

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

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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.