

# Term Life Insurance

*Retiree Benefit Booklet*



**The City of Oklahoma City and The Oklahoma City Municipal Facilities Authority**

**GAE00255-0001**

**Class 1-02**

Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Dearborn National® 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, Guam and Puerto Rico.

**10/15/2012**



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

Underwritten by Dearborn National<sup>®</sup> Life Insurance Company

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

**CERTIFICATE (OK)**

**WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.**

We agree to pay benefits subject to the provisions, definitions, limitations, and conditions of the master policy. The master policy (herein called the Policy) is a contract issued by Dearborn National<sup>®</sup> Life Insurance Company (herein called Dearborn National) to your Employer (herein called the Policyholder). The Policy may be changed at any time by a written agreement between Dearborn National and the Policyholder.

This is your certificate of coverage as long as you are eligible for insurance. It is not a contract or a part of one. Your benefits are described in plain English, but a few terms and provisions are written as required by insurance law.

**PLEASE READ CAREFULLY**

If you have any questions, please contact the Benefits Administrator at your place of employment or write to us. We will assist you in any way we can to help you understand your benefits.

Handwritten signature of Craig K. Hoedyle in black ink.

President

Handwritten signature of William R. Barnes in black ink.

Secretary

**Group Insurance Certificate**  
Non-Participating  
Term Life Insurance

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**SCHEDULE OF BENEFITS(OK)**

**POLICYHOLDER:** THE CITY OF OKLAHOMA CITY AND THE OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY

**POLICY NUMBER:** GAE00255-0001

**CLASS OF INSUREDS DEFINITION**

1- 02 All retirees

**Basic Life Benefit Amount:** \$10,000

**ADDENDUM**

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The following provisions do not apply to this class:

1. Any reference to Actively at Work;
2. Waiver of Premium;
3. Item 5 under Termination of Employee Coverage provision.

## 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.

**Accident** or **Accidental** means a sudden, unexpected event that was not reasonably foreseeable.

**Actively at Work** or **Active Work** means that you are:

1. performing the normal duties of your occupation; and
2. working the number of hours set forth in the Application.

**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. The Application is attached to and forms a part of this Policy, and shall include any subsequent amendments to the Application.

**Contributory** means you pay a portion of the premium for this insurance coverage.

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

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

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

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

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

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

**Policyholder** means the person, firm, or institution named in the Policy, including any covered subsidiaries or affiliates named in the Policy.

**Total Disability** or **Totally Disabled** under the Waiver of Premium provision means you are completely unable to engage in any occupation for wage or profit because of Sickness or Injury.

**You** or **Your** means the Employee to whom this Certificate has been delivered.

## ELIGIBILITY AND EFFECTIVE DATE PROVISIONS

### ELIGIBILITY

All Employees who belong to an eligible class and work the minimum number of hours as set forth in the Application are eligible for group insurance. An Employee must be **Actively at Work** for his insurance coverage to become effective.

**EMPLOYEE EFFECTIVE DATE OF COVERAGE**  
(Noncontributory Benefits)

If you are Actively at Work, you will become insured for Noncontributory benefits under the Policy on the day following completion of the Employee waiting period, if any, set forth in the Application.

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 is satisfactory and We provide written notice of approval.

**EMPLOYEE EFFECTIVE DATE OF COVERAGE**  
(Contributory Benefits)

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

1. If you sign the enrollment form on or before the end of the waiting period, if any, as stated in the Application, coverage will become effective on the day following completion of the waiting period.
2. If you sign the enrollment form after the end of the waiting period, but within 31 days after that day, coverage will become effective the date you sign the enrollment form.
3. If you sign the enrollment form following this 31-day period, 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 is satisfactory and We provide written notice of approval.

**DEFERRED EFFECTIVE DATE**

You must be Actively at Work on the date your initial coverage or any increases in coverage are scheduled to begin. If:

1. you are absent from Active Work on the date such coverage would otherwise become effective; and
2. your absence is caused by an injury, illness or layoff,

the effective date of any initial coverage or increased coverage will be deferred until the first day you return to Active Work. 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 work days);
2. a holiday (except when such holiday is a scheduled work day);
3. a paid vacation;
4. any nonscheduled work day.

**EFFECTIVE DATE IF WE REQUIRE EVIDENCE OF INSURABILITY**

If you are required to submit evidence of insurability satisfactory to Dearborn National, insurance in the amount for which We require such evidence will become effective on the date We determine that the evidence is satisfactory and We provide written notice of approval.

**EFFECTIVE DATE OF CHANGE IN AMOUNT OF BENEFITS**

Any change in the amount of your benefits caused by a change in class, change in salary, age reduction or amendment to the Policy will become effective on the effective date of the change. If the change results in an increase in the amount of insurance, you must be Actively at Work on that date. If you are not Actively at Work, the increase will take effect on the day you are again Actively at Work.

**ELIGIBILITY AFTER TERMINATION OF 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.

**GROUP TERM LIFE INSURANCE BENEFIT**

**BENEFIT**

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

The amount of insurance payable is based upon the Policyholder’s Application, and it is set forth on the Schedule of Benefits.

**BENEFICIARY**

Your beneficiary designation must be made on a form which We provide or on a form accepted by Us. If you name two or more beneficiaries, payment of proceeds will be apportioned equally unless you had specified otherwise. The Policyholder may not be named as beneficiary.

Unless you provided otherwise, if a beneficiary dies before you, We will divide that beneficiary's share equally between any remaining named beneficiaries.

If no named beneficiary survives you or if you did not designate a beneficiary, We will pay the amount of insurance to your estate.

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.

If any benefits under this provision are to be paid to your estate, We may pay an amount not greater than \$5,000 to any person We consider to be 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.

**CHANGE OF BENEFICIARY**

You may change your beneficiary at any time by completing a change request form, or a form 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.

## CONVERSION OF LIFE INSURANCE

### Conversion 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 at the date of termination.

### Conversion if Policy is Terminated or 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 him ineligible for life insurance; however, in either of these situations,

you must have been insured under the Policy 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.

### Conditions for Conversion:

We must receive written application and the first premium for the individual life insurance policy within 31 days after 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 disability benefits, accidental death and dismemberment benefits or any other supplemental benefits. The premium for the individual policy will be based on:

1. Our current rates based upon your attained age on your nearest birthday; and
2. on 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 becomes 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.



## **WAIVER OF PREMIUM**

We will continue your life insurance benefit under the Policy without the further payment of life insurance premium if you become Totally Disabled, provided:

1. you are insured under the Policy and are 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 of Total Disability 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.

The premium will be waived from the date We receive satisfactory written proof of Total Disability. 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 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 a result of age or amendment to the Policy. This life insurance coverage will continue without the payment of premium until you are no longer Totally Disabled or reach age 65, 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.

We will pay the amount of life insurance in force to your beneficiary if you die before furnishing satisfactory proof of Total Disability, provided:

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, and you are employed by the Policyholder, your life insurance will continue provided premium payments begin on the next premium due date.

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 the Policy.

## TERMINATION PROVISIONS

Termination of the Policy under any conditions will not prejudice any claim which is incurred while the Policy is in force.

### TERMINATION OF EMPLOYEE COVERAGE

Your insurance coverage will end on the earliest of:

1. the date you are no longer a member of a covered class; or
2. the date the Policy is canceled; or
3. the effective date of an amendment to the Policy which terminates insurance for the class to which you belong;
4. the date you stop making any required contribution toward payment of premiums; or
5. the date you are no longer Actively at Work; however,

if you are no longer Actively at Work as a result of a disability, layoff, or leave of absence, you may continue to be eligible for group insurance coverage, except short term disability 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 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 in which the leave of absence began, provided all premiums are paid when due; or governed by the Employer's Human Resource policy on family and medical leaves of absence, for up to 12 weeks during a leave of absence elected under the federal Family and Medical Leave Act of 1993, provided the leave of absence was approved in advance and in writing by the Employer and all premiums are paid when due.

## GENERAL PROVISIONS (OK)

### ENTIRE CONTRACT

The Policy, the Application and the enrollment forms of the Insureds are considered to be the entire contract.

### STATEMENTS

We consider any statements made by You, in the absence of fraud, to be representations and not warranties. No such statement shall be used in defense to a claim under the Policy unless it is contained in a written application.

### INCONTESTABILITY

We will not contest the validity of the Policy, except for nonpayment of premium, after it has been in force for two (2) years from its effective date. We will not contest the validity of your insurance after your insurance has been in force for two (2) years during your lifetime.

### **MISSTATEMENT OF AGE**

If you 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 LAW**

If any part of the Policy does not conform to a state statute in the state in which you reside, it is amended to conform with the minimum requirements of the statutes of the state in which you reside.

### **ASSIGNMENT**

You may assign the life insurance benefits under the Policy, and you may assign to anyone other than the Policyholder any incident of ownership you may possess. We are not responsible for the validity or legal effect of any assignment. Collateral assignments, by whatever name called, are not permitted.

**NOTICE CONCERNING COVERAGE  
LIMITATIONS AND EXCLUSIONS UNDER THE  
OKLAHOMA LIFE AND DISABILITY INSURANCE  
GUARANTY ASSOCIATION ACT**

Residents of Oklahoma who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Oklahoma Life and Health Insurance Guaranty Association. The purpose of this 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 obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state 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. And, as noted below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

**The Oklahoma Life and Health Insurance Guaranty Association may not provide coverage for this Policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in Oklahoma. You should not rely on coverage by the Oklahoma Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.**

**Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.**

**Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the guaranty association to induce you to purchase any kind of insurance policy.**

**The Oklahoma Life and Health Insurance Guaranty Association  
201 Robert S. Kerr, Suite 600  
Oklahoma City, Oklahoma 73102**

**Oklahoma Department of Insurance  
P.O. Box 53408  
Oklahoma City, Oklahoma 73152-3408**

The state law that provides for this safety-net coverage is called the Oklahoma Life and Disability Insurance Guaranty Association Act. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association.

#### **COVERAGES**

Generally, individuals will be protected by the Life and Health Insurance Guaranty Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

#### **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are **NOT** protected by the Guaranty Association if:

they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside the state);

the insurer was not authorized to do business in this state;

their policy was issued by an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy holder is subject to future assessments, or by an insurance exchange.

The Association also does **NOT** provide coverage for:

any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as variable contract sold by prospectus;

any policy of reinsurance (unless an assumption certificate was issued);

interest rate yields that exceed an average rate;

dividends;

credits given in connection with the administration of a policy by a group-contract holder;

employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them); and

unallocated annuity contracts (which give rights to group contractholders, not individuals).

#### **LIMITS ON AMOUNT OF COVERAGE**

The Act also limits the amount the Association is obligated to pay out. The Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$100,000 in cash surrender values, \$300,000 in health insurance benefits, \$300,000 in present value of annuities, or \$300,000 in life insurance death benefits - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages.



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