

**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

**Dependents' Group Term Life Insurance Supplementary Policy**

to 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 ERS or the Trustee)

Effective September 1, 2007.

All provisions of the Group Policy and the Dependents' Group Term Life Insurance Supplementary 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 or the Dependents' Group Term Life Insurance Supplementary 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

**Dependents'  
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 this Supplementary Policy, the Dependents' Group Term Life Insurance Supplementary Policy, and the Group Policy are in force as to the Dependent whose Accidental Bodily Injury is the basis of claim, 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*).
- D. **Child** means:
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 legal guardian of the child;
  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 court order requiring the Employee to provide medical support for such child; or
  9. a Disabled child, as Disabled is defined herein.

## Article I — Definitions (Continued)

E. **Dependent** means:

1. An Employee's spouse, or
2. An unmarried Child from date of birth and under 25 years of age or a Disabled Child; as Disabled is defined herein.

Excluding in either 1 or 2 above,

- a. Any person who is a Full-Time Employee as defined in the Act, and is covered for Basic Group Term Life Insurance or Optional Term Life Insurance under the Group Policy;
- b. Any person who is a Part-Time Employee as defined in the Act and is covered for Basic Group Term Life Insurance or Optional Term Life Insurance under the Group Policy;
- c. Any person who is a Retiree as defined and is covered for Basic Group Term Life Insurance or Optional Term Life Insurance under the Group Policy;
- d. Any person who was within the 31-day conversion period stipulated in Article IX of the Group Policy or any person approved for benefits under Article VII of the Group Policy.

F. **Dependents' Insurance** means the insurance provided by this Supplementary Policy with respect to the Employee's Dependents.

G. **Disabled**, referring to a Child, means a Child whose mental retardation or physical incapacity is a medically determinable condition which prevents a 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.

H. **Insured** means a Dependent, as above defined, who has insurance coverage under this Supplementary Policy.

## **Article II — Amount of Insurance**

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

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

## **Article III — Payment of Benefits**

When a Dependent 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 Accidental Death of a covered Dependent, or Dependent'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

- 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 Dependent will have sustained an Accidental Bodily Injury, while the Group Policy, Dependents' Group Term Life Insurance Supplementary Policy, and this Supplementary Policy are in force as to that Dependent;
- B. the Accidental Bodily Injury is the direct cause of the loss as described for the Dependent under the preceding A. and B. above; and
- C. the loss occurred within 180 days from the date the Accidental Bodily Injury was sustained.

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

The benefit for the Dependent's bodily loss as the result of an Accidental Bodily Injury or the Dependent's Accidental Death is payable to the Employee if living. Otherwise, on the establishment of a valid claim, the benefits are 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 a Dependent'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 Dependents' Group Term Life Insurance Supplementary Policy for loss of life. This Supplementary Policy does not apply to Dependents of Retirees. 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 of each person insured hereunder.

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 Dependent is serving on full-time active duty in the Armed Forces of any country or international authority; or
- 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; or
- E. A loss occurring while the insured Dependent is engaged in any felonious activity, or which results from or is related to the insured Dependent'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

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

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 or her 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 or 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 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. **Claim Forms.** FDL, upon receipt of notice of an 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, such forms as are usually furnished by FDL for filing proofs of loss. If such forms are not so furnished within 15 days after receipt of such notice by FDL, the Employee 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.

- B. **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.

- C. **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.

- D. **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.

- E. **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 a 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 Dependent's Accidental Death or the Dependent's bodily loss as the direct result of an Accidental Bodily Injury. FDL may use such documents or written instruments to:

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

**Article VI — General Provisions (Continued)**

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 and within such time, provided such proof was furnished as soon as reasonably possible.

- F. Dependents' AD&D under this Supplementary Policy is not subject to irrevocable beneficiary designation in conjunction with a viatical settlement.