

# Term Life Insurance

*Employee Benefit Booklet*



Dearborn  National™

**COOK COUNTY GOVERNMENT**

**F019008-0001**

**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 and Guam.  
**05/19/2010**

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

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

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

Principal Office:  
300 E. Randolph Street  
Chicago IL 60601

**Having issued Group Policy No. F019008-0001**

(herein called the Policy)

to

**COOK COUNTY GOVERNMENT**

(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.

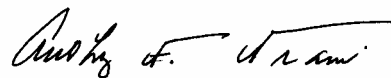
If the terms and provisions of the Group Insurance Certificate (issued to *You*) are different from the policy (issued to the *Policyholder*), the Policy will govern. *Your* coverage may be canceled or changed in whole or in part under the terms and provisions of the Policy.

### READ YOUR CERTIFICATE CAREFULLY

Signed for Fort Dearborn Life Insurance Company



Secretary



President

**Basic Supplemental Group Term Life Insurance Certificate**

**Non-Participating**

## ***TABLE OF CONTENTS***

Schedule of Benefits

Eligibility and Effective Dates

Group Term Life Insurance Benefit

    Conversion of Life Insurance

    Extended Insurance Benefit

    Accelerated Death Benefit

    Portability Benefit

Termination Provisions

General Provisions

Definitions

## ***SCHEDULE OF BENEFITS***

**POLICYHOLDER:** COOK COUNTY GOVERNMENT  
**POLICY NUMBER:** F019008-0001  
**EFFECTIVE DATE:** June 1, 2010

---

**ELIGIBILITY:** All full-time unionized and all other Employees designated as eligible for coverage by the  
**Class 01** County and Forest Preserve District are eligible for the insurance. A full-time *Employee* is one who regularly works a minimum of 30 hours per week for the *Policyholder*. Part-time, seasonal and temporary *Employees* of the *Policyholder* are not eligible.

**Eligibility Waiting Period:** Current *Employees*: None  
New *Employees*: None

**Policyholder** Basic Life 100% of premium

**Contribution:** Supplemental Life 0% 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 \$750,000

**Employee Supplemental Life Benefit Amount** Option A: 1 times Annual Earnings, rounded to the next higher \$1,000, not to exceed \$100,000

Option B: Increments of \$1,000 not to exceed the lesser of 1 times Annual Earnings or \$100,000

**Annual Earnings** means *Your* gross annual income from the *Policyholder*. It includes *Your* total income before taxes and any deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. *Annual Earnings* does not include income received from commissions, bonuses, overtime pay, or any other extra compensation, or income received from sources other than the *Policyholder*.

Guarantee Issue Benefit Limit

Basic: \$750,000

Supplemental: \$100,000

Employees enrolled in Option B may increase coverage by \$10,000 once annually without submitting Evidence of Insurability.

Benefit amounts may be subject to Guarantee Issue limits based on participation levels as determined by *Us*. Any Guarantee Issue Limits established are only available during *Your* group's initial enrollment and for new employees who have met the Eligibility requirements. *Employees* must enroll within 31 days of their eligibility date to qualify for any established Guarantee Issue.

Amounts in excess of the Guarantee Issue Benefit Limit are subject to satisfactory *Evidence of Insurability*

### **Reduction of Benefits**

None. Benefits terminate at retirement.

### **Extended Insurance Benefit**

Benefit Eligibility

*Totally Disabled* prior to age 98 without interruption from the last date worked for at least 6 months

Insured Eligibility

*Employee*

Extended Insurance Benefit Duration

To age 99

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

Benefit Amount

75% (75% is maximum in Illinois) Basic and Supplemental Term Life Insurance In force

Insured Eligibility

*Employee*

Minimum Covered Life Insurance Amount	\$15,000
Maximum ADB Payment	\$550,000
Minimum ADB Payment	\$5,000

**Portability**

Benefit Eligibility	Basic and <i>Supplemental</i> Life
Insured Eligibility	<i>Employee</i>
Portability Benefit Duration	Age 99

Additional Purchase Option

Maximum Additional Purchase Amount	Up to an additional 1 times Annual Earnings available with the submission of satisfactory Evidence of Insurability
------------------------------------	--

## ***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.

00001

### ***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.

00003

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

*Contributory* means *You* pay all or a portion of the premium for this insurance coverage.

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

*Your Contributory* coverage for amounts up to the Guarantee Issue Benefit Limit will become effective on the latest of the following dates provided *You* are Actively at Work on that date:

1. If *You* enroll for coverage prior to the Policy effective date, the Policy effective date;
2. If *You* enroll for coverage within 31 days of *Your* eligibility date, on the first of the month that falls on or next follows the date *You* sign the *Enrollment Form*;
3. If *You* do not enroll for Supplemental coverage within 31 days after *Your* eligibility date, *You* are considered a late applicant and must furnish Evidence of Insurability satisfactory to *Us* before coverage can become effective, unless *You* qualify because of a *Change in Family Status*.
  - a. Coverage for a late applicant will become effective on the date *We* determine that the *Evidence of Insurability* is satisfactory and *We* provide written notice of approval.
  - b. Coverage requested because of a *Change in Family Status* will become effective on the first of the month that falls on or next follows the date *You* sign the *Enrollment Form*.

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

**Enrollment Form** means the application You complete to apply for coverage under the Policy.

00004

### **Change in Family Status**

If You experience a *Change in Family Status*, You may enroll for *Supplemental* coverage, apply for additional coverage, or request changes to Your current *Supplemental* benefit program(s) without providing *Evidence of Insurability*, provided the benefit change is consistent with the *Change in Family Status*. You must submit the appropriate *Enrollment Form* within 31 days of the *Change in Family Status*.

**Change in Family Status** means a change in the status of Your family, including but not limited to:

1. You get married or execute a *Domestic Partner* affidavit;
2. You have a *Dependent Child*, or You adopt or become the legal guardian of a *Dependent* child;
3. Your *Spouse* dies or You become divorced;
4. Your *Dependent Child* becomes emancipated or dies;
5. Your *Spouse* is no longer employed, resulting in a loss of group insurance, or;
6. You have a change in classification which results in You changing from part-time to full-time, or full-time to part-time.

00005-A

### **When is Evidence of Insurability required?**

*Evidence of Insurability* is required if:

1. You are a late applicant, which means You enroll for insurance more than 31 days after Your eligibility date; or
2. You voluntarily canceled Your insurance and choose to reapply; or
3. You apply to increase Your coverage amount during the Policy year; or
4. An increase to Your *Annual Earnings* results in an increase to Your Life Insurance benefit of more than \$50,000, and that amount exceeds the Guarantee Issue Benefit Limit; or
5. You enroll for additional coverage that is greater than a \$10,000 increase or more than once annually.

Receipt of premium before We have approved *Evidence of Insurability* will not constitute acceptance and does not guarantee issuance of any benefit amount prior to Our approval.

**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 Our expense if You enroll within 31 days after Your eligibility date. *Evidence of Insurability* will be provided at Your expense if You are a late applicant, which means You enroll for insurance more than 31 days after Your eligibility date.

**Evidence of Insurability Form** means a form provided or approved by Us on which You provide a statement of Your medical history.

You may obtain an *Evidence of Insurability Form* from the *Policyholder*.

00006

***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*.

00008

***What happens if We are replacing an existing Policy?***

Subject to the payment of premiums when due, *We* agree to waive the *Actively at Work* requirement as of the Policy Effective Date. Coverage for non-*Actively-at-Work Employees* will end on the earlier of:

1. the date coverage has been in effect for the time period approved by the policyholder, but not beyond age 99; or
2. the date the Policy terminates.

00009-B

***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. *You* experience a qualified *Change in Family Status*; or
4. 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 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*.

Additional *Contributory* coverage is subject to payment of premium.

00010

***Eligibility after You Terminate Employment***

If *Your* coverage ends due to termination of employment and *You* do not elect continued coverage under the Portability Benefit provision, *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*.

00011

## **TERM LIFE INSURANCE BENEFIT**

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

### ***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.

00012

### ***Are Life Insurance Benefits payable for death by suicide?***

Life Insurance benefits including Extended Insurance Benefit, and Accelerated Death Benefits, will not be payable for a loss caused by suicide or attempted suicide, while sane or insane, within two (2) years from the effective date of *Your Supplemental* Term Life Insurance or the effective date of any increased amount of life insurance. Our liability for a death claim by suicide will be limited to the return of premium paid for this life insurance.

If *You*:

1. were covered for *Supplemental* life insurance under a prior carrier's policy; and
2. were insured under the Policy on its effective date;
3. and there was no lapse in coverage,

*We* will consider the time *You* were covered under the Policy and under the prior carrier's policy in determining if benefits are payable for death by suicide. The death benefit, if payable under this provision, will be the lesser of the benefit under the Policy or the benefit under the prior carrier's policy.

00013

### ***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.

00014

### ***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 Extended Insurance Benefit or Portability provision, *You* may be asked to name a beneficiary. A beneficiary designation made in connection with Extended Insurance Benefit or Portability, if different from 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 Extended Insurance Benefit or Portability provision.

If continuation of life insurance under the Extended Insurance Benefit or Portability 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.

00015

## ***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.

If *You* have elected Portability, conversion is not available for amounts continued under Portability unless coverage under Portability terminates. Conversion from Portability will be as specified under Portability.

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.

00016

## ***EXTENDED INSURANCE BENEFIT***

### ***What is the Extended Insurance Benefit?***

We will continue *Your Basic* and *Supplemental* life insurance under the Policy, subject to the continued 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 98; and
3. *You* provide *Us* with satisfactory written proof of *Total Disability* within 12 months after the date *You* became *Totally Disabled*; and
4. *Your Total Disability* has continued without interruption from the last date worked 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.

*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 set forth in the Schedule of Benefits or that result from an amendment to the Policy, but in no event will the life insurance amount increase while *Your* life insurance is continued under the Extended Insurance Benefit provision.

If *You* are approved for continued coverage under the Extended Insurance Benefit provision, *You* will be asked to name a beneficiary. That beneficiary designation:

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

This life insurance will continue with payment of premium until the earliest of:

1. the date *You* are no longer *Totally Disabled*; or
2. the date *You* attain age 99; or
3. the date the Policy terminates.

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 Extended Insurance Benefit ceases while the Policy is still in force, and *You* are employed by the *Policyholder*, *Your* life insurance will continue provided all premiums continue to be paid when due. 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 Extended Insurance Benefit 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.

00019

## **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 and Supplemental 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 and Supplemental term life insurance benefit amount in force under the Policy on the date *You* are diagnosed with a *Terminal Condition*.

### ***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 24 months or any medically determined condition which requires *Your* continuous confinement in an *Eligible Institution*, if *You* are expected to remain there until death. For the purposes of this provision, an *Eligible Institution* means a hospital, an inpatient hospice facility, or an institution or a distinct part of an institution which is primarily engaged in providing comprehensive skilled nursing services, that is duly licensed by the appropriate governmental authority to provide such services.

### ***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.

### ***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*.

00020 IL

## ***PORTABILITY BENEFIT***

### ***What is the Portability Benefit?***

If *Your* Basic and *Supplemental* Group Life Insurance, or any portion of it, terminates, *You* may elect to continue *Your* Life Insurance in accordance with the terms of the Policy by paying premiums directly to *Us*. The coverages eligible for Portability and the Portability Benefit Duration are set forth in the Schedule of Benefits.

The premiums for the coverage continued under the Portability Benefit will not be the same as the premium *You* are charged for *Your* group Life insurance under the Policy. Portability premium will be based on:

1. *Our* current rates for the applicant's age and class of risk at the time he elects Portability; and
2. the amount of insurance continued under Portability.

The maximum amount of Life Insurance which may be continued under Portability is the amount of Life Insurance in force at the time the Portability Benefit is elected plus any life insurance to which *You* are entitled under the Additional Purchase Option.

A beneficiary designation on the Application for Portability, if different from the designation on *Your* enrollment form, shall constitute a change of beneficiary under the Policy, and that beneficiary designation will only apply while *Your* coverage continues under this Portability Benefit provision.

The Extended Insurance Benefit is not available for any *Insured* whose *Total Disability* begins after coverage under Portability becomes effective. The Accelerated Death Benefit is not available for any *Insured* who is diagnosed with a *Terminal Condition* after coverage under Portability becomes effective.

### ***What is the Additional Purchase Option?***

Each *Employee* who elects portable coverage may be entitled to purchase an additional amount of term life insurance with *Evidence of Insurability*, provided he has not converted under the group Policy the amount of group life insurance he elects under the Additional Purchase Option. The maximum amount available under this Additional Purchase Option is shown on the Schedule of Benefits. *We* will bill this additional coverage at the same rate and in the same premium mode as coverage continued under Portability.

### ***What are Eligibility Requirements for Employee Portability?***

To be eligible for Portability, *You* must meet the following conditions:

1. *You* must have been insured under the Policy for at least one year prior to electing Portability; and
2. *Your* Life Insurance, or a portion of it, must have terminated for reasons other than *Sickness, Injury*, retirement or termination of the master Policy; and
3. *You* must be less than 98 years of age; and
4. *You* must be able to perform the *Material and Substantial* duties of any *Gainful Occupation* for which *You* are qualified by education, training or experience; and
5. *You* must not have exercised the right to convert under the Conversion of Life Insurance provision the amount of Life Insurance *You* elect under the Portability Benefit. If *You* elect the Portability benefit, any amounts of Life Insurance which are not ported may be converted in accordance with the terms of the Conversion of Life Insurance provision.

*You* must submit an application for Portability and the first premium within 31 days after the date *Your* Life Insurance terminated.

We reserve the right to rescind any coverage amounts continued under Portability if it can be shown that *You* misrepresented any of the information provided to support eligibility for Portability.

***When will Portable Coverage Terminate?***

Insurance continued under the Portability Benefit provision of the Policy will terminate at the earliest of the following:

1. the date *You* return to work with the *Policyholder* while the Policy is still in force; or
2. the date *You* fail to pay the required premiums when due; or
3. the end of the Portability Benefit Duration set forth in the Schedule of Benefits.

If continuation of life insurance under the Portability Benefit 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 according to the Facility of Payment provision.

***Is Conversion available after coverage under Portability ends?***

If coverage under Portability terminates according to (3) or (4) above, *You* may convert to an individual policy of whole life insurance in accordance with the terms of the Conversion provisions of the Policy. No *Evidence of Insurability* will be required. The amount of the conversion policy may not exceed the amount of life insurance which terminated as set forth above.

00022

## **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;
3. the effective date of an amendment to the Policy which terminates insurance for the class to which *You* belong; or
4. 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
  - d. 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 date the disability began, provided all premiums are paid when due.

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

**Leave of Absence**    Until the end of the 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.

**Military Leave**        Until the end of the twenty-fourth month following the date the military leave began, provided all premiums are paid when due.

If coverage terminates due to termination of employment, group insurance shall terminate at 12:00 midnight on the last day for which premium was paid.

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

00052 IL

### ***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

## **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. The Policyholder has agreed to deduct from *Your* pay any premiums payable for *Your* Supplemental coverage. The Policyholder agrees to remit such premiums for the entire time coverage under the Policy 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 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.

00055 IL

## ***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 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

***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

***Contributory*** means *You* pay all or a portion of the premium for this insurance coverage.

00070

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

1. *Your* lawful *Spouse* or *Domestic Partner*; and/or
2. *Your* unmarried child who is within the age limits set forth in the Schedule of Benefits, and who is not in active military service.

***Eligible Dependents Include***

1. *Your* natural 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.
3. a child of *Your* child who is *Your* dependent for federal income tax purposes at the time application for coverage of the child of *Your* child is made.

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

**Employee** means an *Actively at Work* full-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 disease or bodily infirmity.

00082 IL

**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 sole right to determine if Proof is acceptable.

00100 IL

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

1. *You* and *Your Domestic Partner* share financial responsibility for a joint household and intend to continue an exclusive relationship indefinitely;
2. *You* and *Your Domestic Partner* each are at least eighteen (18) years of age;
3. *You* and *Your Domestic Partner* are both mentally competent to enter into a binding contract;
4. *You* and *Your Domestic Partner* share a residence and have done so for at least 12 months;
5. Neither *You* nor *Your Domestic Partner* are married to or legally separated from anyone else;
6. *You* and *Your Domestic Partner* are not related to one another by blood closer than would bar marriage; and

Neither *You* nor *Your Domestic Partner* is a *Domestic Partner* of anyone else.

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

00104

**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

**Supplemental** means coverage for which *You* pay 100% of the premium.

00114

**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

**FORT DEARBORN LIFE INSURANCE COMPANY**

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

**DISCLOSURE NOTICE**

**Accelerated Death Benefit**

**This benefit may be taxable. If so, the *Insured* or his beneficiary may incur a tax obligation. As with all tax matters, the *Insured* or his beneficiary should consult a personal tax advisor to assess the impact of the benefit. Receipt of this benefit may adversely affect the *Insured's* eligibility for Medicaid or other governmental benefits or entitlements.**

**DEFINITIONS**

*Accelerated Death Benefit* means 75% of the *Insured's* group term life insurance amount in force on the date that *We* receive satisfactory *Proof* that such *Insured* has a *Terminal Condition*.

*Proof* means evidence satisfactory to *Us* that an *Insured* has a *Terminal Condition*.

*Terminal Condition* means an *Insured* has been examined and diagnosed by his *Doctor* as having a medically determined condition which is expected to result in his death within 24 months, or any medically determined condition which requires his continuous confinement in an *Eligible Institution*, if he is expected to remain there until death. For the purposes of this provision, an *Eligible Institution* means a hospital, an inpatient hospice facility, or an institution or a distinct part of an institution which is primarily engaged in providing comprehensive skilled nursing services, that is duly licensed by the appropriate governmental authority to provide such services.

**BENEFIT.** *We* will pay an *Accelerated Death Benefit* during the lifetime of an *Insured* if he or his legal representative elects an *Accelerated Death Benefit* and provides satisfactory *Proof* that the *Insured* has a *Terminal Condition*. The benefit will be paid in one sum to the *Insured*. The *Accelerated Death Benefit* amount is limited to a maximum of \$550,000 and a minimum of \$5,000, and is payable only once to any one *Insured*. There is no cost for this benefit.

**EFFECT ON INSURANCE.** The *Accelerated Death Benefit* is in lieu of the group term life insurance benefit that would have been paid upon the *Insured's* death. When the *Accelerated Death Benefit* is paid:

1. the group term life insurance benefit otherwise payable upon the *Insured's* 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*.

This notice is a brief description of the *Accelerated Death Benefit*. For further details of coverage, including limitations, refer to the *Accelerated Death Benefit* provision in your certificate.

**ILLINOIS  
LIFE AND HEALTH INSURANCE GUARANTY  
ASSOCIATION LAW**

Residents of Illinois who purchase health insurance, life insurance, and annuities should know that the insurance companies licensed in Illinois to write these types of insurance are members of the Illinois Life and Health Insurance Guaranty Association. The purpose of this Guaranty Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its policy obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the covered claims of policyholders that live in Illinois (and their payees, beneficiaries, and assignees) and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however, as noted below.

**ILLINOIS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

**DISCLAIMER**

The Illinois Life and Health Insurance Guaranty Association provides coverage of claims under some types of policies if the insurer becomes impaired or insolvent. **COVERAGE MAY NOT BE AVAILABLE FOR YOUR POLICY.** Even if coverage is provided, there are substantial limitations and exclusions. Coverage is generally conditioned on continued residence in Illinois. Other conditions may also preclude coverage.

You should not rely on availability of coverage under the Life and Health Insurance Guaranty Association Law when selecting an insurer. Your insurer and agent are prohibited by law from using the existence of the Association or its coverage to sell you an insurance policy.

The Illinois Life and Health Insurance Guaranty Association or the Illinois Department of Insurance will respond to any questions you may have which are not answered by this document. Policyholders with additional questions may contact:

Illinois Life and Health Insurance Guaranty Association  
8420 West Bryn Mawr Avenue  
Chicago, Illinois 60631  
(773) 714-8050

Illinois Department of Insurance  
320 West Washington Street  
4<sup>th</sup> Floor  
Springfield, Illinois 62767  
(217) 782-4515

**Summary of General Purposes and Current Limitations of Coverage**

The Illinois law that provides for this safety-net coverage is called the Illinois Life and Health Insurance Guaranty Association Law ("Law") [215 ILCS 5/531.01, et seq.]. The following contains a brief summary of the Law's coverages, exclusions, and limits. This summary does not cover all provisions, nor does it in any way change anyone's rights or obligations under the Law or the rights or obligations of the Guaranty Association. If you have obtained this document from an agent in connection with the purchase of a policy, you should be aware that its delivery to you does not guarantee that your policy is covered by the Guaranty Association.

**Coverage:**

The Illinois Life and Health Insurance Guaranty Association provides coverage to policyholders that reside in Illinois for insurance issued by members of the Guaranty Association, including:

1. life insurance, health insurance and annuity contracts;
2. life, health or annuity certificates under direct group policies or contracts;
3. unallocated annuity contracts; and

4. contracts to furnish health care services and subscription certificates for medical or health care services issued by certain licensed entities. The beneficiaries, payees, or assignees of such persons are also protected, even if they live in another state.

**Exclusions from Coverage:**

1. The Guaranty Association does not provide coverage for:
  - a. any policy or portion of a policy for which the individual has assumed the risk;
  - b. any policy of reinsurance (unless an assumption certificate was issued);
  - c. interest rate guarantees which exceed certain statutory limitations;
  - d. certain unallocated annuity contracts issued to an employee benefit plan protected under the Pension Benefit Guaranty Corporation and any portion of a contract which is not issued to or in connection with a specific employee, union or association of natural persons benefit plan or a government lottery;
  - e. any portion of a variable life insurance or variable annuity contract not guaranteed by an insurer; or
  - f. any stop loss insurance.
2. In addition, persons are not protected by the Guaranty Association if
  - a. the Illinois Director of Insurance determines that, in the case of an insurer which is not domiciled in Illinois, the insurer's home state provides substantially similar protection to Illinois residents which will be provided in a timely manner; or
  - b. their policy was issued by an organization which is not a member insurer of the Association.

**Limits on Amount of Coverage:**

1. The Law also limits the amount the Illinois Life and Health Insurance Guaranty Association is obligated to pay. The Guaranty Association's liability is limited to the lesser of either:
  - a. the contractual obligations for which the insurer is liable or for which the insurer would have been liable if it were not an impaired or insolvent insurer, or
  - b. with respect to any one life, regardless of the number of policies, contracts, or certificates.
    - i. in the case of life insurance, \$300,000 in death benefits but not more than \$100,000 in net cash surrender or withdrawal values;
    - ii. in the case of health insurance, \$300,000 in health insurance benefits, including net cash surrender or withdrawal values; and
    - iii. with respect to annuities, \$100,000 in the present values of annuity benefits, including net cash surrender or withdrawal values, and \$100,000 in the present value of annuity benefits for individuals participating in certain government retirement plans covered by an unallocated annuity contract. The limit for coverage of unallocated annuity contracts other than those issued to certain governmental retirement plans is \$5,000,000 in benefits per contract holder, regardless of the number of contracts.
2. However, in no event is the Guaranty Association liable for more than \$300,000 with respect to any one individual.



Administrative Office:  
**1020 31<sup>st</sup> Street**  
**Downers Grove Illinois 60515**

Principal Office:  
**300 E. Randolph Street**  
**Chicago Illinois 60601**

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 and Guam.