

Term Life and Accidental Death & Dismemberment Insurance

Active employees benefits book





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Important notice

To get information or make a complaint:

Call Securian Financial toll-free at (877) 494-1716.

Complaints filed with the Texas Department of Insurance will be forwarded to ERS by Minnesota Life in accordance with Texas Insurance Code, section 1551.209. The Texas Department of Insurance does not have authority over ERS. Minnesota Life will advise the Texas Department of Insurance that the complaint will be handled by ERS.

This notice is for information only and does not become a part or condition of the attached document.

Section 1 **About this book**

This book describes the coverages available to active employees in the Texas Employees Group Benefits Program (GBP).

- Basic Term Life Insurance with accelerated life benefit and Accidental Death, Dismemberment and loss of sight (AD&D)
- Optional Term Life Insurance with accelerated life benefit and AD&D
- Dependent Term Life Insurance with accelerated life benefit and AD&D
- Voluntary Accidental Death and Dismemberment (Voluntary AD&D)

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

The following coverages are underwritten by Minnesota Life Insurance Company, a subsidiary of Securian Financial and are a part of the group policy:

- Basic Term Life Insurance with accelerated life benefit and AD&D
- Optional Term Life Insurance with accelerated life benefit and AD&D
- Dependent Term Life Insurance with accelerated life benefit and AD&D
- Voluntary Accidental Death and Dismemberment

If you have any questions about any of these coverages, call the Employees Retirement System of Texas (ERS) toll-free at (877) 275-4377 (TTY: 711). You may also call Securian Financial toll-free at (877) 494-1716.

Write Securian Financial Group, Inc.
Austin Branch Office
115 Wild Basin Road, Suite 105
Austin Texas 78746

The group policy is available at
www.LifeBenefits.com/plandesign/ers
or you may write to:

Employees Retirement System of Texas
P.O. Box 13207
Austin, Texas 78711-3207

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 7 and in the last subsection of Section 8. Please refer to these definitions to better understand the coverage descriptions, benefits, limitations and exclusions contained in this book.



Section 2 **Basic Term Life Insurance with accelerated life benefit and AD&D**

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General information

When you enroll in a Texas Employees Group Benefits Program (GBP) health insurance plan, you are automatically enrolled in Basic Term Life Insurance with AD&D. This coverage provides \$5,000 of Basic Term Life Insurance and \$5,000 of basic AD&D insurance. If you are eligible for the full state contribution, these coverages are available at no additional cost to you. Your benefits coordinator will be able to tell you what your cost will be per month.

Summary of benefits

Class description	Amount of Term Life Insurance	Amount of Basic Accidental Death and Dismemberment (AD&D)*
Each active employee	\$5,000	\$5,000

* AD&D insurance ends upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

Basic Term Life Insurance

Your Basic Term Life Insurance amount is the amount to be paid to your beneficiary upon your death. See Section 6 for more information on beneficiary designations. The Basic Term Life Insurance also includes:

- **Extended life insurance benefit** – This benefit is available to you if you become totally disabled prior to age 60. See Section 6 for details.
- **Conversion privilege** – This benefit is available to you if you leave employment or reduce employment with your state agency. See Section 6 for details.
- **Accelerated life benefit** – This benefit is available to you as part of the Basic Term Life Insurance. If you are diagnosed with a Terminal Condition and have a life expectancy of 12 months or less, you may apply for this benefit. If you have Basic Term Life Insurance only, see the Accelerated life benefit subsection. If you have both Basic and Optional Term Life Insurance, see the accelerated life benefit in Section 3.

Step-by-step instructions for filing a Basic Term Life Insurance claim

If you die as a result of any cause,

Your beneficiary or other person designated by you or lawfully authorized to represent your estate:

- contacts ERS at (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the beneficiary.
- completes and signs the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to Securian; and
- provides additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes the agency certification and coordinator's statement, signs, and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form and death certificate from your beneficiary or other person designated by you or authorized to represent your estate;
- receives an agency certification and coordinator's statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to your beneficiary if the claim is approved; or
- notifies your beneficiary if the claim is denied for any reason.

Accelerated life benefit

(For employees with Basic Term Life only)

This section is applicable to you if you have only Basic Term Life Insurance. If you have Optional Term Life Insurance, see the Description in Section 3 for details of this benefit.

You or your court-appointed legal representative may request payment to you of your Basic Term Life Insurance amount in a single lump sum. You must be diagnosed with a terminal condition **and have a life expectancy of 12 months or less**.

Securian will review the request and evaluate whether the requirements for this benefit are met. If approved, Securian will make payment to you. The amount of the payment will reduce your Basic Term Life amount to zero and no benefit will be payable at your death. If you die after the payment of the accelerated life benefit as the result of accidental bodily injuries, an AD&D benefit may be payable to your beneficiary subject to the AD&D requirements and limitations.

Note: If you are diagnosed with a terminal condition and have a life expectancy of 12 months or less, you may elect to receive benefits under the accelerated life benefit or life settlement contract option, but not both. Please review your situation carefully before making your selection.

Disclosure: The accelerated life benefit offered under your Basic 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), Temporary Assistance for Needy Families (TANF), supplementary Social Security Income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect your or your Dependents' eligibility for public assistance.

You may contact Securian at (877) 494-1716 for additional information.

Step-by-step instructions for filing an accelerated life benefit claim

This section is applicable if you only have Basic Term Life Insurance coverage.

If you are diagnosed with a terminal condition and you have a life expectancy of 12 months or less,

You or your court appointed legal representative:

- obtain the accelerated life insurance benefit claim forms through the Securian Financial website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance.
- complete the Claimant Statement form and send the claim form to Securian.
- provide the Attending Physician Statement form to your physician to complete. The physician must be an approved practitioner and include as due proof of your terminal condition, copies of medical test results, lab reports, and any other information on which the diagnosis of life expectancy are based. The physician returns the form and any supporting documentation to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends the form to Securian at the address shown on the claim form.

Securian Financial:

- receives the claim forms, reviews the claim, and requests additional information if needed;
- makes payment in the amount of your Basic Term Life Insurance to you or your legal representative, if approved; or
- notifies you or your legal representative if your claim is denied for any reason.

Basic AD&D coverage

The Basic AD&D benefit will be paid if you have an accidental bodily injury which directly results in your death or in bodily loss within 180 consecutive days from the day the accident happened.

In the event of your Accidental Death, the Basic AD&D amount shown in the Summary of Benefits, on page 5, will be paid to your beneficiary.

Basic AD&D benefits will be paid to you if you have a bodily loss as a direct result of your accidental bodily Injury and if your bodily loss is one or more of these types:

- loss of your hand by actual severance through or above the wrist;
- loss of your foot by actual severance through or above the ankle joint; and
- loss of your sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, the benefit will be \$2,500. If you have two or more bodily losses at the same time, the benefit will be \$5,000. Benefits will not be paid if you independently lose one or more fingers, one or more toes, or incur a partial loss of sight.

The total basic group AD&D amount that will be paid for all losses resulting from the same accident will not be more than \$5,000.

There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

Step-by-step instructions for filing a Basic AD&D claim

If you die as a result of an accidental bodily injury

Your beneficiary or other person designated by you or lawfully authorized to represent your estate:

- contacts ERS at (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the beneficiary.
- completes, signs and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to Securian; and
- provides additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes the agency certification and coordinator's statement, signs and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form, any attachments and death certificate from your beneficiary or other person designated by you or authorized to represent your estate;
- receives an agency certification and coordinator's statement;
- requests additional information as needed to process the claim; and
- pays the death benefit to your beneficiary if the claim is approved; or
- notifies your beneficiary if the claim is denied for any reason.

If you lose a hand, foot or sight in one eye as a result of an accidental bodily injury

You must:

- within 120 days of the accident, obtain the claim forms through the Securian Financial website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance.
- complete the Claimant Statement form and send the claim form to Securian.
- provide the Attending Physician Statement form to your physician to complete as due proof of your loss.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends the form to Securian at the address shown on the claim form.

Note: Securian must receive the form within 18 months of the accidental bodily injury.

Securian Financial:

- receives the claim forms and due proof of your loss;
- reviews the claim, and requests additional information if needed; and
- pays the benefit amount to you if the claim is approved; or
- notifies you if the claim is denied for any reason.





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General information

Coverage may be in an amount from one to four times your annual salary as elections 1, 2, 3, or 4 of Optional Term Life Insurance insurance with accelerated life benefit and AD&D. You will be responsible for paying the premiums. The Optional Term Life Insurance coverage for each election is described in the Summary of Benefits subsection on the next page. Enrollment may be subject to life evidence of insurability requirements depending on when you enroll. See eligibility subsection below.

*AD&D insurance ends upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

Eligibility

If you are an active employee, including a return-to-work retiree who is electing coverage as an active employee, you are eligible to enroll in Optional Term Life Insurance with accelerated life benefit and AD&D. Contact your benefits coordinator for enrollment details.

Your coverage effective date is determined by when you enroll.

Day you enroll	Insurance effective date
On or before your first day at work	Election 1 or 2 – the first day you are actively at work, as long as the insurance and State Agency hire dates are the same election 3 or 4**
Within 31 days of your first day at work	Election 1 or 2 – the first day of the month after the date you enroll (You must be actively at work for coverage to be effective) election 3 or 4**
After 31 or more days from your first day at work***	The first day of month following EOI approval**

**You must submit Life evidence of insurability to Securian to evaluate your medical information. You will either be approved or denied coverage based on your medical information. Securian will notify you and ERS of the approval or denial of your coverage. Insurance coverage will be effective on the first of the month following Securian notifying you and ERS of approval of your coverage. You must be actively at work for the coverage to become effective. The effective date of coverage is always later than the approval date.

***Exception: A retiree who returns to active service and elects coverage as an active employee may, during their initial period of eligibility, elect election 1 or election 2 without life evidence of insurability.

Note: If the medical information you provide is false or misrepresented, this may cause an otherwise valid claim to be denied and coverage to be rescinded or canceled, and you may be subject to expulsion from the Group Benefits Program, as well as other sanctions.

Your Optional Term Life Insurance elections may change when you retire, regardless of your age. If election 1 is in effect on the day you retire, you may continue election 1 after retirement. If election 2, 3, or 4 is in effect on the date you retire, you may elect to continue election 1 or 2. You may elect to continue election 1 or 2 if you retired and returned to active service after your original retirement, regardless of the optional group life election made at your original retirement. Election 1 or 2 are subject to age-based benefit reduction factors beginning when you turn age 70 and continuing until the last reduction at age 90. The premiums you pay will be based on your age on September 1 of each year. If you are enrolled in Medicare, then your premiums are based on your age as of January 1 each year.

At retirement, any Optional Term Life Insurance amount you do not retain as group coverage may be converted to an individual life insurance policy with Securian. If you have election 3 or election 4 at the time of your retirement, you may retain Optional Term Life Insurance coverage in an amount up to election 2. The difference may be converted to an individual life insurance policy with Securian.

Your AD&D coverage will end at your retirement, regardless of your age.

See Section 6 for more information on when coverage might end.

Summary of benefits

Class description	Amount of Optional Term Life Insurance with accelerated life benefit	Amount of optional AD&D*
Each active employee under age 70		
Election 1	One times annual Salary	An amount equal to the Optional Term Life amount
Election 2	Two times annual salary	An amount equal to the Optional Term Life amount
Election 3	Three times annual salary	An amount equal to the Optional Term Life amount
Election 4	Four times annual salary	An amount equal to the Optional Term Life amount
Total coverage for any of these elections not to exceed \$400,000		
Each active employee age 70 or older		
The same Optional Term Life amount described above; however, your amount will be reduced to the percentages shown below which are based on your age on September 1 of each year, rounded to the next highest \$1,000. If you are enrolled in Medicare, then your premiums are based on your age as of January 1 each year.		An amount equal to the Optional Term Life amount
Reduction age	Percentage	
70-74	65%	
75-79	40%	
80-84	25%	
85-89	15%	
90 or over	10%	

*AD&D insurance ends upon your retirement, regardless of age.

There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

The maximum coverage amount for active employees for elections 1, 2, 3, or 4 is the lesser of four times annual salary or \$400,000.

Coverage amount examples**For employees under age 70:**

Example: Suppose your annual salary was \$24,300. Round your annual salary up to the next highest \$1,000 or \$25,000. Then multiply by four (for election 4). Your coverage amount would be \$100,000.

For employees age 70 and older:

Example: Suppose your annual salary was \$25,200, your age was 75, and you have election 2 coverage. The percentage of your annual salary would be 40%. The annual salary for determining coverage would be \$11,000 (\$25,200 times 40% = \$10,080 rounded to the next highest \$1,000 would be \$11,000). Your coverage amount for election 2 would be \$22,000 (\$11,000 x 2 = \$22,000).

Optional Term Life Insurance

Your Optional Term Life Insurance provides you with an amount of group term life insurance coverage from one to four times your annual salary which will be paid to your beneficiary. See Section 6 for more information on beneficiary designations. The Optional Term Life Insurance also includes:

- **Extended life insurance benefit** – This benefit is available to you if you become totally disabled prior to age 60. See Section 6 for details.
- **Conversion privilege** – This benefit is available to you if you leave employment with your employer. See Section 6 for details.
- **Accelerated life benefit** – This benefit is available to you as part of the Basic Term Life Insurance and Optional Term Life Insurance. If you are diagnosed with a Terminal Condition and have a life expectancy of 12 months or less, you may apply for this benefit. See the Accelerated Life Benefit subsection later in this section. If you have only Basic Term Life Insurance, see Section 2 for benefit details.
- **Life settlement contract option** – This option is available to you if you are diagnosed with a terminal condition. See the Life Settlement Contract Option subsection later in this section.

Step-by-step instructions for filing an Optional Term Life Insurance claim

If you die as a result of any cause (see Suicide Exclusion on page 37)

Your beneficiary or other person designated by you or lawfully authorized to represent your estate:

- contacts ERS at (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the beneficiary.
- completes, signs and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to Securian; and
- provides additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes, signs and dates an agency certification and coordinator's statement; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form, any attachments, and death certificate from your beneficiary or other person designated by you or authorized to represent your estate;
- receives an agency certification and coordinator's statement;
- requests additional information as needed to process the claim; and
- pays the death benefit to your beneficiary if the claim is approved; or
- notifies your beneficiary if the claim is denied for any reason.

Optional AD&D coverage

The Optional AD&D benefit will be paid if you have an accidental bodily injury which directly results in your death or in a bodily loss within 180 consecutive days from the day the accident happened.

In the event of your Accidental Death, your Optional AD&D amount will be paid to your beneficiary.

Optional AD&D benefits will be paid to you if you have a bodily loss as a direct result of your accidental bodily injury and if your bodily loss is one or more of these:

- loss of your hand by actual severance through or above the wrist;
- loss of your foot by actual severance through or above the ankle joint; and
- loss of your sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, half of your Optional AD&D insurance amount will be paid to you. If you have two or more bodily losses at the same time, the full amount of your Optional AD&D insurance will be paid to you. Benefits will not be paid if you independently lose one or more fingers, one or more toes, or incur a partial loss of sight.

The total Optional AD&D amount that will be paid for all losses resulting from the same accident will not be more than your Optional AD&D coverage amount.

There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

Step-by-step instructions for filing an Optional AD&D claim

If you die as a direct result of and within 180 days of an accidental bodily injury

Your beneficiary or other person designated by you or lawfully authorized to represent your estate:

- contacts ERS at (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the beneficiary;
- completes, signs and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to Securian; and
- provides additional information as needed for Securian to process the claim.

Benefits coordinator of your State Agency:

- completes the Agency Certification and Coordinator's Statement, signs and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form, any attachments and death certificate from your beneficiary or other person designated by you or authorized to represent your estate;
- receives an agency Certification and coordinator's statement;
- requests additional information as needed to process the claim; and
- pays the death benefit to your beneficiary if the claim is approved; or
- notifies your beneficiary if the claim is denied for any reason.

If you lose a hand, foot, or sight in one eye as a result of an accidental bodily injury

You must:

- within 120 days of the accident, obtain the claim forms through the Securian Financial website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance;
- complete the Claimant Statement form and send the claim form to Securian.
- provide the Attending Physician Statement form to your physician to complete as due proof of your loss. The physician sends the form to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Note: Securian must receive the form within 18 months of the accidental bodily injury.

Securian Financial:

- receives the claim forms and due proof of your loss;
- reviews the claim, and requests additional information if needed; and
- pays the benefit amount to you if the claim is approved; or
- notifies you if the claim is denied for any reason.

Accelerated life benefit

This section is applicable to you if you have Optional Term Life Insurance coverage. If you have only Basic Term Life Insurance coverage, the description of the accelerated life benefit and the Step-by-step instructions for filing an accelerated Life benefit claim in Section 2 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 term life insurance amount which is the sum of your Basic Term Life Insurance (which you have if you have health coverage through the group benefits program) and your Optional Term Life Insurance amounts. You must be diagnosed with a terminal condition and have a life expectancy of 12 months or less.

Securian will review your request and evaluate whether the requirements of this benefit are met. The minimum payment will be \$5,000 and will be made by Securian to you or your legal representative. The amount of the payment will be deducted from your Optional Term Life Insurance amount. However, you will continue to pay the premium for the Optional Term Life Insurance coverage as if the accelerated life benefit payment had not been made.

The amount of Optional Term Life Insurance that will be paid to your beneficiary when you die will be reduced by this accelerated life benefit payment.

Note: If you are diagnosed with a terminal condition with a life expectancy of 12 months or less, you may elect to receive benefits under the accelerated life benefit or life settlement contract option, but not both. Please review your situation carefully before making your selection.

Disclosure: The accelerated life benefit offered under your Optional 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), Temporary Assistance for Needy Families (TANF), 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 Optional Term Life Insurance coverage. **If you are diagnosed with a terminal condition and have a remaining life expectancy of 12 months or less,**

You or your court appointed legal representative:

- obtain the Accelerated Life Insurance Benefit Claim forms through the Securian Financial website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance;
- complete the Claimant Statement form and send the claim form to Securian.
- provide the Attending Physician Statement form to your physician to complete. The physician must be an approved practitioner and include as due proof of your terminal condition, copies of medical test results, lab reports, and any other information on which the diagnosis of life expectancy are based. The physician returns the form and any supporting documentation to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Securian Financial:

- receives the claim forms, reviews the claim, and requests additional information if needed;
- makes payment in the amount of up to 80% of your Basic and Optional Term Life Insurance to you or your legal representative, if approved; or
- notifies you or your legal representative if your claim is denied for any reason.

Life settlement contract option

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

You will need to make a separate beneficiary designation for basic AD&D, Optional AD&D, and Voluntary AD&D coverages if an irrevocable beneficiary designation is made for group term life insurance coverages.

Contact Securian Financial at (877) 494-1716 for additional information.

Note: If you are diagnosed with a terminal condition and have a life expectancy of 12 months or less, you may elect to receive benefits under the accelerated life benefit or life settlement contract option, but not both. Please review your situation carefully before making your selection.

Step-by-step instructions for filing a life settlement contract claim

If you are diagnosed with a terminal condition **and have a life expectancy of 12 months or less,**

You must:

- research and select a life settlement contract provider.

The life settlement contract provider:

- sends a request for verification of coverage to Securian, if needed.

Securian Financial:

- researches your group term life insurance coverage; and
- responds to the life settlement contract provider within 30 days following the date of receipt of the request for verification of coverage.

The life settlement contract provider:

- reviews Securian's response; and
- signs an agreement with you or declines to sign an agreement. If an agreement is signed, within 20 days the life settlement contract provider sends written notice to Securian.

Securian Financial:

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

You will:

- receive the payment from the life settlement contract provider for the agreed upon percentage of your group term life insurance amount.

Securian Financial:

- pays the death benefit from your group term life insurance to the life settlement contract provider or the persons or entities designated as the irrevocable beneficiary in the event the coverage is still in force when you die.





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General Information

You may be eligible to enroll your dependents in Dependent Term Life Insurance with accelerated life benefit and AD&D coverage, which provides term life insurance; accelerated life benefit; and Accidental Death, Dismemberment, and loss of sight coverage for all your listed eligible dependents. Enrollment may be subject to life evidence of insurability requirements depending on when you enroll. See Eligibility subsection below.

* AD&D insurance ends for you and your dependents upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you. See Section 6 for details.

Eligibility

If you are an Active Employee, you are eligible to enroll your Dependents in Dependent Term Life Insurance and AD&D. Contact your benefits coordinator for enrollment details.

Dependent is as defined in Section 7.

A dependent child becomes eligible for coverage as follows:

- 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.
- a newly adopted child is eligible for coverage on the date of placement for adoption.
- a newly acquired dependent who does not qualify under items a. or b. above becomes eligible for coverage on the first day of the month following the date on which he/she becomes a dependent of a covered employee, as defined in Section 7.

The coverage effective date for your eligible dependents' coverage is determined by when you enroll.

Day you enroll	Dependent insurance effective date
On or before your first day at work	The first day you are actively at work, as long as the insurance and state agency hire dates are the same
Within 31 days of your first day at work, or within 31 days of when you acquire a newly eligible dependent (through marriage, birth, etc.)	The first day of the month after the date you enroll (You must be actively at work for coverage to be effective.)
After 31 or more days from your first day at work (unless within 31 days of acquiring a new dependent)	The first day of month following EOI approval**

** You must submit life evidence of insurability for each of your eligible dependents to Securian to evaluate the medical information. **You will either be approved or denied coverage for your dependents based on your dependents' medical information.** Securian will notify you and ERS of the approval or denial of your dependent coverage. Insurance coverage will be effective on the first of the month following Securian notifying you and ERS of approval of coverage for your dependents. You must be actively at work for coverage to become effective. The effective date of coverage is always later than the approval date.

Note: If the medical information you or a dependent provides is false or misrepresented, this may cause an otherwise valid claim to be denied and coverage to be rescinded or canceled, and you may be subject to expulsion from the group benefits program, as well as other sanctions.

The following persons are not eligible for Dependent Term Life Insurance:

- any person who is a full-time active employee and is enrolled in Basic Term Life Insurance or Optional Term Life Insurance;
- any person who is a part-time active employee and is enrolled in Basic Term Life Insurance or Optional Term Life Insurance;
- any person approved for Extended Life Insurance Benefits;
- any person who is a retiree and is enrolled in Basic Term Life Insurance or Optional Term Life Insurance; or
- any person who has applied for an individual life insurance policy with Securian within 31 days of termination of State of Texas employment.

Summary of Benefits

Dependent	Amount of Dependent Term Life Insurance	Amount of dependents' AD&D*
Spouse	\$5,000	\$5,000
Eligible child(ren) from date of birth up to age 26 or until they marry	\$5,000	\$5,000

* AD&D insurance ends for you and your dependents upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details

Dependent Term Life Insurance

Dependent Term Life Insurance provides each of your covered dependents with \$5,000 of term life insurance. Dependent Term Life Insurance also provides:

- **Conversion privilege** - This benefit is available to your covered spouse if you leave employment 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 6 for details.

Dependent Term Life Insurance benefits will not be paid if the deceased dependent was insured in the 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 26 or marries on December 6, the insurance coverage will remain in effect until the last day of the month (December 31). You should notify your benefits coordinator of any dependent deletion or addition to ensure your coverages and premiums are correct.

Step-by-step instructions for filing a Dependent Term Life Insurance claim

If your covered dependent dies as a result of any cause (see suicide exclusion on page 37),

You must:

- contact ERS at (877) 275-4377 for instructions and forms required for filing a claim for benefits;

- complete, sign and date the claim forms,
-]within 24 months of your dependent's death, submit the completed claim form, together with a certified copy of your dependent's death certificate, to Securian; and
- provide additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes an agency certification and coordinator's statement, signs and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form and the death certificate from you;
- receives an agency certification and coordinator's statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to you if the claim is approved; or
- notifies you if the claim is denied for any reason.

Dependent AD&D coverage

Dependent AD&D benefits will be paid if your covered dependent has an accidental bodily injury which directly results in his or her death or bodily loss within 180 consecutive days from the day the accident happened.

In the event of the accidental death of a covered dependent, the Dependent AD&D amount shown in the Summary of Benefits on above for that dependent will be paid to you.

Dependent AD&D benefits will be paid to you if your covered dependent has a bodily loss as a direct result of an accidental bodily injury and if your dependent's bodily loss is one or more of these types:

- loss of a hand by actual severance through or above the wrist;
- loss of a foot by actual severance through or above the ankle joint; and
- loss of sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, the benefit of \$2,500 will be paid to you. If your covered dependent has two or more bodily losses at the same time, the benefit paid to you will be \$5,000. Benefits will not be paid if your covered dependent independently loses one or more fingers, one or more toes, or incurs a partial loss of sight.

The total Dependent AD&D amount that will be paid for all losses resulting from the same accident will not be more than \$5,000.

There are limitations and exclusions that may limit the amount that is payable to you. See Section 6 for details.

Step-by-step instructions for filing a dependent's AD&D claim

If your covered dependent dies as a result of and within 180 days of an accidental bodily injury

You must:

- contact ERS (877) 275-4377 for instructions and forms required for filing a claim for benefits;
- complete, sign and date the claim forms,
- within 24 months of your dependent's death, submit the completed claim form, together with a certified copy of your dependent's death certificate, to Securian; and
- provide additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes an agency certification and coordinator's statement, signs and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form, any attachments, and the death certificate from you;
- receives an agency certification and coordinator's statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to you if the claim is approved; or
- notifies you and if the claim is denied for any reason.

If your covered dependent loses a hand, foot or sight in one eye as a result of an accidental bodily injury

You must:

- within 120 days of the accident, obtain the claim forms through the Securian website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance;
- complete the Claimant Statement form and send the form to Securian.
- provide the Attending Physician Statement form to your dependent's physician to complete as due proof of your dependent's loss. The physician sends the form to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Note: Securian must receive the form within 18 months of the accidental bodily injury.

Securian Financial:

- receives the claim forms, reviews the claim, and requests additional information if needed;
- makes payment to you in the amount of your Dependent Term Life Insurance, if the claim is approved; or
- notifies you if the claim is denied for any reason.

Accelerated life benefit (for employees with covered dependents under group life coverage.)

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

You may request payment of that Dependent Term Life Insurance amount in a lump sum. Your dependent must be diagnosed with a terminal condition and have a life expectancy of 12 months or less. Securian will review the request and evaluate whether the requirements for this benefit are met. If approved, Securian will make payment to you. The amount of the payment will reduce that dependent's Dependent Term Life Insurance amount to zero and no benefit will be payable at your dependent's death. If your dependent dies after the payment of the accelerated life benefit as the result of accidental bodily injuries, an AD&D benefit may be payable subject to the AD&D requirements and limitations.

Note: If your insured dependent is diagnosed with a terminal condition and has a life expectancy of 12 months or less, you may elect to receive payments under your dependent accelerated life benefit or life settlement contract option, but not both. Please review your dependent's situation carefully before making your selection.

Disclosure: The accelerated life benefit offered under your Dependent 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), Temporary Assistance for Needy Families (TANF), supplementary Social Security Income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect your or your dependents' eligibility for public assistance.

You may contact Securian Financial at toll-free (877) 494-1716 for additional information.

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 12 months or less,

You must:

- obtain the accelerated life insurance benefit claim forms through the Securian Financial website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance.
- complete the Claimant Statement form and send the form to Securian.
- provide the Attending Physician Statement form to your dependent's physician to complete. The physician must be an approved practitioner and include as due proof of your dependent's terminal condition, copies of medical test results, lab reports, and any other information on which the diagnosis of life expectancy are based. The physician returns the form and any supporting documentation to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Securian Financial:

- receives the claim forms, reviews the claim and requests additional information if needed;
- makes a payment in the amount of your Dependent Term Life Insurance to you; or
- notifies you if the claim is denied for any reason.

Life settlement contract option

If your insured dependent is diagnosed with a terminal condition and has a life expectancy of 12 months or less, you may make an irrevocable beneficiary designation in conjunction with a life settlement contract for your insured dependent's coverage. The choice of a life settlement contract provider is yours. Neither Securian nor ERS is responsible for recommending or selecting a life settlement contract provider. Upon your dependent's death, payment will be made to the life settlement contract 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 only to your dependents' Dependent Term Life Insurance.

The irrevocable beneficiary designation is not applicable to the Dependent AD&D or Voluntary AD&D for dependents coverage. You remain the beneficiary for these coverages for your covered dependents.

Note: If your insured dependent is diagnosed with a terminal condition and has a life expectancy of 12 months or less, you may elect to receive payments under your dependent's accelerated life benefit or life settlement contract option, but not both. Please review your dependent's situation fully before making your selection.

Contact Securian Financial at toll-free (877) 494-1716 for additional information.

Step-by-step instructions for filing a dependent life settlement contract claim

If your dependent is diagnosed with a terminal condition and has a life expectancy of 12 months or less,

You must:

- research and select a life settlement contract provider.

The life settlement contract provider:

- may send a request for verification of coverage to Securian.

Securian Financial:

- researches your Dependent Term Life Insurance coverage; and
- responds to the life settlement contract provider within 30 days following the date of receipt of the request for verification of coverage.

The life settlement contract provider:

- reviews Securian's response; and
- signs an agreement with you or declines to sign an agreement. If an agreement is signed, within 30 days the life settlement contract provider sends written notice to Securian.

Securian Financial:

- sends you an irrevocable beneficiary designation form for you to complete, sign, date and return to Securian if the life settlement contract provider signs an agreement with you;
- notifies ERS of the irrevocable beneficiary designation; and
- maintains the irrevocable beneficiary designation form in Securian's files.

You will:

- receive the payment from the life settlement contract provider for the agreed upon percentage of your Dependent Term Life Insurance amount.

Securian:

- pays the death benefit from your Dependent Term Life Insurance to the life settlement contract 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.



Section 5 **Voluntary Accidental Death and Dismemberment
(Voluntary AD&D)**

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Summary of benefits

Coverage for	Description of insured class	Amount of principal sum		
	Active employees:	Benefit minimum	Benefit maximum	Increments
Employee only	Under age 70*	\$10,000	\$200,000	\$5,000
	70-74*	6,500	130,000	3,250
	75-79*	4,000	80,000	2,000
	80-84*	2,500	50,000	1,250
	85-89*	1,500	30,000	750
	90 and over*	1,000	20,000	500

* Employee's attained age as of the September 1 prior to the date of enrollment. If you are enrolled in Medicare, then your premiums are based on your age as of January 1 each year.

OR

Coverage for	Description of insured class	Amount of principal sum		
	Active employees and all eligible dependents:	Benefit minimum	Benefit maximum	Increments
Employee and family	Employees:			
	Under age 70*	\$10,000	\$200,000	\$5,000
	70-74*	6,500	130,000	3,250
	75-79*	4,000	80,000	2,000
	80-84*	2,500	50,000	1,250
	85-89*	1,500	30,000	750
	90 and over*	1,000	20,000	500
	Dependents:			
	Spouse: 50% of the employee's amount;			
	Each child, either:			
	a. 5% of the employee's amount if there is a spouse who is eligible for insurance;			
	or			
	b. 10% of the employee's amount if there is no spouse who is eligible for insurance			

* Employee's attained age as of the September 1 prior to the date of enrollment

Voluntary AD&D ends for you and your dependents upon your retirement, regardless of age. There are limitations and exclusions that may limit the amount that is payable to you or your beneficiary. See Section 6 for details.

General information

Voluntary AD&D provides Accidental Death, Dismemberment, and loss of sight coverage in addition to the Basic, Optional, and Dependent AD&D coverage described earlier in this book. Two options are available for you to enroll in: employee only Voluntary AD&D and employee and family Voluntary AD&D.

Eligibility

You may enroll in Voluntary AD&D and life evidence of insurability is not required for you or your eligible dependents. You may enroll in the employee only coverage if you desire coverage only for yourself. You may enroll in the employee and family coverage to have coverage for yourself and all your eligible dependents. All your eligible dependents (spouse and children) will be covered.

The following persons are not eligible to receive coverage as your dependent:

- Any person insured as an employee under employee only Voluntary AD&D or any person insured as a dependent spouse under the employee and family Voluntary AD&D; or
- Any person who is within the 31 day conversion period for Basic or Optional Term Life.

Employee only Voluntary AD&D

The amount of insurance you select when you enroll will be paid if you have an accidental bodily injury that directly results in your death or in a bodily loss within 180 consecutive days of the accident date.

In the event of your Accidental Death, your Voluntary AD&D amount will be paid to your beneficiary.

Your Voluntary AD&D amount will be paid to you if you have a bodily loss as a direct result of your accidental bodily injury and if your bodily loss is one or more of these types:

- loss of your hand by actual severance through or above the wrist;
- loss of your foot by actual severance through or above the ankle joint; or
- loss of sight in one of your eyes resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, half of your Voluntary AD&D amount will be paid to you. If you have two or more bodily losses at the same time, the full amount of your Voluntary AD&D insurance will be paid to you. Benefits will not be paid if you independently lose one or more fingers, one or more toes, or incur a partial loss of sight.

The total Voluntary AD&D amount that will be paid for all losses resulting from the same accident will be the Voluntary AD&D amount you have selected on your enrollment form.

Step-by-step instructions for filing an employee's Voluntary AD&D claim

If you die as a result of an accidental bodily injury

Your beneficiary or other person designated by you or lawfully authorized to represent your estate:

- contacts ERS at (877) 275-4377 for instructions and forms required for filing a claim for benefits; the forms are sent to the beneficiary;
- completes, signs and dates the claim forms;
- within 24 months of your death, submits the completed claim form, together with a certified copy of your death certificate to Securian; and
- provides additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes the agency certification and coordinator's statement, signs and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form, any attachments, and death certificate from your beneficiary or other person by you or authorized to represent your estate;
- receives an agency certification and coordinator's statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to your beneficiary if the claim is approved; or
- notifies your beneficiary if the claim is denied for any reason.

If you lose a hand, foot or sight in one eye as a result of an accidental bodily injury

You must:

- within 120 days of the accident, obtain the claim forms through the Securian Financial website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS toll-free at (877) 275-4377 for assistance;
- complete the Claimant Statement form and send the claim form to Securian.
- provide the Attending Physician Statement form to your physician to complete as due proof of your loss. The physician sends the form to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Note: Securian must receive the form within 18 months of the accidental bodily injury.

Securian Financial:

- receives the claim forms and due proof of your loss;
- reviews the claim and requests additional information if needed; and
- pays the benefit amount to you if the claim is approved; or
- notifies you if the claim is denied for any reason.

Employee and family Voluntary AD&D

The amount of insurance for you and your eligible dependents is the amount you select when you enroll as described in the summary of benefits earlier in this section.

If your death or bodily loss is a direct result of your accidental bodily injury, your Voluntary AD&D amount will be paid to you or your beneficiary as stated in the Employee Only Voluntary AD&D section.

In the event of your covered dependent's accidental death, that dependent's Voluntary AD&D amount will be paid to you.

Your dependent's Voluntary AD&D amount will be paid to you if your covered dependent has a bodily loss as a direct result of an accidental bodily injury and if your dependent's bodily loss is one or more of these types:

- loss of a hand by actual severance through or above the wrist;
- loss of a foot by actual severance through or above the ankle joint; and
- loss of sight in one eye resulting in total and permanent loss of vision that cannot be recovered by surgery or other means.

If one of the above bodily losses occurs, half of that dependent's Voluntary AD&D amount will be paid to you. If your covered dependent has two or more bodily losses at the same time, the full dependent's Voluntary AD&D amount will be paid to you.

Benefits will not be paid if your covered dependent independently loses one or more fingers, one or more toes, or incurs a partial loss of sight.

The total Voluntary AD&D amount that will be paid for all losses resulting from the same accident will be that dependent's Voluntary AD&D amount described above.

There are limitations and exclusions that may limit the amount that is payable to you. See Section 6 for details.

Step-by-step instructions for filing a dependent Voluntary AD&D claim

If your covered dependent dies as a result of an accidental bodily injury

You must:

- contact ERS toll-free at (877) 275-4377 for instructions and forms required for filing a claim for benefits;
- complete, sign and date the claim forms;
- within 24 months of your dependent's death, submit the completed claim form, together with a certified copy of your dependent's death certificate, to Securian; and
- provide additional information as needed for Securian to process the claim.

Benefits coordinator of your state agency:

- completes the agency certification and coordinator's statement, signs and dates; and
- forwards the documents to Securian.

Securian Financial:

- receives the claim form, any attachments and your dependent's death certificate from you;
- receives an agency certification and coordinator's statement;
- reviews the claim and requests additional information if needed; and
- pays the death benefit to you if the claim is approved; or
- notifies you if the claim is denied for any reason.

If your covered dependent loses a hand, foot or sight in one eye as a result of an accidental bodily injury

You must:

- within 120 days of the accident, obtain the claim forms through the Securian website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance;
- complete the Claimant Statement form and send the claim form to Securian.
- provide the Attending Physician Statement form to your dependent's physician to complete as due proof of your dependent's loss. The physician sends the form to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Note: Securian must receive the form within 18 months of the accidental bodily injury.

Securian Financial:

- receives the claim forms and due proof of your loss;
- reviews the claim and requests additional information if needed; and
- pays the benefit amount to you if the claim is approved; or
- notifies you if the claim is denied for any reason.



Section 6 Provisions applicable to Term Life, AD&D and Voluntary AD&D

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Accidental Death, Dismemberment and loss of sight (AD&D) Insurance and voluntary AD&D limitations and exclusions

The exclusions and limitations listed in this subsection are applicable to all AD&D and voluntary AD&D coverages described in this book including: basic group AD&D, Optional AD&D, Dependent AD&D and Voluntary AD&D.

AD&D or Voluntary AD&D benefits will not be paid for any loss caused by, resulting from, arising out of or substantially contributed to by, any one or more of the following:

1. Intentionally self-inflicted injuries, suicide or any attempted suicide, while sane or insane; or
2. Declared or undeclared war or any act associated with war; or
3. An accident occurring while the Insured is serving on full-time active duty in the armed forces of any country or international authority; or
4. 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
5. A loss occurring while the Insured is engaged in any felonious activity or a loss which results from or is related to the Insured's felonious activity. Conviction of a felony is not necessary for the determination of a loss resulting from felonious activity; or
6. The Insured 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.
7. Travel or flight in any vehicle or device for aerial navigation, including boarding or deplaning, while
 - a. Being used for any test or experimental purpose; or
 - b. 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 (b) will not apply to a pilot or crew member:
 - I. who is on approved official State of Texas business;
 - II. who is performing duties consistent with his/her State of Texas job description; and
 - III. who, in the case of a pilot, is properly licensed and certified by the Federal Aviation Agency to fly the type of aircraft;
 - IV. 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
- c. Traveling or flying in an aircraft other than an aircraft owned, leased or rented by the State of Texas, as a pilot or member of the crew thereof, provided this item (c) will not apply to a pilot or crew member who meets all four of the following conditions at the time of the accident:
 - I. is on official State of Texas business; and
 - II. is on approved State of Texas travel; and
 - III. is eligible for reimbursement by the State of Texas for travel expenses; and
 - IV. 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
- d. Engaged in stunt flying, skydiving, crop dusting, banner towing, or experimental test flights, or while giving or receiving any training or instructions unless the training or instructions are in conjunction with approved official State of Texas business; or
- e. 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 agency, college, or university, and the flight is in conjunction with approved non-military official State of Texas business.

Beneficiary designations

You may name anyone you wish as beneficiary of your group term life, AD&D or Voluntary AD&D insurance. You may also change your beneficiary designation at any time unless you have made an irrevocable beneficiary designation through a life settlement contract for group term life insurance coverage. Then you may only change your beneficiary designation for your basic AD&D, Optional AD&D and Voluntary AD&D coverages as these coverages are not subject to an irrevocable beneficiary designation for life settlement contract. 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, AD&D or Voluntary AD&D 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 ERS nor Securian 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 designation” subsection; and
- no claim for payment by a person entitled under this beneficiary designation” 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, AD&D or Voluntary AD&D 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*.

Changes in insurance

You may make changes to your insurance coverage; however, the time frame for the change to become effective depends on the change you make or request. The following shows some time frames for insurance change effective dates:

- if you have a change in salary or a birthday, the amount of your insurance will be updated the following September 1;
- if you reduce your insurance amount or you retire, the changes to your insurance will be effective on the first of the month following such change;
- if you are not actively at work on the day the change in insurance would begin, the change will begin on the day you return to active work.

Contact your benefits coordinator if you wish to change your insurance.

Conversion privilege

Conversion for you

You may convert your group term life insurance (both basic and optional amounts) to an individual policy of life insurance if your employment ends for any reason or if you are no longer eligible for these coverages. Life 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 you convert to an individual life insurance policy, the premium will cost more than for your group term life insurance premium.

Note: The individual life insurance policy does not include the extended life insurance benefit, AD&D, or the accelerated life benefit and is not term insurance.

If the group policy is discontinued, you may convert to an individual life insurance policy (as described above) if your employment ends on the date the group policy ends, 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 Securian 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 Dependent Term Life Insurance amount to an individual life insurance policy if:

- your employment ends for any reason;
- you are no longer eligible for dependent insurance under these coverages; or
- you die.

Your covered spouse is not required to provide Life Evidence of Insurability if your spouse applies for the individual policy and pays the first premium within 31 days after group coverage ends.

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 premium

Note: The individual life insurance policy will not include AD&D insurance and 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 Dependent 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 Securian 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.

Extended life insurance benefits (waiver of premium)

If you are younger than 60 and become totally disabled (as certified by an approved practitioner) for six continuous months or more and cannot be self-sustaining in any occupation, your group term life insurance may be continued without any payment of premium. You must submit the Extended Life Insurance Claim forms (the Employer Statement, Claimant Statement and Attending Physician Statement) as written proof of your total disability to Securian within 6 to 18 months after the date you became totally disabled. From then on until you are age 70, you must provide proof of continuing disability at least once a year. After you reach age 70 and you have been continuously disabled and are receiving extended life insurance benefits, no additional proof of continuing disability is required. However, Securian may request that you complete a questionnaire each year to make sure that information is accurate and up-to-date.

You can obtain a claim form through the ERS website at www.ers.texas.gov or by contacting your benefits coordinator.

If your claim is filed correctly, your life insurance may continue if your claim is approved. If approved, your extended life Insurance benefit will begin on the first day of the month following the date you became totally disabled and may be continued for up to 12 months. Your extended life insurance benefit may continue for additional periods up to 12 months, if you give Securian proof of continuing total disability. Securian can request that you be medically examined at any time. After you are approved for extended life insurance benefits contact Securian Financial to discuss any questions or concerns regarding your claim.

The original proof of your total disability and continuing proof must be provided with the "extended life insurance benefit" claim form. You can obtain a claim form through the ERS website at www.ers.texas.gov or by contacting your benefits coordinator. Please note that extended life insurance benefits claim forms are different from other disability claim forms. Be sure you complete the right forms so you can avoid a delay in claims processing.

The amount of extended life insurance benefit that you may receive depends on the amount of your Basic Term Life Insurance in effect on the day you become

totally disabled, as shown in the Summary of Benefits. In the event of your death, that amount will be paid to your beneficiary.

However, if you are still totally disabled when you reach age 70, there will be a coverage reduction. That coverage reduction will be a one time reduction at age 70 to reduce your coverage to 50% of your election 1 Optional Term Life Insurance amount plus \$2,500 Basic Term Life Insurance (if you have health coverage through the Group Benefits Program) or to a total of \$12,500 (whichever is less). This coverage amount will not be subject to future age-based benefit reductions.

This extended life insurance benefit will automatically end when you:

- are no longer totally disabled;
- do not give Securian proof of continuing total disability (if you are under age 70); or
- are not medically examined when requested by Securian.

If your employment ends before you are eligible to enroll in extended life insurance benefits or you have applied but your claim is pending, you may want to apply for an individual life insurance policy (see "Conversion Privilege"). If your claim for extended life insurance benefit is not approved and you did not apply for an individual life insurance policy during the 31-day conversion period, you will not have any life insurance under this Group Benefits Program.

If you have converted your group coverage to an individual life insurance policy, your extended life insurance benefit will not become effective until:

- you cancel the individual life insurance policy by returning it to Securian; and
- it is determined that a claim has not been made under the individual life insurance policy.

Extended life insurance benefits do not apply to AD&D or Voluntary AD&D insurance or any total disability that happens after you have retired or no longer work for your state agency.

If your death occurs before you give Securian an application for extended life insurance benefits, your group term life insurance may be payable to your beneficiary if:

- your death occurs within 18 months of the date of your total disability; and
- your beneficiary gives Securian the claim form; and
- proof of your continuous total disability within 18 months from the date of your total disability.

Step-by-step instructions for filing an extended life insurance benefits claim

You must:

- within six months after the onset of your total disability, obtain the claim forms from Securian Financial's website at www.LifeBenefits.com/plandesign/ers. If you do not have access to the website, you may call ERS at (877) 275-4377 for assistance.
- complete the Claimant Statement and send the claim form to Securian.
- provide the Attending Physician Statement form to your physician to complete. The physician must be an approved practitioner and include as due proof of your disability any supporting documentation needed to prove your total disability. The physician returns the form and any supporting documentation to Securian at the address shown on the claim form.

Benefits coordinator of your state agency:

- completes the Employer Statement form and sends to Securian at the address shown on the claim form.

Securian Financial:

- receives the claim forms and due proof of your total disability;
- requests additional information from you or an approved practitioner, as you have so authorized, if needed; and
- notifies you and ERS if your extended insurance benefit is approved; or
- notifies you if the claim is denied for any reason.

Note: If there is a conflict in medical opinion between your approved practitioner's opinion and Securian's approved practitioner's opinions, the opinions of Securian's approved practitioner will prevail.

How to request a review of a claim

If your claim for benefits is reduced or denied, you or your beneficiary may ask Securian to reconsider the claim by submitting a written request with additional information about your claim.

If the claim is again denied after reconsideration, Securian 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 Securian 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 Securian'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' Benefit Support Services. You may call or write:

Benefit Support Services
Employees Retirement System of Texas
P.O. Box 13207
Austin Texas 78711-3207
(877) 275-4377 (toll free)

If you file a complaint with the Texas Department of Insurance, Securian will forward the complaint to ERS. In accordance with Texas Code, Section 1551.209, the Texas Department of Insurance does not have authority over ERS claims. Securian will advise the Texas Department of Insurance that the complaint has been sent to ERS.

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 for 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 a life evidence of insurability application will not be used to contest the validity of insurance if the insurance obtained through such life 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 Securian has reason to believe that information provided is not correct or is incomplete, Securian may, subject to an authorization signed by you or your 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 under the group policy, the amount of insurance for that person will be determined by the group policy. An adjustment of premiums will be made by the employer 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 life settlement contract permitted by law. Basic AD&D, Optional AD&D, Dependents' AD&D, and voluntary accident insurance are not subject to irrevocable beneficiary designations in conjunction with a life settlement contract.

Physical examination and autopsy

The employee's Basic and Optional Term Life Insurance is not subject to this provision. The claims administrator, at its own expense, will have the right and opportunity to have the person of an Insured examined by an approved practitioner of its own choosing when and so often as it may reasonably require during the pendency of a claim hereunder, and to require an autopsy, where it is not prohibited by law.

Legal action

No action at law or in equity may be brought against Securian to recover your AD&D coverage or voluntary AD&D coverage prior to the expiration of 60 days after proof of loss has been filed, nor may 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 Securian and ERS by Chapter 1551, Texas Insurance Code, and/or Chapter 2001, Texas Government Code.

Suicide exclusions

- The employee's Basic Term Life Insurance is not subject to this suicide exclusion.
- Benefits available under any of the AD&D or voluntary AD&D coverages will not be paid if the employee's or dependent's death is the result of intentionally self-inflicted injuries, suicide, or attempted suicide, while sane or insane.
- Group term life insurance benefits under the employee's Optional Term Life Insurance and Dependent Term Life Insurance coverages will not be paid if the employee'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 prior to the death. The amount of insurance that will be paid is the amount of the employee's Optional Term Life Insurance or Dependent Term Life Insurance that has been continuously in effect for at least two years immediately prior to the date of death. Any increase in the amount of insurance coverage that has been in force less than two years and that resulted solely from salary changes, but not including increases in the insurance coverage amount based on changes in the election or multiple level of coverage, will be included in the insured amount, except that the insurance amount will be based on the insured's salary on September 1 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 your employment with your state agency ends or you become ineligible for coverage. Contact your benefits coordinator 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 Benefit Program for fraud or attempted fraud;
4. date the group policy is amended to end insurance for any class(es) of employees eligible for coverage under the group policy; or
5. Group policy termination date.

Your dependent insurance will also end if any of the above events happen. In addition, dependent insurance will end:

- on the last day of the month in which an individual is no longer a dependent as defined in this book; or
- when your dependent child reaches age 26 or marries.

Please notify your benefits coordinator immediately if your child(ren) no longer meets the definition of a dependent or marries.



Section 7 Definitions for Basic Term Life, AD&D and Voluntary AD&D Insurance

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The following definitions help explain important terms used in the description of your Basic Term Life Insurance, AD&D and Voluntary AD&D coverages:

Accelerated life benefit means an amount of group term life insurance requested by the insured employee and approved by Securian to be paid in advance of the employee'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 with a life expectancy of 12 months or less and only once during the lifetime of the employee 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 employee. The accelerated life benefit payment will be the accelerated life benefit that the employee requests for the employee or covered dependent and Securian approves. The accelerated life benefit payment amount for an employee enrolled only for Basic Term Life Insurance (if he has health coverage through the Group Benefits Program) is \$5,000. The accelerated life benefit amount may be up to 80% of the employee's total (basic plus optional) group term life insurance with the minimum payment of \$5,000. The accelerated life benefit amount for the Dependent Term Life Insurance will be \$5,000. If you elect to receive an accelerated life benefit for yourself or a covered dependent, you may not also receive benefits under a life settlement contract option for that person.

Accidental bodily injury means a violent, external bodily injury resulting, directly and independently of all other causes, from an accident occurring while both the group policy is in force and insurance is in force for the employee and/or dependent whose death or bodily injury is the basis of a claim, except as limited or excluded by the provisions of the group policy.

Accidental death means loss of life as a direct result of an accidental bodily injury.

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

Active employee means an employee as defined in the act.

Actively at work, active work, active service or active duty means the active expenditure of time and energy in the service of the employer, except for elected officials of the State who qualify under the Texas Employees Group Benefits Act (Chapter 1551, Texas Insurance Code). An employee will be considered to be on active duty on each day of a regular paid vacation, regular paid sick leave, or on a regular nonworking day, provided he was actively at work on the last preceding working day.

Annual salary means the gross amount of monthly salary paid to an employee times a factor of 12 to annualize, excluding overtime and bonuses. Monthly salary is determined in accordance with the Board of Trustees' established Rules and procedures.

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 Clinical Social Worker, 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 spiritual care provider (for example, Christian Science practitioner); therapeutic optometrist; nurse first assistant, 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 employee's expense;
- indicates that the insured employee 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 employee's or insured dependent's expected remaining life span; and
- is acceptable to Securian.

The attending physician's statement is used to establish the diagnosis of a terminal condition and determine the life expectancy of an insured employee 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 26, or a disabled child as defined herein, including:
 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 the legal guardian of the person;
 6. a child who is in a parent-child relationship to the employee, provided that:
 7. the child's primary place of residence is the employee's household; and
 8. the employee provides the necessary care and support for the child; and

9. if the natural parent of the child 21 years of age or older, the natural parent does not live in the employee's household;
10. 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;
11. an eligible child for whom the employee has received a valid court order requiring the employee to provide medical support for such child; or
12. a disabled child, as disabled is defined herein.

Disabled, referring to a child, means a child whose mental 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 26 and that satisfactory proof of such disability and dependency is submitted by the employee within 31 days following such child's attainment of age 26 and at such intervals thereafter as may be required by ERS or Securian.

Employee means an individual eligible to participate in the group benefits program under Chapter 1551, *Texas Insurance Code*, as provided in Section 1551.101 in that chapter.

Employer means the state of Texas and its State agencies, as state agency is defined in the act, or an institution of higher education.

Full-time employee means an employee as defined by Section 1551.003 of the Act.

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 policies issued to the Board of Trustees of the Employees Retirement System of Texas by Minnesota Life Insurance Company, an affiliate of Securian Financial.

Insured means an employee or a dependent, as defined in this book.

Leave without pay means the status of an employee who is certified by a state agency administrator as absent from work and not on active duty and is not receiving any compensation for an entire calendar month to which the certification applies, and has not received a refund of retirement contributions based upon the most recent term of employment. Such leave is limited to the maximum period specified by law.

Life evidence of insurability means such evidence, provided at no expense to ERS, including medical records and physical examination, as may be required by Securian, to determine that the individual for whom coverage is sought is an acceptable risk for issuance of a 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. Securian must review the life evidence of insurability and approve coverage before such coverage becomes effective.

Life settlement contract means an agreement in writing between the employee and a life settlement contract provider under which the employee makes the life settlement contract, or the persons or entities the life settlement contract provider designates, the irrevocable beneficiary to his or her group term life insurance coverage or his or her dependents' group term life insurance coverage for a particular dependent in exchange for which compensation is paid in a cash settlement or by anything of value. This compensation whether by cash settlement or by anything of value is a percentage of the employee'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 life settlement contract option, you may not also receive benefits under an accelerated life benefit.

Part-time employee means an employee as defined by Section 1551.003 of the Act.

Plan year means each succeeding 12-month period beginning on September 1 of each year.

Rule or rules means those rules adopted by the Board of Trustees of the Employees Retirement System of Texas to administer the Act.

Salary means the regular earnings payable for work performed as an employee of the State of Texas (including longevity, hazardous duty pay, or benefit replacement pay) that the employee receives as of the employee's first day of active duty within a plan year (September 1 through August 31), minus any other compensation. Non-salaried elected or designated officials and members of the legislature may use the salary of a state district judge or their actual salary as of September 1st of each year.

State agency means a commission, board, department, division, institution of higher education, or other agency of this state created by the constitution or statutes of this state. The term also includes the Texas Municipal Retirement System (TMRS) and the Texas County and District Retirement System (TCDRS)

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 employee's or dependent's death within 12 months from the date of the attending physician's statement. The 12 month period is applicable for accelerated life benefit and life settlement contract.

Total disability or totally disabled means an employee's inability to engage in any occupation for which he or she is reasonably suited by training, education, or experience because of a proven physical or mental impairment.

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



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This is a summary of plan provisions related to the insurance policy issued by Minnesota Life Insurance Company to the Texas ERS. In the event of a conflict between this summary and the policy and/or certificate, the policy and/or certificate shall dictate the insurance provisions, exclusions, all limitations and terms of coverage. All elections or increases are subject to the actively-at-work requirement of the policy.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its subsidiaries. Minnesota Life Insurance Company is a subsidiary of Securian Financial Group, Inc.



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