

**FORT DEARBORN LIFE INSURANCE COMPANY®**  
1020 31<sup>st</sup> Street, Downers Grove IL 60515  
(herein called FDL)

Administrative Office:  
Richardson, Dallas County, Texas

has issued this

**Accidental Death, Dismemberment and Loss of Sight Benefits  
Supplementary Policy**

as part of the

**Group Term Life Insurance Policy**  
No. 38000-A (herein called the Group Policy)

to the

**Board of Trustees of the Employees Retirement System of Texas (“ERS”)**  
(herein called the Trustee)

Effective September 1, 2007

All provisions of the Group Policy will apply to this Supplementary Policy, except that in the event of a conflict, the specific provisions of this Supplementary Policy will govern. Except as stated in this Supplementary Policy, nothing contained herein will be held to alter or affect any of the provisions of the Group Policy.

In consideration of: (1) the Trustee’s Application for the insurance provided by this Supplementary Policy; and (2) the payment by the Trustee of the additional premiums required; and subject to: (1) all the provisions of this Supplementary Policy; and (2) all applicable provisions of the Group Policy not in conflict with this Supplementary Policy; FDL agrees to pay the amount of the additional benefits provided by this Supplementary Policy.

**In Witness Whereof**, FDL has caused this Supplementary Policy to be executed at its Administrative Office in Richardson, Dallas County, Texas.



Secretary



President

**THIS IS NOT A SUPPLEMENTARY POLICY OF WORKERS’ COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS’ COMPENSATION SYSTEM BY PURCHASING THIS SUPPLEMENTARY POLICY, AND IF THE EMPLOYER IS A NONSUBSCRIBER, THE EMPLOYER LOSES THOSE BENEFITS WHICH WOULD OTHERWISE ACCRUE UNDER THE WORKERS’ COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS’ COMPENSATION LAW AS IT PERTAINS TO NONSUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.**

**Accidental Death, Dismemberment and Loss of Sight Benefits  
Supplementary Policy**

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**Article I — Definitions**

- A. **Accidental Bodily Injury** means a violent, external Accidental Bodily Injury resulting, directly and independently of all other causes from an accident occurring while both this Supplementary Policy and the Group Policy are in force and the coverage of the Employee whose Accidental Bodily Injury is the basis of claim is in force, except as limited or excluded by the provisions of this Supplementary Policy.
- B. **Accidental Death** means loss of life as a direct result of an Accidental Bodily Injury.
- C. **Act** means the Texas Employees Group Benefits Act (Chapter 1551, *Texas Insurance Code*).

**Article II — Amount of Insurance**

The amount of insurance in force under this Supplementary Policy will be determined by the loss sustained by the Employee and by the Principal Sum amount in force under the Group Policy for that insured Employee.

The amount of Principal Sum on each Employee will be the amount described under Section I -- Schedule of Insurance for Group Term Life Insurance and Accidental Death, Dismemberment and Loss of Sight (AD&D) Supplementary Policy of the Trustee's Application in the column entitled Amount of AD&D and the election of the Employee.

**Article III — Payment of Benefits**

When any Employee sustains an Accidental Bodily Injury while insured under this Supplementary Policy, FDL agrees to pay for the following losses which are a direct result from such Accidental Bodily Injury:

- A. An amount equal to the Principal Sum for the Employee's Accidental Death, or the Employee's bodily loss of any two or more of the members listed below:
  - 1. A hand -- by actual severance through or above the wrist;
  - 2. A foot -- by actual severance through or above the ankle joint;
  - 3. The entire irrecoverable loss of the sight of one eye beyond remedy by surgical or other means;

or

### **Article III — Payment of Benefits (Continued)**

- B. An amount equal to one-half of the Principal Sum for loss of any one of the members listed in 1, 2 and 3 of A. above.

Benefits payable under A. and B. above will be conditioned upon the following:

- A. That the Employee will have sustained an Accidental Bodily Injury while the Group Policy and this Supplementary Policy are in force as to the Employee;
- B. Resulting directly in a loss to the Employee under A. and B. above; and
- C. Which loss occurred within 180 days from the date such Accidental Bodily Injury was sustained.

The benefit for the Accidental Death of the Employee is payable to the Employee's designated beneficiary if living. Otherwise, on the establishment of a valid claim, the benefit is payable to the person or persons surviving at the date of the Employee's death in the order of precedence as provided in Article V of the Group Policy.

The benefits of this Supplementary Policy will be paid immediately upon FDL's receipt of due Proof of Loss as described in Article VI of this Supplementary Policy. Benefits for an Employee's bodily loss will be paid within 60 days of receipt by FDL of all due Proof of Loss documents and written instruments.

The benefits of this Supplementary Policy will be in addition to any other benefits payable under the Group Policy for loss of life. This Supplementary Policy does not apply to Retirees, or any class to which the Schedule of Insurance indicates this supplemental coverage is not applicable. The benefits of this Supplementary Policy will automatically cease at the end of the month in which the Employee retires.

### **Article IV — Limitations and Exclusions**

The total amount payable under this Supplementary Policy for all losses resulting from any one accident will in no event exceed the Principal Sum for each Employee.

This Supplementary Policy does not cover loss caused by, resulting from or substantially contributed to by any one or more of the following:

- A. Intentionally self-inflicted injuries, suicide or any attempted suicide, while sane or insane; or
- B. Declared or undeclared war or any act associated with war; or
- C. An accident occurring while the insured Employee is serving on full-time active duty in the Armed Forces of any country or international authority; or

#### Article IV — Limitations and Exclusions (Continued)

- D. 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.
- E. A loss occurring while the insured Employee is engaged in any felonious activity, or a loss which results from or is related to the insured Employee's felonious activity. Conviction of a felony is not necessary for a determination of a loss resulting from felonious activity.
- F. The insured individual 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 a loss resulting from intoxication. This exclusion is applicable whether or not the loss is related to the operation of a motor vehicle.
- G. Travel or flight in any vehicle or device for aerial navigation, including boarding or deplaning, while:
  - 1. being used for any test or experimental purpose; or
  - 2. 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 2 will not apply to a pilot or crew member:
    - a. who is on approved official State of Texas business;
    - b. who is performing duties consistent with his State of Texas job description; and
    - c. in the case of a pilot, who 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
  - 3. traveling or flying in an aircraft other than an aircraft owned, leased or rented by the State of Texas, as a pilot or crew member, provided this item 3 will not be applicable to a pilot or crew member who meets all four of the following conditions at the time of any accident:
    - a. is on official State of Texas business;
    - b. is on approved State of Texas travel;
    - c. is eligible for reimbursement by the State of Texas for travel expenses; and
    - d. 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
  - 4. engaged in stunt flying, skydiving, crop dusting, banner towing or experimental test flights; or while giving or receiving any training or instructions unless such training or instructions are being given in conjunction with approved official State of Texas business; or
  - 5. 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 of Texas agency, college, or university, and such flight is in conjunction with approved non-military official State of Texas business.

#### Article V — Premiums

FDL will have the right to change the premium rate on any Policy Anniversary after the second. The premium for this Supplementary Policy will be calculated by multiplying the aggregate amount of Principal Sum in force on the premium due date by the premium rate then applicable. The Trustee will remit to FDL 100% of the figure thus obtained.

#### Article VI — General Provisions

- A. **Change of Beneficiary.** The right to change the beneficiary is reserved to the Employee and the consent of or notice to the beneficiary or beneficiaries will not be requisite to any change in beneficiary.
- B. **Claim Forms.** FDL, upon receipt of notice of Accidental Bodily Injury on which a claim is to be based, will furnish to the Employee or to the Employer for delivery to the Employee or the Employee's beneficiary, such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within 15 days after receipt of such notice by FDL, the Employee or beneficiary will be deemed to have complied with the requirements of this Supplementary Policy as to proof of loss upon submitting within the time stated herein for filing proofs of loss, written proof covering the occurrence, character and extent of loss for which claim is made.
- C. **Legal Actions.** No action at law or in equity may be brought against FDL to recover on this Supplementary Policy prior to the expiration of 60 days after proof of loss has been filed in accordance with the requirements hereof, nor will 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*.
- If any time limitation of this Supplementary Policy with respect to giving notice of claim, furnishing proof of loss, or bringing an action at law or in equity is less than that permitted by law of the state in which the Employee resides at the time this Supplementary Policy is issued, such limitation is hereby extended to agree with the minimum permitted by such law.
- D. **Notice of Claim.** Written notice of Accidental Bodily Injury on which claim is based must be given to FDL within 120 days after the date of the accident causing such injury. Such notice must be given by or on behalf of the Employee to FDL at its Administrative Office in Richardson, Dallas County, Texas with particulars sufficient to identify the Insured. Failure to give notice within the time provided herein will not invalidate nor reduce any claim if it will be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.
- E. **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.

## Article VI — General Provisions (Continued)

- F. **Proof of Loss.** Written proof of loss must be furnished to FDL at its Administrative Office in Richardson, Dallas County, Texas within 18 months following the date of an accident for a bodily loss as the result of an Accidental Bodily Injury, or 24 months following the date of death if the death was a direct result of an Accidental Bodily Injury while covered hereunder.

Written proof of loss will include all documents or written instruments needed to determine the certainty of the Employee's Accidental Death or the Employee's bodily loss as the direct result of an Accidental Bodily Injury. FDL may use such documents and written instruments to:

1. establish the right of the person or persons claiming benefits to receive those benefits claimed; and
2. for the Employee's Accidental Death to:
  - a. establish that the Employee died within 180 days of the accident; and
  - b. establish that the Employee's death was the direct result of an Accidental Bodily Injury and independent of all other causes; or
3. for the Employee's bodily loss to:
  - a. establish that the Employee's bodily loss occurred within 180 days of the accident; and
  - b. establish that the Employee's bodily loss was the direct result of the accident and independent of all other causes.

Failure to furnish such proof within such time will not invalidate nor reduce any claim if it will be shown not to have been reasonably possible to furnish proof within such time, provided such proof was furnished as soon as reasonably possible.

- G. Basic AD&D and Optional AD&D under this Supplementary Policy are not subject to irrevocable beneficiary designation in conjunction with a viatical settlement.