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Dearborn  National®

Strength. Independence. Solutions.



TEXAS EMPLOYEES GROUP BENEFITS PROGRAM

Group Term Life Insurance and Optional Coverages Brochure for **Retirees**

Underwritten by Fort Dearborn Life Insurance Company®, a Dearborn National® brand company.



**THIS BROCHURE
PROVIDES A
BRIEF SUMMARY
OF COVERAGES
AVAILABLE TO
RETIREEES.**

Basic Group Term
Life

Optional Group
Term Life

Dependent Group
Term Life

ERS WEBSITE:
www.ers.state.tx.us

**DEARBORN
NATIONAL
PHONE
NUMBER:**
(855) 377-5433

**EVIDENCE OF
INSURABILITY
PHONE
NUMBER:**
(855) 377-5433

BASIC GROUP TERM LIFE

\$2,500 Basic Group Term Life coverage is available to you at no cost when you enroll in a Texas Employees Group Benefits Program (GBP) health plan as a retiree.

The Basic Group Term Life coverage includes a Conversion Privilege.

OPTIONAL GROUP TERM LIFE*

You may be eligible for more life insurance coverage.

- ▲ If Election 1 is in effect on the date you retired, you may continue Election 1 at retirement.
- ▲ If Election 2, 3, or 4 is in effect on the date you retire, you may elect to continue Election 1 or Election 2. If you do so, Election 1 and Election 2 are subject to age-based benefit reduction factors when you turn age 70 after the date of your retirement. However, the amount will not decrease below \$10,000.

The premiums you pay for this coverage are based on your age on September 1 of each year. Any reduction in the amount of coverage may be converted to an individual whole life policy underwritten by Fort Dearborn Life Insurance Company.

If any of the Optional Group Term Life Elections are in effect on the date you retired, you may enroll in Minimum Optional Life. The amount of life insurance is \$10,000 and proof of good health, called evidence of insurability (EOI)** is not required.

If you were not enrolled in Optional Group Term Life on the date you retired, you may be eligible to enroll in Minimum Optional Life:

- ▲ at the time of your retirement;
- ▲ during Annual Enrollment; or
- ▲ at the time of a qualifying life event (QLE).

The amount of life insurance is \$10,000 and EOI** is required.

The Minimum Optional Life benefit is not subject to future age-based reductions. The premiums you pay for this coverage are not based on age.

At retirement, any Optional Group Term Life Insurance amount you do not retain as group coverage may be converted to an individual whole life policy with Dearborn National.

You may reduce your Optional Group Term Life Insurance coverage (Election 1 or 2) to a lesser amount at any time. However, once your Optional Group Term Life coverage is reduced or canceled, it cannot be increased or reinstated.

Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Fort Dearborn Life Insurance Company® (Downers Grove, IL) and certain of its affiliates. Fort Dearborn Life Insurance Company® offers insurance products in all states (excluding New York, where it is not licensed and does not solicit business), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico. Product features and availability vary by state and company, and are solely the responsibility of each affiliate.

EXCLUSIONS

The Retiree Optional Group Term Life Insurance and the Dependent Group Term Life Insurance benefits contain a two-year suicide exclusion.

DEPENDENT GROUP TERM LIFE *

As a Retiree who had Dependent Life coverage prior to retirement, you may select \$2,500 Dependent Group Term Life coverage for your eligible spouse and all eligible dependent children.

If you were not enrolled for Dependent Life coverage immediately prior to your retirement, you may apply through the EOI** process to add Dependent Life coverage:

- ▲ at the time of your retirement;
- ▲ during Annual Enrollment; or
- ▲ at the time of a qualifying life event (QLE).

ACCELERATED LIFE BENEFIT

Accelerated Life Benefit is included with Basic and Optional Group Term Life coverage and Dependent Group Term Life coverage.

For Basic And Optional Group Term Life

The Accelerated Life Benefit provides a lump sum payment to you, at your request, of a percentage of your Group Term Life coverage if you have a diagnosed Terminal Condition.***

The amount of your Group Term Life coverage will be reduced by the amount of any Accelerated Life Benefit payment made. The remaining coverage amount (if any) will be the amount payable to your designated beneficiary upon your death. See your benefits book for complete details.

For Dependent Group Term Life

(if you enroll for this coverage)

If your covered dependent is diagnosed with a Terminal Condition,*** the Accelerated Life Benefit provides you with a lump sum payment equal to that of the dependent's Group Term Life Insurance.

The amount of the payment will reduce that dependent's Group Term Life Insurance amount to zero, and no benefit will be payable at your dependent's death. See your benefits book for complete details.

ACCELERATED LIFE BENEFIT DISCLOSURE:

The Accelerated Life Benefit offered under your Group Term Life Insurance coverage and under the 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 dependent's 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 dependent's eligibility for public assistance.

*Certain limitations apply to Optional Group Term Life and Dependent Term Life coverages. These coverages are underwritten by Fort Dearborn Life Insurance Company. Descriptions and limitations of these coverages are provided in the Group Term Life Insurance and Optional Coverages Benefits Book. (Policy #38000-A)

**Evidence of insurability (EOI) means that you must provide medical information (which may include medical records and a physical exam) that requires review and approval by Fort Dearborn Life Insurance Company before coverage becomes effective. The effective

date of coverage will be later than the approval date. For EOI applications from ERS, call ERS toll free at (877) 275-4377 or go to www.ers.state.tx.us/customer_support/forms. Send to FDL at the address shown on the EOI Application.

***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 death within twelve months from the date of the Practitioner's Statement. (FDL Policy number 2M-LTD-86)