

# **Texas Employees Group Benefits Program**

## **Group Term Life Insurance and Optional Coverages Benefits Book**

**For Active Employees**

**Effective September 1, 2008**

**IMPORTANT NOTICE**

To obtain information or make a complaint:

You may call Fort Dearborn Life Insurance Company's toll-free telephone number for information or to make a complaint at

**1-855-ERS-LIFE (1-855-377-5433)**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

**1-800-252-3439**

You may write the  
Texas Department of Insurance  
P. O. Box 149104  
Austin, TX 78714-9104  
FAX #(512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**PREMIUM OR CLAIM DISPUTES:** Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:** This notice is for information only and does not become a part or condition of the attached document.

**AVISO IMPORTANTE**

Para informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Fort Dearborn Life Insurance Company para informacion o para someter una queja al

**1-855-ERS-LIFE (1-855-377-5433)**

Puede comunicarse con el Departamento de Seguros de Texas para conseguir informacion acerca de companias, coberturas, derechos o quejas al

**1-800-252-3439**

Puede escribir  
al Departamento de Seguros de Texas  
P. O. Box 149104  
Austin, TX 78714-9104  
FAX #(512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**DISPUTAS SOBRE PRIMAS O RECLAMOS:** Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con al Departamento de Seguros de Texas.

**UNA ESTE AVISO A SU POLIZA:** Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

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## **Section 1**

### **About This Book**

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

Basic Group Term Life Insurance with Accelerated Life Benefit and Accidental Death, Dismemberment and Loss of Sight (AD&D)

Optional Group Term Life Insurance with Accelerated Life Benefit and AD&D

Dependents' Group Term Life Insurance with Accelerated Life Benefit and AD&D

Voluntary Accidental Death and Dismemberment (Voluntary AD&D)

Short-term Disability Insurance

Long-term Disability Insurance

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

The following coverages are underwritten by Fort Dearborn Life Insurance Company<sup>®</sup> (FDL) and are a part of the Group Policy:

- Basic Group Term Life Insurance with Accelerated Life Benefit and AD&D
- Optional Group Term Life Insurance with Accelerated Life Benefit and AD&D
- Dependents' Group Term Life Insurance with Accelerated Life Benefit and AD&D
- Voluntary Accidental Death and Dismemberment

Short-term Disability Insurance and Long-term Disability Insurance are self-funded coverages under the Master Benefit Plan Document with FDL providing administrative services only. These coverages are called the Plan and are described in Section 8 of this book.

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

FDL Customer Service Department at 1-855-ERS-LIFE  
(1-855-377-5433)

or write:

Fort Dearborn Life Insurance Company  
Customer Service Department  
P.O. Box 655403  
Dallas, Texas 75265-5403

The Group Policy and the Master Benefit Plan Document are available at the FDL website accessible at [www.ers.state.tx.us](http://www.ers.state.tx.us) by following the following steps: click on **Insurance**; click on **Life & Disability (Optional Coverages)**; click on the Fort Dearborn Life logo; click 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 7 and in the last subsection of Section 8. Please refer to these definitions to better understand the coverage descriptions, benefits, limitations and exclusions contained in this book.

**Basic Group Term Life Insurance  
With Accelerated Life Benefit  
and AD&D**

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## Section 2

### Basic Group Term Life Insurance with Accelerated Life Benefit and AD&D\*

#### General Information

When you enroll in HealthSelect<sup>SM</sup> of Texas or a health maintenance organization (HMO), you are automatically enrolled in Basic Group Term Life Insurance with AD&D. This coverage provides \$5,000 of Basic Group Term Life Insurance and \$5,000 of Basic Group AD&D Insurance. If you are eligible for the full state contribution, these coverages are available at no additional cost to you. Your benefits coordinator will be able to tell you what your cost will be per month.

#### Summary of Benefits

Class Description	Amount of Group Term Life Insurance	Amount of Basic Group Accidental Death and Dismemberment (AD&D)*
Each Active Employee	\$5,000	\$5,000
*AD&D insurance ends upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.		

#### Basic Group Term Life Insurance

Your Basic Group Term Life Insurance amount is the amount to be paid to your designated beneficiary if you die. See Section 6 for more information on beneficiary designations. The Basic Group Term Life Insurance also includes:

**Extended Life Insurance Benefit** - This benefit is available to you if you become Totally Disabled prior to age 60. See Section 6 for details.

**Conversion Privilege** - This benefit is available to you if you leave employment or reduce employment with your State Agency. See Section 6 for details.

**Accelerated Life Benefit** - This benefit is available to you as part of the Basic Group Term Life Insurance. If you are diagnosed with a Terminal Condition and have a life expectancy of twelve months or less, you may apply for this benefit. If you have Basic Group Term Life Insurance only, see the Accelerated Life Benefit subsection below. If you have both Basic and Optional Group Term Life Insurance, see the Accelerated Life Benefit in Section 3.

## **Step-by-Step Instructions for Filing a Basic Group Term Life Insurance Claim**

If you die as a result of any cause,

### **Your designated beneficiary or other person designated by you or lawfully authorized to represent your estate:**

- contacts ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- completes and signs the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to FDL; and
- provides additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes an Agency Certification and Coordinator's Statement, signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, death certificate from your designated beneficiary or other person designated by you or lawfully authorized to represent your estate;
- receives an Agency Certification and Coordinator's Statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to your designated beneficiary if the claim is approved; or
- notifies your beneficiary and your benefits coordinator if the claim is denied for any reason.

**Accelerated Life Benefit.** (For Employees with Basic Group Term Life Only)

This section is applicable to you if you have only Basic Group Term Life Insurance. If you have Optional Group Term Life Insurance, see the Description in Section 3 for details of this benefit.

You or your court-appointed legal representative may request payment to you of your Basic Group Term Life Insurance amount in a single lump sum. You must be diagnosed with a Terminal Condition and have a life expectancy of twelve months or less.

FDL will review the request and evaluate whether the requirements for this benefit are met. If approved, FDL will make payment to you. The amount of the payment will reduce your Basic Term Life amount to zero and no benefit will be payable at your death. If you die after the payment of the Accelerated Life Benefit as the result of accidental bodily injuries, an AD&D benefit may be payable to your beneficiary subject to the AD&D requirements and limitations.

**Note: If you are diagnosed with a Terminal Condition, you may elect to receive benefits under the Accelerated Life Benefit or Viatical Settlement Option, but not both. Please review your situation carefully before making your selection.**

DISCLOSURE: The Accelerated Life Benefit offered under your Basic Group Term Life Insurance coverage is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the Accelerated Life Benefit qualifies for such favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to the Accelerated Life Benefit are complex. You are advised to consult a qualified tax advisor about the circumstances under which you could receive the Accelerated Life Benefit excludable from income under federal law. Receipt of the Accelerated Life Benefit payment may affect your or your Dependents' eligibility for public assistance such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), Supplementary Social Security Income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect your or your Dependents' eligibility for public assistance.

You may contact FDL Customer Service at 1-855-ERS-LIFE (1-855-377-5433) for additional information.

## **Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim**

Applicable if you have Basic Group Term Life Insurance coverage. If you are diagnosed with a Terminal Condition and you have a life expectancy of twelve months or less,

### **You or your court appointed legal representative:**

- obtain an Accelerated Life Insurance Benefit Claim Form through the ERS website.<sup>1</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

### **Benefits coordinator of your State Agency:**

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

### **You or your court appointed legal representative:**

- 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, including as due proof of your loss, copies of medical test results, lab reports, and any other information on which the diagnosis and life expectancy are based;
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date the form; and
- forward the completed claim form with all attachments to FDL at the address shown on the claim form.

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<sup>1</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- receives the claim form, reviews the claim, and requests additional information if needed;
- prepares a lump sum check in the amount of your Basic Group Term Life Insurance if your claim is approved; and
- mails the check to you or your legal representative; or
- notifies you or your legal representative and your benefits coordinator if your claim is denied for any reason.

**Basic Group AD&D Coverage**

The Basic Group AD&D benefit will be paid if you have an Accidental Bodily Injury which directly results in your death or in bodily loss within 180 consecutive days from the day the accident happened.

In the event of your Accidental Death, the Basic Group AD&D amount shown in the Summary of Benefits above, at page 6, will be paid to your designated beneficiary.

Basic Group AD&D benefits will be paid to you if you have a bodily loss as a direct result of your Accidental Bodily Injury and if your bodily loss is one or more of these types:

- loss of your hand by *actual severance* through or above the wrist;
- loss of your foot by *actual severance* through or above the ankle joint; and
- loss of your sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, the benefit will be \$2,500. If you have two or more bodily losses at the same time, the benefit will be \$5,000. Benefits will not be paid if you independently lose one or more fingers, one or more toes, or incur a partial loss of sight.

The total Basic Group AD&D amount that will be paid for all losses resulting from the same accident will not be more than \$5,000.

There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

## **Step-by-Step Instructions for Filing a Basic Group AD&D Claim**

If you die as a result of an Accidental Bodily Injury,

### **Your designated beneficiary or other person designated by you or lawfully authorized to represent your estate:**

- contacts ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- completes, signs, and dates the claim form;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to FDL; and
- provides additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes an Agency Certification and Coordinator's Statement, signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, any attachments, death certificate from your designated beneficiary or other person designated by you or lawfully authorized to represent your estate;
- receives an Agency Certification and Coordinator's Statement;
- requests additional information as needed to process the claim; and
- pays the death benefit to your designated beneficiary if the claim is approved; or
- notifies your beneficiary and your benefits coordinator if the claim is denied for any reason.

If you lose a hand, foot, or sight in one eye as a result of an Accidental Bodily Injury

**You must:**

- within 120 days of the accident, obtain a claim form through the ERS website.<sup>2</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

- completes the Employer's section, signs, and dates; 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 loss;
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign and date and forward to FDL at the address shown on the form; and
- attach any available newspaper clippings and /or official reports giving details of the accident.
- FDL must receive the form within 18 months of the Accidental Bodily Injury.

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<sup>2</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms** .

**FDL:**

- receives the claim form and due proof of your loss;
- reviews the claim, and requests additional information if needed;
- pays the benefit amount to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

**Optional Group Term Life Insurance with  
Accelerated Life Benefit and AD&D**

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## **Section 3**

### **Optional Group Term Life Insurance with Accelerated Life Benefit and AD&D\***

#### **General Information**

Coverage may be an amount of from one to four times your Annual Salary as Elections I, II, III, or IV of Optional Group Term Life Insurance with Accelerated Life Benefit and AD&D. You will be responsible for paying the premiums. The Optional Group Term Life Insurance coverage for each Election is described in the Summary of Benefits subsection later in this section. Enrollment may be subject to Evidence of Insurability requirements depending on when you enroll. See Eligibility subsection below.

\*AD&D insurance ends upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

#### **Eligibility**

If you are an Active Employee, including a Retiree returning to Active Service and electing coverage as an Active Employee, you are eligible to enroll in Optional Group Term Life Insurance with Accelerated Life Benefit and AD&D. Contact your benefits coordinator for enrollment details.

Your coverage effective date is determined by when you enroll.

Day you enroll	Insurance effective date
On or before your first day at work	Election I or II -- the first day you are Actively at Work, as long as the insurance and State Agency hire dates are the same. Election III or IV -- **
Within 31 days of your first day at work	Election I or II -- the first day of the month after the date you enroll (You must be Actively at Work for coverage to be effective). Election III or IV -- **
After 31 or more days from your first day at work***	Elections I, II , III or IV**
<p>**You must submit, at no expense to FDL, Evidence of Insurability to FDL for review. FDL will evaluate your medical information. <b>You will either be approved or denied coverage based on your medical information.</b> FDL will notify you and your Employer of FDL's approval or denial of your coverage. Insurance coverage will be effective on the first of the month following FDL notifying you and your Employer of FDL'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.</p> <p>***Exception: A Retiree who returns to Active Service and elects coverage as an Active Employee may, during their initial period of eligibility elect Election I or Election II without Evidence of Insurability.</p> <p><b>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.</b></p>	

Your Optional Group Term Life Insurance elections may change when you retire, regardless of your age. If Election I is in effect on the day you retire, you may continue Election I after retirement. If Election II, III, or IV is in effect on the date you retire, you may elect to continue Election I or II. You may elect to continue Election I or II if you retired and returned to Active Service after your original retirement, regardless of the Optional Group Term Life election made at your original retirement. Election I or II are subject to age-based benefit reduction factors beginning when you turn age 70 and continuing until the last reduction at age 90. The

premiums you pay will be based on your age on September 1 of each year.

At retirement, any Optional Group Term Life Insurance amount you do not retain as group coverage may be converted to an individual whole life insurance policy with FDL. If you have Election III or Election IV at the time of your retirement, you may retain Optional Group Term Life Insurance coverage in an amount up to Election II. The difference may be converted to an individual whole life insurance policy with FDL.

Your AD&D coverage will end at your retirement, regardless of your age.

See Section 6 for more information on when coverage might end.

**Summary of Benefits**

<b>Class Description</b>	<b>Amount of Optional Group Term Life Insurance with Accelerated Life Benefit</b>	<b>Amount of Optional Group AD&amp;D*</b>												
<b>Each Active Employee Under age 70</b>														
Election I	One times Annual Salary	An amount equal to the Optional Group Term Life Amount												
Election II	Two times Annual Salary	An amount equal to the Optional Group Term Life Amount												
Election III	Three times Annual Salary	An amount equal to the Optional Group Term Life Amount												
Election IV	Four times Annual Salary	An amount equal to the Optional Group Term Life Amount												
<b>Each Active Employee Age 70 or older</b>														
	<p>The same Optional Group Term Life Amount described above; however, your amount will be reduced to the percentages shown below, which are based on your age on September 1 of each year, rounded to the next highest \$1,000.</p> <table border="0"> <thead> <tr> <th><u>AGE</u></th> <th><u>REDUCTION PERCENTAGE</u></th> </tr> </thead> <tbody> <tr> <td>70 – 74</td> <td>65%</td> </tr> <tr> <td>75 – 79</td> <td>40%</td> </tr> <tr> <td>80 – 84</td> <td>25%</td> </tr> <tr> <td>85 – 89</td> <td>15%</td> </tr> <tr> <td>90 or over</td> <td>10%</td> </tr> </tbody> </table>	<u>AGE</u>	<u>REDUCTION PERCENTAGE</u>	70 – 74	65%	75 – 79	40%	80 – 84	25%	85 – 89	15%	90 or over	10%	An amount equal to the Optional Group Term Life Amount
<u>AGE</u>	<u>REDUCTION PERCENTAGE</u>													
70 – 74	65%													
75 – 79	40%													
80 – 84	25%													
85 – 89	15%													
90 or over	10%													
<p>*AD&amp;D insurance ends upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.</p> <p>The maximum coverage amount for Active Employees for Elections I, II, III, or IV is the lesser of four times Annual Salary or \$400,000.</p>														

## Coverage Amount Examples

### For Employees under age 70:

*Example:* Suppose your Annual Salary was \$24,300. Round your Annual Salary up to the next highest \$1,000 or \$25,000. Then multiply by four (for Election IV). Your coverage amount would be \$100,000.

### For Employees age 70 and older:

*Example:* Suppose your Annual Salary was \$25,200, your age was 75, and you have Election II coverage. The percentage of your Annual Salary would be 40%. The Annual Salary for determining coverage would be \$11,000 (\$25,200 times 40% = \$10,080 rounded to the next highest \$1,000 would be \$11,000). Your coverage amount for Election II would be \$22,000 (\$11,000 x 2 = \$22,000).

## Optional Group Term Life Insurance

Your Optional Group Term Life Insurance provides you with an amount of group term life insurance coverage from one to four times your Annual Salary, which will be paid to your designated beneficiary. See Section 6 for more information on beneficiary designations. The Optional Group Term Life Insurance also includes:

**Extended Life Insurance Benefit** - This benefit is available to you if you become Totally Disabled prior to age 60. See Section 6 for details.

**Conversion Privilege** - This benefit is available to you if you leave employment with your Employer. See Section 6 for details.

**Accelerated Life Benefit** - This benefit is available to you as part of the Basic Group Term Life Insurance and Optional Group Term Life Insurance. See the Accelerated Life Benefit subsection later in this section. If you have only Basic Group Term Life Insurance, see Section 2 for benefit details.

**Viatical Settlement Option** - This option is available to you if you are diagnosed with a Terminal Condition. See the Viatical Settlement Option subsection later in this section.

## **Step-by-Step Instructions for Filing an Optional Group Term Life Insurance Claim**

If you die as a result of any cause,

### **Your designated beneficiary or other person designated by you or lawfully authorized to represent your estate:**

- contacts ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- completes, signs, and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to FDL; and
- provides additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes, signs, and dates an Agency Certification and Coordinator's Statement; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, any attachments, death certificate from your designated beneficiary or other person designated by you or lawfully authorized to represent your estate;
- receives an Agency Certification and Coordinator's Statement;
- requests additional information as needed to process the claim; and
- pays the death benefit to your designated beneficiary if the claim is approved; or
- notifies your beneficiary and your benefits coordinator if the claim is denied for any reason.

## Optional Group AD&D Coverage

The Optional Group AD&D benefit will be paid if you have an Accidental Bodily Injury which directly results in your death or in a bodily loss within 180 consecutive days from the day the accident happened.

In the event of your Accidental Death, your Optional Group AD&D amount will be paid to your designated beneficiary.

Optional Group AD&D benefits will be paid to you if you have a bodily loss as a direct result of your Accidental Bodily Injury and if your bodily loss is one or more of these:

- loss of your hand by *actual severance* through or above the wrist;
- loss of your foot by *actual severance* through or above the ankle joint; and
- loss of your sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, half of your Optional Group AD&D insurance amount will be paid to you. If you have two or more bodily losses at the same time, the full amount of your Optional Group AD&D insurance will be paid to you. Benefits will not be paid if you independently lose one or more fingers, one or more toes, or incur a partial loss of sight.

The total Optional Group AD&D amount that will be paid for all losses resulting from the same accident will not be more than your Optional Group AD&D coverage amount.

There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

## **Step-by-Step Instructions for Filing an Optional Group AD&D Claim**

If you die as a direct result of an Accidental Bodily Injury,

### **Your designated beneficiary or other person designated by you or lawfully authorized to represent your estate:**

- contacts ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- completes, signs, and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to FDL; and
- provides additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes an Agency Certification and Coordinator's Statement, signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, any attachments, and death certificate from your designated beneficiary or other person designated by you or lawfully authorized to represent your estate;
- receives an Agency Certification and Coordinator's Statement;
- requests additional information as needed to process the claim; and
- pays the death benefit to your designated beneficiary if the claim is approved; or
- notifies your beneficiary and your benefits coordinator if the claim is denied for any reason.

If you lose a hand, foot, or sight in one eye as a result of an Accidental Bodily Injury,

**You must:**

- within 120 days of the accident, obtain a claim form through the ERS website.<sup>3</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

- completes the Employer's section, signs, and dates; 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 loss;
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date the form, and forward to FDL at the address shown on the form; and
- attach any available newspaper clippings and/or official reports giving details of the accident.
- FDL must receive the form within 18 months of the Accidental Bodily Injury.

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<sup>3</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms** .

**FDL:**

- receives the claim form and due proof of your loss;
- reviews the claim, and requests additional information if needed;
- pays the benefit amount to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

## **Accelerated Life Benefit**

This section is applicable to you if you have Optional Group Term Life Insurance coverage. If you have only Basic Group Term Life Insurance coverage, the description of the Accelerated Life Benefit and the Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim in Section 2 are applicable to you.

You or your court appointed legal representative may request payment in one lump sum to you of up to 80% of your total Group Term Life Insurance amount which is the sum of your Basic Group Term Life Insurance (which you have if you have health coverage through the Group Benefits Program) and your Optional Group Term Life Insurance amounts. You must be diagnosed with a Terminal Condition and have a life expectancy of twelve months or less.

FDL will review your request and evaluate whether the requirements of this benefit are met. The minimum payment will be \$5,000 and will be made by FDL to you or your legal representative. The amount of the payment will be deducted from your Optional Group Term Life Insurance amount. However, you will continue to pay the premium for the Optional Group Term Life Insurance coverage as if the Accelerated Life Benefit payment had not been made.

**The amount of Optional Group Term Life Insurance that will be paid to your designated beneficiary when you die will be reduced by this Accelerated Life Benefit Payment. However, the premium you pay will continue as if the Accelerated Life Benefit payment had not been made.**

***Note:* If you are diagnosed with a Terminal Condition, you may elect to receive benefits under the Accelerated Life Benefit or Viatical Settlement Option, but not both. Please review your situation carefully before making your selection.**

**DISCLOSURE:** The Accelerated Life Benefit offered under your Optional Group Term Life Insurance coverage is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the Accelerated Life Benefit qualifies for such favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to the Accelerated Life Benefit are complex. You are advised to consult a qualified tax advisor about the circumstances under which you could receive the Accelerated Life Benefit excludable from income under federal law. Receipt of the Accelerated Life Benefit payment may affect your or your Dependents' eligibility for public assistance such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), Supplementary Social Security Income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect your or your Dependents' eligibility for public assistance.

## **Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim**

Applicable if you have Optional Group Term Life Insurance coverage. If you are diagnosed with a Terminal Condition and have a remaining life expectancy of twelve months or less,

### **You or your court appointed legal representative:**

- obtain an Accelerated Life Insurance Benefit Claim Form through the ERS website.<sup>4</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

### **Benefits coordinator of your State Agency:**

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

### **You or your court appointed legal representative:**

- 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, including as due proof of your loss, copies of medical test results, lab reports, and any other information on which the diagnosis and life expectancy are based;
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date the form; and
- forward the completed claim form with all attachments to FDL at the address shown on the claim form.

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<sup>4</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- receives the claim form, reviews the claim, and requests additional information if needed;
- prepares a lump sum check in the amount of your Optional Group Term Life Insurance selected, up to 80%, if your claim is approved; and
- mails the check to you or your legal representative; or
- notifies you or your legal representative and your benefits coordinator if your claim is denied for any reason.

## **Viatical Settlement Option**

You may make an irrevocable beneficiary designation in conjunction with a Viatical Settlement. The choice of a Viatical Settlement provider is yours. Neither FDL nor ERS is responsible for recommending or selecting a Viatical Settlement provider. Upon your death, payment will be made to the Viatical Settlement provider or the persons or entities designated as the irrevocable beneficiary if your life insurance is still in force. This option only applies to Basic Group Term Life Insurance and Optional Group Term Life Insurance.

You will need to make a separate beneficiary designation for Basic Group AD&D, Optional Group AD&D, and Voluntary AD&D coverages if an irrevocable beneficiary designation are made for Group Term Life Insurance coverages.

Contact the FDL Customer Service Department at 1-855-ERS-LIFE (1-855-377-5433) for additional information.

***Note: If you are diagnosed with a Terminal Condition, you may elect to receive benefits under the Accelerated Life Benefit or Viatical Settlement Option, but not both. Please review your situation carefully before making your selection.***

## Step-by-Step Instructions for Filing a Viatical Settlement Claim

If you are diagnosed with a Terminal Condition,

### **You must:**

- research and select a Viatical Settlement provider.

### **The Viatical Settlement provider:**

- sends a questionnaire to FDL, if needed.

### **FDL:**

- researches your Group Term Life Insurance coverage; and
- responds to the Viatical Settlement provider.

### **The Viatical Settlement provider:**

- reviews FDL's response; and
- signs an agreement with you or declines to sign an agreement.

### **FDL:**

- sends you an irrevocable beneficiary designation form for you to complete, sign, and return to FDL if the Viatical Settlement provider signs an agreement with you;
- notifies ERS of the irrevocable beneficiary designation; and
- maintains the irrevocable beneficiary designation form in FDL's files.

### **You will:**

- receive the payment from the Viatical Settlement provider for the agreed upon percentage of your Group Term Life Insurance amount.

### **FDL:**

- pays the death benefit from your Group Term Life Insurance to the Viatical Settlement provider or the persons or entities designated as the irrevocable beneficiary in the event the coverage is still in force when you die.

# **Dependent Group Term Life Insurance with Accelerated Life Benefit and AD&D**

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## **Section 4**

### **Dependent Group Term Life Insurance with Accelerated Life Benefit and AD&D\***

#### **General Information**

You may be eligible to enroll your dependents in Dependent Group Term Life Insurance with Accelerated Life Benefit and AD&D coverage, which provides group term life insurance; Accelerated Life Benefit; and group accidental death, dismemberment, and loss of sight coverage for all your listed eligible Dependents. Enrollment may be subject to Evidence of Insurability requirements depending on when you enroll. See Eligibility subsection below.

\*AD&D insurance ends for you and your Dependents upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you. See Section 6 for details.

#### **Eligibility**

If you are an Active Employee, you are eligible to enroll your dependents in Dependent Group Term Life Insurance and AD&D. Contact your benefits coordinator for enrollment details.

Dependent is as defined in Section 7.

A dependent Child becomes eligible for coverage as follows:

- a. A newborn natural child is eligible for coverage on his/her date of birth if the child is born alive as certified by an attending physician.
- b. A newly adopted child is eligible for coverage on the date of placement for adoption.
- c. A newly acquired dependent who does not qualify under items a. or b. above becomes eligible for coverage on the first day of the month following the date on which he/she becomes a dependent, of a covered Employee, as defined in Section 7.

The coverage effective date for your eligible Dependents' coverage is determined by when you enroll.

Day you enroll	Dependents' Insurance 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	**
<p>**You must submit, at no expense to FDL, Evidence of Insurability for each of your eligible Dependents to FDL for review. FDL will evaluate the medical information. <b>You will either be approved or denied coverage for your Dependents based on your Dependents' medical information.</b> FDL will notify you and your Employer of FDL's approval or denial of your Dependent's coverage. Insurance coverage will be effective on the first of the month following FDL notifying you and your Employer of approval of coverage for your Dependents. You must be Actively at Work for coverage to become effective. The effective date of coverage is always later than the approval date.</p> <p><b>Note: If the medical information you or a Dependent provides 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.</b></p>	

The following persons are not eligible for Dependent Group Term Life Insurance:

- Any person who is a Full-Time Active Employee and is enrolled in Basic Group Term Life Insurance or Optional Group Term Life Insurance;
- Any person who is a Part-Time Active Employee and is enrolled in Basic Group Term Life Insurance or Optional Group Term Life Insurance;
- Any person approved for Extended Life Insurance Benefits;
- Any person who is a Retiree and is enrolled in Basic Group Term Life Insurance or Optional Group Term Life Insurance; or
- Any person who has applied for an individual life insurance policy with FDL within 31 days of termination of State of Texas employment.

## Summary of Benefits

<b>Dependent</b>	<b>Amount of Dependents' Group Term Life Insurance</b>	<b>Amount of Dependents' AD&amp;D*</b>
Spouse	\$5,000	\$5,000
Eligible Child(ren) from date of birth up to age 25	\$5,000	\$5,000
*AD&D insurance ends for your dependents upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.		

## **Dependent Group Term Life Insurance**

Dependent Group Term Life Insurance provides each of your covered Dependents with \$5,000 of group term life insurance. Dependent Group Term Life Insurance also provides:

**Conversion Privilege** - This benefit is available to your covered spouse if you leave employment or in the event of your death. The amount of group term life insurance on your spouse may be converted to an individual life insurance policy. See Section 6 for details.

Dependent Group Term Life Insurance benefits will not be paid if the deceased Dependent was insured in the Group Benefits Program as an Active Employee and died within 31 days of the date that his or her insurance ended as an Active Employee.

If your Dependent becomes ineligible for insurance, his or her coverage will automatically end on the last day of the month in which the ineligibility occurs. For example, if your Dependent turns age 25 on December 6, the insurance coverage will remain in effect until the last day of the month (December 31). You should notify your benefits coordinator of any Dependent deletion or addition to ensure your coverages and premiums are correct.

## **Step-by-Step Instructions for Filing a Dependent Group Term Life Insurance Claim**

If your covered Dependent dies as a result of any cause,

### **You must:**

- contact ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- complete, sign, and date the claim forms;
- within 24 months of your Dependent's death, submits the completed claim form, together with a certified copy of your Dependent's death certificate, to FDL; and
- provide additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes an Agency Certification and Coordinator's Statement, signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, death certificate from you;
- receives an Agency Certification and Coordinator's Statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to you; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

## Dependent Group AD&D Coverage

Dependent Group AD&D benefits will be paid if your covered Dependent has an Accidental Bodily Injury which directly results in his or her death or bodily loss within 180 consecutive days from the day the accident happened.

In the event of the Accidental Death of a covered Dependent, the Dependent Group AD&D amount shown in the Summary of Benefits on page 31 for that Dependent will be paid to you.

Dependent Group AD&D benefits will be paid to you if your covered Dependent has a bodily loss as a direct result of an Accidental Bodily Injury and if your Dependent's bodily loss is one or more of these types:

- loss of a hand by *actual severance* through or above the wrist;
- loss of a foot by *actual severance* through or above the ankle joint; and
- loss of sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, the benefit of \$2,500 will be paid to you. If your covered Dependent has two or more bodily losses at the same time, the benefit paid to you will be \$5,000. Benefits will not be paid if your covered Dependent independently loses one or more fingers, one or more toes, or incurs a partial loss of sight.

The total Dependent Group AD&D amount that will be paid for all losses resulting from the same accident will not be more than \$5,000.

There are limitations and exclusions that may limit the amount that is payable to you. See Section 6 for details.

## **Step-by-Step Instructions for Filing a Dependent Group AD&D Claim**

If your covered Dependent dies as a result of an Accidental Bodily Injury,

### **You must:**

- contact ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits;
- complete, sign, and date the claim forms;
- within 24 months of your Dependent's death, submit the completed claim form, together with a certified copy of your Dependent's death certificate, to FDL; and
- provide additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- complete an Agency Certification and Coordinator's Statement, signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, any attachments, and death certificate from you;
- receives an Agency Certification and Coordinator's Statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

If your covered Dependent loses a hand, foot, or sight in one eye as a result of an Accidental Bodily Injury,

**You must:**

- within 120 days of the accident, obtain a claim form through the ERS website.<sup>5</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

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

**You:**

- obtain the completed form from your benefits coordinator. Have your Dependent's doctor, who must be an Approved Practitioner, complete, sign, and date the Attending Practitioner's Statement as due proof of your Dependent's loss;
- your Dependent's doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date the claim form, and forward to FDL at the address shown on the form; and
- attach any available newspaper clippings and/or official reports giving details of the accident.
- FDL must receive the form within 18 months of the Accidental Bodily Injury.

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<sup>5</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- receives the claim form and due proof of your covered Dependent's loss;
- reviews the claim, and requests additional information if needed;
- pays the benefit amount to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

**Accelerated Life Benefit.** (For Employees covering Dependents under Group Life coverage.)

This section is applicable to you if you have enrolled your dependents in and are paying premiums for Dependent Group Term Life Insurance coverage.

You may request payment of a Dependent Group Term Life Insurance amount in a lump sum. Your Dependent must be diagnosed with a Terminal Condition and have a life expectancy of twelve months or less.

FDL will review the request and evaluate whether the requirements for this benefit are met. If approved, FDL will make payment to you. The amount of the payment will reduce that Dependent's Dependent Group Term Life Insurance amount to zero and no benefit will be payable at your Dependent's death. If your Dependent dies after the payment of the Accelerated Life Benefit as the result of accidental bodily injuries, an AD&D benefit may be payable subject to the AD&D requirements and limitations.

**Note: If your insured Dependent is diagnosed with a Terminal Condition, you may elect to receive payments under your Dependent's Accelerated Life Benefit or Viatical Settlement Option, but not both. Please review your Dependent's situation carefully before making your selection.**

DISCLOSURE: The Accelerated Life Benefit offered under your Dependent Group Term Life Insurance coverage is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the Accelerated Life Benefit qualifies for such favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to the Accelerated Life Benefit are complex. You are advised to consult a qualified tax advisor about the circumstances under which you could receive the Accelerated Life Benefit excludable from income under federal law. Receipt of the Accelerated Life Benefit payment may affect your or your Dependents' eligibility for public assistance such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), Supplementary Social Security Income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect your or your Dependents' eligibility for public assistance.

You may contact FDL Customer Service at 1-855-ERS-LIFE (1-855-377-5433) for additional information.

## Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim for a Dependent

If your covered Dependent is diagnosed with a Terminal Condition and has a remaining life expectancy of twelve months or less,

### You must:

- obtain an Accelerated Life Insurance Benefit Claim Form through the ERS website.<sup>6</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

### Benefits coordinator of your State Agency:

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

### You:

- obtain the completed form from your benefits coordinator. Have your Dependent's doctor, who must be an Approved Practitioner, complete, sign, and date the Attending Practitioner's Statement, including as due proof of your Dependent's loss, copies of medical test results, lab reports, and any other information on which the diagnosis and life expectancy are based;
- your Dependent's doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date the form; and
- forward the completed claim form with all attachments to FDL at the address shown on the claim form.

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<sup>6</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- receives the claim form, reviews the claim, and requests additional information if needed;
- prepares a lump sum check in the amount of your Dependent's Group Term Life Insurance if your claim is approved; and
- mails the check to you; or
- notifies you and your benefits coordinator if your claim is denied for any reason.

## **Viatical Settlement Option**

If your insured Dependent is diagnosed with a Terminal Condition, you may make an irrevocable beneficiary designation in conjunction with a Viatical Settlement for your insured Dependent's coverage. The choice of a Viatical Settlement provider is yours. Neither FDL nor ERS is responsible for recommending or selecting a Viatical Settlement provider. Upon your Dependent's death, payment will be made to the Viatical Settlement provider or the persons or entities designated as the irrevocable beneficiary if the life insurance on that Dependent is still in force. This option applies only to your Dependents' Dependent Group Term Life Insurance.

The irrevocable beneficiary designation is not applicable to the Dependent AD&D or Voluntary AD&D for Dependent coverage. You remain the beneficiary for these coverages for your covered Dependents.

***Note: If your insured Dependent is diagnosed with a Terminal Condition, you may elect to receive payments under your Dependent's Accelerated Life Benefit or Viatical Settlement Option, but not both. Please review your Dependent's situation carefully before making your selection.***

Contact the FDL Customer Service Department at 1-855-ERS-LIFE (1-855-377-5433) for additional information.

## **Step-by-Step Instructions for Filing a Dependent Viatical Settlement Claim**

If your Dependent is diagnosed with a Terminal Condition,

### **You must:**

- research and select a Viatical Settlement provider.

### **The Viatical Settlement provider:**

- may send a questionnaire to FDL.

### **FDL:**

- researches your Dependent's Group Term Life Insurance coverage; and
- responds to the Viatical Settlement provider.

### **The Viatical Settlement provider:**

- reviews FDL's response; and
- signs an agreement with you or declines to sign an agreement.

### **FDL:**

- sends you an irrevocable beneficiary designation form for you to complete, sign, and date and return to FDL if the Viatical Settlement provider signs an agreement with you;
- notifies ERS of the irrevocable beneficiary designation; and
- maintains the irrevocable beneficiary designation form in FDL's files.

### **You will:**

- receive the payment from the Viatical Settlement provider for the agreed upon percentage of your Dependent Group Term Life Insurance amount.

### **FDL:**

- pays the death benefit from your Dependent Group Term Life Insurance to the Viatical Settlement provider or the persons or entities designated as the irrevocable beneficiary in the event of the death of your covered Dependent while that Dependent's coverage is in force.

**Voluntary Accidental Death and Dismemberment  
(Voluntary AD&D)**

**SECTION  
FIVE  
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Dependent’s Voluntary AD&D Claim .....pg. 55

## Section 5

### Voluntary Accidental Death and Dismemberment (Voluntary AD&D)

#### General Information

Voluntary Accidental Death and Dismemberment (Voluntary AD&D) provides accidental death, dismemberment, and loss of sight coverage in addition to the Basic, Optional and Dependents' AD&D coverage described earlier in this book. Two options are available for you to enroll in: Employee Only Voluntary AD&D and Employee and Family Voluntary AD&D.

#### Eligibility

You may enroll in Voluntary AD&D and Evidence of Insurability is not required for you or your eligible Dependents. You may enroll in the Employee Only coverage if you desire coverage only for yourself. You may enroll in the Employee and Family coverage to have coverage for yourself and **all** your eligible Dependents. **All** your eligible Dependents (spouse and children) will be covered.

The following persons are not eligible to receive coverage as your Dependent:

- Any person insured as an Employee under Employee Only Voluntary AD&D or any person insured as a Dependent spouse under the Employee and Family Voluntary AD&D; or
- Any person who is within the 31 day conversion period for Basic or Optional Group Term Life.

## Summary of Benefits

Coverage For	Description of Insured Class	Amount of Principal Sum		
		Minimum	<u>Benefit</u> Maximum	Increments
<b>Employee Only</b>	Active Employees: Under age 70*	\$10,000	\$200,000	\$5,000
	70-74*	6,500	130,000	3,250
	75-79*	4,000	80,000	2,000
	80-84*	2,500	50,000	1,250
	85-89*	1,500	30,000	750
	90 and over*	1,000	20,000	500
	* Employee's attained age as of September 1 of each year.			

- or -

Coverage For	Description of Insured Class	Amount of Principal Sum		
		Minimum	<u>Benefit</u> Maximum	Increments
<b>Employee And Family</b>	Active Employees and all eligible Dependents: Under age 70*	<b>Employees:</b> \$10,000	\$200,000	\$5,000
	70-74*	6,500	130,000	3,250
	75-79*	4,000	80,000	2,000
	80-84*	2,500	50,000	1,250
	85-89*	1,500	30,000	750
	90 and over*	1,000	20,000	500
	* Employee's attained age as of September 1 of each year.		<b>Dependents:</b> Spouse: 50% of the Employee's amount; Each child, for either: A. 5% of the Employee's amount if there is a spouse who is eligible for insurance; or B. 10% of the Employee's amount if there is no spouse who is eligible for insurance.	

Voluntary AD&D ends for you and your Dependents upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

## Employee Only Voluntary AD&D

The amount of insurance you select when you enroll will be paid if you have an Accidental Bodily Injury that directly results in your death or in a bodily loss within 180 consecutive days of the accident date.

In the event of your Accidental Death, your Voluntary AD&D amount will be paid to your designated beneficiary.

Your Voluntary AD&D amount will be paid to you if you have a bodily loss as a direct result of your Accidental Bodily Injury and if your bodily loss is one or more of these types:

- loss of your hand by *actual severance* through or above the wrist;
- loss of your foot by *actual severance* through or above the ankle joint; or
- loss of sight in one of your eyes resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, half of your Voluntary AD&D amount will be paid to you. If you have two or more bodily losses at the same time, the full amount of your Voluntary AD&D insurance will be paid to you. Benefits will not be paid if you independently lose one or more fingers, one or more toes, or incur a partial loss of sight.

The total Voluntary AD&D amount that will be paid for all losses resulting from the same accident will be the Voluntary AD&D amount you have selected on your enrollment form.

## **Step-by-Step Instructions for Filing an Employee's Voluntary AD&D Claim**

If you die as a result of an Accidental Bodily Injury,

### **Your designated beneficiary or other person designated by you or lawfully authorized to represent your estate:**

- contacts ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- completes, signs, and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to FDL; and
- provides additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes an Agency Certification and Coordinator's Statement, signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, any attachments, and death certificate from your designated beneficiary or other person designated by you or lawfully authorized to represent your estate;
- receives an Agency Certification and Coordinator's Statement;
- reviews the claim, and requests additional information if needed; and
- pays the death benefit to your designated beneficiary if the claim is approved; or
- notifies your beneficiary and your benefits coordinator if the claim is denied for any reason.

If you lose a hand, foot, or sight in one eye as a result of an Accidental Bodily Injury,

**You must:**

- within 120 days of the accident, obtain a claim form through the ERS website.<sup>7</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

- completes the Employer's section, signs, and dates; 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 loss;
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date and forward to FDL at the address shown on the form; and
- attach any available newspaper clippings and/or official reports giving details of the accident.
- FDL must receive the form within 18 months of the Accidental Bodily Injury.

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<sup>7</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- receives the claim form and due proof of your loss;
- reviews the claim, and requests additional information if needed;
- pays the benefit amount to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

## Employee and Family Voluntary AD&D

The amount of insurance for you and your eligible Dependents is the amount you select when you enroll as described in the Summary of Benefits earlier in this section.

If your death or bodily loss is a direct result of your Accidental Bodily Injury, your Voluntary AD&D amount will be paid to you or your designated beneficiary as stated above in the Employee Only Voluntary AD&D section.

In the event of your covered Dependent's Accidental Death, that Dependent's Voluntary AD&D amount will be paid to you.

Your Dependent's Voluntary AD&D amount will be paid to you if your covered Dependent has a bodily loss as a direct result of an Accidental Bodily Injury and if your Dependent's bodily loss is one or more of these types:

- loss of a hand by *actual severance* through or above the wrist;
- loss of a foot by *actual severance* through or above the ankle joint; and
- loss of sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, half of that Dependent's Voluntary AD&D amount will be paid to you. If your covered Dependent has two or more bodily losses at the same time, the full Dependent's Voluntary AD&D amount will be paid to you. Benefits will not be paid if your covered Dependent independently loses one or more fingers, one or more toes, or incurs a partial loss of sight.

The total Voluntary AD&D amount that will be paid for all losses resulting from the same accident will be that Dependent's Voluntary AD&D amount described above.

There are limitations and exclusions that may limit the amount that is payable to you. See Section 6 for details.

## **Step-by-Step Instructions for Filing a Dependent Voluntary AD&D Claim**

If your covered Dependent dies as a result of an Accidental Bodily Injury,

### **You must:**

- contact ERS at (512) 867-7711 or (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the designated beneficiary.
- complete, sign, and date the claim form;
- within 24 months of your Dependent's death, submit the completed claim form, together with a certified copy of your Dependent's death certificate, to FDL; and
- provide additional information as needed for FDL to process the claim.

### **Benefits coordinator of your State Agency:**

- completes an Agency Certification and Coordinator's Statement, and signs, and dates; and
- forwards the documents to FDL.

### **FDL:**

- receives the claim form, any attachments, and your Dependent's death certificate from you;
- receives an Agency Certification and Coordinator's Statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

If your covered Dependent loses a hand, foot, or sight in one eye as a result of an Accidental Bodily Injury,

**You must:**

- within 120 days of the accident, obtain a claim form through the ERS website.<sup>8</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

**Benefits coordinator of your State Agency:**

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

**You:**

- obtain the completed form from your benefits coordinator. Have your Dependent's doctor, who must be an Approved Practitioner, complete, sign, and date the Attending Practitioner's Statement as due proof of your Dependent's loss;
- your Dependent's doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date and forward to FDL at the address shown on the form; and
- attach any available newspaper clippings and/or official reports giving details of the accident.
- FDL must receive the form within 18 months of the Accidental Bodily Injury.

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<sup>8</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms** .

**FDL:**

- receives the claim form and due proof of your loss;
- reviews the claim, and requests additional information if needed;
- pays the benefit amount to you if the claim is approved; or
- notifies you and your benefits coordinator if the claim is denied for any reason.

# Provisions Applicable to Group Term Life, AD&D, and Voluntary AD&D

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## Section 6

### Provisions Applicable to Group Term Life, AD&D, and Voluntary AD&D

#### Accidental Death, Dismemberment and Loss of Sight (AD&D) Insurance and Voluntary AD&D Limitations and Exclusions

The exclusions and limitations listed in this subsection are applicable to all AD&D and Voluntary AD&D coverages described in this book including: Basic Group AD&D, Optional Group AD&D, Dependent Group AD&D, and Voluntary AD&D.

AD&D or Voluntary AD&D benefits will not be paid for any loss caused by, resulting from, arising out of, or substantially contributed to by, any one or more of the following:

1. Intentionally self-inflicted injuries, suicide, or any attempted suicide, while sane or insane; or
2. Declared or undeclared war or any act associated with war; or
3. An accident occurring while the Insured is serving on full-time active duty in the Armed Forces of any country or international authority; or
4. Illness, disease, pregnancy, childbirth, miscarriage, bodily infirmity, or any bacterial infections other than bacterial infection occurring as a consequence of an accidental wound or cut; or
5. A loss occurring while the Insured is engaged in any felonious activity or a loss which results from or is related to the Insured's felonious activity. Conviction of a felony is not necessary for the determination of a loss resulting from felonious activity.
6. The Insured 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 a loss resulting from intoxication. This exclusion is applicable whether or not the loss is related to the operation of a motor vehicle.

7. Travel or flight in any vehicle or device for aerial navigation, including boarding or deplaning, while
  - a. Being used for any test or experimental purpose; or
  - b. Traveling or flying in an aircraft owned, leased, or rented by the State of Texas, as a pilot or member of the crew thereof, provided this item (b) will not apply to a pilot or crew member:
    - i. who is on approved official State of Texas business;
    - ii. who is performing duties consistent with his/her State of Texas job description; and
    - iii. who, in the case of a pilot, is properly licensed and certified by the Federal Aviation Agency to fly the type of aircraft being operated or is a properly licensed pilot who, while on approved official State of Texas business, is in the process of obtaining certification to fly the type of aircraft being operated; or
  - c. Traveling or flying in an aircraft other than an aircraft owned, leased, or rented by the State of Texas, as a pilot or member of the crew thereof, provided this item (c) will not apply to a pilot or crew member who meets all four of the following conditions at the time of any accident:
    - i. is on official State of Texas business; and
    - ii. is on approved State of Texas travel; and
    - iii. is eligible for reimbursement by the State of Texas for travel expenses; and
    - iv. in the case of a pilot, is properly licensed and certified by the Federal Aviation Agency to fly the type of Aircraft being operated; or
  - d. Engaged in stunt flying, skydiving, crop dusting, banner towing, or experimental test flights, or while giving or receiving any training or instructions unless the training or instructions are in conjunction with approved official State of Texas business; or
  - e. While being operated by, for, or under the direction of any military authority of the United States of America or the similar air transport service of any other country unless such aircraft is on temporary loan to a State Agency, college, or university, and the flight is in conjunction with approved non-military official State of Texas business.

## Beneficiary Designations

You may name anyone you wish as beneficiary of your group term life, AD&D or Voluntary AD&D insurance. You may also change your beneficiary designation at any time, unless you have made an irrevocable beneficiary designation through a Viatical Settlement for Group Term Life Insurance coverage. Then you may only change your beneficiary designation for your Basic AD&D, Optional AD&D, and Voluntary AD&D coverages, as these coverages are not subject to an irrevocable beneficiary designation for Viatical Settlement. For the change to be effective, the form must be signed by you, witnessed, and filed with your Employer prior to your death. A beneficiary designation, change, or cancellation in your will or other legal document which is **not** on file with your Employer, will not be effective. If you have not named a beneficiary, or if the beneficiary you have named dies before you, your group term life, AD&D, or Voluntary AD&D insurance benefit will be paid in the following order:

- Your surviving spouse, or if none, then
- Your child(ren) and descendants of your deceased child(ren) by representation, or if none, then
- Your parents or the surviving parent, or if none, then
- The duly appointed executor or administrator of your estate, or
- If none of the above, any other kin entitled under the laws of the state where you lived at the date of your death.

If, within one year after your death:

- no claim for payment has been filed by a person entitled to it as shown in the order above, or
- if a person makes a claim within a year, but is not allowed to receive it by any statute or regulation,

then the claim payment may be made in the order stated above as if the person who did not make a claim or is not allowed to receive it had died before you. The claim payment is final and no other party can recover the money.

If, within two years after your death:

- no claim for payment has been filed by a person entitled to it as stated in the order above, and
- neither ERS nor FDL has received notice that a claim will be made,

then the payment may be made to the person who, in the judgment of ERS, is rightfully entitled to it. The claim payment is final and no other party can recover the money.

If, within four years after your death:

- payment has not been made under this “Beneficiary Designation” subsection; and
- no claim for payment by a person entitled under this “Beneficiary Designation” subsection is pending,

then the amount payable is credited to the Fund, as defined in the Act.

If you designate your spouse as beneficiary of your group term life, AD&D, or Voluntary AD&D insurance, and if :

- the marriage ends in divorce after your designation is made; and
- you die before the new designation is made,

your insurance benefit will be paid in accordance with Sections 7.004 and 9.301 of the *Texas Family Code*.

### **Changes in Insurance**

You may make changes to your insurance coverage; however, the time frame for the change to become effective depends on the change you make or request. The following shows some time frames for insurance change effective dates:

- If you have a change in salary or a birthday, the amount of your insurance will be updated the following September 1.
- If you reduce your insurance amount or you retire, the changes to your insurance will be effective on the first of the month following such change.
- If you are not Actively at Work on the day the change in insurance would begin, the change will begin on the day you return to Active Work.
- Contact your benefits coordinator if you wish to change your insurance.

## Conversion Privilege

### Conversion For You

You may convert your Group Term Life Insurance (both Basic and Optional amounts) to an individual policy of whole life insurance if your employment ends for any reason or if you are no longer eligible for these coverages. Evidence of Insurability is not required if you apply for the individual life insurance policy and pay the first premium within 31 days after your group coverage ends.

If you convert to an individual life insurance policy, the premium will cost more than your group term life insurance premium.

**Note:** The individual life insurance policy does not include the Extended Life Insurance Benefit, AD&D, or the Accelerated Life Benefit and is not term insurance.

If the Group Policy is discontinued, you may convert to an individual life insurance policy (as described above) as if your employment ends on the date the Group Policy ends, provided:

- you were insured under the Group Policy when the Group Policy ends;
- you were continuously insured under the Group Policy for at least five years before the Group Policy ends; and
- your insurance under the Group Policy ends because the Group Policy has ended.

The individual life insurance policy will not be for an amount of insurance greater than the smaller of the following amounts:

- the amount of your insurance under the Group Policy, minus the amount of any life insurance you are eligible for under any group policy issued or reinstated by FDL or by any other life insurance company within 31 days after the termination of the Group Policy; or
- \$2,000.

If you die within the 31-day period allowed for conversion, a benefit may be paid to your beneficiary. The amount paid will be the amount your beneficiary would have received if you had applied for conversion. This benefit may be paid, regardless of whether or not you applied for it.

## Conversion For Your Covered Spouse

Your covered spouse may convert his or her Dependents' Group Term Life Insurance amount to an individual policy of whole life insurance if:

- your employment ends for any reason;
- you are no longer eligible for Dependents' insurance under these coverages; or
- you die.

Your covered spouse is not required to provide Evidence of Insurability if your spouse applies for the individual policy and pays the first premium within 31 days after group coverage ends.

If your covered spouse converts to an individual life insurance policy, the premium will cost more than your covered spouse's group term life insurance premium.

**Note:** The individual life insurance policy will not include AD&D insurance and is not term insurance.

If the Group Policy is discontinued or is changed to end coverage for Dependents, your covered spouse will be able to convert his or her Dependents' Group Term Life Insurance to an individual life insurance policy (as described above), provided:

- your covered spouse was insured under the Group Policy when the Group Policy ends;
- your covered spouse was continuously insured under the Group Policy for at least five years before the Group Policy ends; and
- your covered spouse's insurance under the Group Policy ends because the Group Policy has ended.

The individual life insurance policy will not be for an amount of insurance greater than the smaller of the following amounts:

- the amount of your covered spouse's insurance under the Group Policy, minus the amount of any life insurance your covered spouse is eligible for under any group policy issued or reinstated by FDL or by any other life insurance company within 31 days after the termination of the Group Policy; or
- \$2,000.

If your covered spouse dies within the 31-day period allowed for conversion, a benefit may be paid to your covered spouse's beneficiary. The amount paid will be the amount your covered spouse's beneficiary would have received if your covered spouse had applied for conversion. This benefit may be paid, regardless of whether or not you or your covered spouse applied for conversion.

## **Extended Life Insurance Benefits (Waiver of Premium)**

If you are younger than 60 and become Totally Disabled (as certified by an Approved Practitioner) for six continuous months or more and cannot be gainfully employed in any occupation, your Group Term Life Insurance may be continued without any payment of premium. You must give written proof of your Total Disability to FDL within 6 to 18 months after the date you became Totally Disabled. From then on until you are age 70 or older, you must provide proof of continuing disability at least once a year. After you reach age 70 and you have been continuously disabled and are receiving Extended Life Insurance Benefits, no additional proof of continuing disability is required. However, FDL may request that you complete a questionnaire each year to make sure that information in FDL's files is accurate and up-to-date.

You can obtain a claim form through the ERS website at [www.ers.state.tx.us](http://www.ers.state.tx.us) or by contacting your benefits coordinator.

If your claim is filed correctly, your life insurance may continue while your claim is pending approval. If approved, your Extended Life Insurance Benefit will begin on the first day of the month following the date you became Totally Disabled and may be continued for up to 12 months. Your Extended Life Insurance Benefit may continue for additional periods up to 12 months, if you give FDL proof of continuing Total Disability. FDL can request that you be medically examined at any time. After you are approved for Extended Life Insurance Benefits, inform FDL of any beneficiary changes or designations or contact FDL to discuss any questions or concerns.

The original proof of your Total Disability and continuing proof must be provided with the "Extended Life Insurance Benefits" claim form. You can obtain a claim form through the ERS website at [www.ers.state.tx.us](http://www.ers.state.tx.us) or by contacting your benefits coordinator. Please note that Extended Life Insurance Benefits claim forms are different from other disability claim forms. Be sure you complete the right form so you can avoid a delay in claims processing.

The amount of Extended Life Insurance Benefit that you may receive depends on the amount of your Group Term Life Insurance in effect on the day you become Totally Disabled, as shown in the Summary of Benefits. In the event of your death, that amount will be paid to your designated beneficiary.

However, if you are still Totally Disabled when you reach age 70, there will be a coverage reduction. That coverage reduction will be a one time reduction at age 70 to reduce your coverage to 50% of your Election I Optional Group Term Life Insurance amount plus \$2,500 Basic Group Term Life Insurance (if you have health coverage through the Group Benefits Program) or to a total of \$12,500 (whichever is less). This coverage amount will not be subject to future age-based benefit reductions.

This Extended Life Insurance Benefit will automatically end when you:

- are no longer Totally Disabled;
- do not give FDL proof of continuing Total Disability (if you are under age 70); or
- are not medically examined when requested by FDL.

If your employment ends before you are eligible to enroll in Extended Life Insurance Benefits, or you have applied but your claim is pending, you may want to apply for an individual life insurance policy (see “Conversion Privilege”). If your claim for Extended Life Insurance Benefit is not approved, and you did not apply for an individual life insurance policy during the 31-day conversion period, you will not have any life insurance under this Group Benefits Program.

If you have converted your group coverage to an individual life insurance policy, your Extended Life Insurance Benefit will not become effective until:

- you cancel the individual life insurance policy by returning it to FDL; and
- it is determined that a claim has not been made under the individual life insurance policy.

Extended Life Insurance Benefits do not apply to AD&D or Voluntary AD&D insurance or any Total Disability that happens after you have retired or no longer work for your State Agency.

If your death occurs before you give FDL an application for Extended Life Insurance Benefits, your group term life insurance may be payable to your beneficiary if:

- your death occurs within 18 months of the date of your Total Disability; and
- your beneficiary gives FDL the claim form and proof of your continuous Total Disability within 18 months from the date of your Total Disability.

## Step-by-Step Instructions for Filing an Extended Life Insurance Benefits Claim

### You must:

- Six months after the onset of your Total Disability, obtain a claim form through the ERS website.<sup>9</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (877) 275-4377 for assistance.
- complete identifying information in the *To be Completed by Employee or Employee's Legal Representative* section of the claim form, and send the claim form to your benefits coordinator.

### Benefits coordinator of your State Agency:

- completes the Employer's section, signs, and dates; 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;
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date the claim form, and forward to FDL at the address shown on the form; and
- when you forward the claim form, provide and/or authorize an Approved Practitioner to provide additional information as needed to process the claim, including information each year to show your continued Total Disability.
- FDL must receive the form within 18 months of the onset of your Total Disability.

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<sup>9</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- receives the claim form and due proof of your Total Disability;
- requests additional information from you or an Approved Practitioner, as you have so authorized, if needed; and
- notifies you and ERS if your Extended Insurance Benefit is approved; or
- notifies you, your benefits coordinator, and ERS if the claim is denied for any reason.

**Note:** If there is a conflict in medical opinion between your Approved Practitioner's opinion and FDL's Approved Practitioner's opinion, the opinions of FDL's Approved Practitioner will prevail.

## **How to Request a Review of a Claim**

If your claim for benefits is reduced or denied, you or your beneficiary may ask FDL to reconsider the claim by submitting a written request with additional information about your claim.

If the claim is again denied after reconsideration, FDL 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 FDL, 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 FDL'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' Customer Benefits Division. You may call or write:

Customer Benefits Division  
Employees Retirement System of Texas  
P.O. Box 13207  
Austin Texas 78711-3207

(512) 867-7711 (in Austin) or toll free (877) 275-4377

## **Incontestability**

Your coverage under the Group Policy cannot be contested after two years from the effective date, except for nonpayment of premiums and except if coverage has been obtained through fraud, attempted fraud, or misrepresentation.

In the absence of fraud, attempted fraud, or misrepresentation, no statement made by any person insured under the Group Policy relating to his or her insurability will be used in contesting the insurance validity if the insurance for which such statement was applicable has been in force for a period of two years during such person's lifetime. Any statement used to contest the validity of the insurance must be contained in a written instrument signed by him or her.

Statements made and information provided in an Evidence of Insurability application will not be used to contest the validity of insurance if the insurance obtained through such Evidence of Insurability has been in force for a period of two years.

### **Incomplete or Incorrect Information**

If during the underwriting or claims review process FDL has reason to believe that information provided is not correct or is incomplete, FDL 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.

### **Misstatement of Age**

If the age of an insured person is misstated under the Group Policy, the amount of insurance for that person will be determined by the Group Policy. An adjustment of premiums will be made by the Employer to reflect the person's true age and correct premiums.

### **Non-Assignability**

The insurance and any benefits provided by the Group Policy cannot be assigned, except by irrevocable beneficiary designation made as part of a Viatical Settlement permitted by law. Basic AD&D, Optional AD&D, Dependents' AD&D, and Voluntary AD&D Insurance are not subject to irrevocable beneficiary designations in conjunction with a Viatical Settlement.

### **Physical Examination and Autopsy**

The Employee's Basic and Optional Group Term Life Insurance is not subject to this provision. 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.

### **Legal Action**

No action at law or in equity may be brought against FDL to recover on your AD&D coverage or Voluntary AD&D coverage prior to the expiration of 60 days after proof of loss has been filed, nor may such action be brought at all unless brought within three years from the expiration of the time within which proof of loss is required. Nothing herein shall be deemed to constitute a waiver of the defenses and protections afforded FDL and ERS by Chapter 1551, *Texas Insurance Code*, and/or Chapter 2001, *Texas Government Code*.

### **Suicide Exclusions**

- The Employee's Basic Group Term Life Insurance is not subject to this Suicide Exclusion.
- Benefits available under any of the AD&D or Voluntary AD&D coverages will not be paid if the Employee's or Dependent's death is the result of intentionally self-inflicted injuries, suicide, or attempted suicide, while sane or insane.
- Group Term Life Insurance benefits under the Employee's

Optional Group Term Life Insurance and Dependents' Group Term Life Insurance coverages will not be paid if the Employee's or Dependent's death is a result of intentionally self-inflicted injuries, suicide, or attempted suicide, while sane or insane, unless the insurance coverage was continuously in effect for two years immediately prior to the death. The amount of insurance that will be paid is the amount of the Employee's Optional Group Term Life Insurance or Dependents' Group Term Life Insurance that has been continuously in effect for at least two years immediately prior to the date of death. Any increase in the amount of insurance coverage that has been in force less than two years and that resulted solely from salary changes, but not including increases in the insurance coverage amount based on changes in the election or multiple level of coverage, will be included in the insured amount, except that the insurance amount will be based on the insured's salary on September 1 immediately prior to the date of death.

### **Termination of Insurance**

All of your insurance will automatically end on the:

1. last day of the month in which your employment with your State Agency ends, or you become ineligible for coverage. Contact your benefits coordinator for details.
2. expiration date of the time period in which your last premium payment was made in full and covered for that period;
3. date you are expelled from the Group Benefit Program for fraud or attempted fraud;
4. date the Group Policy is amended to end insurance for any class(es) of Employees eligible for coverage under the Group Policy; or
5. Group Policy termination date.

Your Dependents' Insurance will also end if any of the above events happen. In addition, Dependent Insurance will end:

- On the last day of the month in which an individual is no longer a Dependent as defined in this book; or
- When your Dependent Child reaches age 25 or marries.

Please notify your benefits coordinator immediately if your child(ren) no longer meets the definition of a Dependent or marries.

**Definitions for Group Term Life, AD&D  
and Voluntary AD&D Insurance**

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SEVEN  
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## Section 7

### Definitions for Group Term Life, AD&D and Voluntary AD&D Insurance

The following definitions help explain important terms used in the description of your Group Term Life Insurance, AD&D, and Voluntary AD&D coverages:

**Accelerated Life Benefit** means an amount of Group Term Life Insurance requested by the insured Employee and approved by FDL to be paid in advance of the Employee's or covered Dependent's actual death in accordance with the terms of the Group Policy. An Accelerated Life Benefit payment can be requested only upon diagnosis of a Terminal Condition and only once during the lifetime of the Employee or covered Dependent for whom the request is made.

**Accelerated Life Benefit Payment** means the amount of the Accelerated Life Benefit that is actually paid to the insured Employee. The Accelerated Life Benefit Payment will be the Accelerated Life Benefit that the Employee requests for the Employee or covered Dependent and FDL approves. The Accelerated Life Benefit Payment amount for an Employee enrolled only in Basic Group Term Life Insurance (if he has health coverage through the Group Benefits Program) is \$5,000. The Accelerated Life Benefit amount may be up to 80% of the Employee's total (Basic plus Optional) Group Term Life Insurance with the minimum payment of \$5,000. The Accelerated Life Benefit amount for the Dependents' Group Term Life Insurance will be \$5,000. If you elect to receive an Accelerated Life Benefit for yourself or a covered Dependent, you may not also receive benefits under a Viatical Settlement Option for that person.

**Accidental Bodily Injury** means a violent, external bodily injury resulting, directly and independently of all other causes, from an accident occurring while both the Group Policy is in force and insurance is in force for the Employee and/or Dependent whose death or bodily injury is the basis of a claim, except as limited or excluded by the provisions of the Group Policy.

**Accidental Death** means loss of life as a direct result of an Accidental Bodily Injury.

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

**Active Employee** means an Employee as defined in the Act.

**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, regular paid sick leave, or on a regular nonworking day, provided he was Actively at Work on the last preceding working day.

**Annual Salary** means the gross amount of monthly salary paid to an Employee times a factor of 12 to annualize, excluding overtime and bonuses. Monthly salary is determined in accordance with the Board of Trustees' established Rules and procedures.

**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 and 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 Master Social Worker-Advanced Clinical Practitioner, 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, a Licensed Acupuncturist, 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*.

**Attending Physician's Statement** means a written medical opinion of an Approved Practitioner currently licensed to practice medicine in the United States, and which:

- is made at the insured Employee's expense;
- indicates that the insured Employee or insured Dependent has a Terminal Condition;
- includes all medical test results, laboratory reports, and any other information on which the opinion is based;
- indicates the insured Employee's or insured Dependent's expected remaining life span; and
- is acceptable to FDL.

The Attending Physician's Statement is used to establish the diagnosis of a Terminal Condition and determine the life expectancy of an insured Employee or insured Dependent to whom the Accelerated Life Benefit Payment request applies.

**Dependent** means:

- Your spouse; and
- Your unmarried eligible children, from date of birth up to age 25, or a Disabled Child as defined herein, including:
  1. the natural child of the Employee;
  2. a legally adopted child (including a child living with the adopting parents during the period of probation);
  3. a stepchild whose primary place of residence is the Employee's household;
  4. a foster child whose primary place of residence is the Employee's household and who is not covered by another governmental health program;
  5. a child whose primary place of residence is the household of which the Employee is the head and to whom the Employee is the legal guardian of the person;
  6. a child who is in a parent-child relationship to the Employee, provided that:
    - a. the child's primary place of residence is the Employee's household; and
    - b. the Employee provides the necessary care and support for the child; and
    - c. if the natural parent of the child is 21 years of age or older, the natural parent does not live in the Employee's household;
  7. a child who is considered a dependent of the Employee for federal income tax purposes and who is a child of the Employee's child;
  8. an eligible child for whom the Employee has received a valid court order requiring the Employee to provide medical support for such child; or
  9. a Disabled child, as Disabled is defined herein.

**Disabled**, referring to a Child, means a Child whose mental retardation or physical incapacity is a medically determinable condition which prevents the Child from engaging in self-sustaining employment; provided that the disability commences and the Child was covered immediately prior to such Child's attainment of age 25, and that satisfactory proof of such disability and dependency is submitted by the Employee within 31 days following such Child's attainment of age 25 and at such intervals thereafter as may be required by ERS or FDL.

**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 this state and its agencies.

**Evidence of Insurability** means such evidence, provided at no expense to ERS or FDL, including medical records and a physical examination, as may be required by FDL, to determine that the individual 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. FDL must review the Evidence of Insurability and approve coverage before such coverage becomes effective.

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

**Fund** means the Employee's Life, Accident and Health Insurance and Benefits Fund created by the Act which is administered by the Trustee.

**Group Benefits Program** means the State Employees Group Benefits Program provided by Chapter 1551, *Texas Insurance Code*.

**Group Policy** means the Group Term Life Insurance Policy, including all supplementary policies, issued to the Board of Trustees of the Employees Retirement System of Texas by Fort Dearborn Life Insurance Company (FDL).

**Insured** means an Employee or a Dependent, as defined in this book.

**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.

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

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

**Salary** means the regular earnings payable for work performed as an Employee of the State of Texas (including longevity, hazardous duty pay, or benefit replacement pay) that the Employee receives from the Employer as of the Employee's first day of Active Duty within a plan year (September 1 through August 31), minus any other compensation. Non-salaried elected or designated officials and members of the Legislature may use the Salary of a state district judge or their actual Salary as of September 1st of each year.

**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 (TRMS) and the Texas County and District Retirement System (TCDRS).

**Terminal Condition** means a non-correctable health condition that, with reasonable medical certainty established by medical evidence based on objective clinical findings using current American Medical Association guidelines, will result in the insured Employee's or Dependent's death within twelve months from the date of the Attending Physician's Statement. The twelve month period is applicable for Accelerated Life Benefit and Viatical Settlement.

**Total Disability** or **Totally Disabled** means an Employee's inability to engage in any occupation for which he or she is reasonably suited by training, education, or experience because of a proven physical or mental impairment.

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

**Viatical Settlement** means an agreement between the Employee and a Viatical Settlement provider under which the Employee makes the Viatical Settlement provider, or the persons or entities the Viatical Settlement provider designates, the irrevocable beneficiary to his or her Group Term Life Insurance coverage or his or her Dependents' Group Term Life Insurance coverage for a particular Dependent in exchange for a cash settlement. This cash settlement is a percentage of the Employee's or Dependent's entire Group Term Life Insurance coverage. If you elect to receive benefits for yourself or for a covered Dependent under a Viatical Settlement Option, you may not also receive benefits under an Accelerated Life Benefit.

## **Group Disability Plan**

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## **Section 8**

### **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 (FDL) 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 and Long-term Disability. 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 and Long-term Disability 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 Plans by enrolling within 31 days of your initial eligibility date. If you do not enroll in the Short-term Disability or Long-term Disability coverage within the 31-day period, you must provide Evidence of Insurability before your coverage becomes effective.

Your coverage effective date is determined by when you apply.

<b>Day you enroll</b>	<b>Coverage effective date</b>
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	**
<p>**You must submit, at no expense to FDL, Evidence of Insurability to FDL for review. FDL will evaluate your medical information. <b>You will either be approved or denied coverage based on your medical information.</b> FDL will notify you and your Employer of FDL's approval or denial of your coverage. Coverage will be effective on the first of the month following FDL notifying you and your Employer of FDL'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.</p> <p><b>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.</b></p>	

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

You may cancel Short-term Disability or Long-term Disability 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** coverage provides you with the following benefits:

- your Short-term Disability 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.

**The actual amount which is paid to you as your Short-term Disability 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.**

**This reduction is called Integration with other sources of income. If Integration is used to reduce your Short-term Disability 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.

Short-term Disability benefits 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 FDL.

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

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

**FDL must receive your claim for Short-term Disability 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 through the ERS website.<sup>10</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (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
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date pages 2 and 4 of the claim form, and forward to FDL at the address shown on the form, together with any additional information needed to process the claim.
- FDL must receive the form within 12 months of the date your Total Disability began.

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<sup>10</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

**FDL:**

- 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, or other group disability benefits, and subtracts that amount from your Short-term Disability 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** coverage provides you with the following benefits:

- your Long-term Disability 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.

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

- **Social Security Disability for you and any of your eligible Dependents;**
- **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 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 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.

**If the Social Security Administration has not specifically determined what your exact Social Security disability benefit amount is, or your claim for Social Security disability benefits has not been approved through the Administrative Law Judge level, then FDL may estimate your Social Security disability benefit amount and deduct that amount from benefits paid to you. Therefore, it is important to apply for Social Security disability 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 benefit can be determined. If you are not eligible for Social Security Disability because your Employer does not participate in Social Security or for other reasons, contact the FDL Claims Department.**

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

Long-term Disability benefits 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 FDL.

Long-term Disability 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:

<b>Age at Disability</b>	<b>Maximum Benefit Duration</b>
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; and
- under an Approved Practitioner's regular care; and
- confined in a hospital or institution specializing in the treatment you require.

The Long-term Disability 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 of any gainful 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 Claim

**You must submit your Long-term Disability 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 through the ERS website.<sup>11</sup> If you do not have access to the website, you may call ERS at (512) 867-7711 or (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
- your doctor returns the claim form to you for further handling;
- complete all outstanding information on the form, sign, and date pages 2 and 4 of the claim form, and forward to FDL at the address shown in the form, (with a copy of your birth certificate if you are age 55 or older); and
- 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

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<sup>11</sup> At [www.ers.state.tx.us](http://www.ers.state.tx.us), click on **Insurance**; click on **Life & Disability (Optional Coverage)**; click of the Fort Dearborn Life logo; click on **Resource Center** and then on **Forms**.

information each year to show your continued Total Disability.

- FDL must receive the form within 12 months of the date your Total Disability began.

**FDL:**

- 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, or other group disability benefits, and subtracts that amount from your Long-term Disability 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 and twenty-four months for Long-term Disability 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**

### **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 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 benefits.

### **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 or Long-term Disability coverage and is receiving benefit payments or has applied for benefit payments.

### **Tax Treatment of Disability Benefits**

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

If a percentage of the Short-term or Long-term Disability 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 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.

### **Incomplete or Incorrect Information**

If during the underwriting or claims review process, and if FDL has reason to believe that information provided is not correct or is incomplete, FDL 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.

### **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.

### **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 FDL and ERS by Chapter 1551, *Texas Insurance Code*, and/or Chapter 2001, *Texas Government Code*.

## **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.

## **How to Request a Review of a Claim**

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

If the claim is again denied after reconsideration, FDL 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 FDL 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 FDL'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' Customer Benefits Division. You may call or write:

Customer Benefits Division  
Employees Retirement System of Texas  
P.O. Box 13207  
Austin Texas 78711-3207

(512) 867-7711 (in Austin) or toll free (877) 275-4377

## Definitions of Terms

The following are definitions of important terms used in this description of your Group Disability Income 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 Master Social Worker-Advanced Clinical Practitioner, 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, a Licensed Acupuncturist, 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*.

**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 this state and its agencies.

**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 FDL 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 Evidence of Insurability and approve coverage before such coverage becomes effective.

**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.

## **Certificate of Insurance**

### **Fort Dearborn Life Insurance Company**

certifies that it has issued Group Term Life Insurance Policy No. 38000-A, including an Accidental Death and Dismemberment and Loss of Sight Benefits Supplementary Policy; a Dependent Group Term Life Insurance Supplementary Policy; a Dependent Accidental Death, Dismemberment and Loss of Sight Supplementary Policy; and a Voluntary Accidental Death and Dismemberment Supplementary Policy, to the Board of Trustees of the Employees Retirement System of Texas. The Group Term Life Insurance Policy and the Supplementary Policies together with the Employer's Application form the Group Policy. Subject to the provisions of this Group Policy, each Active Employee who has applied and been approved for this insurance and is making the required premium payments will have the insurance described in this book according to the options the Employee selected in the enrollment materials, and the options that were accepted and approved for the Employee by Fort Dearborn Life Insurance Company and put on file with the Trustee.



President

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