

THE TEXAS A&M
UNIVERSITY SYSTEM

Your Accidental Death and Dismemberment Plan

Updated September 2012



INTRODUCTION

The Texas A&M University System offers optional Accidental Death and Dismemberment coverage to protect you and your family from the financial difficulties of a death or serious accident.

Protecting our families financially in case of an unexpected death or serious injury is a major concern for most of us. The System recognizes this need and offers Accidental Death and Dismemberment (AD&D) coverage for you and your family.

AD&D coverage pays benefits in addition to any other life insurance you may have. Benefits are paid **only** when a covered person dies or is seriously injured due to an accident. These unexpected deaths or injuries often hit a family's finances the hardest.

This booklet describes your AD&D coverage. It provides a summary of plan provisions in everyday language. Most of your questions can be answered by referring to this booklet.

This booklet does not contain every detail about your plan. All details are included in the policy between The Texas A&M University System and Minnesota Life Insurance Company. The policy is the final word on all plan provisions. In case of any discrepancy between this booklet and the policy, the policy will govern.

This booklet is neither a policy of current or future employment nor a guarantee of payment of benefits. The System reserves the right to change or end the benefits described in this booklet at any time for any reason.

Clerical or enrollment errors do not obligate the plan to pay benefits. Errors, when discovered, will be corrected according to the provisions of the plan policy and published procedures of the A&M System.

Table of Contents



PARTICIPATION 3

All full-time and some part-time employees and retirees and their families are eligible for AD&D. Coverage can begin on your first day of work. Participation is voluntary.

COVERAGE COST 6

You pay the cost for this optional coverage. The cost is based on whether you choose individual or family coverage and the amount of coverage you choose.

COVERAGE CHOICES 9

You choose the amount of AD&D coverage you want within certain limits. You also choose whether to cover yourself only or yourself and your family.

WHEN BENEFITS ARE PAID 15

The plan pays you a benefit if you have certain losses due to an accident. Your beneficiary receives a benefit if you die as a result of an accident.

APPLYING FOR BENEFITS 19

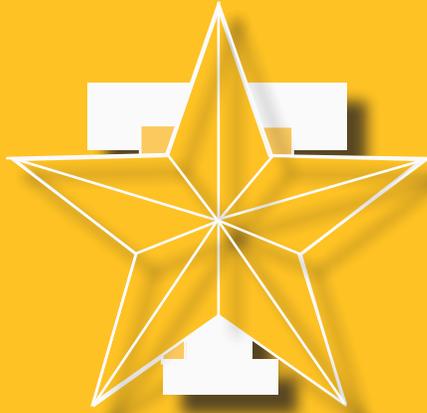
You or your beneficiary must apply for AD&D benefits. If the claim is denied, you or your beneficiary may follow a review process.

WHEN COVERAGE ENDS 21

Coverage normally ends on the last day of the month in which your employment ends. In some cases, coverage may be extended.

ADMINISTRATIVE INFORMATION 23

Here are some other facts about the plan you might want to keep handy.



PARTICIPATION

All full-time and some part-time employees and retirees and their families are eligible for AD&D coverage. Coverage can begin on your first day of work. Participation is voluntary.

You and your dependents are eligible to participate in the AD&D plan if you:

- ☆ are eligible to participate in the Teacher Retirement System of Texas (TRS) or Optional Retirement Program (ORP), and
- ☆ work at least 50% time for at least 4½ months.

You also may join the plan if you are:

- ☆ a graduate student employee or a re-employed retiree, and
- ☆ you work at least 50% time for at least 4½ months.

You and your dependents are also eligible if you are a graduate student employee who works at least 50% time for at least 4½ months or if you are a postdoctoral fellow. To be eligible for coverage as a retiree, you must meet the criteria listed in the chart on the following page.

Eligibility for this plan is subject to change by the A&M System or the Texas Legislature.

ELIGIBLE DEPENDENTS

You may choose to cover your eligible dependents in addition to yourself. Dependents eligible for coverage include:

- ☆ your spouse, and your unmarried, dependent children
- ☆ younger than 25.
- ☆ during Annual Enrollment.

Dependent children include:

- ☆ a natural child,
- ☆ an adopted child,
- ☆ a stepchild who has a regular parent/child relationship with you,
- ☆ a foster child under a legally supervised foster care program,
- ☆ a child for whom you are the legal guardian or legal managing conservator and with whom you have a regular parent/child relationship, and
- ☆ a grandchild who lives with you.

You may be asked to provide legal papers to show your relationship to a child who is not your natural child (for example, court documentation for guardianship).

Coverage for a child may continue beyond age 25 only if the child is mentally or physically unable to earn a living and is dependent on you for support.

If your spouse works for the A&M System, you may choose to be covered:

- ☆ only on your own employee AD&D coverage,
- ☆ only as a dependent on your spouse's AD&D coverage, or on both.

If you and your spouse are both employed by the A&M System, you may both purchase family AD&D coverage. However, the plan will pay no more in benefits for

you than you are eligible for under employee coverage, and each covered child will be limited to \$25,000 in benefits. These limits apply even when total coverage is higher than the benefit limits.

ENROLLING IN THE PLAN

Coverage for you and your dependents can take effect either on your hire date or on your employer contribution eligibility date (the first of the month after your 90th day of employment) if you enroll before, on or within seven days of your hire date. If you enroll beyond the seventh day after your hire date but during your 60-day enrollment period, your coverage can take effect either on the first of the following month or on

your employer contribution eligibility date. You may also choose to have your coverage begin before your employer contribution eligibility date, but have your dependents' coverage begin on your employer contribution eligibility date.

If you do not enroll yourself or a dependent during your enrollment period, you must wait until the next Annual Enrollment period (coverage effective Sept. 1) to enroll. Likewise, if you gain a new dependent, you must enroll that dependent within 60 days or wait until the next Annual Enrollment period.

You must be actively at work on the day your coverage is to begin or increase. If you are not, coverage will be delayed until you return to work.

RETIREE ELIGIBILITY

If you were retired from or employed in a benefits-eligible position with the A&M System on Aug. 31, 2003, you are eligible for health coverage as a retiree when:

- ★ you are at least age 55 and have at least 5 years of service credit, or your age plus years of service equal at least 80, or you have at least 30 years of service, and
- ★ you have 3 years of service with the A&M System, and
- ★ the A&M System is your last state-employer.

If you left A&M System employment before Sept. 1, 2003, but you met the above criteria as of Aug. 31, 2003, you qualify for retiree benefit coverage under these criteria.

If you are in TRS and you retire after Aug. 31, 2003, you must also provide documentation that you are receiv-

ing or have applied to receive your TRS annuity payments.

If you were hired by the A&M System in a benefits-eligible position after Aug. 31, 2003, or if you left A&M System employment before Aug. 31, 2003, and did not meet the criteria listed at left as of Aug. 31, 2003, you are eligible for health coverage as a retiree when:

- ★ you are at least age 65 and have at least 10 years of service credit, or your age plus years of service equal at least 80 and you have 10 years of service credit, and
- ★ you have 10 years of service with the A&M System, and
- ★ the A&M System is your last state employer.

If you are in TRS, you must also provide documentation that you are receiving or have applied to receive your TRS annuity payments.

NAMING A BENEFICIARY

You are automatically the beneficiary for dismemberment benefits on yourself and all benefits payable for a covered family member.

You may name a secondary beneficiary to receive benefits in case you die at the same time or as a result of the same accident as a covered family member.

You must name a beneficiary to receive benefits in case of your death in a covered accident. You may name one or more primary beneficiaries. If you name more than one person as a primary beneficiary, you should also designate the percentage of the benefit each should receive. Otherwise, benefits will be divided equally. For example, you might direct that your spouse receive 50% of the benefit and each of your two children receive 25%. Percentages must total 100%.

You may also name one or more secondary beneficiaries to receive your benefit in case your primary beneficiary(ies) dies before or at the same time as you do. If you name more than one, you must designate the percentage of the benefit each is to receive. Secondary beneficiaries are paid benefits only if all primary beneficiaries die before or at the same time as you.

You may change your beneficiary designation at any time through iBenefits or by completing a form available from your Human Resources office. If your beneficiary dies, you should change your designation immediately. You may want to review your designation if you marry or divorce.

ADDING NEW DEPENDENTS

If you have family AD&D coverage, new family members are covered from the day they are first eligible.

If you do not have family AD&D coverage and wish to add your dependents to your coverage, the insurance will become effective on the first of the month that falls on or after the day your family coverage application is received in your Human Resources office.

If you do not have family AD&D coverage when you marry or have a new child, the new dependent will be covered for 31 days from:

- ★ the date of marriage,
- ★ the date of birth,
- ★ for an adopted, foster or step child, the date the child becomes financially dependent on you for support, or
- ★ for a grandchild, the date the child moves into your home.

To continue coverage you must enroll in family coverage and pay the family premium from the first of the month following the date coverage began.

FORMER EMPLOYEES

You are eligible for coverage as a retiree if you are a former employee who meets the eligibility criteria listed on page 4.

You may apply for coverage within 60 days of meeting this criteria or within 60 days of leaving a TRS eligible position with another state employer after meeting the eligibility criteria. In these cases, you may choose to have your coverage become effective on the first of the

month following the date the Human Resources office receives your application or on your employer contribution eligibility date (the first of the month that falls at least 90 days after the Human Resources office receives your application).

If you do not enroll on one of these dates, you may enroll during a later Annual Enrollment period. In that case, you can choose to have your coverage become effective on the next Sept. 1 or Dec. 1.

CHANGING YOUR COVERAGE

Once you enroll in the AD&D plan, you can reduce your coverage amount or drop your coverage at any time. You can enroll in or increase coverage only during Annual Enrollment. You can change from individual to family coverage or family coverage to individual coverage only during Annual Enrollment or within 60 days of a Change in Status. Generally, only changes consistent with the Change in Status can be made. For example, if you have a baby, you cannot change from family to individual coverage, but you can change from individual to family coverage.

Changes in Status include:

- ★ employee's marriage or divorce or death of employee's spouse,
- ★ birth, adoption or death of a dependent child,
- ★ change in employee's, spouse's or dependent child's employment status that affects benefit eligibility, such as leave without pay,
- ★ employee's receipt of a qualified medical child support order or letter from the Attorney General ordering the employee to provide

(or allowing the employee to drop)

medical coverage for a child,

- ★ changes made by a spouse or dependent child during his/her annual enrollment period with another employer,
- ★ significant employer- or carrier-initiated changes in or cancellation of the employee's, spouse's or dependent child's coverage.

A divorce is considered official when the trial court announces its decision in open court or by written memorandum filed with the clerk. You must provide documentation to drop your divorced spouse.

IF YOUR WORK HOURS ARE REDUCED

If your work hours are reduced to less than 50% time, you may continue your coverage if you had been covered under the plan for at least 4½ continuous months. You must make arrangements through your Human Resources office to continue your premium payments. If your work hours are reduced to between 50% and 99% time, your coverage will not be affected.

LEAVE OF ABSENCE

If you take a *paid* leave of absence, your coverage will continue and premiums will continue to be deducted from your pay. However, if you take an *unpaid* leave, you must make arrangements through your Human Resources office to continue your premium payments or to cancel your coverage.

If you continue your coverage, the coverage amount and premium will be the same as before your leave. Should you decide to discontinue your

AD&D coverage, your coverage automatically will be reinstated at the same level when you return, regardless of the plan year. You have 60 days after your return to make enrollment changes.

If your AD&D premium is paid by the employer contribution (see page 8) and you take an unpaid leave under the Family and Medical Leave Act, the employer contribution will continue to pay your premium during the leave.

COVERED COST

You pay the cost for this optional coverage. The cost is based on whether you choose individual or family coverage and the amount of coverage you choose.

Each month, you pay for Accidental Death and Dismemberment insurance if you choose to buy coverage. The cost of your coverage is based on whether you choose individual or family coverage and the amount of coverage you elect.

Through the Pretax Premiums Plan, your premium will automatically be deducted from your paycheck on a before-tax basis. This means you never pay federal income tax or Social Security tax on the money you pay for your AD&D coverage.

When you pay premiums on a before tax basis, your taxable income is reduced. This may mean that your eventual Social Security benefit could be reduced. However, the reduction is quite small. Your base pay, for purposes of pay increases and benefits based on pay, is not reduced.

If you would prefer to have premiums paid after taxes have been deducted, contact your Human Resources office for a Benefit Change form or download it from the System Benefits Administration web site:

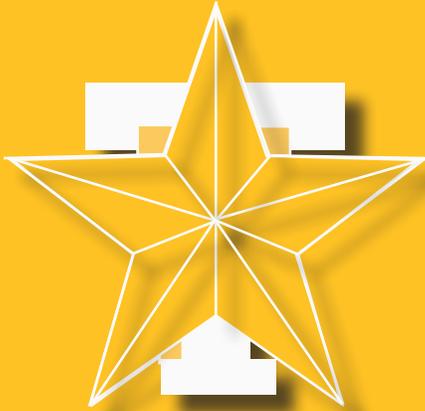
www.tamus.edu/assets/files/benefits/pdf/publications/forms/105new.pdf.

You may change to or from before tax premiums only during Annual Enrollment each year (effective Sept. 1) or when you have a Change in Status, as described on page 6.

If you are retired, you are not eligible for before-tax premiums unless you are re-employed by the A&M System and pay for AD&D coverage through payroll deduction.

If you waive System health coverage but certify that you have other health insurance, you may apply part of the employer contribution toward your AD&D coverage.

If your coverage begins in the middle of a month, you must pay your full premium for the month.





COVERAGE CHOICES

You choose the amount of AD&D coverage you want within certain limits. You also choose whether to cover yourself only or yourself and your family.

You can buy AD&D coverage on yourself in multiples of \$10,000 up to certain levels. This coverage is in addition to the \$5,000 in Basic AD&D coverage you receive if you are enrolled in Basic Life or Alternate Basic Life insurance. You can also choose to buy coverage on your spouse and children.

COVERAGE AMOUNTS

If your annual pay is \$25,000 or less, you can buy coverage of up to \$250,000. If your annual pay is more than \$25,000, you can buy up to 10 times your annual pay in coverage to a maximum coverage amount of \$800,000. All coverage amounts must be multiples of \$10,000.

For example, if you earn \$15,000 a year, you could buy up to \$250,000 in coverage. However, if you earn \$30,000 a year, you could buy up to \$300,000 in AD&D coverage.

Annual pay means your annual budgeted pay on Sept. 1 of each year. It does not include commissions, bonuses, overtime, longevity or hazardous duty pay or other fringe benefits.

If you are retired, you may buy up to \$200,000 in AD&D coverage if you are younger than 70. If you are 70

or older, you may buy up to \$60,000 in coverage. Coverage limits change on the Sept. 1 following your 70th birthday. All coverage amounts must be multiples of \$10,000.

FAMILY COVERAGE

You may choose to cover your family under the AD&D plan. If you elect family coverage, all of your eligible dependents (as defined on page 3) will be covered. You may not choose to cover some dependents and not others. You must buy coverage for yourself in order to buy family coverage.

The amount of coverage you can buy for your family is a percentage of the amount you buy for yourself. The percentage depends on what dependents you have. The family coverage percentages are the same for active and retired employees.

If you have a spouse and one or more children, your spouse will be covered for 50% of your coverage amount. Each child will have coverage of 10% of your coverage amount.

If you have no children, your spouse will be covered for 60% of your coverage amount. If you have no spouse, each of your children will be covered for 15% of your coverage amount.

In any case, coverage on each child cannot be more than \$25,000, no matter what level of coverage you elect for yourself. If you already have family coverage for yourself and your children, the coverage percentages will adjust to cover a spouse effective the day you marry. Likewise, if you

have family coverage on your spouse, the coverage percentages will change effective the day of birth of your first child. When you have a new child

with coverage already in effect for one or more other children, no adjustments required. The new child is covered from birth.

FOR EXAMPLE . . . FAMILY COVERAGE

Let's look at a couple of examples of family coverage.

Example 1

Your coverage amount: \$150,000

Family coverage amounts:

If you have a spouse and children: \$75,000 on your spouse and \$15,000 on each child

- ★ If you have a spouse but no children: \$90,000 on your spouse
- ★ If you have children but no spouse: \$22,500 on each child

Example 2

Your coverage amount: \$300,000

Family coverage amounts:

- ★ If you have a spouse and children: \$150,000 on your spouse and \$25,000* on each child
- ★ If you have a spouse but no children: \$180,000 on your spouse
- ★ If you have children but no spouse: \$25,000* on each child

**Each child's coverage is limited to \$25,000*

WHEN BENEFITS ARE PAID

The plan pays you a benefit if you have certain losses due to an accident. Your beneficiary receives a benefit if you die as a result of an accident.

The AD&D plan pays benefits for death or dismemberment that results from an accident that occurs while you or a family member is covered by the plan. It does not pay benefits when a loss or death occurs due to an illness.

The coverage amount you choose when you enroll in the plan determines the amount you or your beneficiary will receive. For some losses, the full coverage amount is payable; for others, a portion of the coverage amount is payable. The chart below shows the types of losses covered by the plan and the percentage of your coverage amount that is payable for each type of loss.



AD&D BENEFITS

For loss of:	Your benefit is the following percentage of the full coverage amount*:
Life	100%
Both hands or both feet	100%
One hand and one foot	100%
Entire sight of both eyes	100%
Speech and hearing in both ears	100%
One arm or one leg	70%
One hand or one foot	50%
Entire sight of one eye	50%
Speech or hearing in both ears	50%
Thumb and index finger of the same hand	50%
For paralysis:	Your benefit is the following percentage of the full coverage amount:
Quadriplegia	100%
Paraplegia	75%
Hemiplegia	50%
Uniplegia	25%

* The benefit percentage is doubled when a covered child is dismembered, but in no case will the benefit be more than the child's coverage amount. For example, you would receive 100% of the coverage amount if your covered child lost a hand, but 50% of the coverage amount if you or your spouse lost a hand.

Loss of hands and feet means severance at or above the wrist or ankle joints. Loss of sight means entire and irrecoverable loss of sight. Loss of arm or leg means severance at or above the elbow or knee. Loss of speech means entire and irrecoverable loss of speech. Loss of hearing means entire and irrecoverable loss of hearing in both ears. Loss of thumb and index finger means severance at or above the joint closest to the hand.

Uniplegia means total paralysis of one limb. Hemiplegia means total paralysis of both limbs on one side of the body. Paraplegia means total paralysis of both lower limbs. Quadriplegia means total paralysis of all four limbs. Paralysis means loss of use, without severance of the limb. A doctor must certify that the paralysis is complete and irreversible.

The most that you or a family member can receive from the plan for injuries from a single accident is the coverage amount, no matter how many losses occurred.

For example, if you lose both hands, both feet and sight of both eyes in an accident, you will receive 100% – not 300% – of your coverage amount. If you receive benefits for loss of a hand and later die as a result of the same accident, your beneficiary will receive 50% – rather than 100% – of your coverage amount because you had already received 50% of the benefit. If you lose the thumb and index finger of a hand and lose that same entire hand as a result of the same accident, the plan will pay only for the loss of the hand.

If a child loses a hand in an accident, you will receive 100% of the child's coverage amount because

the child's dismemberment benefit is doubled. If the child loses both hands, you still will receive 100% – not 200% – because you cannot receive more than the coverage amount.

If you or a family member dies after receiving paralysis benefits and as a result of the same accident, the difference between the paralysis benefit and the coverage amount will be paid to the beneficiary. For example if you receive 50% of your coverage amount due to hemiplegia and later die, your beneficiary will receive the other 50% of your coverage amount as a death benefit.

Benefits will be paid only for losses that occur within 365 days after the accident that caused the loss.

SEAT BELT BENEFIT

Your benefit will be increased if you or a covered family member dies as a result of a traffic accident and you or the covered family member was wearing a properly fastened seat belt. If you qualify for the seat belt benefit, you will receive an additional benefit of \$25,000 or your coverage amount, whichever is less. Your spouse's or children's benefits will be increased by a percentage of their coverage amount (or \$25,000, if less) as follows:

- ☆ 60% for your spouse, if no children are covered,
- ☆ 50% for your spouse, if children are covered,
- ☆ 15% for children, if no spouse is covered, and
- ☆ 10% for children, if your spouse is covered.

If use of a seat belt cannot be verified because the accident report or other certification is not available, the seat belt benefit will be limited to \$1,000.

To be eligible for the seat belt benefit, you or the covered person must have been driving or riding in a non-commercial vehicle, and the driver (whether or not a covered person) must be licensed and not intoxicated, driving while impaired or under the influence of any alcohol or drug.

AIR BAG BENEFIT

You or your beneficiary will receive an additional benefit equal to 5% of

the coverage amount, up to a maximum additional benefit of \$25,000, if a seat belt benefit is payable and you or a covered family member was in a seat equipped with an air bag and the air bag inflated properly.

If use of a seat belt and proper inflation of the air bag cannot be verified because the accident report or other certification is not available, the air bag benefit will be limited to \$1,000.

FOR EXAMPLE . . . SEAT BELT AND AIR BAG BENEFIT

Let's assume you have coverage of \$100,000 on yourself and you cover your family. We'll further assume that your spouse and child have a traffic accident and qualify for the seat belt and air bag benefits. We'll assume your spouse and child were both wearing seat belts, and your spouse was sitting in a seat protected by an air bag. We'll also assume both were killed. Here's how your spouse's benefit is figured:

Spouse's coverage amount:	\$50,000 (50% of your coverage amount)
Loss of life (100% of spouse's coverage amount)	\$50,000
Seat belt benefit (50% of spouse's coverage amount with \$25,000 maximum for seat belt)	\$25,000
Additional 5% for air bags	\$ 2,500
Total AD&D benefit payable	\$77,500

Here's how your child's benefit is figured:

Child's coverage amount:	\$10,000 (10% of your coverage amount)
Loss of life (100% of child's coverage amount)	\$10,000
Seat belt benefit (10% of child's coverage amount with \$25,000 maximum)	\$ 1,000
Total AD&D benefit payable	\$11,000

LOSS DUE TO EXPOSURE

If you or a covered dependent has a loss due to accidental exposure to the elements, you will receive benefits from the AD&D plan if the loss is a death or dismemberment normally covered by the plan.

DISAPPEARANCE

If you or covered family members cannot be found because you were in a vehicle at the time a covered accident occurred and the vehicle disappeared, sank or was wrecked, you or your family members will be considered dead after a year. At that time, AD&D death benefits will be paid to the beneficiary.

REASONABLE ACCOMMODATION

Under the reasonable accommodation provision, if you have an injury for which you receive AD&D benefits, the plan will pay the A&M System up to \$2,000 to make changes to your worksite to help you return to work. The changes to the worksite must be made within 12 months of the date of the injury and must be approved in advance by Minnesota Life, the AD&D carrier.

The changes to the worksite may include making existing facilities you use readily accessible to you or usable by you after the injury. Other changes might include job restructuring; reassignment to a vacant position; acquisition or modification of equipment or devices; or adjustment or modification of examinations, training materials or policies. The plan might also pay the cost of qualified readers or interpreters and similar accommo-

dations. Any worksite changes must meet the standards of The Americans With Disabilities Act to be covered by the AD&D plan.

REHABILITATION

The rehabilitation benefit will pay up to 20% of the cost of rehabilitative training to help you or a covered dependent return to work or school after an accidental injury for which you received benefits under this plan. The plan will pay a minimum of \$1,000 and a maximum of \$10,000.

The training must be necessary to allow you or a covered dependent to return to work or school or to become independent and mobile. You or your dependent must receive the training within two years of the accident that caused the injury.

Under this provision, the plan may pay part of the cost for training you or a dependent to use prosthetic devices or sign language. The plan may also pay part of the cost for you or a dependent to take driver's training under the direction of a licensed rehabilitation center. The cost of installing a hand brake and/or accelerator in your car may also be covered. The plan will not pay room and board, ordinary living expenses, for travel or clothing, for purchase of a motor vehicle, prosthetic device or wheelchair, or for home modifications.

EDUCATION BENEFIT

The AD&D plan will pay an education benefit to your spouse and eligible children if you die due to an accident while enrolled in family coverage.

The plan will pay 5% of your coverage amount or \$5,000, which-

ever is less, each year for up to four years to each eligible child. Eligible children are those who are enrolled as full-time students in any institution of higher education or trade school on the date of your death or those who are in the 12th grade on the date of your death and enroll full-time in an institution of higher education or trade school within one year of your death.

The plan will pay a one-time benefit of \$1,000 for each child who is not eligible for the benefit described in the preceding paragraph but is enrolled as a full-time student in kindergarten through 12th grade within 12 months of your death.

Your spouse can receive actual tuition incurred up to \$5,000 per year if he or she enrolls in any institution of higher education or trade school within one year of your death to obtain a source of support. Your spouse may receive this benefit for any eligible tuition expenses incurred within 30 months of your death.

FELONIOUS ASSAULT BENEFIT

The AD&D plan will pay an additional benefit to your beneficiary if you die as the result of a criminal act of violence while on A&M System premises or on A&M System business. The additional benefit will be \$25,000 or 10% of your coverage amount, whichever is less. A covered criminal act of violence means:

- ★ actual or attempted robbery or holdup,
- ★ kidnapping during an attempted holdup, or
- ★ felonious assault by persons other than System employees or members of your family or household.

COMA BENEFIT

The AD&D plan will pay a coma benefit if you or a covered family member becomes comatose within 31 days of a covered accident and remains comatose for more than 31 days. This benefit will be paid monthly for up to 11 months and will equal 1% of your (or the covered family member's) coverage amount.

If you or the family member dies or remains comatose after 11 months, the balance of the coverage amount will be paid to the beneficiary.

CHILD CARE CENTER BENEFIT

If you have family coverage, the AD&D plan will pay an additional benefit if you die as a result of a covered accident and have a surviving dependent child younger than 13 who is enrolled in a licensed day care center within 365 days of the accident. The child care center benefit will pay your beneficiary 3% of your coverage amount or \$5,000, whichever is less, each year for five years. If you have a dependent child who does not qualify for this benefit, the plan will pay your beneficiary an additional one-time benefit of \$1,500.

COBRA BENEFIT

If you have family coverage, the AD&D plan will pay an additional benefit if you die as a result of a covered accident and your surviving spouse and dependent children are covered under an A&M System medical plan at the time of your death. This benefit will pay 3% of your coverage amount or \$4,500, whichever is less, each year for up to three years to each covered family member who elects to continue medical coverage under COBRA.

COMMON DISASTER BENEFIT

The AD&D plan will increase your covered spouse's benefit to equal your coverage amount or \$150,000, whichever is less, if you both die as a result of a covered injury received in the same accident within 90 days of the accident.

BENEFICIARY RESOURCE SERVICES

The AD&D plan provides grief, financial and legal counseling for you or your beneficiary in the event of a death covered by the plan. This includes access to a 24-hour, 365-days-a-year 800 number that is answered by a counselor who will assess the caller's needs and coordinate referrals with trained professionals. The service includes five face-to-face working sessions with a grief counselor, financial planner and/or legal advisor. Benefits are available for up to one year from the date of the initial contact.

WHEN BENEFITS ARE NOT PAID BENEFIT

Benefits will not be paid if a loss directly or indirectly results in any way from or is contributed to by:

- ☆ suicide or attempted suicide, whether sane or insane; or
- ☆ intentionally self-inflicted injury or
- ☆ any attempt at self-inflicted injury, whether sane or insane; or
- ☆ the insured's participation in or attempt to commit a crime, assault, felony; or
- ☆ bodily or mental infirmity, illness or disease; or
- ☆ medical or surgical treatment including diagnostic procedures; or
- ☆ alcohol, drugs, poisons, gases or fumes, voluntarily taken, administered, absorbed, inhaled, ingested or injected; or
- ☆ bacterial infection, other than infection occurring simultaneously with, and as a result of, the accidental injury; or
- ☆ travel in or flight in or on any vehicle used for aerial navigation including getting in, out, on, or off such vehicle, if the insured is:
 - riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or
 - acting as a pilot or crew member of any aircraft, unless the employee is a System pilot operating a System-owned or System-leased aircraft or the employee is required by his/her System job to pilot, serve as a crew member on, or be a passenger on such an aircraft and the accident occurs while the employee is performing his/her job; or
 - riding as a passenger in a non-chartered aircraft which is owned, leased, operated, or controlled by the eligible employee's employer; or
 - a student taking a flying lesson, unless riding as a passenger; or
 - hang gliding; or
 - parachuting; except when the insured has to make a parachute jump for self-preservation; or
- ☆ war or any act of war, whether declared or undeclared; or
- ☆ riot or civil insurrection; or
- ☆ service in the military of any nation.

The above limitations do not apply to the beneficiary resource services described on page 16.

APPLYING FOR BENEFITS

You or your beneficiary must apply for AD&D benefits. If the claim is denied, you or your beneficiary may follow a review process.

If you have a claim for benefits, you should contact your Human Resources office within 20 days or as soon as reasonably possible after the accident. That office will give you the forms you need to apply for AD&D benefits.

You must submit a written claim to Minnesota Life within 91 days after the accident. Minnesota Life has the right to have you or a covered family member examined by a doctor of its choice as often as necessary while a claim for dismemberment is pending. Minnesota Life can also require an autopsy if death benefits are claimed. Minnesota Life will pay the cost of any examination or autopsy it requires.

Disagreements about benefits are rare, but should you and Minnesota Life disagree about your eligibility for or the amount of your benefit, you may follow a review process.

HOW TO APPEAL A CLAIM

If your claim for benefits is denied in whole or in part, Minnesota Life will notify you in writing within 90 days of receipt of your claim.

In special circumstances, a response to your claim may take more than 90 days. If an extension is

needed, you will receive written notice before the end of the 90-day period. In no event will the extension be more than 90 days.

The written notice will give specific reasons for the denial and reference the specific plan provisions on which the denial is based. It will also describe any additional material you must submit and explain the plan's claim review procedures.

Within 60 days of receiving written notice of a claim denial, you or your authorized representative may submit a written request for reconsideration to Minnesota Life. Be sure to state why you believe the claim should not have been denied and submit any data, questions or comments you think are appropriate. You may also review any pertinent plan documents. Your appeal will be reviewed by the claims administrator.

A decision on the appeal will be made by Minnesota Life within 60 days after receipt of your request for review unless special circumstances require additional time. In no event will a decision be made more than 120 days after receipt of your request. The decision on the review will be in writing and will include the specific reasons for the decision as well as specific references to the appropriate plan provisions on which the decision is based. This is the final decision on your claim.

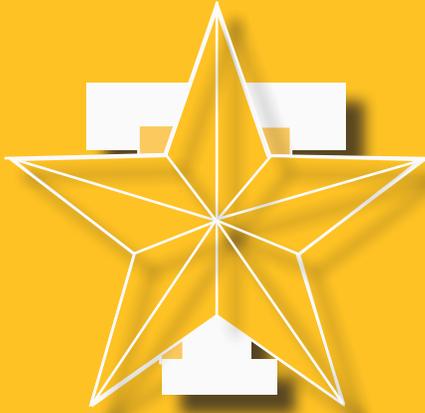
CLAIM PAYMENTS

All benefits for your dismemberment or the death or dismemberment of a covered family member will be paid to you. Should you die as a result of a covered accident, your benefits will be paid to your beneficiary (see page 5).

If you have not named a beneficiary or all beneficiaries died before or at the same time as you, payment will be made to your spouse, children, parents, brothers and sisters or estate.

Any benefits payable to a minor will be paid to the legally appointed guardian or to another adult who has assumed the custody and principal support of the minor.

Benefits are normally paid directly to the beneficiary in a lump sum via a check or direct deposit into the beneficiary's checking or savings account.



WHEN COVERAGE ENDS

Coverage normally ends on the last day of the month in which your employment ends. In some cases, coverage may be extended.

As long as the plan remains in effect, you may be covered by the plan if you continue to meet the eligibility requirements. Your coverage will generally end on the earliest of the following dates:

- ☆ the day the policy is cancelled,
- ☆ the end of the last month for which you paid the required premium,
- ☆ the last day of the plan year if you drop coverage during Annual Enrollment,
- ☆ the last day of the month after you ask that your coverage be dropped,
- ☆ the last day of the month in which your employment ends or you become ineligible for coverage, or
- ☆ the day the A&M System stops participating in the plan.

Coverage for your family members ends on the earliest of the following dates:

- ☆ the date your coverage ends,
- ☆ the end of the last month for which you paid the required family premium,
- ☆ the last day of the plan year if you drop all coverage or family coverage during Annual Enrollment,
- ☆ the last day of the month after you ask that your family coverage be dropped,
- ☆ the last day of the month in which the dependent stops meeting the definition of an eligible dependent (see page 3), or

- ☆ the day the A&M System stops offering family AD&D coverage.

EXTENSION OF BENEFITS

If you have a covered loss resulting from an accident that occurs within 31 days after your coverage ends, that loss will be covered. The plan will pay the benefit based on your coverage amount or \$100,000, whichever is less.

During this 31 days, your spouse will be covered for 50% of your coverage amount and each covered child will be covered for 5% of your coverage amount. This means the maximum benefit payable for a spouse is \$50,000 and for a child is \$5,000.

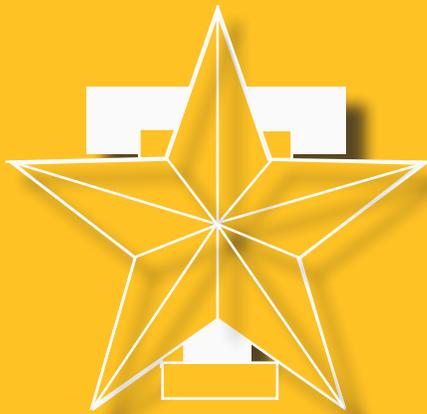
If you die as a result of a covered accident while you have family coverage, coverage for your dependents will continue at no cost for 12 months from the date of your death.

PORTABILITY

When your AD&D coverage ends, you may port your coverage if you are younger than 70. However, portability is not available if your coverage ended because you did not pay the premium or because the policy or coverage for your class of employees was cancelled.

You may also port the coverage of your covered family members if you port your own coverage. However, a child whose coverage ends at age 25 is not eligible for portability.

You or a covered family member must apply for portability of coverage within 31 days of the date your coverage under the policy ends.



ADMINISTRATIVE INFORMATION

Here are some other facts about the plan you might want to keep handy.

PLAN NAME

The official name of this plan is The Texas A&M University System Accidental Death and Dismemberment Program. This booklet also describes The Texas A&M University System Pre-Tax Premium Plan.

PLAN SPONSOR

Director of Risk Management and Benefits Administration
The Texas A&M University System
John B. Connally Building
301 Tarrow Dr., 5th Floor
College Station, TX 77840
Mail Stop: 1117 TAMU
(979) 458-6330

PLAN ADMINISTRATOR

The plan administrator is the Director of Risk Management and Benefits Administration. Contact at the address shown for the Plan Sponsor.

TYPE OF PLAN

The AD&D plan is a group welfare plan providing life and dismemberment benefits. It is an insured plan funded through employee and, in some cases, employer contributions.

INSURANCE CARRIER AND CLAIMS ADMINISTRATOR

AD&D plan benefits are insured through a policy with Minnesota Life Insurance Company. Claims are also administered by Minnesota Life:

Management:

Minnesota Life
400 Robert Street North
St. Paul, MN 55101-2098

Claims:

Minnesota Life
P. O. Box 64114
St. Paul, MN 55164-0114

The Pretax Premiums Plan Administrator is the Plan Administrator.

The AD&D policy and Pretax Premium legal documents govern all plan benefits. You may examine a copy of these documents or obtain a copy for a copying fee by contacting the Plan Sponsor.

QUESTIONS AND COMPLAINTS

If you have a question or a complaint, call Minnesota Life at (800) 778-2281 or write to Minnesota Life. If your problem is not resolved, write to:

Texas Department of Insurance
P.O. Box 149104
Austin, TX 78714-9104
FAX: (512) 475-1771

POLICY NUMBER

33770-G

PLAN YEAR

Plan records are kept on a plan-year basis. The plan year begins each Sept. 1 and runs through the next Aug. 31.

EMPLOYEE IDENTIFICATION NUMBER

74-2648747

AGENT FOR SERVICE OF LEGAL PROCESS

Plan Administrator

FUTURE OF THE PLAN

While The Texas A&M University System intends to continue these plans indefinitely, it may change, suspend or end the plans at any time for any reason.

Systems Benefits Administration
John B. Connally Building
The Texas A&M University System
301 Tarrow Dr., 5th Floor
College Station, TX 77840