

The University of Texas System

Group Term Life and Accidental Death & Dismemberment Brochure

This brochure provides a brief summary of Group Term Life (GTL) options available to eligible active and retired employees and Accidental Death and Dismemberment (AD&D) options available to eligible active employees.

Basic Group Term Life (Basic GTL)

Basic Accidental Death & Dismemberment (Basic AD&D)

Voluntary Employee GTL

Voluntary Retired Employee GTL

Voluntary Spouse GTL

Voluntary Dependent GTL

Voluntary Employee AD&D

Voluntary Spouse AD&D

Voluntary Dependent AD&D



FORT DEARBORN LIFE
Insurance Company

A Member of the Preferred Financial Group

Administrative Offices: Downers Grove, Illinois | Cleveland, Ohio | Dallas, Texas

Basic GTL and Basic AD&D

The following coverage amounts are automatic for active employees and retired employees of The University of Texas System (System) who are enrolled in a System health plan:

Active Employee: \$10,000 Basic GTL
 \$10,000 Basic AD&D

Retired Employee: \$3,000 Basic GTL

The Basic GTL insurance includes:

- Conversion Privilege
- Seat Belt Benefit
- Accelerated Death Benefit

The Basic AD&D coverage includes:

- Seat Belt Benefit
- Coma Benefit
- Air Bag Benefit
- Exposure & Disappearance Benefits

Voluntary Group Term Life (Voluntary GTL)

The following coverage options are available for active employees, eligible dependents of active employees and retired employees of The System. The premiums for Voluntary GTL coverage(s) are paid for by the insured employee or retired employee.

Active Employee: 1 - 6 times Annual Compensation up to a maximum of \$1.5 million.⁽¹⁾

\$10,000 Voluntary Dependent GTL for each of the employee's eligible dependents.

\$15,000 Additional Voluntary Spouse GTL.⁽²⁾⁽³⁾

OR

\$40,000 Additional Voluntary Spouse GTL.⁽²⁾⁽³⁾

Retired Employee: \$7,000; \$10,000; \$25,000 or \$50,000 Voluntary Retired Employee GTL

⁽¹⁾ If you choose to increase your existing Voluntary GTL insurance amount during annual enrollment, evidence of insurability will be required for the additional coverage.

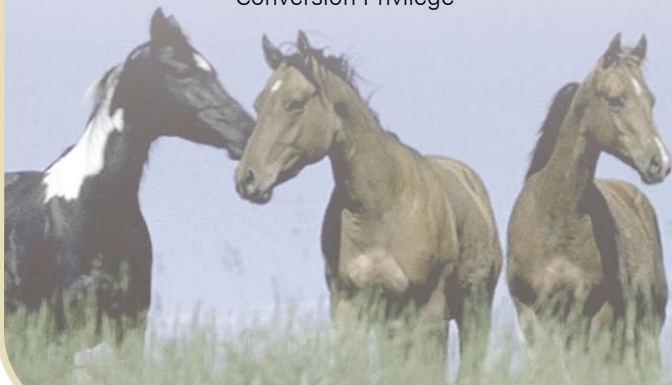
⁽²⁾ Evidence of insurability is required for: Voluntary GTL of 4, 5 or 6 times Basic Annual Earnings; \$15,000 or \$40,000 additional Voluntary Spouse GTL; and previously eligible, active employee applications for Voluntary GTL of 1, 2 or 3 times Basic Annual Earnings.

No evidence of insurability is required for Spouse or Dependent \$10,000 or for Voluntary GTL of 1, 2 or 3 times Basic Annual Earnings when the active employee is first eligible.

⁽³⁾ The employee must have Voluntary GTL of at least 1 times Annual Compensation and Voluntary Dependent GTL coverage to purchase either of the Additional Voluntary Spouse GTL coverage amounts.

The Voluntary GTL insurance includes:

- Waiver of Premium (Employee only under age 60)
- Conversion Privilege
- Accelerated Death Benefit
- Seat Belt Benefit (Employee/Retiree only)



Voluntary Accidental Death & Dismemberment (Voluntary AD&D)

The following Voluntary AD&D coverage options are available for active employees of The System, and for their eligible dependents. No evidence of insurability is required for this coverage. The premiums for Voluntary AD&D coverage(s) are paid for by the insured employee.

Active Employee: An amount up to 10 times Annual Compensation, not to exceed \$1,000,000 (in \$10,000 increments).

Voluntary Spouse AD&D in an amount up to one-half of the amount you elect, not to exceed \$500,000 (in \$10,000 increments).⁽¹⁾

\$10,000 for each eligible dependent child.⁽¹⁾

⁽¹⁾ You must be covered for at least \$20,000 of Voluntary AD&D coverages to be eligible to elect Voluntary Spouse AD&D or Voluntary Dependent AD&D coverage.

The Voluntary AD&D coverage includes:

- Seat Belt Benefit
- Coma Benefit
- Education Benefit
- Common Disaster Benefit
- Rehabilitation
- Child Care Center Benefit
- Air Bag Benefit
- Exposure & Disappearance Benefits
- Spouse Training Benefit
- Felonious Assault Benefit
- Increased Dependent Child Benefit
- Medical Premium Continuation

Exclusions and Limitations

Voluntary GTL

- Voluntary GTL contains a two-year suicide exclusion. Benefits paid for suicide are limited to a refund of premiums.

Basic and Voluntary AD&D

We will not pay any benefit for any Loss that, directly or indirectly, results in any way from or is contributed to by:

- Suicide or intentionally self-inflicted injuries, or any attempt thereat, while sane or insane.
- Declared or undeclared war or act of war.
- Accident which occurs while the covered person is serving on full-time active duty for more than 30 days in any armed forces. (Send us proof of service. We will refund any premium paid for this time). (Reserve or National Guard active duty for training is not excluded).
- The commission of a felony by the covered person.
- Sickness, disease, bodily or mental infirmity, or medical or surgical treatment thereof or bacterial or viral infection, regardless of how contracted. This does not include bacterial infection that is the natural and foreseeable result of an accidental external cut or wound, or accidental food poisoning.

Active Service Requirements

You must be in Active Service on the date your initial GTL or AD&D coverage or any increases in GTL or AD&D coverage are scheduled to begin. If you are not in Active Service on those dates; and 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 Service.

Active Service means that an Employee is performing the normal duties of his occupation and working the number of hours set forth in the Eligibility Provision.

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. "No longer hospital-confined" means the Dependent has been discharged from a hospital, a nursing home or other medical facility which provides skilled medical care.

Accelerated Death Benefit

The Accelerated Death Benefit is included with Basic and Voluntary GTL coverage and is available for active employees, their covered spouses and retired employees.

For Employees and Retired Employees: The Accelerated Death Benefit provides a lump sum payment to you, at your request, of 50% of your term life benefit amount if you have been diagnosed as Terminally Ill. The amount of group term life insurance will be reduced by the amount of any Accelerated Death Benefit payment which is made and the remaining insurance amount will be the amount payable to your designated beneficiary upon your death.

For Spouse Coverage: The Accelerated Death Benefit provides a lump sum payment to you, at your request, on behalf of your spouse if your covered spouse has been diagnosed as Terminally Ill. The amount of group term life insurance will be reduced by the amount of any Accelerated Death Benefit payment which is made, and the remaining insurance amount will be the amount payable to you upon your spouse's death.

Terminally Ill means an insured person who has a non-correctable health condition that, with reasonable medical certainty, will result in death of the Terminally Ill insured person within 24 months from the date of a physician's statement.

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 Income (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.

Protect the Financial Security of Your Family with Life Insurance. Enroll Now . . . It's Easy

You can enroll in the Voluntary GTL and Voluntary AD&D insurance plans using The System's UT Touch enrollment system located at <https://utdirect.utexas.edu/nlogon/sgwww/UTTOUCH>. If you have any questions about enrolling, please contact **Fort Dearborn Life Insurance Company (FDL)** or your campus benefits office. You can reach **FDL** at (866) 628-2606; P.O. Box 655403, Dallas TX 75265-5403 or www.fdl-life.com/UT.

This information is a brief description of important features of the plan. It is not a contract. Terms and conditions of Basic GTL and Voluntary GTL insurance coverage are set forth under Policy Number FDL1-504-UT-1103, and the Basic AD&D and Voluntary AD&D Insurance coverage is set forth under Policy Number FDL2-504-UT-AD-1103, issued in Texas. The group policies are subject to the laws of the state of Texas.

The availability of this offer may change. Please keep this material as a reference.