

# LONG TERM DISABILITY INSURANCE

## For The Employees of The Texas A&M University System

<b>Eligibility</b>	Active employees eligible to participate in the Teacher Retirement System of Texas (TRS), Optional Retirement Program (ORP) and Graduate student employees working at least 50% of the time as indicated by the Employer for at least 4.5 months and all postdoctoral fellows are eligible.																								
<b>When Coverage Takes Effect</b>	Your coverage takes effect on the later of the program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions. If you're not actively at work on the date your coverage would otherwise take effect, you'll be covered on the date you return to work.																								
<b>Definition of Disability</b>	<b>Disability</b> means that, solely because of a covered injury or sickness, you are unable to perform the material duties of your regular job and you are unable to earn 80% or more of your indexed earnings from working in your regular job. After benefits have been payable for 60 months, you are considered disabled if solely due to your injury or sickness, you are unable to perform the material duties of any occupation for which you are (or may reasonably become) qualified by education, training or experience, and you are unable to earn 65% or more of your indexed earnings. We will require proof of earnings and continued disability.																								
<b>Elimination Period</b>	You must be continuously disabled for 90 days before benefits may be payable.																								
<b>Monthly Benefit</b>	This plan pays a benefit of up to 65% of your monthly covered earnings — to a maximum of \$8,000 per month. Your benefit amount will be reduced by any amounts payable to you by any of the sources listed under the "Effects of Other Income Benefits" section. Covered earnings means your wages or salary, excluding overtime pay, bonuses, commissions and other extra compensation.																								
<b>Effects of Other Income Benefits</b>	<p>The disability benefit provided by this plan is a total benefit; that is, it will be reduced by any disability benefits payable on behalf of you or your dependents, or a qualified third party on behalf of you or your dependents, whether or not you are actually receiving them. Your disability benefits will not be reduced by any Social Security disability benefits you are not receiving as long as you cooperate fully in efforts to obtain them and agree to repay any overpayment when and if you do receive them.</p> <p>Other income sources that may reduce your benefits under this plan include:</p> <ul style="list-style-type: none"> <li>• Any Social Security disability or retirement benefits you or any third party receive (or are assumed to receive) on your own behalf; or which your dependents receive (or are assumed to receive) because of your entitlement to such benefits.</li> <li>• Benefits payable by a Canadian and/or Quebec provincial pension plan.</li> <li>• Amounts payable under the Railroad Retirement Act.</li> <li>• Amounts payable under local, state, provincial or federal government disability or retirement plan or law as it pertains to the employer.</li> <li>• Employer-paid portion of company retirement plan benefits.</li> <li>• Amounts payable by company sponsored sick leave or salary continuation plan.</li> <li>• Amounts payable by any franchise or group insurance or similar plan.</li> <li>• Benefits payable under work-loss provisions of any mandatory "no fault" auto insurance.</li> <li>• Any amounts paid on account of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.</li> <li>• Amounts payable under any workers' compensation (including temporary or permanent disability benefits), occupational disease, and unemployment compensation. This includes damages, compromises or settlements paid in place of such benefits, whether or not liability is admitted.</li> </ul> <p>Income sources that <b>WILL NOT</b> reduce your benefits under this plan are:</p> <ul style="list-style-type: none"> <li>• Benefits paid by personal, individual disability income policies.</li> <li>• Individual deferred compensation agreements.</li> <li>• Employee savings plans, including thrift plans, stock options or stock bonuses.</li> <li>• Individual retirement funds, such as IRA or 401(k) plans.</li> </ul> <p>Profit-sharing, investment or other retirement or savings plans maintained in addition to an employer-sponsored pension plan.</p>																								
<b>Earnings While Disabled</b>	During the first 24 months that benefits are payable, benefits will be reduced if benefits plus income from employment exceeds 100% of pre-disability covered earnings. After that, benefits will be reduced by 50% of earnings from employment.																								
<b>Benefit Duration</b>	<p>Once you qualify for benefits under this plan, you continue to receive them until the end of the benefit period, or until you no longer qualify for benefits, whichever occurs first. Your benefit period begins on the first day after you complete your elimination period. And, should you remain disabled, your benefits continue according to the later of your SSNRA* or the following schedule, depending on your age at the time you become disabled.</p> <table border="1" data-bbox="321 1808 1466 1940"> <thead> <tr> <th style="text-align: center;">Age at Disability</th> <th style="text-align: center;">Under Age 60</th> <th style="text-align: center;">60</th> <th style="text-align: center;">61</th> <th style="text-align: center;">62</th> <th style="text-align: center;">63</th> <th style="text-align: center;">64</th> <th style="text-align: center;">65</th> <th style="text-align: center;">66</th> <th style="text-align: center;">67</th> <th style="text-align: center;">68</th> <th style="text-align: center;">69+</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Duration of Payments (months)</td> <td style="text-align: center;">To age 65</td> <td style="text-align: center;">60</td> <td style="text-align: center;">48</td> <td style="text-align: center;">42</td> <td style="text-align: center;">36</td> <td style="text-align: center;">30</td> <td style="text-align: center;">24</td> <td style="text-align: center;">21</td> <td style="text-align: center;">18</td> <td style="text-align: center;">15</td> <td style="text-align: center;">12</td> </tr> </tbody> </table> <p>*SSNRA means the Social Security Normal Retirement Age in effect under the Social Security Act on the Policy Effective Date.</p>	Age at Disability	Under Age 60	60	61	62	63	64	65	66	67	68	69+	Duration of Payments (months)	To age 65	60	48	42	36	30	24	21	18	15	12
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<b>Additional Benefit Features</b>	<p><b>Family Survivor Benefit:</b> If you die while receiving disability benefits, we will pay a survivor benefit based on 100% of the total of your last month's benefit plus the amount of any disability earnings by which this benefit had been reduced for that month. This plan pays a single lump sum equal to 3 months of benefits. We pay this benefit directly to your lawful spouse, or to your children in equal shares, if there is no lawful spouse. If you have no lawful spouse or children, we pay this benefit to your estate.</p> <p><b>Cost-of-Living Adjustment (COLA):</b> -- Once you have received disability benefits for 12 consecutive months, we will increase your benefit each year, by 3% or the percentage increase in the Consumer's Price Index for Urban Wage Earners (CPI-W), if lower. We will continue these increases for 5 years or until the benefit period ends, whichever is earlier. (Note: COLA increases do not affect your plan's overall maximum or minimum benefit provisions.)</p> <p><b>Catastrophic Disability Benefit:</b> If you are receiving disability benefits and, due to your covered injury or sickness: (1) you are unable to perform at least two of the following: eating, bathing, dressing, toileting, transferring, without substantial assistance, or (2) you have cognitive impairment severe enough to require substantial supervision to protect you or others from threats to health and safety -- you may be eligible to receive this benefit. The catastrophic disability benefit is a monthly benefit of 10% of your monthly covered earnings, up to \$1,333, and cannot be reduced by other sources of income.</p>
<b>Termination of Disability Benefits</b>	Your benefits will terminate when your disability ceases, when your benefit duration period is exceeded, or on the following events: (1) the date you earn from any occupation more than 80% of your indexed earnings. (refer to your plan's definition of disability), or (2) the date you fail to cooperate with us in a rehabilitation plan, or transitional work arrangement, or the administration of the claim.
<b>Limited Benefit Period</b>	Disabilities caused by or contributed to by any one or more of the following conditions are subject to a lifetime limit of 24 months for outpatient treatment: Anxiety-disorders, delusional (paranoid) or depressive disorders, eating disorders, mental illness, somatoform disorders (including psychosomatic illnesses). Benefits are payable during periods of hospital confinement for these conditions for hospitalizations lasting more than 14 consecutive days that occur before the 24-month lifetime outpatient limit is exhausted. Once the 24-month outpatient benefits are exhausted, the plan pays no further benefits.
<b>Pre-Existing Conditions</b>	Benefits are not payable for medical conditions for which you incurred expenses, took prescription drugs, received medical treatment, care or services (including diagnostic measures,) during the 3 months just prior to the most recent effective date of insurance. Benefits are not payable for any disability resulting from a pre-existing condition unless the disability occurs after you have been under this plan for 12 consecutive months.
<b>Exclusions</b>	This plan does not pay benefits for a disability which results, directly or indirectly, from any of the following: Suicide, attempted suicide, or whenever you injure yourself on purpose; war or any act of war, whether or not declared; active participation in a riot; commission of a felony; the revocation, restriction or non-renewal of your license, permit or certification necessary for you to perform the duties of your occupation, unless solely due to injury or sickness otherwise covered by the policy. In addition, we will not pay disability benefits for any period of disability during which you are incarcerated in a penal or corrections institution for any reason.
<b>Plan Termination</b>	Coverage terminates if the group policy is terminated, if you cease to be in active service, or if you are no longer a member of an eligible class of employees.
<b>How Much Your Coverage Will Cost</b>	The cost of this insurance program is paid by you. Indicate your disability plan choice (or your decision not to select coverage) on your enrollment form. The cost of this coverage for smokers is \$0.249 per \$100 of monthly covered earnings. The cost of this coverage for non-smokers is \$0.192 per \$100 of monthly covered earnings. <i>Costs are subject to change.</i>

This information is a brief description of the important features of this plan. It is not a contract. Terms and conditions of the coverage are set forth in Group Policy No. VDT-980055, on Policy Form TL-004700, issued in Texas and subject to its laws. The availability of this offer may change. Please keep this material as a reference, and file it with your certificate, should you become insured.

*Coverage is underwritten by Life Insurance Company of North America, 1601 Chestnut Street, Philadelphia, PA 19192*



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