

Voluntary Short-Term Disability Insurance

Employee Benefit Booklet



FORT DEARBORN LIFE INSURANCE COMPANY
Richardson, Texas

Copperas Cove ISD

Group Number: GFZ02322-0001

Class 1-01



® **FORT DEARBORN LIFE INSURANCE COMPANY**
(A stock life insurance company herein called "We", "Us", "Our")

300 East Randolph, Chicago, Illinois 60601
Administrative Office:
2400 Lakeside Blvd., Richardson, TX. 75802-7399

CERTIFICATE (TX)

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.

We agree to pay benefits subject to the provisions, definitions, limitations and conditions of the group Master Policy (herein called the Policy). The Policy is a contract issued by Fort Dearborn Life Insurance Company to: Copperas Cove ISD (herein called the Policyholder).

This is your certificate of coverage. It is not valid unless accompanied by a copy of your signed Enrollment Form which, if satisfactory Evidence of Insurability is required, has been approved by Us. This certificate replaces any group certificate previously issued under the Policy. 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

<p>Group Insurance Certificate Voluntary Short Term Disability Income Insurance Nonparticipating</p>

*** 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 CERTIFICATE: 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 CERTIFICADO: 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

**CLASS OF
INSUREDS**

DEFINITION

1-01-Option 1 All active full-time employees, enrolled in Voluntary LTD

VOLUNTARY SHORT TERM DISABILITY BENEFITS

Benefit Amount: 60% of Base Weekly Salary rounded to the nearest \$1, to a maximum of \$750. You may elect Option 1 or Option 2 below.

	Option 1	Option 2
Day Benefits Begin:		
Injury:	15th Day	30 th Day
Sickness:	15th Day	30 th Day
Hospital		
Confined:	15th Day	30 th Day
Maximum Benefit Period:	24 Weeks	22 Weeks

DEFINITIONS (TX)

Accident means an event that is sudden, unexpected and unintended and over which you have no control.

Actively at Work or **Active Work** means that an Employee is:

1. performing the normal duties of his occupation; and
2. working the minimum number of hours per week required by his employer.

An Employee will be considered Actively at Work if he was actually at work on the day immediately preceding:

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

Application/Change Form means a Policyholder's written Application for Group Voluntary Benefits as first submitted or later amended. This form sets forth coverage(s), eligible classes, Waiting Periods, benefit amounts and other information relevant to the Policyholder's Voluntary Benefit program.

Basic Weekly Income means the weekly compensation you earn from your normal occupation. It does not include earnings from overtime, bonuses, or any other form of extra pay. However, if your compensation is based in whole or in part on commissions, Basic Weekly Income will include the weekly average paid in commissions during the preceding 12-month period.

Contributory means you pay all or a portion of the premium for your 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. The injury must occur and disability must begin while you are covered under the Policy.

Male Pronoun whenever used includes the female.

Non-contributory means the Policyholder pays all or a portion of the premium for this insurance coverage.

Physician means your attending physician other than your spouse, parent, child, brother or sister.

Plan means the Voluntary STD Plan selected by the Policyholder.

Policyholder means the person, firm or institution to whom the Policy is issued.

Pregnancy includes childbirth, miscarriage and complications of pregnancy.

Regularly Treated by a Physician means you are attended by a Physician with medical training and clinical experience suitable to treat your disabling condition, and whose treatment is:

1. consistent with the diagnosis of the disabling condition; and
2. according to the guidelines established by medical, research, and/or rehabilitative organizations; and
3. administered as often as needed to achieve the maximum medical improvement.

Sickness means illness, disease or pregnancy. Disability must begin while you are covered under the Policy.

Total Disability or Totally Disabled means that as a result of Injury or Sickness you are unable to perform the material and substantial duties of your occupation.

Treatment means consultation, care or services provided by a Physician including diagnostic measures and taking prescribed drugs and medicines.

Waiting Period means the number of days you must be Actively at Work before you are eligible to enroll in the Voluntary Benefit program. The Waiting Period is set forth in the Application/Change Form.

ELIGIBILITY AND EFFECTIVE DATE PROVISIONS

ELIGIBILITY

Active Employees are eligible to enroll for Voluntary Benefits if they:

1. work the minimum number of hours per week shown on the Policyholder's Application/Change Form; and
2. are in an eligible class shown on the Application/Change Form; and
3. have completed the applicable Waiting Period.

ANNUAL ENROLLMENT

A time period to be determined by the Policyholder will be designated as the Annual Enrollment period. Eligible Employees may enroll in the Plan, apply for additional coverage, or request changes to their current Voluntary Benefit program(s) only during the Annual Enrollment. Employees hired after the Annual Enrollment period may enroll within 31 days following their eligibility date; if a new Employee does not elect Voluntary coverage within that time period, he must wait for the next Annual Enrollment to enroll.

ENROLLMENT AND EFFECTIVE DATES

Voluntary STD coverage is Contributory; to enroll for Voluntary STD or request changes in coverage, an eligible Employee must complete the Enrollment Form and agree to pay the applicable premium. All effective dates are subject to:

1. the Deferred Effective Date provision; and
2. your payment of or written consent to pay the applicable premium; and
3. evidence of insurability satisfactory to Us.

Coverage will become effective for Employees who are eligible on the Plan Effective Date at 12:01 am. on the later of the Plan Effective Date, the Employee's eligibility date, or the date the Employee signs the form.

Coverage will become effective for Employees hired after the Plan Effective Date on the later of the following dates:

1. If the Enrollment Form is signed on or before the end of the Waiting Period, initial coverage will become effective on the day following completion of the Waiting Period.
2. If the Enrollment Form is signed after the end of the Waiting Period, but within 31 days after that day, initial coverage will become effective on the date the Employee signs the Enrollment Form.
3. If there is no Waiting Period, initial coverage will become effective on the date the Employee signs the Enrollment Form, provided he enrolls within 31 days of his eligibility date.

All increases to Voluntary STD coverage elected during subsequent Annual Enrollment periods will become effective on the date agreed to by the Policyholder and Us.

EFFECTIVE DATE IF WE REQUIRE EVIDENCE OF INSURABILITY

If an Employee is 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.

DEFERRED EFFECTIVE DATE

An Employee must be Actively at Work for his insurance coverage to become effective. If an Employee is not Actively at Work on the date his coverage would otherwise begin, the coverage will begin on the day he is again Actively at Work.

ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT

If an Employee's coverage ends due to termination of employment and he is rehired at a later date, he must meet all the requirements of a new Employee.

PREMIUM PROVISION

Premiums are payable in United States dollars on or before their due dates. Your Employer has agreed to deduct from your pay any premiums payable for your insurance. Your Employer agrees to remit such premiums for the entire time this Plan is in effect.

Premium charges for increases in insurance amounts becoming effective during a policy month will begin on the next premium due date. Premium charges for insurance terminating during a policy month will cease at the end of the month in which such insurance terminates. This method of charging premium is for accounting purposes only. It will not extend any insurance coverage beyond the date it would have otherwise terminated.

TERMINATION PROVISIONS

TERMINATION OF EMPLOYEE COVERAGE

Insurance coverage will end at 12:00 midnight on the earliest of:

1. the date your eligibility ceases;
2. the date the Policy or Plan is canceled or amended so as to terminate coverage for the class to which you belong;
3. the premium due date if you stop making any required contribution toward payment of premiums; or (if earlier)
4. the date you cancel your Voluntary coverage(s); or
5. the date employment terminates. Cessation of Active Work will be deemed termination of employment, except if you are Totally Disabled and premiums continue to be paid when due.

Termination of coverage due to (2) above will not prejudice any claim for a loss incurred prior to such termination.

ELIGIBILITY AFTER TERMINATION OF EMPLOYMENT

If your coverage ends due to termination of employment and you are rehired at a later date, you must meet all the requirements of a new Employee.

GENERAL PROVISIONS (TX)

STATEMENTS

In the absence of fraud, all statements made by the Policyholder or by Insureds shall be deemed representations and not warranties and no statement made for the purpose of effecting insurance shall be used to void such insurance or reduce benefits unless contained in a written instrument signed by such Policyholder or Insured, a copy of which has been furnished to such Policyholder or to such Insured or his beneficiary.

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. Except for fraud, we will not contest the validity of an Insured's insurance after his insurance has been in force for two (2) years during his lifetime.

MISSTATEMENT OF AGE

If you misstated your age, your true age will be used to determine the termination date of coverage; and 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 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.

WORKERS' COMPENSATION

The Policy does not replace or change any requirements for coverage under any Workers' Compensation or similar law.

NOTICE OF CLAIM - CLAIM FORMS

If you incur a loss that may result in a claim for benefits under the 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.

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.

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.

BENEFIT PROVISIONS (TX)

TOTAL DISABILITY BENEFIT

We will pay benefits to you if you become Totally Disabled while insured under the Policy. The day benefits begin and the maximum period for which benefits are payable are shown in the Schedule of Benefits. The amount of Short Term Disability benefit shall be based on your enrollment form.

Unless periods of Total Disability are separated by your return to Active Work for at least two consecutive weeks, successive periods of Total Disability resulting from Injuries received in any one Accident or from any one Sickness or a related Sickness will be considered one period of Total Disability.

PARTIAL DISABILITY BENEFIT

We will pay a Partial Disability Benefit if we receive proof that you, while covered under the Policy, are Partially Disabled following a period of Total Disability which has continued for at least 30 days due to an Accidental Injury or Sickness, and are under the regular care of a Physician.

The amount of benefit, the day benefits begin and the maximum benefit period are set forth in the Schedule of Benefits. Receipt of a Partial Disability Benefit will not extend the Maximum Benefit Period shown in the Schedule of Benefits.

Partial Disability or **Partially Disabled** means you are working, but as a result of the Injury or Sickness which caused Total Disability, you are:

1. able to perform one or more, but not all, of the material and substantial duties of your occupation on a full time or part time basis; or
2. able to perform all of the material and substantial duties of your occupation on a part time basis; and
3. are earning less than 80% of your Pre-disability Earnings at the time the Partial Disability employment begins.

You will no longer be considered Partially Disabled under the Policy when you are able to increase your current earnings by increasing the number of hours you work or the number of duties you perform in your occupation but you do not do so.

Pre-Disability Earnings means your Basic Weekly Wage in effect immediately prior to the date Total Disability begins.

The Partial Disability Benefit will be the lesser of:

1. the Maximum Weekly Benefit shown in the Schedule of Benefits; or
2. your Pre-disability Earnings minus your Partial Disability income.

PAYMENT OF BENEFITS

When We receive satisfactory proof of loss, We will make benefit payments at regular intervals occurring at least as often as once every two weeks during the continuance of the period for which We are liable. Any balance remaining unpaid at the termination of such period shall be paid as soon as reasonably possible after the receipt of due written proof of loss. If benefits are due for a period of less than one (1) week, payments will be made at a daily rate of 1/7th the weekly benefit.

REDUCTION OF BENEFITS

The combination of benefits payable under the Policy and Other Income Benefits set forth below may not exceed 60% of your Basic Weekly Income. We will reduce the amount of your Short Term Disability payment by the Other Income benefits you receive, or are eligible to receive, as follows:

1. disability income payments under any state compulsory disability benefit law; or
2. employer sponsored income replacement plan, including but not limited to any formal or informal sick leave or salary continuation program.

For purposes of this provision, *eligible to receive* means that:

1. you could have received Other Income Benefits if you had applied for such benefits or appealed any denial of such benefits; or
2. you could have used such sick leave or salary continuation during the receipt of benefits under the Policy.

The benefit payable will never be less than the minimum weekly benefit of \$100.00.

PRE-EXISTING CONDITION EXCLUSION

Benefit amounts selected at initial Enrollment, as well as increases selected during subsequent Annual Enrollment periods will be subject to the following Pre-existing Condition exclusion.

Pre-existing Condition means a Sickness or Injury for which you received treatment within 12 months prior to your effective date.

Treatment means consultation, care or services provided by a Physician including diagnostic measures and taking prescribed drugs and medicines.

The Policy will not cover any Total Disability:

1. which is contributed to, caused by, or results from a Pre-existing Condition; and
2. which begins in the first 12 months after your effective date.

LIMITATIONS

We will not pay benefits under the Policy for Disability:

1. due to Injury or Sickness arising out of or in the course of any employment for wage or profit; or
2. due to bodily Injury sustained as a result of your commission of or attempt to commit an assault or felony; or
3. for any period during which you are not being Regularly Treated by a Physician; or
4. due to any intentionally self-inflicted Injury, suicide or attempted suicide, while sane or insane, or the voluntary taking of any drugs unless taken as prescribed by a physician; or
5. for which you are eligible for benefits under any Workers' Compensation or similar law.

Denial of Workers' Compensation will not result in the payment of benefits under the Policy if the disability resulted from an occupational Sickness or Injury. Benefits are also not payable under the Policy if you are entitled to participate in Workers' Compensation and choose not to do so.

TERMINATION OF BENEFIT PAYMENTS

Short Term Disability benefit payments will cease on the earliest of:

1. the date you are no longer Totally Disabled;
2. the end of the maximum benefit period;
3. the date your earnings exceed 80% of your Pre-Disability Earnings; or
4. the date on which you begin to receive benefits under any retirement plan sponsored by the Policyholder. For the purpose of retirement benefits, *begins to receive* means the first day you are eligible to receive retirement benefits, regardless of the date retirement benefits are actually paid or actually begin; or
5. the date on which you begin to receive state unemployment compensation for your job with the Policyholder; or
6. the date you die.

PHYSICAL EXAMINATION

We may examine you at our expense at any reasonable time upon receipt of a claim.

FORT DEARBORN LIFE INSURANCE COMPANY

CERTIFICATE AMENDMENT

Policyholder: As shown on the front cover of the Certificate

Policy Number: As shown on the front cover of the Certificate

Effective Date of this Certificate Amendment: June 1, 2003 or later

The Certificate is amended as follows:

This Certificate Amendment is a part of the Certificate to which it is attached and applies only to Voluntary Short Term Disability Insurance Certificates issued to groups with Effective Dates on and after June 1, 2003. This Certificate Amendment is subject to all the provisions of the Certificate not in conflict with the provisions of this Certificate Amendment.

The Reduction of Benefits wording contained within the Benefit Provisions section of the Certificate is deleted in its entirety and the following is substituted:

REDUCTION OF BENEFITS

The combination of benefits payable under the Policy and Other Income Benefits may not exceed 60% of your Basic Weekly Income. We will reduce the amount of your Short Term Disability payment by Other Income Benefit payments.

Other Income Benefits mean those benefits shown below:

1. the amount of any disability income payments you receive under any state compulsory disability benefit law; or
2. the amount of any benefits you receive under any employer-sponsored income replacement plan, including any formal or informal sick leave or salary continuation program.

The benefit payable will never be less than the minimum weekly benefit of \$100.

In all other respects, the Certificate remains unchanged.

FORT DEARBORN LIFE INSURANCE COMPANY



Larry Newsom
President



**FORT DEARBORN LIFE
INSURANCE COMPANY**

**Administrative Office:
2400 Lakeside Blvd. • Richardson, Texas 75082-7399**