

Texas Employees Group Benefits Program

Group Term Life Insurance and Optional Coverages Benefits Book

For Retirees

Effective September 1, 2007

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Fort Dearborn Life Insurance Company's toll-free telephone number for information or to make a complaint at

1-800-778-2281

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

1-800-252-3439

You may write the
Texas Department of Insurance
P. O. Box 149104
Austin, TX 78714-9104
FAX #(512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Fort Dearborn Life Insurance Company para informacion o para someter una queja al

1-800-778-2281

Puede comunicarse con el Departamento de Seguros de Texas para conseguir informacion acerca de companias, coberturas, derechos o quejas al

1-800-252-3439

Puede escribir
al Departamento de Seguros de Texas
P. O. Box 149104
Austin, TX 78714-9104
FAX #(512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con al Departamento de Seguros de Texas.

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

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Section 1

About This Book

This book describes the coverages available to
Retired Employees
in the
Texas Employees Group Benefits Program.

Basic Group Term Life Insurance with
Accelerated Life Benefit

Optional Group Term Life Insurance with
Accelerated Life Benefit

Dependents' Group Term Life Insurance with
Accelerated Life Benefit

Please remember that this book does not determine actual benefit payments, or change or replace the Group Policy.

If you are a Return-to-work Retiree who has elected coverage as an Active Employee, please refer to the Group Term Life and Optional Coverages Benefits Book for Active Employees for your insurance coverage.

The above coverages are underwritten by Fort Dearborn Life Insurance Company[®] (FDL) and are a part of the Group Policy.

If you have any questions about any of these coverages, contact the Employees Retirement System of Texas (ERS) at 1-877-275-4377 if you are a Retiree of a State Agency or if you are a Retiree of an institution of higher education, or you may call:

FDL Customer Service Department at 1-800-778-2281

or write:

Fort Dearborn Life Insurance Company
Customer Service Department
P.O. Box 655403
Dallas, Texas 75265-5403

The Group Policy is available at the FDL web site accessible through www.ers.state.tx.us or you may write to:

Employees Retirement System of Texas
P. O. Box 13207
Austin, Texas 78711

Terms or Words With Special Meanings

These words and terms refer to titles of coverages, forms or are defined terms or words. The defined terms or words may have meanings which are different from what you might expect. The defined terms or words have the meanings as stated in Section 5. Please refer to these definitions to better understand the coverage descriptions, benefits, limitations and exclusions contained in this book.

Basic and Optional Group Term Life Insurance with Accelerated Life Benefit

SECTION TWO AT-A-GLANCE

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Section 2

Basic and Optional Group Term Life Insurance With Accelerated Life Benefit

General Information About Basic Group Term Life Insurance

When you enroll in HealthSelectSM of Texas or a health maintenance organization (HMO), you are automatically enrolled in Basic Group Term Life Insurance. This coverage provides \$2,500 of Basic Group Term Life Insurance. This coverage is available at no additional cost to you.

Your Basic Group Term Life Insurance amount is the amount to be paid to your designated beneficiary if you die. See Section 4 for more information on beneficiary designations. The Basic Group Term Life Insurance also includes:

Conversion Privilege - This benefit is available to you if you are no longer in a class of Retirees eligible for Basic Group Term Life Insurance. See Section 4 for details.

Accelerated Life Benefit - This benefit is available to you as part of the Basic Group Term Life Insurance and Optional 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. More details are given later in this section.

Viatical Settlement Option - This option is available to you if you are diagnosed with a Terminal Condition. You may make an irrevocable beneficiary designation in conjunction with a viatical settlement. See the Viatical Settlement Option subsection later in this section.

Summary of Benefits

Class Description	Amount of Basic Group Term Life Insurance
Each Retired Employee	\$2,500

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:

- obtains a claim form through the ERS web site at www.ers.state.tx.us or contacts ERS for a claim form and completes the claim form;
- submits the completed, signed claim form together with a certified copy of your death certificate to ERS within 24 months of your death; and
- provides additional information as needed for FDL to process the claim.

ERS:

- receives the completed, signed claim form and the death certificate; and
- reviews the claim for completeness and forwards to FDL.

FDL:

- receives the claim form and death certificate;
- 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 ERS if the claim is denied for any reason.

Accelerated Life Benefit. (For Retirees 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 later in this section 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 of 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 there will be no benefit payable in the event of your natural death.

The Accelerated Life Benefit is not available to you if you retired prior to January 1, 2000 unless you were determined, in a written statement executed before the day you retired by your attending physician, to have had a Terminal Condition.

You may contact FDL Customer Service at 1-800-778-2281 for additional information.

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.

Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim — Applicable if you have only Basic Group Term Life Insurance coverage. If you have Optional Group Term Life Insurance coverage, the Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim and the description of the Accelerated Life Benefit later in this section are applicable to you.

If you have only Basic Group Term Life Insurance coverage and are diagnosed with a Terminal Condition and you have a life expectancy of twelve months or less,

You or your court appointed representative:

- obtain an Accelerated Life Insurance Benefit Claim Form through ERS web site at www.ers.state.tx.us or contact ERS for a claim form;
- complete the section which is to be completed by the Retiree or Retiree's legal representative; and
- sign and date the form.

Your Approved Practitioner:

- completes, signs and dates the Attending Physician's Statement;
- attaches copies of the medical test results, lab reports and any other information on which the diagnosis and life expectancy are based; and
- returns the claim form to ERS.

ERS:

- receives the completed, signed claim form, reviews the claim for completeness; and
- forwards to FDL.

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 amount if the claim is approved; and
- mails the check to you or your legal representative; or
- notifies you or your legal representative and ERS if your claim is denied for any reason.

Optional Group Term Life Insurance

General Information About Optional Group Term Life Insurance

You may be eligible for Optional Group Term Life Insurance coverage.

If Election I is in effect on the date you retire, you may continue Election I after retirement. If Election II, III, or IV is in effect on the date you retire, you may elect to continue Election I or Election II. Election I or Election II is subject to age-based benefit reduction factors shown in the Summary of Benefits if you turn age 70 after the date of your retirement. The premiums for this coverage are based on your age on September 1 of each year. The difference in coverage may be converted to an individual whole life policy with FDL.

If any of the Optional Group Term Life Elections is in effect on the date you retire, you may elect Minimum Optional Life insurance coverage, which is \$10,000. No Evidence of Insurability will be required. Minimum Optional Life is not subject to future age-based benefit reductions. The premiums for this coverage are not based on age.

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

- at the time of your retirement; or
- during summer enrollment; or
- at the time of a Qualifying Life Event.

The amount of life insurance is \$10,000 and Evidence of Insurability is required. Minimum Optional Life is not subject to future age-based reductions. The premiums 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 FDL.

You may reduce your Optional Group Term Life Insurance coverage 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.

You are responsible for paying the premiums for your Optional Group Term Life Insurance. You may pay the premiums either through deductions from your ERS or Teacher Retirement System of Texas

(TRS) annuity or by submitting premiums directly to ERS.

The Optional Group Term Life Insurance you have after retirement does not include Accidental Death, Dismemberment, and Loss of Sight coverages.

Your Optional Group Term Life Insurance provides you with an amount of group term life insurance coverage shown in the Summary of Benefits, which will be paid to your designated beneficiary. See Section 4 for more information on beneficiary designations.

Your Optional Group Term Life Insurance also includes:

Conversion Privilege — This benefit is available to you if you are no longer in a class of Retirees eligible for Optional Group Term Life Insurance. See Section 4 for details.

Accelerated Life Benefit — This benefit is available to you as part of the Basic Group Term Life Insurance and Optional Group Term Life Insurance. Certain restrictions apply to this benefit. See the Accelerated Life Benefit subsection later in this section. If you have only Basic Group Term Life Insurance, see the Accelerated Life Benefit description for Basic Group Term Life Insurance Only which appears earlier in this section.

Viatical Settlement — This option is available to you if you are diagnosed with a Terminal Condition. See the Viatical Settlement Option subsection later in this section for details.

Summary of Benefits

Retiree Status	Amount of Optional Group Term Life Insurance
All Retirees who retired before September 1, 1985.	The amount of Optional Group Term Life Insurance held as a Retiree immediately prior to September 1, 1985, less \$2,500 (provided as Basic Group Term Life Insurance)
All Retirees who retired on or after September 1, 1985, but before September 1, 1989.	<p>50% of the Election I amount held on the date of retirement as an Active Employee under age 70, rounded to the next highest \$1,000; or</p> <p>All of the Election I amount held on the date of retirement as an Active Employee age 70 and over, rounded to the next highest \$1,000.</p> <p>Maximum combined with Basic Group Term Life Insurance amount will not exceed \$12,500.</p>
All Retirees who retired on or after September 1, 1989, but before December 31, 1995.	<p>50% of the Election I amount held on the date of retirement as an Active Employee under age 70, rounded to the next highest \$1,000; or</p> <p>The smaller amount of:</p> <p>(1) All of the Election I insurance held on the date of retirement as an Active Employee age 70 and over, rounded to the next highest \$1,000; or</p> <p>(2) 50% of the last September 1 salary amount, rounded to the next highest \$1,000.</p> <p>Maximum combined with Basic Group Term Life Insurance amount will not exceed \$12,500.</p>

Retiree Status	Amount of Optional Group Term Life Insurance																								
<p>All Retirees who retired on or after December 31, 1995, but before September 30, 1999</p>	<p>50% of the Election I amount held on the date of retirement as an Active Employee, rounded to the next highest \$1,000; or The smaller amount of: (1) All of the Election I insurance held on the date of retirement as an Active Employee age 70 and over, rounded to the next highest \$1,000; or (2) 50% of the last September 1 salary amount, rounded to the next highest \$1,000</p> <p>Maximum combined with Basic Group Term Life Insurance amount will not exceed \$12,500. The amount of coverage under this option is not subject to future age-based reductions.</p> <p>OR</p> <p>100% of the Election I amount held on the date of retirement rounded to the next highest \$1,000. The amount of coverage under this Election I will be subject to future age-based reductions (shown in the chart below) on September 1 of each year, rounded to the next highest \$1,000. Age-based reductions will cease when the amount reaches \$10,000.</p> <table border="1" data-bbox="714 1144 1177 1333"> <thead> <tr> <th><u>Age</u></th> <th><u>% of original amount</u></th> </tr> </thead> <tbody> <tr> <td>70-74</td> <td>65%</td> </tr> <tr> <td>75-79</td> <td>40%</td> </tr> <tr> <td>80-84</td> <td>25%</td> </tr> <tr> <td>85-89</td> <td>15%</td> </tr> <tr> <td>90 & over</td> <td>10%</td> </tr> </tbody> </table> <p>OR</p> <p>100% of the Election II amount held on the date of retirement rounded to the next highest \$1,000. The amount of coverage under this Election II will be subject to future age-based reductions (see chart below) on September 1 of each year, rounded to the next highest \$1,000. Age-based reductions will cease when the amount reaches \$10,000.</p> <table border="1" data-bbox="714 1648 1177 1837"> <thead> <tr> <th><u>Age</u></th> <th><u>% of original amount</u></th> </tr> </thead> <tbody> <tr> <td>70-74</td> <td>65%</td> </tr> <tr> <td>75-79</td> <td>40%</td> </tr> <tr> <td>80-84</td> <td>25%</td> </tr> <tr> <td>85-89</td> <td>15%</td> </tr> <tr> <td>90 & over</td> <td>10%</td> </tr> </tbody> </table>	<u>Age</u>	<u>% of original amount</u>	70-74	65%	75-79	40%	80-84	25%	85-89	15%	90 & over	10%	<u>Age</u>	<u>% of original amount</u>	70-74	65%	75-79	40%	80-84	25%	85-89	15%	90 & over	10%
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Retiree Status	Amount of Optional Group Term Life Insurance																								
<p>All Retirees who retired on or after September 30, 1999</p>	<p>100% of the Election I amount held on the date of retirement, rounded to the next highest \$1,000. The amount of coverage under this Election I will be subject to future age-based reductions (see chart below) on September 1 of each year, rounded to the next highest \$1,000. Age-based reductions will cease when the amount reaches \$10,000.</p> <table border="0"> <thead> <tr> <th><u>Age</u></th> <th><u>% of original amount</u></th> </tr> </thead> <tbody> <tr> <td>70-74</td> <td>65%</td> </tr> <tr> <td>75-79</td> <td>40%</td> </tr> <tr> <td>80-84</td> <td>25%</td> </tr> <tr> <td>85-89</td> <td>15%</td> </tr> <tr> <td>90 & over</td> <td>10%</td> </tr> </tbody> </table> <p>OR</p> <p>100% of the Election II amount held on the date of retirement, rounded to the next highest \$1,000. The amount of coverage under this Election II will be subject to future age-based reductions (see chart below) on September 1 of each year, rounded to the next highest \$1,000. Age-based reductions will cease when the amount reaches \$10,000.</p> <table border="0"> <thead> <tr> <th><u>Age</u></th> <th><u>% of original amount</u></th> </tr> </thead> <tbody> <tr> <td>70-74</td> <td>65%</td> </tr> <tr> <td>75-79</td> <td>40%</td> </tr> <tr> <td>80-84</td> <td>25%</td> </tr> <tr> <td>85-89</td> <td>15%</td> </tr> <tr> <td>90 & over</td> <td>10%</td> </tr> </tbody> </table> <p>OR</p> <p>Minimum Optional Life Insurance (\$10,000) if no other optional life insurance coverage held at time of retirement. Evidence of Insurability is required.</p>	<u>Age</u>	<u>% of original amount</u>	70-74	65%	75-79	40%	80-84	25%	85-89	15%	90 & over	10%	<u>Age</u>	<u>% of original amount</u>	70-74	65%	75-79	40%	80-84	25%	85-89	15%	90 & over	10%
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<p>All Retirees</p>	<p>You may enroll in Minimum Optional Life (\$10,000):</p> <ul style="list-style-type: none"> • At the time of retirement; or • During summer enrollment; or • At the time of a Qualifying Life Event <p>Evidence of Insurability will be required.</p>																								

In most cases, if, as an Active Employee, you received an Accelerated Life Benefit (ALB) payment which is greater than the Group Term Life Insurance amount you have as a Retiree, your designated beneficiary will receive no Group Term Life Insurance benefit payment upon your death.

For example, you had Election IV Optional Group Term Life Insurance coverage of \$200,000 as an Active Employee and received an ALB payment of 80% or \$160,000. As a Retiree under age 70, you maintain Election II Optional Group Term Life Insurance coverage of \$100,000. When you die, your designated beneficiary will receive no Group Term Life Insurance benefit payment because the \$160,000 ALB payment was greater than the \$100,000 you maintained as a Retiree.

In most cases, if you received an ALB payment as an Active Employee, when you retire, in order for your designated beneficiary to receive a Group Term Life Insurance benefit payment upon your death, the amount of your Optional Group Term Life Insurance coverage you retain as a Retiree must be greater than the amount you received as an ALB payment.

For example, you had Election I Optional Group Term Life Insurance coverage of \$50,000 as an Active Employee and received an ALB payment of 80% or \$40,000. As a Retiree under age 70, you maintain Election I Optional Group Term Life Insurance coverage of \$50,000. Upon your death, your designated beneficiary will receive \$10,000 which is the difference between \$50,000 and the \$40,000 ALB payment.

All calculations above are subject to age-based benefit reductions.

Amounts of Group Term Life Insurance coverage that are lost due to retirement or age-based benefit reductions may be converted to an individual whole life insurance policy with FDL. The conversion is subject to the requirements of the Conversion Privilege provision, and application for a conversion policy must be made within 31 days of the date coverage is lost.

Amounts of coverage that are lost due to the payment of an Accelerated Life Benefit may not be converted.

Step-by-Step Instructions for Filing an Optional Group Term Life Insurance Claim.

If you die as a result of any cause,

Your designated beneficiary:

- obtains a claim form through the ERS web site at www.ers.state.tx.us or contacts ERS for a claim form and completes the claim form;
- submits the completed, signed claim form together with a certified copy of your death certificate to ERS within 24 months of your death; and
- provides additional information as needed for FDL to process the claim.

ERS:

- receives the completed, signed claim form and the death certificate; and
- reviews the claim for completeness and forwards to FDL.

FDL:

- receives the claim form and the death certificate;
- 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 ERS if the claim is denied for any reason.

Accelerated Life Benefit

This section is applicable to you if you have Optional Group Term Life Insurance coverage. If you have only Basic Group Term Life Insurance coverage, the Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim and the description of the Accelerated Life Benefit for Basic Group Term Life Insurance Only are applicable to you.

You or your court appointed legal representative may request payment in one lump sum to you of up to 80% of your total Group Term Life Insurance amount which is the sum of your Basic Group Term Life Insurance (which you have if you have health coverage through the Group Benefits Program) and your Optional Group Term Life Insurance amounts. You must be diagnosed with a Terminal Condition and have a life expectancy of twelve months or less.

FDL will review your request and evaluate whether the requirements of this benefit are met. The minimum payment will be \$2,500 and will be made by FDL to you or your legal representative. The amount of the payment will be deducted from your Optional Group Term Life Insurance amount. However, you will continue to pay the premium for the Optional Group Term Life Insurance coverage as if the Accelerated Life Benefit payment had not been made.

The amount of Optional Group Term Life Insurance that will be paid to your designated beneficiary when you die will be reduced by this Accelerated Life Benefit payment. However, the premium you pay will continue as if the Accelerated Life Benefit payment had not been made.

The Accelerated Life Benefit is not available to you if you retired prior to January 1, 2000 unless you were determined, in a written statement executed before the day you retired by your attending physician, to have had a Terminal Condition.

Note: If you are diagnosed with a Terminal Condition, you may elect to receive payments 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 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.

Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim

If you are diagnosed with a Terminal Condition and have a remaining life expectancy of twelve months or less,

You or your court appointed representative:

- obtain an Accelerated Life Insurance Benefit Claim Form through the ERS web site at www.ers.state.tx.us or contact ERS for a claim form;
- complete the section which is to be completed by the Retiree or Retiree's legal representative; and
- sign and date the form.

Your Approved Practitioner:

- completes, signs and dates the Attending Physician's Statement;
- attaches copies of the medical test results, lab reports and any other information on which the diagnosis and life expectancy are based; and
- returns the claim form to ERS.

ERS:

- receives the completed, signed claim form, reviews the claim for completeness; and
- forwards to FDL.

FDL:

- receives the claim form, reviews the claim, and requests additional information, if needed;
- prepares a lump sum check in the amount of your Optional Group Term Life Insurance selected, up to 80%, if the claim is approved; and
- mails the check to you or your legal representative; or
- notifies you or your legal representative and ERS if your claim is denied for any reason.

Viatical Settlement Option

You may make an irrevocable beneficiary designation in conjunction with a viatical settlement. The choice of a viatical settlement provider is yours. Neither FDL nor ERS is responsible for recommending or selecting a viatical settlement provider. Upon your death, payment will be made to the viatical settlement provider or the persons or entities designated as the irrevocable beneficiary if your life insurance is still in force. This option applies to Basic Group Term Life Insurance and Optional Group Term Life Insurance.

Note: If you are diagnosed with a Terminal Condition, you may elect to receive payments under the Viatical Settlement Option only if you have not previously received an Accelerated Life Benefit. Please review your situation carefully before making your selection.

You may contact FDL Customer Service at 1-800-778-2281 for additional information.

Step-by-Step Instructions for Filing a Viatical Settlement Claim

If you are diagnosed with a Terminal Condition,

You must:

- research and select a viatical settlement provider.

The viatical settlement provider:

- may send a questionnaire to FDL.

FDL:

- researches your Group Term Life Insurance coverage; and
- responds to the viatical settlement provider.

The viatical settlement provider:

- reviews FDL's response; and
- signs an agreement with you or declines to sign an agreement.

FDL:

- sends you an irrevocable beneficiary designation form for you to complete and return to FDL if the viatical settlement provider signs an agreement with you;
- notifies ERS of the irrevocable beneficiary designation; and
- maintains the irrevocable beneficiary designation form in FDL's files.

You will:

- receive the payment from the viatical settlement provider for the agreed upon percentage of your Group Term Life Insurance amount.

FDL:

- pays the death benefit from your Group Term Life Insurance to the viatical settlement provider or the persons or entities designated as the irrevocable beneficiary in the event the coverage is still in force when you die.

**Dependents' Group Term Life Insurance with
Accelerated Life Benefit
and Viatical Settlement Option**

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Section 3

Dependents' Group Term Life Insurance with Accelerated Life Benefit

General Information

You may be eligible to enroll in Dependents' Group Term Life Insurance coverage which provides group term life insurance coverage for all your listed eligible Dependents. See Eligibility subsection below for additional details. You will be responsible for paying the premiums, either through a deduction from your ERS or TRS annuity or by submitting a personal payment directly to ERS.

Eligibility

As a Retiree, you are eligible to enroll in Dependents' Group Term Life Insurance. Certain restrictions may apply. Contact ERS for complete enrollment details.

Dependent is as defined in Section 5.

A dependent Child becomes eligible for coverage as follows:

- a. A newborn natural child is eligible for coverage on his/her date of birth if the child is born alive as certified by an attending physician.
- b. A newly adopted child is eligible for coverage on the date of placement for adoption.
- c. A newly acquired dependent who does not qualify under items a. and b. above becomes eligible for coverage on the first day of the month following the date on which he/she becomes a dependent, as defined in Section 5, of a covered Retiree if an enrollment form is completed within 30 days after the date the person first becomes a dependent. If the enrollment form is completed after the initial 30 days, the coverage will become effective the first day of the month following the date approval is received by ERS.

The following persons are **not** eligible for Dependents' Group Term Life Insurance:

- Any person who is a full-time Active Employee and is enrolled in Basic Group Term Life Insurance or Optional Group Term Life Insurance;
- Any person who is a part-time Active Employee and is enrolled in Basic Group Term Life Insurance or Optional Group Term Life Insurance;
- Any person who is a Retiree and is enrolled in Basic Group Term Life Insurance or Optional Group Term Life Insurance;
- Any person approved for Extended Insurance Benefits;
- Any person who has applied for an individual life insurance policy with FDL within 31 days of termination of State of Texas employment.

Summary of Benefits

Dependent	Amount of Dependents' Group Term Life Insurance
Spouse	\$2,500
Eligible Child(ren) from date of birth up to age 25	\$2,500

Dependents' Group Term Life Insurance

Dependents' Group Term Life Insurance provides each of your covered Dependents with \$2,500 of group term life insurance.

Dependents' Group Term Life Insurance also provides:

Conversion Privilege - This benefit is available to your covered spouse if you are no longer in a class of Retirees eligible for insurance or in the event of your death. The amount of group term life insurance on your spouse may be converted to an individual life insurance policy. See Section 4 for details.

Accelerated Life Benefit — You may request, on behalf of a dependent, payment in one lump sum of that Dependent's Group Term Life Insurance. Certain restrictions apply to this benefit. See the Accelerated Life Benefit later in this section for details.

Viatical Settlement Option — This option is available to you if your insured Dependent is diagnosed with a Terminal Condition. See the Viatical Settlement Option later in this section for details.

Dependents' Group Term Life Insurance benefits will not be paid if the deceased Dependent was insured in the Group Benefits Program as an Active Employee and died within 31 days of the date that his or her insurance ended as an Active Employee.

If your Dependent becomes ineligible for insurance, his or her coverage will automatically end on the last day of the month in which the ineligibility occurs. For example, if your Dependent turns age 25 on December 6, the insurance coverage will remain in effect until the last day of the month (December 31). You should notify ERS of any Dependent deletion or addition to ensure your coverages and premiums are correct.

Step-by-Step Instructions for Filing a Dependents' Group Term Life Insurance Claim

If your covered Dependent dies as a result of any cause,

You must:

- obtain a claim form through the ERS web site at www.ers.state.tx.us or contact ERS for a claim form and complete the claim form;
- submit the completed claim form, together with a certified copy of your Dependent's death certificate, to ERS within 24 months of your Dependent's death; and
- provide additional information as needed for FDL to process the claim.

ERS:

- receives the completed, signed claim form and the death certificate; and
- reviews the claim for completeness and forwards to FDL.

FDL:

- receives the claim form and the death certificate;
- requests additional information as needed to process the claim; and
- pays the death benefit to you if the claim is approved; or
- notifies you and ERS if the claim is denied for any reason.

Accelerated Life Benefit. (For Retirees with Dependent Group Life coverage.)

This section is applicable to you if you have enrolled for and are paying premiums for Dependents' Group Term Life Insurance coverage.

You may request payment of that Dependent's Group Term Life Insurance amount in a lump sum. Your Dependent 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 that Dependent's Group Term Life Insurance amount to zero and no benefit will be payable at your Dependent's death.

The Accelerated Life Benefit is not available for your covered Dependent if you retired prior to January 1, 2000 unless that covered Dependent was determined, in a written statement executed before the day you retired by his or her attending physician, to have had a Terminal Condition.

Note: If your insured Dependent is diagnosed with a Terminal Condition, you may elect to receive payments under your Dependent's Accelerated Life Benefit or Viatical Settlement Option, but not both. Please review your Dependent's situation carefully before making your selection.

DISCLOSURE: The Accelerated Life Benefit offered under this Dependents' 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.

Step-by-Step Instructions for Filing an Accelerated Life Benefit Claim for a Dependent

If your covered Dependent is diagnosed with a Terminal Condition and has a remaining life expectancy of twelve months or less,

You must:

- obtain an Accelerated Life Insurance Benefit Claim Form through the ERS web site at www.ers.state.tx.us or contact ERS for a claim form;
- complete the section which is to be completed by the Retiree; and
- sign and date the form.

Your Dependent's Approved Practitioner:

- completes, signs and dates the Attending Physician's Statement;
- attaches copies of the medical test results, lab reports and any other information on which the diagnosis and life expectancy are based; and
- returns the claim form to ERS.

ERS:

- receives the completed, signed claim form, reviews the claim for completeness; and
- forwards to FDL.

FDL:

- receives the claim form, reviews the claim, and requests additional information, if needed;
- prepares a lump sum check for you in the amount of your Dependent's Group Term Life Insurance amount if the claim is approved; and
- mails the check to you; or
- notifies you and ERS if the claim is denied for any reason.

Viatical Settlement Option – This option is available to you if your insured Dependent is diagnosed with a Terminal Condition. You may make an irrevocable beneficiary designation in conjunction with a viatical settlement for your insured Dependent’s coverage. The choice of a viatical settlement provider is yours. Neither FDL nor ERS is responsible for recommending or selecting a viatical settlement provider. Upon your Dependent’s death, payment will be made to the viatical settlement provider or the persons or entities designated as the irrevocable beneficiary if the life insurance on that Dependent is still in force. This option applies to your Dependents’ Group Term Life Insurance.

Note: If your insured Dependent is diagnosed with a Terminal Condition, you may elect to receive payments under your Dependent’s Viatical Settlement Option, unless an Accelerated Life Benefit has been paid on that Dependent’s life. Please review your Dependent’s situation carefully before making your selection.

You may contact FDL Customer Service at 1-800-778-2281 for additional information.

Step-by-Step Instructions for Filing a Dependent's Viatical Settlement Claim

If your Dependent is diagnosed with a Terminal Condition,

You must:

- research and select a viatical settlement provider.

The viatical settlement provider:

- sends a questionnaire to FDL, if needed.

FDL:

- researches your Dependent's Group Term Life Insurance coverage; and
- responds to the viatical settlement provider.

The viatical settlement provider:

- reviews FDL's response; and
- signs an agreement with you or declines to sign an agreement.

FDL:

- sends you an irrevocable beneficiary designation form for you to complete and return to FDL if the viatical settlement provider signs an agreement with you;
- notifies ERS of the irrevocable beneficiary designation; and
- maintains the irrevocable beneficiary designation form in FDL's files.

You will:

- receive the payment from the viatical settlement provider for the agreed upon percentage of your Dependent's Group Term Life Insurance amount.

FDL:

- pays the death benefit from your Dependent's Group Term Life Insurance to the viatical settlement provider or the persons or entities designated as the irrevocable beneficiary in the event of the death of your covered Dependent while that Dependent's coverage is in force.

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Section 4

General Provisions

Beneficiary Designations

You may name anyone you wish as beneficiary of your group term life insurance. You may also change your beneficiary designation at any time unless you have made an irrevocable beneficiary designation through a Viatical Settlement. For the change to be effective, the form must be signed by you, witnessed and filed with ERS prior to your death. A beneficiary designation, change or cancellation in your will or other legal document which is **not** on file with ERS, will not be effective. If you have not named a beneficiary or if the beneficiary you have named dies before you, your group term life insurance benefit will be paid in the following order:

- Your surviving spouse, or if none, then
- Your child(ren) and descendants of your deceased child(ren) by representation, or if none, then
- Your parents or the surviving parent, or if none, then
- The duly appointed executor or administrator of your estate, or
- If none of the above, any other kin entitled under the laws of the state where you lived at the date of your death.

If, within one year after your death:

- no claim for payment has been filed by a person entitled to it as shown in the order above, or
- if a person makes a claim within a year, but is not allowed to receive it by any statute or regulation,

then the claim payment may be made in the order stated above as if the person who did not make a claim or is not allowed to receive it had died before you. The claim payment is final and no other party can recover the money.

If, within two years after your death:

- no claim for payment has been filed by a person entitled to it as stated in the order above, and
- neither the ERS nor FDL has received notice that a claim will be made,

then the payment may be made to the person who, in the judgment of ERS, is rightfully entitled to it. The claim payment is final and no other party can recover the money.

If, within four years after your death:

- payment has not been made under this “Beneficiary Designations” subsection, and
- no claim for payment by a person entitled under this “Beneficiary Designations” subsection is pending,

then the amount payable is credited to the Fund, as defined in the Act.

If you designate your spouse as beneficiary of your group term life insurance and if:

- the marriage ends in divorce after your designation is made; and
- you die before the new designation is made,

your insurance benefit will be paid in accordance with Sections 7.004 and 9.301 of the *Texas Family Code*.

You are the beneficiary for your Dependents’ coverage under Dependents’ Group Term Life Insurance.

Conversion Privilege

Conversion For You

You may convert your Group Term Life Insurance (both Basic and Optional amounts) to an individual policy of whole life insurance to be issued by FDL if you are no longer eligible for these coverages. Evidence of Insurability is not required if you apply for the individual life insurance policy and pay the first premium within 31 days after your group coverage ends.

If at retirement you continued Election I or II Optional Group Term Life Insurance, you may reduce the coverage to a lower level. Any amount of Group Term Life Insurance coverage that you reduce may be converted to an individual whole life insurance policy issued by FDL. Evidence of Insurability is not required for the reduction or the conversion. Conversion is not available if your benefit was reduced because of an Accelerated Life Benefit or if you have received a Viatical Settlement payment.

Once Your Optional Group Term Life Insurance coverage amount has been reduced or canceled, it cannot be increased or reinstated.

If you convert to an individual life insurance policy, the premium will cost more than for your group term life insurance.

Note: The individual life insurance policy is not term insurance.

If the Group Policy is discontinued, you may be able to convert to an individual life insurance policy (as described above), provided:

- you were insured under the Group Policy when the Group Policy ends;
- you were continuously insured under the Group Policy for at least five years before the Group Policy ends; and
- your insurance under the Group Policy ends because the Group Policy has ended.

The individual life insurance policy will not be for an amount of insurance greater than the smaller of the following amounts:

- the amount of your insurance under the Group Policy, minus the amount of any life insurance you are eligible for under any group Policy issued or reinstated by FDL or by any other life insurance company within 31 days after the termination of the Group Policy; or
- \$2,000.

If you die within the 31-day period allowed for conversion, a benefit may be paid to your beneficiary. The amount paid will be the amount your beneficiary would have received if you had applied for conversion. This benefit may be paid, regardless of whether or not you applied for it.

Conversion For Your Covered Spouse

Your covered spouse may convert his or her Dependents' Group Term Life Insurance amount to an individual policy of whole life insurance if:

- your coverage ends for any reason;
- you are no longer eligible for Dependents' insurance under these coverages; or
- you die.

Your covered spouse is not required to provide Evidence of Insurability if your spouse applies for the individual life insurance policy and pays the first premium within 31 days after group coverage ends. Conversion is not available if your spouse has received a Viatical Settlement payment.

If your covered spouse converts to an individual life insurance policy, the premium will cost more than for your covered spouse's group term life insurance.

Note: The individual life insurance policy is not term insurance.

If the Group Policy is discontinued or is changed to end coverage for Dependents, your covered spouse will be able to convert his or her Dependents' Group Term Life Insurance to an individual life insurance policy (as described above), provided:

- your covered spouse was insured under the Group Policy when the Group Policy ends;
- your covered spouse was continuously insured under the Group Policy for at least five years before the Group Policy ends; and
- your covered spouse's insurance under the Group Policy ends because the Group Policy has ended.

The individual life insurance policy will not be for an amount of insurance greater than the smaller of the following amounts:

- the amount of your covered spouse's insurance under the Group Policy, minus the amount of any life insurance your covered spouse is eligible for under any group policy issued or reinstated by FDL or by any other life insurance company within 31 days after the termination of the Group Policy; or
- \$2,000.

If your covered spouse dies within the 31-day period allowed for conversion, a benefit may be paid to your covered spouse's beneficiary. The amount paid will be the amount your covered spouse's beneficiary would have received if your covered spouse had applied for conversion. This benefit may be paid, regardless of whether or not you or your covered spouse applied for conversion.

How to Request a Review of a Claim Determination

If your claim for benefits is reduced or denied, you or your beneficiary 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, TX 78711-3207
1-877-275-4377

Incontestability

Your coverage under the Group Policy cannot be contested after two years from the effective date, except for nonpayment of premiums and except if coverage has been obtained through fraud, attempted fraud or misrepresentation.

In the absence of fraud, attempted fraud, or misrepresentation, no statement made by any person insured under the Group Policy relating to his or her insurability will be used in contesting the insurance validity if the insurance for which such statement was applicable has been in force a period of two years during such person's lifetime. Any statement used to contest the validity of the insurance must be contained in a written instrument signed by him or her.

Statements made and information provided in an Evidence of Insurability application will not be used to contest the validity of insurance if the insurance obtained through such Evidence of Insurability has been in force for a period of two years.

Incomplete or Incorrect Information

If during the underwriting or claims review process 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.

Misstatement of Age

If the age of an insured person is misstated, the amount of insurance for that person will be determined by the Group Policy based on the insured person's true age. An adjustment of premiums will be made by ERS to reflect the person's true age and correct premiums.

Non-Assignability

The insurance and any benefits provided by the Group Policy cannot be assigned, except by irrevocable beneficiary designation made as part of a viatical settlement permitted by law.

Suicide Exclusions

- The Retiree's Basic Group Term Life Insurance is not subject to this Suicide Exclusion.
- Group Term Life Insurance benefits under the Retiree's Optional Group Term Life Insurance and Dependents' Group Term Life Insurance coverages will not be paid if the Retiree's or Dependent's death is a result of intentionally self-inflicted injuries, suicide or attempted suicide, while sane or insane, unless the insurance coverage was continuously in effect for two years immediately before the death. The amount of insurance that will be paid is the amount of the Retiree's Optional Group Term Life Insurance or Dependents' Group Term Life Insurance that has been continuously in effect for at least two years immediately prior to the date of death.

Termination of Insurance

All of your insurance will automatically end on the:

1. last day of the month in which you become ineligible for membership. Contact ERS for details;
2. expiration date of the time period in which your last premium payment was made in full and covered for that period;
3. date you are expelled from the Group Benefits Program for fraud or attempted fraud;
4. date the Group Policy is amended to end insurance for any class of Retirees eligible for coverage under the Group Policy; or
5. Group Policy termination date.

Your Dependents' Group Term Life Insurance will also end if any of the above events happen. In addition, Dependent Insurance will end automatically:

- on the last day of the month in which they are no longer a Dependent as defined in this book; or
- when your Dependent Child reaches age 25 or marries.

Please notify ERS immediately if your child(ren) no longer meets the definition of a Dependent. If you are a Retiree, call 1-877-275-4377.

Definitions of Terms

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Section 5

Definitions of Terms

The following definitions help explain important terms used in the description of your Group Term Life Insurance coverage:

Accelerated Life Benefit means an amount of Group Term Life Insurance requested by the insured Retiree and approved by FDL to be paid in advance of the Retiree's or covered Dependent's actual death in accordance with the terms of the Group Policy. An Accelerated Life Benefit Payment can be requested only upon diagnosis of a Terminal Condition and only once during the lifetime of the Retiree or covered Dependent for whom the request is made.

Accelerated Life Benefit Payment means the amount of the Accelerated Life Benefit that is actually paid to the insured Retiree. The Accelerated Life Benefit Payment will be the Accelerated Life Benefit that the Retiree requests for the Retiree or covered Dependent and FDL approves. The Accelerated Life Benefit Payment amount for a Retiree enrolled only for Basic Group Term Life Insurance is \$2,500. The Accelerated Life Benefit amount may be up to 80% of the Retiree's total (Basic plus Optional) Group Term Life Insurance with the minimum payment of \$2,500. The Accelerated Life Benefit Payment amount for the Dependents' Group Term Life Insurance will be \$2,500. If you elect to receive an Accelerated Life Benefit for yourself or a covered Dependent, you may not also receive benefits under a Viatical Settlement Option for that person.

Act means the Texas Employees Group Benefits Act (Chapter 1551, *Texas Insurance Code*).

Active Employee means an Employee as defined in the Act.

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 and 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*.

Attending Physician's Statement means a written medical opinion of an Approved Practitioner currently licensed to practice medicine in the United States, and which:

- is made at the insured Retiree's expense;
- indicates the insured Retiree or insured Dependent has a Terminal Condition;
- includes all medical test results, laboratory reports, and any other information on which the opinion is based;
- indicates the insured Retiree's or insured Dependent's expected remaining life span; and
- is acceptable to FDL.

The Attending Physician's Statement is used to establish the diagnosis of a Terminal Condition and determine the life expectancy of an insured Retiree or insured Dependent to whom the Accelerated Life Benefit Payment request applies.

Dependent means:

- Your spouse; and
- Your unmarried eligible children, from date of birth up to age 25, or a Disabled child as defined herein, including:
 1. the natural child of the Retiree;
 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 Retiree's household;
 4. a foster child whose primary residence is the Retiree'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 Retiree is the head and to whom the Retiree is the legal guardian of the child;
 6. a child who is in a parent-child relationship to the Retiree, provided that:

- a. the child's primary place of residence is the Retiree's household; and
 - b. the Retiree 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 Retiree's household;
7. a child who is considered a dependent of the Retiree for federal income tax purposes and who is a child of the Retiree's child;
 8. an eligible child for whom the Retiree has received a court order requiring the Retiree to provide medical support for such child; or
 9. a Disabled child, as Disabled is defined herein.

Disabled, referring to a Child, means a Child whose mental retardation or physical incapacity is a medically determinable condition which prevents the 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 Retiree within 31 days following such Child's attainment of age 25 and at such intervals thereafter as may be required by ERS or FDL.

Evidence of Insurability means such evidence, provided at no expense to ERS or FDL, including medical records and a physical examination, as may be required by FDL, to determine that the individual 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. FDL must review the Evidence of Insurability and approve coverage before such coverage becomes effective.

Fund means the Employee's Life, Accident and Health Insurance and Benefits Fund created by the Act which is administered by the Trustee.

Group Benefits Program means the state employees group benefits program provided by Chapter 1551, *Texas Insurance Code*.

Group Policy means the Group Term Life Insurance Policy including all supplementary policies, issued to the Trustee by Fort Dearborn Life Insurance Company (FDL).

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.

Retiree means an Employee who has retired or an Annuitant as defined in the Act.

Rule or **Rules** means those rules adopted by the Trustee.

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 the insured Retiree's or Dependent's death within twelve months from the date of the Attending Physician's Statement. The twelve month period is applicable for Accelerated Life Benefit and Viatical Settlement.

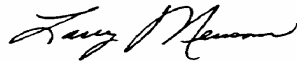
Trustee means the Employees Retirement System of Texas and/or the Board of Trustees of the Employees Retirement System of Texas.

Viatical Settlement means an agreement between the Retiree and a viatical settlement provider under which the Retiree makes the viatical settlement provider or the persons or entities the viatical settlement provider designates the irrevocable beneficiary to his or her Group Term Life Insurance coverage or his or her Dependent's Group Term Life Insurance coverage for a particular Dependent in exchange for a cash settlement. This cash settlement is a percentage of the Retiree's or Dependent's entire Group Term Life Insurance coverage. If you elect to receive benefits for yourself or for a covered Dependent under a Viatical Settlement Option, you may not also receive benefits under an Accelerated Life Benefit.

Certificate of Insurance

Fort Dearborn Life Insurance Company

certifies that it has issued Group Term Life Insurance Policy No. 38000-A, including a Dependents' Group Term Life Insurance Supplementary Policy, to the Board of Trustees of the Employees Retirement System of Texas. The Group Term Life Insurance Policy and the Supplementary Policy together with the Trustee's Application form the Group Policy. Subject to the provisions of the Group Policy, each Retiree 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 Retiree selected in the enrollment materials, and the options that were accepted and approved for the Retiree by Fort Dearborn Life Insurance Company and on file with the Trustee.



Larry Newsom, President

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