

# Term Life Insurance

*Employee Benefit Booklet*



**CITY OF TUCSON**

**GAZ80191-0001**

**Class 1-01**

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, Puerto Rico and Guam.

**10/10/2011**

**FORT DEARBORN LIFE**  
**Insurance Company**<sup>®</sup>

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”)

**Having issued Group Policy No. GAZ80191-0001**

(herein called the Policy)

to

**CITY OF TUCSON**

(herein called the *Policyholder*)

**GROUP INSURANCE CERTIFICATE**

CERTIFIES that *You* are insured, provided that *You* qualify under the ELIGIBILITY AND EFFECTIVE DATES provision, become insured and remain insured in accordance with the terms of the Policy. *Your* insurance is subject to all the definitions, limitations and conditions of the Policy, and it takes effect as stated in the ELIGIBILITY AND EFFECTIVE DATES provision.

This Certificate describes *Your* eligibility for benefits and the terms and provisions of the Policy. It replaces and cancels any other Certificate previously issued to *You* under the Policy.

If the terms and provisions of the Group Insurance Certificate (issued to *You*) are different from the policy (issued to the *Policyholder*), the Policy will govern. *Your* coverage may be canceled or changed in whole or in part under the terms and provisions of the Policy.

**READ YOUR CERTIFICATE CAREFULLY**

Signed for Fort Dearborn Life Insurance Company



Secretary



President

**Basic Group Term Life Insurance Certificate**

with

Dependent Life Insurance Benefits

**Non-Participating**

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## ***SCHEDULE OF BENEFITS***

**POLICYHOLDER:** CITY OF TUCSON  
**POLICY NUMBER:** GAZ80191-0001  
**EFFECTIVE DATE:** July 1, 2011

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**ELIGIBILITY:** All permanent full-time *Employees*, part-time benefit eligible *Employees*, full-time and part-time benefit eligible appointed *Employees* and all elected officials of the Policyholder working in the United States of America who are Actively at Work for the Policyholder and who have completed the Waiting Period are eligible for the insurance. A full-time or part-time *Employee* is one who regularly works a minimum of 20 hours per week for the *Policyholder*. Seasonal, provisional, intermittent and temporary *Employees* of the *Policyholder* are not eligible.  
**Class 01**

**Eligibility Waiting Period:** Current *Employees*: First of the pay period following 30 Days of employment  
New *Employees*: First of the pay period following 30 Days of employment  
**Policyholder Contribution:** Basic Life 100% of premium  
Dependent Life 100% of premium

### **GROUP TERM LIFE INSURANCE**

#### ***Employee Basic Life Benefit Amount***

1 times Annual Earnings, rounded to the next higher \$1,000, to a maximum of \$50,000

***Annual Earnings*** means *Your* base annual salary from the *Policyholder*.

#### **Reduction of Benefits**

Basic Group Term Life benefits reduce by 50% of the original amount at age 70. Benefits terminate at retirement. Retiree benefits are effective under Class 2. Benefits for elected officials terminate upon expiration of the official's term. Elected officials who retire are eligible for retiree benefits under Class 2.

#### **Waiver of Premium**

Waiver Eligibility

Totally Disabled prior to age 60 without interruption from the last date worked for at least 6 months

Insured Eligibility

*Employee*

Maximum Waiver of Premium Duration

age 70

#### **Accelerated Death Benefit (ADB)**

Benefit Amount

75% Basic Term Life Insurance In force

Insured Eligibility

*Employee*

Minimum Covered Life Insurance Amount

\$10,000

Maximum ADB Payment

\$250,000

Minimum ADB Payment

\$7,500

### **DEPENDENT TERM LIFE INSURANCE**

Spouse Benefit Amount

Basic: \$5,000

Includes Domestic Partner

Child(ren) Benefit Amount

Basic:

\$0 - age live birth to 15 days

\$100 - age 15 days to 6 months

\$5,000 - age 6 months to 26 years

## ***ELIGIBILITY AND EFFECTIVE DATE PROVISIONS***

### ***Who is eligible for this insurance?***

The eligibility for this insurance is as indicated in the Schedule of Benefits.

The *Eligibility Waiting Period* is set forth in the Schedule of Benefits.

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### ***When does Your Noncontributory insurance become effective?***

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

#### **Current Employees**

If *You* are an eligible *Employee* on the Policy effective date, *Your Noncontributory* coverage under the Policy will become effective on the date indicated in the Schedule of Benefits, provided *You* are **Actively at Work** on that day.

#### **New Employees**

If *You* become an eligible *Employee* after the Policy effective date, *Your Noncontributory* coverage under the Policy will become effective on the date indicated in the Schedule of Benefits, provided *You* are **Actively at Work** on that day.

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 of Insurability* is satisfactory and *We* provide written notice of approval.

*You* must be **Actively at Work** for coverage under the Policy to become effective.

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***Evidence of Insurability*** means a statement of *Your* medical history which *We* will use to determine if *You* are approved for coverage. *Evidence of Insurability* will be provided at *Your* expense.

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### ***If You are not Actively at Work, when does coverage become effective?***

If *You* are absent from *Active Work* on the date *Your* coverage would otherwise become effective; and *Your* absence is caused by an *Injury*, illness or layoff,

*Your* effective date for any initial coverage or increased coverage will be deferred until the first day *You* return to *Active Work*.

However, *You* will be considered **Actively at Work** on any day that is not *Your* regularly scheduled work day (including but not limited to a weekend, vacation or holiday) if *You* were **Actively at Work** on the immediately preceding scheduled work day and *You* were:

1. not *Hospital Confined*; or;
2. disabled due to an *Injury* or *Sickness*.

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### ***Changes to Your coverage***

A change in *Your* coverage may occur if:

1. There is a Policy change; or
2. *You* enter another class and become eligible for a change in benefits; or

3. There is a change in *Your Annual Earnings*, which results in an increased benefit amount.

If *You* are eligible for additional coverage due to a Policy change, the additional coverage will be effective on the date the Policy change is effective, as requested by the *Policyholder* and agreed upon by *Us*.

Additional coverage for reasons other than a Policy change will be effective as indicated in the "***When Does Your Non-Contributory insurance become effective?***" section, or the later of:

1. The date *You* enroll for the additional coverage; or
2. The date *You* become eligible for the additional coverage, if enrollment is not required; or
3. The date *We* approve *Your* coverage if *Evidence of Insurability* is required.

In order for *Your* additional coverage to begin, *You* must be *Actively at Work*.

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### ***Eligibility after You Terminate 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* converted all or part of *Your* group life insurance when employment terminated, the individual policy must be surrendered upon return to *Active Work*.

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## ***TERM LIFE INSURANCE BENEFIT***

### ***When is a Life Insurance Benefit payable?***

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 within two (2) years after the date of death.

*We* will determine the amount of insurance payable based upon the Schedule of Benefits.

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### ***Who will receive Your Life Insurance Benefits?***

*Your* beneficiary designation must be made on a form which *We* provide or on a form accepted by *Us*. If two or more beneficiaries are named, payment of proceeds will be apportioned equally unless *You* had specified otherwise. The *Policyholder* may not be named as beneficiary. Unless *You* provide otherwise, if a beneficiary dies before *You*, *We* will divide that beneficiary's share equally between any remaining named beneficiaries.

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.

### **Facility of Payment**

If no named beneficiary survives *You* or if *You* do not name 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 or legally adopted children, if any; if none,
3. in equal shares to *Your* father and mother, if living; if not,
4. in equal shares to *Your* brothers and/or sisters, if living; if not,
5. to *Your* estate.

If any benefits under this provision are to be paid to *Your* estate, *We* may pay an amount not greater than \$1,000 to any person *We* consider 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.

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### ***May You change Your beneficiary?***

*You* may change *Your* beneficiary at any time by completing a form provided or 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.

If *You* are approved for continued life coverage under the Waiver of Premium, *You* may be asked to name a beneficiary. A beneficiary designation made in connection with Waiver of Premium, if different from FDL1-604-707

the designation on *Your* enrollment form, shall constitute a change of beneficiary under the Policy. Such change of beneficiary only applies while *You* qualify for continued coverage under the Waiver of Premium provision.

If continuation of life insurance under the Waiver of Premium provision ceases, and *You* are employed by the *Policyholder*, *You* must make a new beneficiary designation. If *You* do not name a new beneficiary, *We* will pay death benefits in accordance with the Facility of Payment provision.

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### ***CONVERSION OF LIFE INSURANCE***

#### ***How much Life Insurance may You convert 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 on the date *Your* life insurance ceased.

#### ***How much Life Insurance may You convert if the policy terminates or is 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 *You* ineligible for life insurance; however, in either of these situations,

*You* must have been insured under the Policy, or the Policy it replaced, 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.

#### ***How to apply for conversion***

*We* must receive written application and the first premium for the individual life insurance policy within 31 days after life insurance under the Policy ceased. No *Evidence of Insurability* will be required.

The individual policy will be a policy of whole life insurance. It will not contain waiver of premium, accelerated death benefit, disability benefits, accidental death and dismemberment benefits or any other ancillary benefits.

The minimum issue amount of an individual conversion policy is \$2,000. The premium for the individual policy will be based on:

1. *Our* current rates based upon *Your* attained age; and
2. 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 became 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 within two (2) years of the date 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.

Notice. If the *Policyholder* fails to notify *You* at least 15 days prior to the date insurance under the Policy would cease, *You* shall have an additional period within which to elect conversion coverage; but nothing herein shall be construed to continue any insurance beyond the period provided for in the Policy. The additional election period shall expire 15 days immediately after the *Policyholder* gives *You* notice, but in no event shall it extend beyond 60 days immediately after the expiration of the 31-day period explained above.

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### ***WAIVER OF PREMIUM***

#### ***What is the Waiver of Premium benefit?***

*We* will continue *Your* Basic life insurance benefit under the Policy without further payment of life insurance premium if *You* become *Totally Disabled*, provided:

1. *You* are insured under the Policy and were *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 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.

***Total Disability*** or ***Totally Disabled*** means *You* are diagnosed by a *Doctor* to be completely unable because of *Sickness* or *Injury* to engage in any occupation for wage or profit or any occupation for which *You* become qualified by education, training or experience.

*We* will waive premium beginning the month after *We* receive satisfactory proof that *You* have been *Totally Disabled* for at least 6 months. Premium will continue to be waived provided *You*:

1. remain *Totally Disabled*; and
2. provide satisfactory written proof of continuing *Total Disability* upon request.

*You* are responsible for obtaining initial and continuing proof of *Total 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 shown on the Schedule of Benefits or which are the result of an amendment to the Policy, but in no event will the insurance amount increase while *Your* life insurance is continued under Waiver of Premium. This life

insurance coverage will continue without the payment of premium until *You* are no longer *Totally Disabled*, or attain the Maximum Waiver of Premium Duration as set forth in the Schedule of Benefits or retire, whichever occurs first.

*We* may have *You* examined at reasonable intervals during the period of claimed *Total Disability*. 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.

If *You* are approved for continued coverage under the Waiver of Premium provision, *You* will be asked to name a beneficiary. That beneficiary designation:

1. will only apply while *Your* coverage continues under this Waiver of Premium provision; and
2. if different from the designation on *Your* enrollment form, shall constitute a change of beneficiary under the Policy.

*We* will pay the amount of life insurance in force to *Your* beneficiary if *You* die before furnishing satisfactory proof of *Total Disability*, if:

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 not more than two (2) years after *Your* death.

If continuation of life insurance under the Waiver of Premium provision ceases while the Policy is still in force, and *You* are employed by the *Policyholder*, *Your* life insurance will continue provided premium payments begin on the next premium due date. If *You* return to work with the *Policyholder*, *You* must make a new beneficiary designation. If *You* do not name a new beneficiary, *We* will pay death benefits in accordance with the Facility of Payment provision.

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 this Certificate.

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## ***ACCELERATED DEATH BENEFIT***

**The benefit paid under this provision may be taxable. If so, *You* or *Your* beneficiary may incur a tax obligation. As with all tax matters, *You* or *Your* beneficiary should consult a personal tax advisor to assess the impact of the benefit. Receipt of this benefit may adversely affect *Your* eligibility for Medicaid or other governmental benefits or entitlements.**

### ***What is the Accelerated Death Benefit?***

The *Accelerated Death Benefit* is a percentage of *Your* group Basic term life insurance which is payable to *You* prior to *Your* death if *We* receive *Proof* that *You* have a *Terminal Condition*. The *Accelerated Death Benefit* is limited to the maximum and minimum amounts shown on the Schedule of Benefits, and is payable only once to any one *Insured*.

The *Accelerated Death Benefit* is calculated on the group Basic term life insurance benefit amount in force under the Policy on the date *You* are diagnosed with a *Terminal Condition*. If *Your* group term life insurance will reduce, due to age, within 12 months after the date *We* receive *Proof*, the *Accelerated Death Benefit* will be calculated on the reduced group Basic term life insurance benefit.

### ***Who is Eligible for an Accelerated Death Benefit?***

This benefit only applies to *Insureds* with at least the Minimum Covered Life Insurance Benefit amounts set forth in the Schedule of Benefits. *You* must have been *Actively at Work* on or after the effective date of the Policy to be eligible for an *Accelerated Death Benefit*.

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

***Terminal Condition*** means *You* have been examined and diagnosed by *Your Doctor* as having a medically determined condition which is expected to result in death within 12 months from the date that a claim for benefit under this provision is received by *Us*. *We* have the sole right to determine if such proof is acceptable.

### ***The Accelerated Death Benefit Payment***

*We* will pay the benefit during *Your* lifetime if *You* are diagnosed with a *Terminal Condition* if *You* or *Your* legal representative submits a claim for an *Accelerated Death Benefit* and provides satisfactory *Proof*. The benefit will be paid in one sum to *You*.

### ***Are there any exceptions to the payment of the Accelerated Death Benefit?***

The *Accelerated Death Benefit* will not be payable:

1. for any amount of group term life insurance which is less than the Minimum ADB Payment as set forth in the Schedule of Benefits; or
2. if *Your Terminal Condition* is the result of:
  - a. attempted suicide, while sane or insane; or
  - b. intentionally self-inflicted injury; or
3. if *Your* group term life insurance benefit has been assigned; or
4. if *Your* group 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; or
5. to retirees.

### ***Notice and Proof of Claim***

*You* must elect the *Accelerated Death Benefit* in writing on a form that is acceptable to Us. *You* must furnish *Proof* that *You* have a *Terminal Condition*, including certification by a *Doctor*.

***Proof*** under the Accelerated Death Benefit means evidence satisfactory to Us that *You* have a *Terminal Condition*. We reserve the right to determine, at *Our* sole discretion, if *Proof* is acceptable.

### ***Effect on Insurance***

The *Accelerated Death Benefit* is in lieu of the group term life insurance benefit that would have been paid upon *Your* death. When the *Accelerated Death Benefit* is paid:

1. the term life insurance benefit otherwise payable upon *Your* death will be reduced by the amount of the *Accelerated Death Benefit*;
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 the *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 *Accelerated Death Benefit*.

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## ***DEPENDENT LIFE INSURANCE***

***THIS BENEFIT ONLY APPLIES IF YOU HAVE ELECTED DEPENDENT TERM LIFE INSURANCE AND YOU HAVE PAID OR AGREED TO PAY THE APPLICABLE PREMIUM.***

### ***What is the Dependent Life Insurance 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 or legally adopted children, if any; if none,
3. in equal shares to *Your* father and mother, if living; if not,
4. in equal shares to *Your* brothers and sisters, if living; otherwise
5. to *Your* estate.

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### ***Who is eligible for Dependent Life Insurance?***

If *You* are insured for life insurance under the Policy and belong to a class listed in the Schedule of Benefits as eligible for Dependent Life Insurance benefits, *You* are eligible to enroll for this benefit.

Note: No eligible person may be covered more than once under the Policy. If a person is covered as an *Employee* or *Retiree*, he cannot be covered as a *Spouse* or *Dependent Child* of another *Employee*. If both parents are covered as insured *Employees* under the Policy, only one may enroll for life insurance coverage on *Eligible Dependent Child(ren)*.

### ***When does Dependent Life Insurance become effective?***

Provided *You*:

1. have completed any required *Employee Eligibility Waiting Period*; and
2. apply for Dependent Life Insurance no later than 31 days after becoming eligible for this benefit or no later than 60 days after becoming eligible for this benefit due to birth or adoption of a *Dependent Child*; and
3. have paid or are obligated to pay any applicable premium,

Life insurance for *Your Eligible Dependent(s)* will become effective on the later of:

1. the date *Your* group insurance coverage becomes effective;
2. the date of the Dependent Life Insurance benefit; or
3. the date *You* enroll *Your Eligible Dependent(s)*;
4. the date *You* acquire *Your Eligible Dependent(s)*;
5. if *Evidence of Insurability* is required, the date *We* determine that evidence is satisfactory and *We* provide notice of approval.

If *You* enroll for Dependent Life Insurance more than 31 days after *You* are eligible to do so or more than 60 days after *You* are eligible to do so due to birth or adoption of a *Dependent Child*, *You* must furnish

*Evidence of Insurability* satisfactory to *Us* for each *Dependent*, and coverage will become effective as set forth above.

If an *Eligible 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 an *Eligible Dependent* is *Hospital Confined* on the date coverage would otherwise become effective, insurance will not become effective until the date the *Eligible Dependent* is *No Longer Hospital Confined* or *Your Spouse* is able to perform at least two of the *Activities of Daily Living*.

### **Definitions which apply to the Dependent Life Insurance provision:**

***Eligible Dependent*** means:

1. *Your Spouse* (unless legally separated or divorced and no court order requires coverage) or *Domestic Partner*; and/or
2. *Your child(ren)* who are within the age limits set forth in the Schedule of Benefits.

***Child(ren)*** includes but is not limited to:

1. *Your* biological or step child.
2. a child placed with *You* for adoption from the date of placement or the date *You* are party in a suit in which *You* seek the adoption of the child. Eligibility will continue unless the child is removed from placement.

Coverage 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.

***No Longer Hospital Confined*** means the *Eligible Dependent* has been discharged from a hospital, nursing home or other medical facility which provides skilled medical care. This provision does not apply to *Your Dependent Child* born while *You* are insured under the Policy or covered under the prior policy.

***Spouse*** means lawful spouse in the jurisdiction in which *You* reside. Spouse will include Your Domestic Partner.

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### ***CONVERSION OF DEPENDENT LIFE INSURANCE***

#### ***Can Dependent Life Insurance be converted if Eligibility Terminates?***

Yes, a *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.

***How much can Your covered Dependent convert if the 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 the insured *Dependent* ineligible for Dependent Life Insurance; however,

he must have been insured under the Policy, or the policy it replaced, 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.

***How to apply for conversion***

We must receive written application and the first premium for the individual life insurance policy within 31 days after life 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 minimum issue amount of an individual conversion policy is \$2,000. The premium for the individual policy will be based on:

1. *Our* current rates based upon the applicant's attained age; and
2. 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 within two (2) years of the date 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.

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## **TERMINATION PROVISIONS**

### ***When does Your coverage under the Policy end?***

Your coverage will terminate on the earliest of the following dates. Termination will not affect Your claim for a covered *Loss* which occurred while the coverage was in force.

1. the date on which the Policy is terminated;
2. the date *You* stop making any required contribution toward payment of premiums; or
3. the effective date of an amendment to the Policy which terminates insurance for the class to which *You* belong; or
4. the sixth month following termination of employment for Executive City Attorneys, Executive City Managers and Executive City Clerks; or
5. the date *You*:
  - a. are no longer a member of a class eligible for this insurance,
  - b. request termination of coverage under the Policy,
  - c. are retired or pensioned, or
  - e. are no longer *Actively at Work* as a result of a disability, layoff, leave of absence, sabbatical or military leave, *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 in which *You* are no longer *Actively at Work* due to layoff, provided all premiums are paid when due.

**Leave of Absence**    Until the end of the twelfth month following the month during which the leave of absence began, provided all premiums are paid when due; or, governed by the Policyholder's Human Resource policy on family and medical leaves of absence, in accordance with the FMLA provision below.

**Sabbatical**        Until the end of the month in which the sabbatical began, provided all premiums are paid when due.

**Military Leave**     Until the end of the twelfth month following the month in which the military leave began, provided all premiums are paid when due.

For the purposes of this provision, ***Disability*** means *You* are unable to perform all of the *Material and Substantial Duties* of *Your Regular Occupation*.

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### ***Will coverage be continued if You are eligible for leave under FMLA?***

In the event *You* are eligible for and the *Policyholder* approves a leave under the Family and Medical Leave Act of 1993 (FMLA), or any applicable state family and medical leave law (State FML), provided the required premium continues to be paid, *Your* insurance will continue for a period of up to the later of:

1. the leave period permitted by the federal Family and Medical Leave Act of 1993 and any amendments; or
2. the leave period permitted by applicable state law.

*You* are eligible for leave under this Act in order to provide care:

1. After the birth of a child; or
2. After the legal adoption of a child; or
3. After the placement of a foster child in *Your* home; or
4. To a spouse, child or parent due to their serious illness; or
5. For *Your* own serious health condition.

While granted a Family or Medical Leave of Absence:

1. The *Policyholder* must remit the required premium according to the terms of the Policy; and
2. coverage will terminate if *You* do not return to work as scheduled according to the terms of *Your* agreement with the *Policyholder*.

00053

***When does Dependent Life Insurance coverage end?***

Unless life insurance is continued under the Portability Benefit provision, Dependent Life Insurance coverage will end on the earliest 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 on which the Policy is terminated;
3. the date *You* stop making any required contribution toward payment of premiums;
4. the effective date of an amendment to the Policy which terminates insurance for the class to which *You* belong; or
5. the sixth month following termination of employment for Executive City Attorneys, Executive City Managers and Executive City Clerks; or
6. the date *You*:
  - a. are no longer a member of a class eligible for this insurance,
  - b. request termination of coverage under the Policy,
  - c. are retired or pensioned, or
7. the end of the month following the date a *Dependent Child* or *Spouse* no longer meets the Policy definition of *Eligible Dependent*

Note: Coverage 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.

00054

## **GENERAL PROVISIONS**

### ***Entire Contract; Changes***

The Policy, the Policyholder's Application, the Employee's Certificate of coverage, and *Your* application, if any, and any other attached papers, form the entire contract between the parties. Coverage under the Policy can be amended by mutual consent between the *Policyholder* and *Us*. No change in the Policy is valid unless approved in writing by one of *Our* officers. No agent has the right to change the Policy or to waive any of its provisions.

### ***Statements on the Application***

In the absence of fraud, all statements made in any signed application are considered representations and not warranties (absolute guarantees). No representation by:

1. the Policyholder in applying for the Policy will make it void unless the representation is contained in his signed Application; or
2. any Employee in applying for insurance under the Policy will be used to reduce or deny a claim unless a copy of the application for insurance, signed by the Employee, is or has been given to the Employee.

### ***Legal Actions***

Unless otherwise provided by federal law, no legal action of any kind may be filed against *Us*:

1. until 60 days after proof of claim has been given; or
2. more than 3 years after proof of *Loss* must be filed, unless the law in the state where *You* live allows a longer period of time.

### ***Clerical Error***

Clerical error or omission by *Us* to the Policyholder will not:

1. Prevent *You* from receiving coverage, if *You* are entitled to coverage under the terms of the Policy; or
2. Cause coverage to begin or coverage to continue for *You* when the coverage would not otherwise be effective.

If the Policyholder gives *Us* information about *You* that is incorrect, *We* will:

1. Use the facts to decide whether *You* have coverage under the Policy and in what amounts; and
2. Make a fair adjustment of the premium.

### ***Incontestability***

The validity of the Policy shall not be contested, except for non-payment of premiums, after it has been in force for two years from the date of issue. The validity of the Policy shall not be contested on the basis of a statement made relating to insurability by any person covered under the Policy after such insurance has been in force for two years during such person's lifetime, and shall not be contested unless the statement is contained in a written instrument signed by the person making such statement.

### ***Premium Provisions***

Premiums are payable in United States dollars on or before their due dates.

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 otherwise have terminated.

### ***Misstatement of Age***

If *You* have misstated *Your* age, 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 Statutes and Regulations***

If any provision of the Policy conflicts with the statutes and regulations of the state in which the Policy was issued or delivered, it is automatically changed to meet the minimum requirements of the statute.

### ***Assignment***

*You* may assign any incident of ownership *You* may possess of the life insurance benefits provided under the Policy to anyone other than the *Policyholder*. 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 and such decisions shall be final and conclusive.

00055

## ***DEFINITIONS***

**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.**

***Actively at Work* or *Active Work*** means that *You* must:

1. work for the *Policyholder* on a full-time or part-time active basis; or
2. work at least the minimum number of hours set forth in the Schedule of Benefits: and either:
  - a. work at the *Policyholder's* usual place of business; or
  - b. work at a location to which the *Policyholder's* business requires *You* to travel;
3. be paid regular earnings by the *Policyholder*, and
4. not be a temporary or seasonal *Employee*.

*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 days of work);
2. holidays (except when such holiday is a scheduled work day);
3. paid vacations;
4. any non-scheduled work day;
5. excused leave of absence (except medical leave and lay-off); and
6. emergency leave of absence (except emergency medical leave); and

*You* were not *Hospital Confined* or disabled due to an *Injury* or *Sickness*.

00061

***Activities of Daily Living*** means:

1. Eating – Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
2. Toileting – Getting to and from the toilet, getting on and off the toilet and performing associated personal hygiene.
3. Transferring – Moving into or out of a bed, chair or wheelchair.
4. Bathing – Washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
5. Dressing – Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
6. Continence – Ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).

00062

***Annual Earnings*** means *Your* base annual salary from the *Policyholder*.

00065

***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.

00066

***Dependent or Eligible Dependent*** means:

1. *Your Spouse* (unless legally separated or divorced and no court order requires coverage) or *Domestic Partner*; and/or
2. *Your child(ren)* who are within the age limits set forth in the Schedule of Benefits.

***Child(ren) includes but is not limited to:***

3. *Your* biological or step child.
4. a child placed with *You* for adoption from the date of placement or the date *You* are party in a suit in which *You* seek the adoption of the child. Eligibility will continue unless the child is removed from placement.

00072

***Doctor*** means a person legally licensed to practice medicine, psychiatry, psychology or psychotherapy, who is neither *You* nor a member of *Your* immediate family. A licensed medical practitioner is a *Doctor* if applicable state law requires that such practitioners be recognized for purposes of certification of *Total Disability*, *Terminal Condition* or covered *Loss*, and the treatment provided by the practitioner is within the scope of his or her license.

00073

***Domestic Partner*** means the same or opposite gender adult who is living with *You* indefinitely in an exclusive, committed relationship similar to marriage and who is:

1. jointly responsible with *You* for living expenses;
2. at least 18 years old;
3. not a blood relative;
4. mentally competent to enter into the partnership; and
5. and unmarried and not involved in more than one domestic partnership.

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.

00104

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

00074

***Gainful Occupation*** means any work or employment in which the insured *Employee*:

1. is or could reasonably become qualified, considering his or her education, training, experience, and mental or physical abilities;
2. could reasonably find work or employment, considering the demand in the national labor force; and
3. could earn (or reasonably expect to earn) a before-tax income at least equal to 60% of his or her Pre-disability Income.

00078

***Hospital Confined*** means that, upon the recommendation of a *Doctor*, *You* are registered as an inpatient in a hospital, nursing home or other medical facility which provides skilled medical care or as an

outpatient in a hospital because of surgery. *You* are not *Hospital Confined* if *You* are receiving emergency treatment or if *You* are hospitalized solely because of non-surgical medical or diagnostic test.

00081

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

00082

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

00083

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

00088

***Material and Substantial Duties*** means duties that are normally required for the performance of *Your Regular Occupation* and cannot be reasonably omitted or modified.

00089

***Non-Contributory*** means the *Policyholder* pays 100% of the premium for this insurance.

00092

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

00097

***Policyholder*** means the person, firm, or institution to whom the Policy was issued. *Policyholder* also means any covered subsidiaries or affiliates set forth on the face of the Policy. If the *Policyholder* is an association or a trust, the term *Participating Employer* shall be substituted for *Policyholder*.

00098

***Proof*** under the Accelerated Death Benefit means evidence satisfactory to Us that *You* have a *Terminal Condition*. We reserve the right to determine, at our sole discretion, if Proof is acceptable.

00100

***Regular Occupation*** means the occupation that *You* are routinely performing when *Your* life insurance terminates due to *Disability*. We will look at *Your* occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific *Policyholder* or at a specific location.

00105

***Sickness*** means illness, disease, pregnancy or complications of pregnancy.

00109

***We, Our*** and ***Us*** means Fort Dearborn Life Insurance Company, Chicago, Illinois.

00119

***You, Your*** and ***Yours*** means the eligible *Employee* to whom this Certificate is issued and whose insurance is in force under the terms of the Policy.

00120



Administrative Office:  
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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, Puerto Rico and Guam.