

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

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TWO
AT-A-GLANCE**

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Section 2

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

General Information

When you enroll in HealthSelectSM 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 (800)778-2281 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.¹ 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.

¹ At 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.² 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.

² At 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.