

Group Disability Income Plan

SECTION EIGHT AT-A-GLANCE

General Information.....	pg. 69
Eligibility and Participation.....	pg. 69
Short Term Disability Income (STD)	pg. 71
Step-by-Step Instructions for Filing an STD Claim	pg. 73
Long Term Disability Income (LTD)	pg. 74
Step-by-Step Instructions for Filing an LTD Claim	pg. 78
Limitations and Exclusions.....	pg. 79
General Provisions Applicable to the Group Disability Income Plan	pg. 81
Subrogation - Right of Recovery	pg. 83
How to Request a Review of a Claim.....	pg. 83
Definitions of Terms	pg. 84
 Certificate of Insurance.....	 pg. 88

Section 8

Group Disability Income Plan

General Information

The Group Disability Income 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 Income 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 Income Plan is composed of two parts: Short Term Disability Income (STD) and Long Term Disability Income (LTD). 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 Income 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 STD or LTD Plans by enrolling within 31 days of your initial eligibility date on the enrollment form provided by your Benefits Coordinator. If you do not enroll in the STD or LTD 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.

Day you enroll	Coverage effective date
on or before your first day at work	the first day you are Actively at Work as long as the insurance and State Agency hire dates are the same
within 31 days of your first day at work	the first day of the month after the date you enroll (You must be Actively at Work for coverage to be effective.)
after 31 or more days from your first day at work	**
<p>**You must submit, at no expense to FDL, Evidence of Insurability to FDL for review. FDL will evaluate your medical information. You will either be approved or denied coverage based on your medical information. FDL will notify you and your Employer of FDL's approval 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>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.</p>	

Your STD or LTD coverage will end on the last day of the month in which you retire.

You may cancel STD or LTD 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 of the following month. Your coverage will automatically cancel on the last day of the month in which you retire or terminate your employment.

Short Term Disability Income (STD) coverage provides you with the following benefits:

- your STD Insured Monthly Salary amount would be equal to your monthly salary up to \$10,000;
- your maximum Monthly Income 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 Income benefit would be 10% of your Insured Monthly Salary.

For Example:

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

You would receive \$3,300 monthly.

The actual amount which is paid to you as your STD Monthly Income 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 STD Monthly Income benefit, 70% of your Insured Monthly Salary would be used in the calculation instead of 66% as described above.

For Example: Using the example above 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 Income benefit would be calculated as follows:

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

You would receive \$500 monthly.

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

STD 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.

STD benefits may be paid to you for up to the Maximum Benefit Period which is five months.

Step-by-Step Instructions for Filing an STD Claim

You must submit your STD 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 web site at www.ers.state.tx.us or contact your Benefits Coordinator for a claim form;
- complete the Employee's section of the claim form;
- have your doctor, who must be an Approved Practitioner, complete the attending practitioner's statement; and
- provide and/or authorize an Approved Practitioner to provide additional information as needed to process the claim.

Benefits Coordinator of your State Agency:

- reviews the claim form for completeness of the Employee's section and attending practitioner's statement; and
- completes the Employer's section of the claim form, attaches the leave records and submits the completed claim form to FDL to be received by FDL within 12 months of the date your Total Disability began.

FDL:

- receives the completed claim form and due proof of your Total Disability within 12 months of the date your Total Disability began;
- requests additional information from you or an Approved Practitioner, as you have so authorized, as needed to process your claim;
- 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(s) from your STD benefit amount; and
- pays the claim as a Monthly Income benefit to you if your claim is approved; or
- notifies you and your Benefits Coordinator if your claim is denied for any reason.

Long Term Disability Income (LTD) coverage provides you with the following benefits:

- your LTD Insured Monthly Salary amount would be equal to your monthly salary up to \$10,000;
- your maximum Monthly Income 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 Income 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 Income benefit	\$3,000
Minimum Monthly Income benefit for up to 12 months	\$500

You would receive \$3,000 monthly.

The actual Monthly Income benefit which is paid to you 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 LTD Monthly Income benefit, 70% of your Insured Monthly Salary would be used in the calculation instead of 60% as described above.

For Example: Using the example above 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 Income benefit would be calculated as follows:

Your Insured Monthly Salary	\$5,000
	<u>x 70%*</u>
Monthly Income 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 Income benefit after	
Integration	\$700
Minimum Monthly Income	
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 Income benefit would be calculated as follows:

Your Insured Monthly Salary	\$2,000
	<u>x 70%</u>
Monthly Income benefit before	
Integration	\$1,400
Minus Social Security disability benefit	<u>-\$ 800</u>
	\$600
Minus ERS disability retirement benefit	<u>-\$900</u>
Monthly Income benefit after	
Integration	\$0
Minimum Monthly Income	
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 LTD 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 Income benefit will apply for a maximum period of one year.

LTD 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.

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

Age at Disability	Maximum Benefit Duration
Under age 60	To age 65*
60 – 64	60 months
65 – 69	To age 70, or 12 months, whichever is greater*
70 and over	12 months
*Benefits end the first day of the Plan Month following attainment of the limiting age.	

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

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

The LTD 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 an LTD Claim

You must submit your LTD 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 web site at www.ers.state.tx.us or contact your Benefits Coordinator for a claim form;
- complete the Employee's section of the claim form;
- have your doctor, who must be an Approved Practitioner, complete the attending practitioner's statement;
- provide and/or authorize an Approved Practitioner to provide additional information as needed to process the claim, including providing information each year to show your continued Total Disability.

Benefits Coordinator of your State Agency:

- reviews the claim form for completeness of the Employee's section and attending practitioner's statement; and
- completes the Employer's section of the claim form, attaches leave records, attaches a copy of the Employee's birth certificate if age 55 or older and submits the completed claim form to FDL to be received by FDL within 12 months of the date your Total Disability began.

FDL:

- receives your completed claim form and due proof of your Total Disability within 12 months of the date your Total Disability began;
- requests additional information from you or an Approved Practitioner, as you have so authorized, as needed to process your claim;
- determines any other benefit amounts you may be entitled to such as Social Security Disability benefits for you or your eligible Dependents, 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(s) from your LTD benefit amount; and
- pays the claim as a Monthly Income benefit to you if your claim is approved; or
- notifies you and your Benefits Coordinator if your claim is denied for any reason.

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 a 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, 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 a 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 a 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 STD or LTD 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 STD or LTD.

Effect of Termination of the Master Benefit Plan

Termination of the Plan will not affect any existing Total Disability of an Employee who has STD or LTD coverage and is receiving benefit payments or has applied for benefit payments.

Tax Treatment of Disability Benefits

STD and LTD premiums are not included in the TexFlex premium conversion program.

If a percentage of the STD or LTD 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 STD or LTD 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.

If you have disability coverage on the date you terminate employment with a State Agency and return to work as an Active Employee, your coverage can be reinstated without Evidence of Insurability. 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 income 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 STD or LTD 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 (877) 275-4377 (toll free)

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.

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.

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, or 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.

Monthly Income Benefit means the amount of any Short Term Disability or Long Term Disability payment that will be made on a monthly basis as the payment of an approved claim for such STD or LTD plan benefits.

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 or Medicaid 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 and the Texas County and District Retirement System.

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.

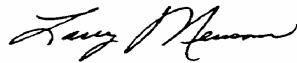
Trustee means the Employees Retirement System of Texas and/or the Board of Trustees of the Employees Retirement System of Texas.

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 Dependents' Group Term Life Insurance Supplementary Policy; a Dependents' 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.



Larry Newsom, President