



Administrative Office:  
1020 31<sup>st</sup> Street • Downers Grove, Illinois 60515-5591

Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Fort Dearborn Life Insurance Company® (Downers Grove, IL) in all states (excluding New York), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico.



# Term Life and AD&D Insurance

*Employee Benefit Booklet*



City of San Antonio

GFZ03414-0001

Class 1-01

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11/11/2011

# FORT DEARBORN LIFE Insurance Company®

Administrative Office:  
1020 31<sup>st</sup> Street  
Downers Grove IL 60515-5591

(A stock life insurance company, herein called the "We" "Us" or "Our")

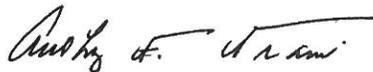
## CERTIFICATE (TX)

We agree to pay benefits subject to the provisions, definitions, limitations, and conditions of the master policy. The master policy (herein called the Policy) is a contract issued by Fort Dearborn Life Insurance Company to your Employer (herein called the Policyholder). The Policy may be changed at any time by a written agreement between Fort Dearborn Life Insurance Company and the Policyholder.

This is your certificate of coverage as long as you are eligible for insurance. It is not a contract or a part of one. Your benefits are described in plain English, but a few terms and provisions are written as required by insurance law.

### PLEASE READ CAREFULLY

If you have any questions, please contact the Benefits Administrator at your place of employment or write to us. We will assist you in any way we can to help you understand your benefits.



President



Secretary

**THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. YOU SHOULD CONSULT YOUR EMPLOYER TO DETERMINE WHETHER YOUR EMPLOYER IS A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM.**

### Death Benefits will be reduced if an accelerated death benefit is paid:

**DISCLOSURE:** The Accelerated Death benefit offered under this Policy is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the Accelerated Death Benefit qualifies for such favorable tax treatment, the benefits will be excluded from the insured Employee's income and not subject to federal taxation. Tax laws relating to Accelerated Death Benefits are complex. The insured Employee is advised to consult with a qualified tax advisor about circumstances under which he or she could receive the Accelerated Death benefit excludable from income under federal law.

Receipt of the Accelerated Death benefit payment may affect the insured Employee, his or her spouse, or his or her family's eligibility for public assistance such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary Social Security (SSI), and drug assistance programs. The insured Employee is advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such payment will affect the insured Employee, his or her spouse, or his or her family's eligibility for public assistance.

<p><b>Group Insurance Certificate</b> Non-Participating Dependent Life Term Life and AD&amp;D Insurance</p>
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**\* IMPORTANT NOTICE \***

To obtain information or make a complaint:

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

**1-800-778-2281**

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

**1-800-252-3439**

You may write the Texas Department of Insurance:

**P.O. Box 149104  
Austin, TX 78714-9104  
Fax # (512) 475-1771**

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

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

**\* AVISO IMPORTANTE \***

Para informacion o para someter una queja:

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

**1-800-778-2281**

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

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas:

**P.O. Box 149104  
Austin, TX 78714-9104  
Fax # (512) 475-1771**

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

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

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**SCHEDULE OF BENEFITS**

**Amended on June 1, 2010**

**POLICYHOLDER:** CITY OF SAN ANTONIO

**POLICY NUMBER:** GFZ03414-0001

<b>CLASS OF INSUREDS</b>	<b>DEFINITION</b>
1- 01	All eligible full time active employees, excluding Municipal Judges.

**Basic Life Benefit:** One (1) times your Base Annual Salary, rounded to the next higher \$1,000, up to a maximum of \$300,000\*, but not less than \$15,000.

\* The combined amount of Basic Life insurance and Voluntary Life insurance may not exceed \$1,000,000.

**Basic Accidental Death and Dismemberment Principal Sum:** One (1) times your Base Annual Salary, rounded to the next higher \$1,000, up to a maximum of \$300,000, but not less than \$15,000.

<b>Basic Dependent Life Benefit (if elected):</b>	<b>Amount</b>
Spouse:	\$25,000
Each unmarried dependent child:	
Live birth to age 20 years	\$10,000
Full-time students to age 25 years	\$10,000

If both the husband and the wife are covered as Insureds under the Policy, only one may enroll for life insurance coverage on Dependent child(ren).

**NOTE:** Uniformed Personnel are not eligible to elect Basic Dependent Life Insurance.

**Benefit Reduction:** Basic Life and AD&D benefit amounts reduce by 35% at age 70; further reduce to 45% of the original amount at age 75; further reduce to 30% of the original amount at age 80; further reduce to 20% of the original amount at age 85; and further reduce to 10% of the original amount at age 90. All benefits terminate at retirement.

## DEFINITIONS (TX)

This section tells You the meaning of special words and phrases used in this Certificate. To help You recognize these special words and phrases, the first letter of each word, or each word in the phrase, is capitalized wherever it appears.

**Accident** or **Accidental** means a sudden, unexpected event that was not reasonably foreseeable.

**Actively at Work** or **Active Work** means that you are:

1. performing the normal duties of your occupation; and
2. working the number of hours set forth in the Application.

**Application** means the document which sets forth the eligible classes, the amounts of insurance, and other relevant information pertaining to the plan of insurance for which the Policyholder applied. The Application is attached to and forms a part of this Policy, and shall include any subsequent amendments to the Application.

**Base Annual Salary** means the gross annual compensation prior to before-tax payroll deductions, if any, which an Insured earns from his occupation with the Policyholder.

It does not include Salary from overtime, bonuses or any other form of extra pay. However, if an Employee's Salary is based in whole or in part on commissions, Base Annual Salary will include the amount paid in commissions during the preceding twelve-month calendar period. An Employee's deferred contributions to a 401K plan or salary reduction contributions to a cafeteria plan which are maintained by the Policyholder will not be deducted when calculating gross annual compensation.

Increases to Base Annual Salary which result in a benefit increase of \$50,000 or greater and are above the guarantee issue amount will be subject to evidence of insurability satisfactory to Us before the increased benefit can become effective. Receipt of premium before we have approved any evidence of insurability will not constitute acceptance and does not guarantee issuance of any benefit amount prior to our approval.

**Note:** Base Annual Salary will be the salary reported to Us on the first of each calendar month.

**Contributory** means you pay a portion of the premium for this insurance coverage.

**Employee** means an Actively at Work full-time employee whose principal employment is with the Employer, at the Employer's usual place of business or such place(s) that the Employer's normal course of business may require, who is Actively at Work for the minimum hours per week as stated in the Application and is reported on the Employer's records for Social Security and withholding tax purposes.

**Injury** means bodily injury resulting directly from an Accident and independently of all other causes.

**Insured** means an Employee covered under the Policy.

**Male Pronoun** whenever used includes the female.

**Noncontributory** means the Policyholder pays 100% of the premium for this insurance.

**Policy** means the contract between the Policyholder and Us including the attached Application, which provides group insurance benefits.

**Total Disability** or **Totally Disabled** under the Waiver of Premium provision means you are completely unable to engage in any occupation for wage or profit because of Sickness or Injury.

**You** or **Your** means the Employee to whom this Certificate has been delivered.

**ELIGIBILITY AND EFFECTIVE DATE PROVISIONS (TX)**

**ELIGIBILITY**

All Employees who belong to an eligible class and work the minimum number of hours as set forth in the Application are eligible for group insurance. An Employee must be **Actively at Work** for his insurance coverage to become effective.

Uniformed fire and police personnel who are on Leave of Absence, as defined in the collective bargaining agreement, will be considered Actively at Work until the Employee's sick leave has been exhausted. Leave of Absence and Sick Leave Bank are defined in Articles 23 and 24 of the current, or any future revisions, of the collective bargaining agreement between the City of San Antonio and Local 624 International Association of Fire Fighters. Leave of Absence and Sick Leave Pool are defined in Article 22 of the current, or any future revisions, of the collective bargaining agreement between the City of San Antonio and The San Antonio Police Officers' Association.

Fort Dearborn Life agrees to waive the Actively at Work requirement provided premiums are paid when due for Employees:

1. who were covered on the day immediately preceding this policy effective date; and
2. who are being provided an extension of benefits with the prior carrier; and
3. who are on lay-off, leave of absence, suspension or sabbatical leave; or
4. who are not Actively at Work due to a Worker's Compensation related medical condition; or
5. who are on military deployment.

Subject to payment of premiums, coverage will continue for a period of 12 months, beginning on the Employee's last date of Active Work. Exception: fire, police and/or any Employee on military leave will be covered for a period of 12 months beginning on the Employee's last day on payroll.

We will grant an exception to the above requirements for those Employees who are not Actively at Work on December 31, 2007, and whose application for premium waiver through the Aetna Plan was submitted and denied. If a covered Employee becomes disabled prior to December 31, 2007, he will apply for premium waiver under the Aetna plan. If denied, We will continue coverage, provided premiums are paid when due.

**EMPLOYEE EFFECTIVE DATE OF COVERAGE**  
(Noncontributory Benefits)

If you are Actively at Work, you will become insured for Noncontributory benefits under the Policy on the day following completion of the Employee waiting period, if any, set forth in the Application.

If you waive all or a portion of your Noncontributory coverage and choose to enroll at a later date, you are considered a late applicant and must furnish evidence of insurability satisfactory to Us before coverage can become effective. Coverage will become effective on the date We determine that the evidence is satisfactory and We provide written notice of approval.

**EMPLOYEE EFFECTIVE DATE OF COVERAGE**  
(Contributory Benefits)

You may apply for Contributory insurance coverage at any time. Your coverage will become effective as follows, provided you are Actively at Work on that date:

1. If you sign the enrollment form on or before the end of the waiting period, if any, as stated in the Application, coverage will become effective on the day following completion of the waiting period.

2. If you sign the enrollment form after the end of the waiting period, but within 31 days after that day, coverage will become effective the date you sign the enrollment form.
3. If you sign the enrollment form following this 31-day period, you are considered a late applicant and must furnish evidence of insurability satisfactory to Us before coverage can become effective. Coverage will become effective on the date We determine that the evidence is satisfactory and We provide written notice of approval.

#### **DEFERRED EFFECTIVE DATE**

You must be Actively at Work on the date your initial coverage or any increases in coverage are scheduled to begin. If:

1. you are absent from Active Work on the date such coverage would otherwise become effective; and
2. your absence is caused by an injury, illness or layoff,

the effective date of any initial coverage or increased coverage will be deferred until the first day you return to Active Work. You will be considered Actively at Work if you were actually at work on the day immediately preceding:

1. a weekend (except for one or both of these days if they are scheduled work days);
2. a holiday (except when such holiday is a scheduled work day);
3. a paid vacation;
4. any nonscheduled work day.

#### **EFFECTIVE DATE IF WE REQUIRE EVIDENCE OF INSURABILITY**

If you are required to submit evidence of insurability satisfactory to Fort Dearborn Life Insurance Company, insurance in the amount for which We require such evidence will become effective on the date We determine that the evidence is satisfactory and We provide written notice of approval.

#### **EFFECTIVE DATE OF CHANGE IN AMOUNT OF BENEFITS**

Any change in the amount of your benefits caused by a change in class, change in salary, age reduction or amendment to the Policy will become effective on the effective date of the change. If the change results in an increase in the amount of insurance, you must be Actively at Work on that date. If you are not Actively at Work, the increase will take effect on the day you are again Actively at Work.

#### **ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT**

If your coverage ends due to termination of employment you must meet all the requirements of a new Employee if you are rehired at a later date. If you are rehired within six months, prior enrollment will count toward the waiting period.

<b>GROUP TERM LIFE INSURANCE BENEFIT (TX)</b>
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#### **BENEFIT**

We will pay your beneficiary the amount of life insurance in force as of the date of your death provided:

1. you are insured under the Policy on the date of death, and
2. We receive proof of death.

The amount of insurance payable is based upon the Policyholder's Application, and it is set forth on the Schedule of Benefits.

### **BENEFICIARY**

Your beneficiary designation must be made on a form which We provide or on a form accepted by Us. If you name two or more beneficiaries, payment of proceeds will be apportioned equally unless you had specified otherwise. The Policyholder may not be named as beneficiary.

Unless you provided otherwise, if a beneficiary dies before you, We will divide that beneficiary's share equally between any remaining named beneficiaries.

If no named beneficiary survives you or if you did not designate a beneficiary, We will pay the amount of insurance:

1. to your spouse, if living; if not,
2. in equal shares to your then living natural, adopted, or step children, if any; if none,
3. in equal shares to your father and mother, if living; if not,
4. to your estate.

If a beneficiary is a minor, or is not able to give a valid release for any payment of benefits made, We will not make payment until a claim is made by the person or entity which, by court order, has been granted control of the estate of such beneficiary. This provision does not prevent Us from making payment to or for the benefit of a minor beneficiary in accordance with the applicable state law.

If any benefits under this provision are to be paid to your estate, We may pay an amount not greater than \$250 to any person We consider to be equitably entitled by reason of having incurred funeral or other expenses incident to your death. Any and all payments made by Us shall fully discharge Us in the amount of such payment.

### **CHANGE OF BENEFICIARY**

You may change your beneficiary at any time by completing a change request form, or a form accepted by Us, and sending it to the Policyholder. Your written request for change of beneficiary will not be effective until it is recorded by the Policyholder. After it has been so recorded, it will take effect on the later of the date you signed the change request form or the date you specifically requested. If you die before the change has been recorded, We will not alter any payment that We have already made. Any prior payment shall fully discharge Us from further liability in that amount.

### **CONVERSION OF LIFE INSURANCE**

#### **Conversion if Eligibility Terminates:**

You may convert to an individual policy of life insurance if your life insurance, or a portion of it, ceases because:

1. you are no longer employed by the Policyholder; or
2. you are no longer in a class which is eligible for life insurance.

In either of these situations, you may convert all or any portion of your life insurance which was in force at the date of termination.

#### **Conversion if Policy is Terminated or Amended:**

You may also convert to an individual policy of life insurance if your life insurance ceases because:

1. life insurance benefits under the Policy cease; or
2. the Policy is amended making him ineligible for life insurance; however, in either of these situations,

you must have been insured under the Policy for at least five (5) years. The amount of insurance converted in either of these situations will be the lesser of:

1. the amount of life insurance in force, less any amount for which you become eligible under this or any other group policy within 31 days after the date your life insurance ceased; or
2. \$10,000.

**Conditions for Conversion:** (amended by form no. FDL1-23-1100)

We must receive written application and the first premium for the individual life insurance policy within 31 days after insurance under the Policy ceases. No evidence of insurability will be required. The individual policy will be a policy of whole life insurance. It will not contain disability benefits, accidental death and dismemberment benefits or any other supplemental benefits. The premium for the individual policy will be based on:

1. Our current rates based upon your attained age on your nearest birthday; and
2. on the amount of the individual policy.

If application is made for an individual policy, the coverage under the individual policy will be effective on the day following the 31-day period during which you could apply for conversion. If you die during a period when you would have been entitled to have an individual policy issued to you and if you die before such an individual policy becomes effective, We will pay your beneficiary the greatest amount of group term life insurance for which an individual policy could have been issued, provided:

1. your death occurred during the 31-day period within which you could have made application; and
2. We receive proof of death.

If life insurance benefits are paid under the Policy, payment will not be made under the converted policy, and premiums paid for the converted policy will be refunded.

**WAIVER OF PREMIUM**

We will continue your life insurance benefit under the Policy without the further payment of life insurance premium if you become Totally Disabled, provided:

1. you are insured under the Policy and are Actively at Work on or after the effective date of the Policy; and
2. you are under the age of 60; and
3. you provide Us with satisfactory written proof of Total Disability within 12 months after the date you became Totally Disabled; and
4. your Total Disability has continued without interruption for at least 6 months; and
5. you are still Totally Disabled when you submit the proof of disability; and
6. all required premium has been paid.

The premium will be waived from the date We receive satisfactory written proof of Total Disability. Premium will continue to be waived provided you:

1. remain Totally Disabled; and
2. provide satisfactory written proof of continuing Total Disability upon request, but not more frequently than once every 3 months. You are responsible for obtaining initial and continuing proof of disability.

You will be covered for the amount of life insurance in force as of the date Total Disability commenced. The amount of life insurance continued in force will be subject to any reduction in benefits as a result of age or

amendment to the Policy. This life insurance coverage will continue without the payment of premium until you are no longer Totally Disabled or reach age 65, whichever occurs first.

We may have you examined at reasonable intervals during the period of claimed Total Disability, but not more frequently than once every 3 months during the first two years of Total Disability, and not more frequently than once a year after you have been Totally Disabled for two years. Continuation of life insurance under the Waiver of Premium provision shall end immediately and without notice if you refuse to be examined as and when required.

We will pay the amount of life insurance in force to your beneficiary if you die before furnishing satisfactory proof of Total Disability, provided:

1. you die within one year from the date you became Totally Disabled; and
2. We receive proof that you were continuously Totally Disabled until the date of death; and
3. We receive proof of death.

If continuation of life insurance under the Waiver of Premium provision ceases, and you are employed by the Policyholder, your life insurance will continue provided premium payments begin on the next premium due date.

If continuation of life insurance under the Waiver of Premium provision ceases, and you are no longer employed by the Policyholder, you may apply for an individual life insurance policy in accordance with the Conversion of Life Insurance provision of the Policy.

#### ACCELERATED DEATH - TERMINAL ILLNESS BENEFIT (TX)

#### ELIGIBILITY

This benefit only applies to you if your life insurance benefit equals \$15,000 or more.

Coverage under the Accelerated Death - Terminal Illness Benefit is subject to the Deferred Effective Date provision. An Insured must be Actively at Work on the date your coverage under this benefit becomes effective. If you are not Actively at Work, the effective date of this coverage will be deferred until the first day you return to Active Work.

#### DEFINITIONS

**Accelerated Death Benefit** means 75% of the Terminally Ill Insured's Group Term Life Insurance amount in force on the date that We receive due proof of loss as described in this provision.

**Physician** means a licensed practitioner, practicing within the scope of his license. A Physician must be someone other than the Insured or his family member.

**Physician's Statement** means a written medical opinion of a Physician currently licensed to practice medicine in the United States which:

1. is made at the Insured's expense; and
2. indicates that the Insured has a terminal condition; and
3. includes all medical test results, laboratory reports, and any other information on which the medical opinion is based; and
4. indicates the Insured's expected remaining life span; and
5. is acceptable to Us.

**Terminally Ill Insured** means an Insured has a non-correctable health condition that, with reasonable medical certainty, will result in death of the Insured within 12 months from the date of the Physician's Statement.

## **BENEFIT PAYMENT**

We will pay an Accelerated Death Benefit during the lifetime of a Terminally Ill Insured if he or his legal representative elects an Accelerated Death benefit and provides due proof of loss as described in this provision. The Accelerated Death Benefit is limited to a maximum of \$500,000 and a minimum of \$7,500, and is payable only once to any one Insured. There is no cost for an Accelerated Death benefit.

If the Insured's group term life insurance will reduce, due to age, within 12 months after the date We receive proof, the benefit will be 75% of the reduced group term life insurance benefit.

At the time of the payment of the Accelerated Death Benefit, We will send a statement to the certificate holder specifying the amount of benefits paid, the effect of the Accelerated Death Benefit payment on the death benefit face amount; and the amount of benefits remaining available for acceleration.

This benefit does not apply to Accidental Death and Dismemberment benefits.

## **EXCEPTIONS**

The benefit will not be payable:

1. for any amount of group term life insurance which is less than \$15,000; or
2. if you become Terminally Ill as a result of:
  - a. attempted suicide, while sane or insane; or
  - b. self-inflicted injury; or
3. if your group term life insurance benefit has been assigned; or
4. if the Insured's term life insurance benefit is payable to an irrevocable beneficiary, including notification to Us that such benefit or a portion of such benefit is to be paid to a former spouse as part of a divorce or separation agreement.

## **NOTICE AND PROOF OF CLAIM**

The Insured must elect the benefit in writing on a form that is acceptable to Us. The Insured must furnish proof that he is a Terminally Ill Insured, including a Physician's Statement, within 91 days of the notice of claim. If proof is not given within 91 days, the claim will not be reduced or denied if proof is given as soon as reasonably possible.

## **EFFECT ON INSURANCE**

When the Accelerated Death Benefit is paid:

1. the amount of group term life insurance otherwise payable upon your death, is reduced by the amount of the Accelerated Death Benefit. Any portion of the death benefit remaining after the reduction of the death benefit due to payment of an Accelerated Death Benefit shall be paid upon the death of the Insured;
2. the amount of group term life insurance which could otherwise have been converted to an individual contract will be reduced by the amount of Accelerated Death Benefit; and
3. the premium due for group term life insurance will be calculated on the amount of such insurance remaining in force after deducting the amount of the Accelerated Death Benefit.

The payment of an Accelerated Death Benefit and the balance of the death benefit under this Policy shall constitute full settlement of the face amount of the Policy.

**DEPENDENT GROUP LIFE INSURANCE (TX)**

**This provision only applies to you if it is shown on the Schedule of Benefits, you have elected this coverage, and you have paid or agreed to pay the applicable premium.**

**BENEFIT**

We will pay you the amount of insurance set forth in the Schedule of Benefits on the life of your Dependent(s) while your insurance is in force. Payment will be in one lump sum.

If you are not living at the time Dependent life insurance benefits become payable, We will pay the benefit:

1. to your spouse, if living; if not,
2. in equal shares to your then living natural, adopted, or step children, if any; if none,
3. in equal shares to your father and mother, if living; if not,
4. to your estate.

**ELIGIBILITY**

If you are insured for life insurance under the Policy and belong to a class listed on the Application as eligible for Dependent life insurance benefits, you are eligible to enroll for this benefit. If you are enrolled for Dependent coverage and subsequently acquire a new Dependent, that Dependent will automatically be covered.

For the purposes of this provision, an eligible Dependent means:

1. your lawful spouse; and/or
2. any unmarried child (whether natural, adopted, or step) who is within the age limits set forth in the Schedule of Benefits, and is not in active military service.

Eligibility will continue past the age limit for eligible Dependent children who are primarily dependent upon you for support and who cannot work to support themselves due to a physical or mental incapacity which began before the age limit was reached. Proof of such incapacity must be provided to Us upon request.

**EFFECTIVE DATE OF DEPENDENT COVERAGE**

Provided you:

1. have completed any required Employee waiting period; and
2. apply for Dependent life insurance no later than 31 days after becoming eligible for that benefit; and
3. have paid or are obligated to pay any applicable premium,

life insurance for your Dependent(s) will become effective on the later of:

1. the date your group insurance coverage becomes effective;
2. the effective date of the Dependent life insurance benefit; or
3. the date you enroll your Dependent(s).

If you enroll for Dependent coverage more than 31 days after you are eligible to do so, you must furnish evidence of insurability satisfactory to Fort Dearborn for each Dependent, and coverage will become effective on the date We determine that evidence is satisfactory and We provide notice of approval.

### **EVIDENCE OF INSURABILITY/DEFERRED EFFECTIVE DATE**

If a Dependent is required to submit satisfactory evidence of insurability for any reason, insurance in the amount for which We require such evidence will become effective on the date We determine that the evidence is satisfactory and We provide notice of approval.

If a Dependent is hospital confined on the date his coverage would otherwise become effective, insurance will not become effective until the date the Dependent is no longer hospital confined.

### **CHANGE IN AMOUNT OF DEPENDENT LIFE INSURANCE**

Any increase in the amount of Dependent life insurance will become effective immediately on the date of the change, provided the Dependent is not hospital confined on that day. If the Dependent is hospital confined, the increase will become effective on the date the Dependent is no longer hospital confined. Any decrease in the amount of Dependent life insurance will become effective immediately on the date of the change.

### **DEPENDENT LIFE CONVERSION PRIVILEGE**

#### **Conversion if Eligibility Terminates:**

The Dependent may convert to an individual policy of life insurance if his life insurance, or any portion of it, ceases because:

1. you are no longer employed by the Policyholder; or
2. you are no longer in a class which is eligible for Dependent life insurance; or
3. you die; or
4. a Dependent child reaches the limiting age under the Policy; or
5. a Dependent spouse is no longer eligible as a result of divorce or dissolution of marriage; or
6. a Dependent is no longer eligible as defined in this provision.

In any of these situations, the Dependent may convert up to the amount which was in force on the date insurance was terminated.

#### **Conversion if Policy is Terminated or Amended:**

A Dependent may also convert to an individual policy of life insurance if his life insurance ceases because:

1. Dependent life insurance benefits under the Policy cease; or
2. the Policy is amended making you ineligible for Dependent life insurance; however,

he must have been insured under the Policy for at least five (5) years. The amount of insurance converted in either of these situations will be the lesser of:

1. the amount of life insurance in force, less any amount for which the Dependent becomes eligible under this or any other group policy within 31 days after the date his life insurance ceased; or
2. \$10,000.

**Conditions for Conversion:**

We must receive written application and the first premium for the individual life insurance policy within 31 days after the insurance under the Policy ceases. No evidence of insurability will be required.

The individual policy will be a policy of whole life insurance. It will not contain Accidental Death and Dismemberment benefits or any other supplementary benefits.

The premium for the individual policy will be based on:

1. Our current rates based upon the applicant's attained age on his nearest birthday; and
2. on the amount of the individual policy.

If the Dependent applies for an individual policy, the coverage under the individual policy will be effective on the day following the 31-day period during which he could apply for conversion.

If the Dependent dies during a period when he would have been entitled to have an individual policy issued to him and if he dies before such an individual policy became effective, We will pay the greatest amount of group term life insurance for which an individual policy could have been issued, provided:

1. the death occurred during the 31-day period during which he could have made application; and
2. We receive proof of death.

If life insurance benefits are paid under the Policy, payment will not be made under the converted policy, and We will refund any premiums paid for the converted policy.

**ACCIDENTAL DEATH, DISMEMBERMENT, AND LOSS OF SIGHT  
BENEFIT AMENDATORY RIDER (TX)**

This Rider is made part of the Policy or Certificate to which it is attached. This Rider is subject to all the provisions of the Policy not in conflict with the provisions of this Rider.

If, while insured under this Policy, an Insured suffers an Injury in an Accident, We will pay for those Losses set forth in the subsection entitled "Table of Losses" below. The amount paid will be as stated in the Table of Losses but not more than the Principal Sum set forth in the Application. The Loss must:

1. occur within 365 days of the Accident; and
2. be the direct and sole result of the Accident; and
3. be independent of all other causes.

**TABLE OF LOSSES**

<b>Principal Sum for Loss of:</b>	<b>One-half of the Principal Sum for Loss of:</b>	<b>One-Quarter the Principal Sum for Loss of:</b>
Life	Sight of One Eye	Thumb and Index Finger of Same Hand
Both Hands	One Hand	
Both Feet	One Foot	
One Hand and One Foot	Speech or Hearing	
Speech and Hearing		
Sight of Both Eyes		
One Hand and the Sight of One Eye		
One Foot and the Sight of One Eye		

With respect to hand or foot, loss means actual and permanent severance from the body at or above the wrist or ankle joint, as applicable. With respect to eyes, speech and hearing, loss means entire and irrecoverable loss of sight, speech or hearing. With respect to thumb and index finger, loss means complete severance of entire digit at or above joints.

The total amount of AD&D benefits payable for all Losses for any Insured resulting from any one Accident will not be greater than the Principal Sum set forth in the Application.

Except as provided in a particular benefit, We will pay benefits for Loss of life to the same beneficiary(ies) named to receive life insurance benefits. Benefits for all other Losses will be paid to the Insured.

#### **SEAT BELT BENEFIT**

We will pay an additional benefit, the Seat Belt Benefit, of the lesser of the Insured's Principal Sum or \$25,000 if the Principal Sum under the AD&D Benefit is payable for Loss of the Insured's life as the result of an Accident which occurs while the Insured is driving or riding in an automobile, if:

1. the automobile is equipped with Seat Belts;
2. the Seat Belt was in actual use and properly fastened at the time of the Accident;
3. the position of the Seat Belt is certified in the official report of the Accident or by the investigating officer. A copy of the police Accident report must be submitted with the claim; and
4. the Insured was driving or riding in an automobile driven by a licensed driver who was neither:
  - a. intoxicated or driving while impaired. Intoxication and impairment shall be determined by the law of the jurisdiction in which the Accident occurs, with or without conviction; nor
  - b. under the influence of any narcotic, hallucinogen, barbiturate, amphetamine, gas or fumes, poison or any other controlled substance as defined in Title II of the comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless as prescribed by a licensed physician and used in the manner prescribed. Conviction is not necessary for a determination of being under the influence.

If such certification is not available and if it is unclear whether the Insured was properly wearing a Seat Belt, then We will pay an additional benefit of \$1,000.

**Seat Belt** means those belts that form an occupant restraint system.

#### **AIR BAG BENEFIT**

We will pay an additional benefit, the Air Bag Benefit, equal to 5% of the Principal Sum of the AD&D Benefit if the Principal Sum under the AD&D Benefit is payable for Loss of the Insured's life as the result of an Accident which occurs while the Insured is driving or riding in an automobile provided that:

1. the Insured was positioned in a seat that was equipped with a factory-installed Air Bag;
2. the Insured was properly strapped in the Seat Belt when the Air Bag inflated; and
3. the police report establishes that the Air Bag inflated properly upon impact.

The maximum Air Bag Benefit payable is \$5,000.00. If it is unclear whether the Insured was properly wearing Seat Belt(s) or if it is unclear whether the Air Bag inflated properly, then the Air Bag Benefit will be \$1,000.

**Air Bag** means an inflatable supplemental passive restraint system installed by the manufacturer of the Automobile, or proper replacement parts as required by the Automobile manufacturer's specifications, that inflates upon collision to protect an individual from Injury and death. An Air Bag is not considered a Seat Belt.

#### **REPATRIATION BENEFIT**

We will pay an additional benefit, the Repatriation Benefit, of up to \$5,000 of the Principal Sum of the AD&D Benefit for the preparation and transportation of an Insured's body to a mortuary if:

1. the Principal Sum under the AD&D Benefit is payable for Loss of the Insured's life; and
2. the Insured's death occurs at least 75 miles away from the Insured's principal residence.

### EDUCATION BENEFIT

We will pay an additional benefit, the Education Benefit, to the Insured Employee's Dependent Student if the Principal Sum under the AD&D Benefit is payable for Loss of the Insured Employee's life.

#### Definitions which apply to the Education Benefit:

Student means a Dependent Child who, on the date of the Insured Employee's death, is:

1. A full-time post-high school student in a school of higher education; or
2. A student in the 12<sup>th</sup> grade but who becomes a full-time post-high school student in a school of higher education within 365 days after the Insured Employee's death.

School of higher education means an institution which:

1. is legally authorized by the State in which it is located; and
2. provides either a program for:
  - a. Bachelor's degrees or not less than a two year program with full credit towards a Bachelor's degree; or
  - b. Gainful employment as long as such program is at least one year of training; and
3. is accredited by an Agency or association recognized by the U.S. Department of Education under the Higher Education Assistance Act as may be amended from time to time.

Eligible Dependent Child means any unmarried child of the Insured (whether natural, step, or adopted) who is:

1. at least 15 days but less than 18 years of age and dependent on the Insured for support and maintenance; and
2. not in active military service.

Eligibility will continue to age 23 for Dependent Children who are not employed full-time and are enrolled as a full-time student in a recognized school and dependent on the Insured Employee for support and maintenance.

Eligibility will continue past the age limit for Dependent Children who are primarily dependent upon the Insured for support and who cannot work to support themselves due to a physical or mental incapacity which began before the age limit was reached. Proof of such incapacity must be provided to Us upon request.

Note: No eligible person may be covered more than once under this Policy. If a person is covered as an Employee, he cannot be covered as a Spouse or Dependent Child of another Employee.

**Amount of Benefit:** The maximum Dependent Education Benefit for each dependent Student shall equal the lesser of the Insured Employee's Principal Sum or \$12,000.

**Payment of Benefit:** We will pay the Dependent Education Benefit in four equal annual installments. We will only pay one Dependent Education Benefit to any one dependent Student during any one school year. If the dependent Student is a minor, We will pay the benefit to the legal representative of the minor.

**When Benefit Ends:** A dependent Student will no longer be eligible to receive the Dependent Education Benefit upon the earlier of the following:

1. Our payment of the fourth installment of the Dependent Education Benefit on behalf of or to the dependent Student; or
2. At the end of the period during which Due Proof must be submitted if no Due Proof is submitted.

**Special Child Education Benefit:** If the Insured Employee's Eligible Dependent Child does not qualify as a Student, but is enrolled in an elementary or high school, We will pay a Child Education Benefit in the amount of

\$1,000. This benefit is payable once upon proof that the Insured Employee has died as a result of an accident for which the Accidental Death & Dismemberment benefit is payable and that, within 12 months after the Insured Employee's death, the Insured Employee's Eligible Dependent Child is a full-time student in an elementary or high school.

#### **SPOUSE TRAINING BENEFIT**

We will pay this benefit if the Insured:

1. is covered for AD&D insurance the time of the Accident; and
2. dies within 365 days of and as a result of a covered Accident; and
3. is survived by a spouse covered under the Policy.

The benefit will be payable for the Insured's surviving spouse who:

1. enrolls within one year after the Insured's death in any School of Higher Education for the purpose of training, retraining or refreshing skills needed for employment; and
2. incurs expenses payable directly to or approved and certified by such school.

We will pay up to \$5,000 annually for the cost of covered expenses incurred within 30 months of the Insured's death.

**School of Higher Education** means an institution which:

1. is legally authorized by the State in which it is located; and
2. provides either a program for:
  - a. Bachelor's degrees or not less than a two year program with full credit towards a Bachelor's degree; or
  - b. Gainful employment as long as such program is at least one year of training; and
3. is accredited by an Agency or association recognized by the U.S. Department of Education under the Higher Education Assistance Act as may be amended from time to time.

#### **COMA BENEFIT**

If, as a result of a covered Accident, an Insured is injured, We will pay an additional benefit if the Insured becomes Comatose within 31 days of the Accident and remains Comatose beyond the Waiting Period.

We will pay this benefit at the rate of 5% of the Insured's Principal Sum per month from the end of the Waiting Period. We will cease payment on the earliest of:

1. the end of the month in which the Insured dies;
2. the end of the 11<sup>th</sup> month for which this benefit is payable; or
3. the end of the month in which the Insured recovers from the Coma.

If the Insured:

1. dies from any cause or as a result of the covered Accident while this Coma Benefit is payable; or
2. remains Comatose after this Coma Benefit is payable for 11 consecutive months

we will pay a lump sum benefit equal to the Principal Sum payable under the Policy for Accidental Death, reduced by the amount of any Accidental Dismemberment, loss of sight, speech, hearing or coma benefits paid to the Insured for the Loss caused by the covered Accident.

**Comatose** or **Coma** means that a person is in a profound stupor or state of complete and total unconsciousness, as the result of a covered Accident.

**Waiting Period** means the 31-day period from the date the Insured becomes Comatose.

**Exclusion:** In addition to the Limitations set forth in this Policy, the following exclusion applies to this Coma Benefit: Benefits will not be paid for loss covered by or resulting from sickness, disease, bodily infirmity or medical or surgical treatment thereof, or bacterial or viral infection, regardless of how contracted. Except, bacterial infection that is the natural and foreseeable result of an Accidental Injury or Accidental food poisoning is not excluded.

### CHILD CARE CENTER BENEFIT

We will pay this benefit if an Insured is covered for the AD&D Family Plan and:

1. dies as the result of a covered Accident; and
2. is survived by a Dependent Child who:
  - a. on the date of the covered Accident was enrolled in a legally licensed Child Care Center; or
  - b. is enrolled in a legally licensed Child Care Center within 365 continuous days from the date of the covered Accident; and
  - c. is under 13 years of age.

The Child Care Center Benefit is payable for each child who qualifies:

1. in an amount up to 3% of the Insured's Principal Sum, but not more than \$5,000 per year; and
2. only while the Dependent Child continues to be enrolled in a legally licensed Child Care Center.

We will pay this benefit once a year, at the end of a 12-month period in which there are documented Child Care Center expenses, for not more than five (5) consecutive years, or until the Dependent Child's 13<sup>th</sup> birthday, whichever happens first.

If at the time of the Accident, coverage for a Dependent Child is in force, but there is no Dependent Child who qualifies, we will pay an additional benefit of \$1,500 to the Insured's designated beneficiary.

This benefit will be payable to the surviving spouse, if the spouse has custody of the Child. If there is no surviving spouse, or the child does not live with the spouse, then the benefit will be paid to the Child's legally appointed guardian.

**Child Care Center** means a facility which is run according to law, including laws and regulations applicable to child care facilities, and which provides care and supervision for children in a group setting on a regular, daily basis.

A Child Care Center does not include: a hospital, the child's home or care provided during normal school hours while a child is attending grades one through twelve.

### LIMITATIONS

We will not pay any benefit for any Loss

1. any disease or infirmity of mind or body, and any medical or surgical treatment thereof; or
2. any infection, except a pus-forming infection of an accidental cut or wound; or
3. suicide or attempted suicide, while sane or insane; or
4. any intentionally self-inflicted Accident; or
5. war, declared or undeclared, whether or not the Insured is a member of any armed forces; or
6. travel or flight in an aircraft while a member of the crew, or while engaged in the operation of the aircraft, or giving or receiving training or instruction in such aircraft; or
7. commission of, participation in, or an attempt to commit an assault or felony; or
8. being under the influence of any narcotic, hallucinogen, barbiturate, amphetamine, gas or fumes, poison or any other controlled substance as defined in Title II of the comprehensive Drug Abuse Prevention and Control Act

- of 1970, as now or hereafter amended, unless as prescribed by the Insured's licensed physician and used in the manner prescribed. Conviction is not necessary for a determination of being under the influence; or
9. intoxication as defined by the laws of the jurisdiction in which the accident occurred. Conviction is not necessary for a determination of being intoxicated; or
  10. active participation in a riot. "Riot" means all forms of public violence, disorder, or disturbance of the public peace, by three or more persons assembled together, whether with or without a common intent and whether or not damage to person or property or unlawful act is the intent or the consequence of such disorder.

#### **NOTICE OF CLAIM**

If an Insured incurs a loss that may result in a claim for benefits under this Policy, written notice must be given to Us at Our administrative office. This must be done within 20 days after the covered loss occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible. This notice must contain enough information to identify the claimant.

#### **CLAIM FORMS**

When We receive written notice of a claim, We will send the claimant forms with which to file proof of loss. If these forms are not given to the claimant within 15 days, he will be excused from filing the forms provided he sends Us written proof of loss detailing the occurrence, the character and extent of the loss for which claim is made.

#### **PROOF OF LOSS**

We must receive written proof of loss within 91 days after the date of the loss for which claim was made. If it can be shown that it was not reasonably possible to furnish such proof and that such proof was furnished as soon as reasonably possible, failure to furnish proof of loss within 91 days will not invalidate or reduce any claim. However, except in the absence of legal capacity, proof of loss must be furnished no later than one (1) year from the date such proof is required.

For the Education Benefit, Proof of Loss must:

1. Include proof of dependent Student status; and
2. Be submitted no later than
  - a. Two months after completion of course work for that particular school year if the dependent Student is enrolled in a school of higher learning at the time of the Insured's death. School year shall be deemed to begin on September 1st and end on August 31st; or
  - b. Within six (6) months after enrollment in a school of higher learning if the dependent Student is in the 12th grade at the time of the Insured's death.

After the first year in a school of higher learning, due proof must be submitted in accordance with the time limits defined in Item (a) above.

#### **PHYSICAL EXAMINATION**

Upon receipt of a claim, We may examine an Insured, at Our expense, at any reasonable time, but not more frequently than once every three months.

#### **LEGAL ACTION**

No action at law or in equity may begin prior to 60 days after We receive valid written proof of loss. No such action may begin after 3 years from the day written proof of loss was required.

*(Amended by FDL1-504AD-1002)*

## TERMINATION PROVISIONS (TX)

Termination of the Policy under any conditions will not prejudice any claim which is incurred while the Policy is in force.

### TERMINATION OF EMPLOYEE COVERAGE

Your insurance coverage will end on the earliest of:

1. the date you are no longer a member of a covered class; or
2. the date the Policy is canceled;
3. the effective date of an amendment to the Policy which terminates insurance for the class to which you belong;
4. the date you stop making any required contribution toward payment of premiums; or
5. the date you are no longer Actively at Work; however,

if you are no longer Actively at Work as a result of a disability, layoff, military leave of absence, or leave of absence, you may continue to be eligible for group insurance coverage as follows:

**Disability**            Until the end of the twelfth month following the month in which the disability began, provided all premiums are paid when due.

**Layoff**                 Until the end of the month following the month during which the layoff began, provided all premiums are paid when due.

**Military Leave of Absence**    Until the end of the twelfth month following the month of the employee's last date on payroll, provided all premiums are paid when due.

**Leave of Absence**         Until the end of the month following the month in which the leave of absence began, provided all premiums are paid when due; or governed by the Employer's Human Resource policy on family and medical leaves of absence, for up to 12 weeks during a leave of absence elected under the federal Family and Medical Leave Act of 1993, provided the leave of absence was approved in advance and in writing by the Employer and all premiums are paid when due.

Note: Leave of absence for uniformed fire and police personnel will begin on the day immediately following the date the Employee has exhausted his Sick Leave. Sick leave shall be defined in Article 24 of the current or any future revisions of the collective bargaining agreement between the City of San Antonio and Local 624 International Association of Fire Fighters and Article 22 Section 11 of the current or any future revisions of the collective bargaining agreement between the City of San Antonio and The San Antonio Police Officers' Association.

### TERMINATION OF DEPENDENT COVERAGE

Dependent Insurance coverage will end on the earlier of:

1. the date you are no longer Actively at Work (except in the case of disability, layoff or leave of absence as set forth above); or
2. the date you are no longer a member of a covered class; or
3. the date the Policy is canceled or,
4. the effective date of an amendment to the Policy which terminates this benefit; or
5. the effective date of an amendment to the Policy which terminates insurance for the class to which you belong;
6. the date a Dependent child or spouse is no longer eligible for coverage as defined in the Policy; or
7. the date you stop making any required contribution toward payment of premiums.

**GENERAL PROVISIONS (TX)**

**ENTIRE CONTRACT**

The Policy, the Application, and the enrollment forms of the Insureds are considered to be the entire contract.

**STATEMENTS**

We consider any statements made by the Policyholder or any Insured, in the absence of fraud, to be representations and not warranties. No such statement shall be used in defense to a claim under the Policy unless it is contained in a written application signed by the Insured and a copy of such application is or has been given to him or his beneficiary or personal representative.

**INCONTESTABILITY**

We will not contest the validity of the Policy, except for nonpayment of premium, after it has been in force for two (2) years from its effective date. We will not contest the validity of your insurance after your insurance has been in force for two (2) years during your lifetime.

**MISSTATEMENT OF AGE**

If you misstated your age or the age of a Dependent, the true age will be used to determine:

1. the effective date or termination date of insurance; and
2. the amount of insurance; and
3. any other rights or benefits.

Premiums will be adjusted to reflect the premiums that would have been paid if the true age had been known.

**CONFORMITY WITH STATE LAW**

If any part of the Policy does not conform to a state statute in the state in which it is issued or delivered, it is amended to conform with the minimum requirements of the statutes of that state.

**ASSIGNMENT**

You may assign the life insurance benefits under the Policy, and you may assign to anyone other than the Policyholder any incident of ownership you may possess. We are not responsible for the validity or legal effect of any assignment. Collateral assignments, by whatever name called, are not permitted.

**RETENTION OF DISCRETION**

Fort Dearborn Life Insurance Company shall have the exclusive right to interpret the terms of the Certificate, Schedule of Benefits, Riders and Endorsements. The decision about whether to pay any claim, in whole or in part, is within the sole discretion of Fort Dearborn Life and such decisions shall be final and conclusive.

**FORT DEARBORN LIFE INSURANCE COMPANY®**  
**Chicago, Illinois**

**Administrative Office:**  
**1020 31st Street • Downers Grove, IL 60515**

**AMENDATORY ENDORSEMENT**

This Amendatory Endorsement amends the Policy or Certificate to which it is attached. It takes effect on January 1, 2012 and ends at the same time as the Policy or Certificate. All provisions of the Policy or Certificate will apply to this Amendatory Endorsement, except that in the event of a conflict, the specific provisions of this Amendatory Endorsement will govern.

The term **Spouse**, wherever it appears in the Policy or Certificate, is amended as follows:

**Spouse** includes a **Domestic Partner**.

**Domestic Partner** means an adult of the same or opposite gender who has an emotional, physical and financial relationship to **You**, similar to that of a Spouse, as evidenced by the following:

1. **You** and **Your Domestic Partner** share financial responsibility for a joint household;
2. **You** and **Your Domestic Partner** each are at least eighteen (18) years of age;
3. **You** and **Your Domestic Partner** are both mentally competent to enter into a binding contract;
4. **You** and **Your Domestic Partner** share a residence and have done so for at least 6 months;
5. Neither **You** nor **Your Domestic Partner** are married to or legally separated from anyone else;
6. **You** and **Your Domestic Partner** are not related to one another by blood closer than would bar marriage; and
7. Neither **You** nor **Your Domestic Partner** is a **Domestic Partner** of anyone else.

Where the laws of the governing jurisdiction mandate a definition of **Domestic Partner** other than shown above, that definition will be used in the Policy.

This Amendatory Endorsement is attached to and made a part of the Contract. This Amendatory Endorsement is subject to all of the provisions of the Contract that apply to and are not in conflict with the provisions of this Amendatory Endorsement.

Fort Dearborn Life Insurance Company



Anthony F. Trani  
President



Administrative Office:  
1020 31<sup>st</sup> Street • Downers Grove, Illinois 60515-5591

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