim is denied.

## Long-term Disability Income Insurance coverage provides you with the following benefits:

- your Long-term Disability Income Insurance Insured Monthly Salary amount would be equal to your monthly salary up to \$10,000;
- your maximum monthly benefit would be the lesser of 60% of your Insured Monthly Salary or \$6,000; and
- if you are approved for this coverage, your minimum monthly benefit would be 10% of your Insured Monthly Salary for up to 12 months.

*For Example:*

Your Insured Monthly Salary is	\$5,000
	<u>x 60%</u>
Monthly benefit	\$3,000
Minimum monthly benefit for up to 12 months	\$500

You would receive \$3,000 monthly.<sup>4</sup>

<sup>3</sup> At [www.dearbornnational.com/ers](http://www.dearbornnational.com/ers) click on **Resource Center** and then on **Forms**

<sup>4</sup>The example above is for illustration purposes only. Please refer to the Master Benefit Plan document and ERS website for further information. The Master Benefit Plan book prevails.

The actual monthly benefit which is paid to you as your Long-term Disability Income Insurance monthly benefit will be reduced due to other sources of income to which you may be entitled, such as:

- Social Security Disability Income Insurance for you;
- Workers' Compensation;
- Employees Retirement System of Texas or Teacher Retirement System of Texas disability retirement benefits; and
- Other group disability benefits.

This reduction is called **Integration with other sources of income**. If Integration is used to reduce your Long-term Disability Income Insurance monthly benefit, 70% of your Insured Monthly Salary would be used in the calculation instead of 60% as described above.

*For Example:* Using the previous example, and including the Integration of a Workers' Compensation benefit amount of \$1,800 and an Employees Retirement System of Texas disability retirement benefit amount of \$1,000, your monthly benefit would be calculated as follows:

Your Insured Monthly Salary	\$5,000
	<u>x 70%*</u>
Monthly benefit before	
Integration	\$3,500
Minus Workers' Compensation benefit	<u>-\$1,800</u>
	\$1,700
Minus ERS disability retirement benefit	<u>-\$1,000</u>
Monthly benefit after	
Integration	\$700
Minimum monthly	
benefit for up to 12 months	\$500

You would receive \$700 monthly.

\*Integration calculation allows use of up to 70% of your Insured Monthly Salary.

*Additional Example:* Using a Social Security Disability Income Insurance benefit of \$800 per month and an Employees Retirement System of Texas disability retirement benefit amount of \$900, your monthly benefit would be calculated as follows:

Your Insured Monthly Salary	\$2,000
	<u>x 70%</u>
Monthly benefit before	
Integration	\$1,400
Minus Social Security disability benefit	<u>-\$ 800</u>
	\$600
Minus ERS disability retirement benefit	<u>-\$900</u>
Monthly benefit after	
Integration	\$0
Minimum monthly	
benefit for up to 12 months	\$200

You would receive \$200 monthly for 12 months. After 12 months, your benefit would cease as your income from other sources would be more than 70% of your Insured Monthly Salary.<sup>5</sup>

If the Social Security Administration has not specifically determined what your exact Social Security Disability Income Insurance benefit amount is, or your claim for Social Security Disability Income Insurance has not been approved through the Administrative Law Judge level, then Dearborn National may estimate your Social Security Disability Income Insurance benefit amount and deduct that amount from benefits paid to you. Therefore, it is important to apply for Social Security Disability Income Insurance benefits as early as possible and to continue to appeal your claim through the Administrative Law Judge level so the correct amount for your Long-term Disability Income Insurance benefit can be determined. If you are not eligible for Social Security Disability Income Insurance because your Employer does not participate in Social Security or for other reasons, contact the Dearborn National Claims Department.

The 10% minimum monthly benefit will apply for a maximum period of one year.

<sup>5</sup> The examples above are for illustration purposes only. Please refer to the Master Benefit Plan document and ERS website for further information. The Master Benefit Plan book prevails.

\* Effective March 1, 2012

- Participants who are receiving Long-term disability benefits from Dearborn National will no longer be subject to Full Family Offset as applicable.
- Participants who become Long-term disability eligible on or after this date will not be subjected to the Full Family Offset.

Long-term Disability Income Insurance become payable after you:

- have been certified as Totally Disabled by an Approved Practitioner;
- complete the Waiting Period of your sick, extended sick leave and sick leave pool, or 90 consecutive days, whichever is greater; and
- have been approved by Dearborn National.

Long-term Disability Income Insurance benefits may be paid to you for up to the Maximum Benefit Period which is dependent on your age when you become disabled. The Maximum Benefit periods are as follows:

Age at Disability	Maximum Benefit Duration
Under age 60	To age 65*
60 – 64	60 months
65 – 69	To age 70, or 12 months, whichever is greater*
70 and over	12 months

\* Benefits end the first day of the Plan Month following attainment of the limiting age.

The Maximum Benefit Period for Nervous and Mental Conditions is 24 months no matter what your Age at Disability is unless you are:

- Totally Disabled;
- under an Approved Practitioner’s regular care; and
- confined in a hospital or institution specializing in the treatment you require.

The Long-term Disability Income Insurance benefit will continue until you are released from such hospital or institution, after which benefits end.

Total Disability for the first 24 months of your disability is your inability, because of an Injury or Sickness, to perform the usual tasks of your occupation. After benefits have been paid to you for 24 months of continuous disability, the meaning of Total Disability changes to mean your inability, because of an Injury or Sickness, to perform the usual tasks required for any self-sustaining occupation. The Injury or Sickness must be established by medical evidence

based on objective clinical findings using current American Medical Association guidelines and certified by an Approved Practitioner.

### Step-by-Step Instructions for Filing a Long-term Disability Income Insurance Claim

**You must submit your Long-term Disability Income Insurance claim form, including the doctor's statement, within 12 months of the date your Total Disability began, even when receiving Workers' Compensation.** If you become Totally Disabled and are not able to work as a result of your Injury or Sickness,

**You must:**

- obtain a claim form.<sup>6</sup> If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance.
- complete identifying information in the *Employee’s Preliminary Statement of Disability*, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

- completes the Employer’s section, sign, and dates the form; and
- returns the claim form to you for further handling.

**You:**

- obtain the completed form from your benefits coordinator.
- Have your doctor, who must be an Approved Practitioner, complete, sign, and date the Attending Practitioner’s Statement as due proof of your disability; and
- receive the claim form from your doctor for further handling;
- complete all outstanding information on the form, sign, and date pages 2 and 4 of the claim form, and forward to Dearborn National at the address shown in the form, (with a copy of your birth certificate if you are age 55 or older); and

<sup>6</sup> At [www.dearbornnational.com/ers](http://www.dearbornnational.com/ers) click on **Resource Center** and then on **Forms**

- when you submit the claim form, provide and/or authorize an Approved Practitioner to provide, additional information as needed to process the claim, including providing information each year to show your continued Total Disability.

Note: Dearborn National must receive the form within 12 months of the date your Total Disability began.

**Dearborn National:**

- receives the completed claim form and due proof of your Total Disability;
- reviews the claim and requests additional information from you, or an Approved Practitioner authorized by you, if needed;
- determines any other benefit amounts you may be entitled to, such as Social Security Disability Income Insurance, Workers’ Compensation, Employees Retirement System of Texas or Teacher Retirement System of Texas disability retirement benefits, or other group disability benefits, and subtracts that amount from your Long-term Disability Income Insurance benefit amount; and
- pays the claim as a monthly benefit to you if your claim is approved; or
- notifies you and your benefits coordinator if your claim is denied.

**Limitations and Exclusions**

The Plan will not pay benefits if you are working or employed in any capacity or for any period of sick leave or extended sick leave. The Plan will not pay benefits if you are not under the regular care of an Approved Practitioner or if you were not making required premium payments at the time your Total Disability commenced.

Certain disabilities are not covered by the Plan, such as any Total Disability:

1. during which you are not under the regular care and attendance of an Approved Practitioner, or you are not following the treatment plan prescribed by an Approved Practitioner which would be expected to result in your ability to engage in compensated employment;
2. resulting from acts of war, declared or undeclared;

3. resulting from injuries sustained or sickness occurring while you are in the service of the armed forces of any country or international authority.
4. resulting from intentionally self-inflicted injury, whether you are sane or insane;
5. in excess of five months for Short-term Disability Income Insurance and twenty-four months for Long-term Disability Income Insurance for nervous or mental diseases or disorders unless you are Totally Disabled and you are under an Approved Practitioner’s regular care, and you are confined in a hospital or institution specializing in the treatment you require;
6. if you had not applied for coverage or were not making the required premium contributions at the time of your Total Disability;
7. if you are working or employed in any capacity;
8. caused by, resulting from, or contributed to by any Sickness or Injury which occurs while you are engaged in, or which results from, arises out of, or is related to, any type of felonious activity. Conviction of a felony is not necessary for the determination of loss resulting from felonious activity.
9. caused by, resulting from, or substantially contributed to by your being intoxicated by reason of alcohol or drug use, or a combination thereof. “Intoxication” shall have the meaning assigned in Section 49.01, *Texas Penal Code*, as may be amended. Conviction of a crime related to intoxication is not necessary for the determination of Total Disability resulting from intoxication. This exclusion is applicable whether or not the Total Disability is related to the operation of a motor vehicle.
10. resulting from Sickness or Injury which results from your being an organ donor; or
11. that was caused or contributed to, by, or is a consequence of a preexisting condition and, your Total Disability began within the first six months of your coverage. This exclusion does not apply after either:
  - a. you have been Actively at Work for six complete and consecutive months from the date your coverage became effective;
  - b. your coverage has been continuously in force for 12 months; or
  - c. your coverage has been reinstated after a Leave Without Pay status, providing that immediately prior to your Leave Without Pay, a. or b. above was true.

If a. or b. above is not true, you must complete any remaining period of preexisting condition exclusion not satisfied previously. If your Leave Without Pay is due to military duty, then the period of military duty will be applied toward the preexisting condition period if you return to Active Work from your military leave in accordance with applicable laws and regulations. For purposes of this limitation, preexisting condition is a condition for which you received medical treatment or services, or took prescribed drugs or medicines during the three month period immediately prior to the effective date of coverage. If you were required to provide evidence of insurability as a requirement to be eligible for this coverage, the three month period is that period immediately prior to the date you signed your application for coverage.

12. in excess of twenty-four months unless you are Totally Disabled from performing the usual tasks of any compensated occupation as certified by an Approved Practitioner.

## General Provisions

### Effect of Termination of the Master Benefit Plan

Termination of the Plan will not affect any existing Total Disability of an Employee who has Short-term Disability Income Insurance or Long-term Disability Income Insurance coverage and is receiving benefit payments or has applied for benefit payments.

### How to Request a Review of a Claim

If your Short-term or Long-term Disability Insurance claim for benefits is reduced or denied, you may ask Dearborn National to reconsider the claim by submitting a written request with additional information about your claim.

If the claim is again denied after reconsideration, Dearborn National will send you a letter with instructions on how to file a grievance with the Employees Retirement System of Texas. If you desire to file a grievance, you are required to send your written request, along with copies of all correspondence from Dearborn National and any other related information to the:

Grievance Administrator  
 Employees Retirement System of Texas  
 P.O. Box 13207  
 Austin, Texas 78711-3207

Your written request to ERS must be made and postmarked or received by ERS no later than 90 days following the date of Dearborn National's letter to you notifying you of your right to appeal. ERS will send you a decision in writing.

If you have any questions about the appeal process, please contact ERS' Benefit Support Services. You may call or write:

Benefit Support Services  
 Employees Retirement System of Texas  
 P.O. Box 13207  
 Austin Texas 78711-3207  
 Toll free (877) 275-4377

### Incomplete or Incorrect Information

If during the underwriting or claims review process, and if Dearborn National has reason to believe that information provided is not correct or is incomplete, Dearborn National may, subject to an authorization signed by you or your designated beneficiary, request additional information from the sources listed in the authorization.

Incorrect information could cause an otherwise valid claim to be denied or coverage to be rescinded or canceled.

### Legal Action

No action at law or in equity may be brought to recover on your Disability coverage prior to the expiration of 60 days after written proof of Total Disability has been filed, nor may such action be brought at all unless brought within three years from the expiration of the time within which written proof of disability is required. Nothing herein shall be deemed to constitute a waiver of the defenses and protections afforded Fort Dearborn Life Insurance Company and ERS by Chapter 1551, *Texas Insurance Code*, and/or Chapter 2001, *Texas Government Code*.<sup>7</sup>

<sup>7</sup> Dearborn National is a brand name used by Fort Dearborn Life Insurance Company.

**Physical Examination and Autopsy**

The Claims Administrator, at its own expense, shall have the right and opportunity to have the person of an Employee examined by an Approved Practitioner of its own choosing when and as often as it may be reasonably required during the pendency of a claim hereunder and to require an autopsy in case of death, where it is not forbidden by law.

**Return to Work During Disability**

After you have met the Waiting Period requirement, if you become disabled again from the same cause within 90 days after you return to work for the State, it will be considered the same period of Total Disability. This means you do not have to satisfy a new Waiting Period for either Short-term or Long-term Disability Income Insurance benefits. But you must give written notice to your benefits coordinator and complete another claim form so that your benefits will begin again. If you remain at work for 90 days, then become disabled again, it will be treated as a new period of Total Disability, and you will have to satisfy a new Waiting Period for Short-term or Long-term Disability Income Insurance.

**Subrogation - Right of Recovery**

When any claim payment is made the Plan reserves any and all rights to subrogation and/or recovery to the fullest extent allowed by statute, and customary practice. Subrogation applies to all rights of recovery which you may acquire against any person or organization for negligence or any willful act resulting in Sickness or Injury for which you received benefits under this coverage. If you receive benefits under this coverage, you will be asked to assign your rights of recovery to the Plan and agree to do whatever may be necessary to secure such recovery, including execution of all appropriate papers.

**Tax Treatment of Disability Benefits**

Short-term and Long-term Disability Income Insurance premiums are not included in the TexFlex Premium Conversion program.

If a percentage of the Short-term or Long-term Disability Income Insurance premium is paid by your Employer, then a corresponding percentage of the disability benefits you receive are subject to FICA and/or federal income tax. See your tax advisor for further information on your income tax liability.

**Termination of Insurance**

Your Short-term or Long-term Disability Income Insurance coverage will automatically end upon the earliest of:

1. The end of the month in which your employment with a State Agency terminates, provided the required premiums are paid.
2. The last day of the month in which you retire.
3. The date of termination of the Master Benefit Plan Document.

Your coverage becomes effective on the date you return to Active Work. You will not be subject to the preexisting conditions provision if you had previously satisfied the preexisting conditions requirement. If you had not previously satisfied the preexisting conditions requirement, you will be required to satisfy the remainder of the requirement.

You may cancel your disability insurance, and no premiums will be due beginning in the month in which you enter Leave Without Pay status. However, your disability coverage will be continued while you are in a Leave Without Pay status for up to 12 months as long as the premiums are paid.

When your disability coverage is reactivated, you will not be subject to the preexisting condition provision if you had previously satisfied the preexisting conditions requirement. If you had not previously satisfied the preexisting conditions requirement, you will be required to satisfy the remainder of the requirement.

Your insurance can also be canceled if you do not pay required premiums or if you are expelled from the Group Benefits Program for fraud or attempted fraud.

## Definitions of Terms

The following are definitions of important terms used in this description of your Group Disability Income Insurance Plan:

**Act** means the Texas Employees Group Benefits Act (Chapter 1551, *Texas Insurance Code*).

**Active Employee** means an Employee as defined in the Act who has not retired.

**Actively at Work, Active Work, Active Service or Active Duty** means the active expenditure of time and energy in the service of the Employer, except for elected officials of the State who qualify under the Texas Employees Group Benefits Act (Chapter 1551, *Texas Insurance Code*). An Employee will be considered to be on Active Duty on each day of a regular paid vacation, paid sick leave, or on a regular nonworking day, provided he or she was Actively at Work on the previous work day.

**Approved Practitioner** means a person, who provides medical service and care within the scope of his or her licensure and training which is consistent with national and community medical practice standards who is a Doctor of Medicine or Doctor of Osteopathy (other than a hospital resident or intern). The term Approved Practitioner shall not be deemed to include a Doctor of Chiropractic, a Doctor of Dentistry, a Doctor of Optometry, a Doctor in Psychology, a Licensed Audiologist, a Licensed Clinical Social Worker, a Licensed Chemical Dependency Counselor, a Licensed Hearing Instrument Fitter and Dispenser, a Licensed Dietitian, a Licensed Marriage and Family Therapist, a Licensed Professional Counselor, a Licensed Speech-Language Pathologist, a Doctor of Podiatry, an Advanced Practice Nurse, a Physician Assistant, a Licensed Occupational Therapist, a Licensed Physical Therapist, spiritual care provider (for example, Christian Science practitioner; therapeutic optometrist; nurse first assistant; a Licensed Psychological Associate or a Licensed Surgical Assistant. An acute and temporary Total Disability may be certified or attested to by a Doctor of Podiatry licensed by the Texas State Board of Podiatric Medical Examiners if the acute and temporary Total Disability is caused by a sickness or injury that may be treated within the scope of the license of such Doctor of Podiatry. Such terms as used

herein shall have the meaning assigned to them by the *Texas Insurance Code*.

**Disability Evidence of Insurability** means such evidence, provided at no expense to ERS or the Claims Administrator, including medical records and a physical examination, as may be required by Dearborn National to determine that the Employee for whom coverage is sought is an acceptable risk for issuance of new coverage or for increases in existing coverage, required pursuant to the Rules of the Board of Trustees of the Employees Retirement System of Texas. The Claims Administrator must review the Disability Evidence of Insurability and approve coverage before such coverage becomes effective.

**Employee** means an individual eligible to participate in the Group Benefits Program under Chapter 1551, *Texas Insurance Code*, as provided in Section 1551.101 in that chapter.

**Employer** means the state of Texas and all its State agencies, as State Agency is defined in the Act or an institution of higher education.

**Fort Dearborn Life or Fort Dearborn Life Insurance Company** - Short-term Disability Income Insurance and Long-term Disability Income Insurance are underwritten for eligibility and administered by Fort Dearborn Life Insurance Company.

**Full-Time Employee** means an Employee as defined by Section 1551.003 of the Act.

**Group Benefits Program** means the state employees group benefits program provided by Chapter 1551, *Texas Insurance Code*.

**Injury** means bodily injury caused by an accident that happened while both the Master Benefit Plan Document and the Employee's insurance is in force. This definition applies to the Employee whose bodily injury is the basis of a claim, except where limited or excluded by the provisions of the Master Benefit Plan Document.

**Insured Monthly Salary** means the monthly earnings payable for work performed as an Employee of the State of Texas (including shift differential, longevity, hazardous duty pay, and benefit replacement pay) paid to an Employee by the Employer as of the effective date of the Employee's first day of Active Duty or

previous September 1 if the Employee was continuously employed on and since that date, up to the maximum per plan. Overtime, bonuses, and any other extra compensation is excluded from these earnings. The maximum Insured Monthly Salary for the Short-term Disability Plan is \$10,000. The maximum Insured Monthly Salary for the Long-term Disability Plan is \$10,000. Non-salaried elected or appointed officials and members of the Legislature may use the monthly salary of a state district judge or their actual monthly salary as of September 1 of each year.

**Leave Without Pay** means the status of an Employee who is certified by a State Agency administrator as absent from work and not on Active Duty and as not receiving any compensation for an entire calendar month to which the certification applies, and has not received a refund of retirement contributions based upon the most recent term of employment. Such leave is limited to the maximum time period specified by law.

**Master Benefit Plan Document** means the document for the disability income benefit plan established by the Board of Trustees.

**Part-Time Employee** means an Employee as defined by Section 1551.003 of the Act.

**Plan Year** means each succeeding 12-month period beginning on September 1 of each year.

**Qualifying Life Event** means a change in marital status, a change in dependent status, a change in employment status, a change of address that results in loss of benefits eligibility, a change in Medicare, Medicaid, State Kids Insurance Program (SKIP), or Health Insurance Premium Payment Reimbursement Program (HIPP) status, a significant cost of benefit or coverage change imposed by a third party provider, or a change in coverage ordered by a court.

**Rule** or **Rules** means those rules adopted by the Board of Trustees of the Employees Retirement System of Texas to help administer the Act.

**Sickness** means illness (including maternity), disease, or mental infirmity which causes a Total Disability that begins while both the Master Benefit Plan and the Employee coverage are in force. This definition applies to the Employee whose Sickness is the basis of a claim, except as limited or excluded by the Master Benefit Plan Document provisions.

**State Agency** means a commission, board, department, division, institution of higher education, or other agency of this state created by the constitution or statutes of this state. The term also includes the Texas Municipal Retirement System (TMRS) and the Texas County and District Retirement System (TCDRS).

**Total Disability** or **Totally Disabled** means for the first 24 months for which the Plan pays benefits, the inability of the covered Employee, because of an Injury or Sickness established by medical evidence based on objective clinical findings using current American Medical Association guidelines and certified by an Approved Practitioner operating within the scope of his or her licensure and practice, to perform the usual tasks of his or her occupation in such a way as to procure or retain employment.

After benefits have been paid for 24 months of continuous disability, Total Disability will mean the inability of the covered Employee, because of an Injury or Sickness established by medical evidence based on objective clinical findings using current American Medical Association guidelines and certified by an Approved Practitioner operating within the scope of his or her licensure and practice, to perform the usual tasks of any compensated occupation for which the covered Employee is reasonably suited by training, education, or experience, in such a way as to procure or retain employment. Inability to pass a periodic physical examination required by flight personnel or a temporary permanent disability does not constitute Total Disability. The Employee will be conclusively deemed not to be disabled if employed and compensated in any manner.

**Trustee** means the Employees Retirement System of Texas and/or the Board of Trustees of the Employees Retirement System of Texas.

**Waiting Period** means the number of consecutive days of Total Disability in which no insurance benefits are paid under this Plan, beginning at any one period of disability. After the Employee has stopped working, the Waiting Period begins the day an Approved Practitioner certifies the Total Disability.

## Index

### SECTION THREE AT-A-GLANCE

A.....	16
B.....	16
C.....	16
D.....	16
E.....	16
F.....	16
G.....	16
I.....	17
L.....	17
M.....	17
N – O.....	17
P – Q.....	17
R.....	17
S.....	17
T.....	17
V.....	17
W.....	17

Section 3

**A**

- Act
  - Definition of 13
- Active Employee 3, 5
  - Definition of 13
- Actively at Work 5, 10
  - Definition of 13
- Approved Practitioner 5-15
  - Definition of 13

Attending Practitioner’s Statement 7

**B**

Benefits coordinator 3, 7, 9, 12

**C**

- Claims
  - Long-term Disability Income Insurance Claim 9
  - Short-term Disability Income Insurance Claim 7

**D**

Dearborn National
 

- Address 3
- Telephone Number 1, 3, 6

Disability

- Definition of Total Disability 14
- Group Disability Plan 5
- Long-term Disability Income Insurance 3, 5-12
- Short-term Disability Income Insurance 3-7, 10, 11

Disability Evidence of Insurability

- Definition of 13
- Group Disability Income Insurance Plans 5, 11
- Short-term Disability Income Insurance 4-8
- Long-term Disability Income Insurance 10-14

Doctor -- See Approved Practitioner

**E**

Effective Date of Coverage
 

- Group Disability Income Insurance Plan 5, 11

Eligibility

Group Disability Plan 4-6

Employee

Definition of 13

Employees Retirement System of Texas (ERS) 3, 6-8  
10, 11, 13, 14

Employer

Definition of 13

Exclusions -- See Limitations and Exclusions

**F**

Fort Dearborn Life 5, 11
 

- Definition 5

Filing Claims

- Long-term Disability Income Insurance Claim 9
- Short-term Disability Income Insurance Claim 7

Fraud 12

Full-Time Employee

Definition of 13

**G**

General Information

Group Disability Plan 5

Grievance

- Administrator 11
- Procedure 11

Group Benefits Program 3, 5
 

- Definition of 13

Group Disability Plan 5

- Eligibility 5
- Disability Evidence of Insurability 5
- For Long-term Disability Income Insurance 7
- For Short-term Disability Income Insurance 6
- General Information 5
- Limitations and Exclusions 10

**I**

Incomplete or Incorrect Information 11

Injury 7, 9, 10, 12, 13, 14  
 Definition of 13

Insured Monthly Salary  
 Definition of 13  
 For Long-term Disability Income Insurance  
 14  
 For Short-term Disability Income Insurance  
 14

**L**

Leave Without Pay 6, 10, 11, 12  
 Definition of 14

Legal Action 11

Limitations and Exclusions  
 For Group Disability Plan 10

Long-term Disability Income Insurance 3, 5-12

**M**

Master Benefit Plan Document 3, 12, 13  
 Definition of 14

Misrepresentation -- see Incomplete or Incorrect  
 Information

Monthly Benefit  
 For Long-term Disability Income Insurance  
 7, 8, 10  
 For Short-term Disability Income Insurance  
 6, 7

**N – O**

**P – Q**

Physician -- see Approved Practitioner

Plan Year  
 Definition of 14

Qualifying Life Event 6  
 Definition of 14

**R**

Return to Work During Disability 12

Review of a Claim 11

**Rule or Rules**

Definition of 14

**S**

Salary -- See Annual Salary, Insured Monthly Salary  
 Definition of 14

Short-term Disability Income Insurance 3-7, 10, 11

Sickness 7, 9, 10, 12, 13  
 Definition of 14

State Agency  
 Definition of 14

Subrogation 12

**T**

Tax Treatment of Benefit Payments  
 Group Disability Plan 12

Telephone Numbers  
 Dearborn National 1, 3  
 ERS – Benefit Support Services 7, 9, 11

Texas Department of Insurance 1

Termination of Insurance 12

Total Disability or Totally Disabled  
 Definition of 14

Trustee  
 Definition of 14

**V**

**W**

Waiting Period 6, 8, 12  
 Definition of 14

Website  
 Dearborn National 3, 7, 9