



A Plan Designed Specifically
For: **TEXAS SCHOOLS**



LONG-TERM DISABILITY *Income Insurance*

From American Fidelity Assurance Company

Why Do You Need *Disability Income Protection?*

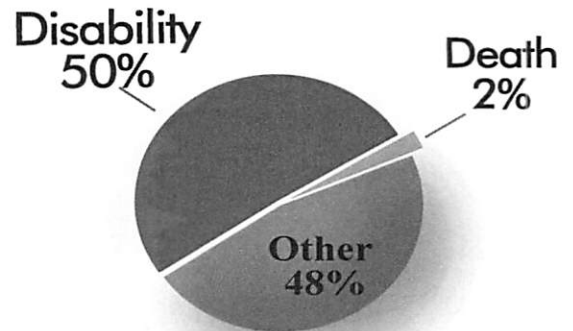
Think of it as insurance on your income.

Did You Know?

Disability causes nearly 50% of all mortgage foreclosures, compared to 2% caused by death.*

Out of the tens of thousands of mortgage foreclosures that occur each year, *1/2 are due to a disability.*

That *1/2* would have likely been able to keep their home and have a roof over their heads had they purchased adequate income protection.



Do You Depend On Your Paycheck?

- Mortgage / Rent
- Car Payment(s)
- Groceries
- Tuition
- Gasoline
- Utility Bills
- Daily Living Expenses
- Credit Card Payments

If You Depend On Your Paycheck, You Need Disability Income Insurance.

You probably have insurance on your home and auto in case of an unfortunate event. But, do you have disability insurance to help protect your income if you were to suddenly become disabled?

If you're like most of us, your income is truly your most valuable asset! Without it, all of our other assets go away. Payments for rent, mortgage, utilities, insurance, groceries, clothing, and cars continue regardless of your ability to work.

How Does A Disability Income Plan Work?

It's Simple! Disability Income Insurance helps provide an income when you are disabled due to a covered accidental injury or sickness that keeps you away from work for an extended period of time.

Don't Wait...Protect Your Paycheck Today with American Fidelity's Disability Income Insurance!

Plan Highlights

- Benefits are paid directly to you, not to a doctor or your employer.
- Convenient payroll deduction.
- Benefit payments may be directly deposited into your bank account.
- Benefits paid due to a covered Accidental Injury or Sickness.
- Several benefit plan options are available.
- You choose the best plan for you!

VALUABLE BENEFITS INCLUDE:

- Benefits Payable Year-Round
- Pregnancy Benefit
- Donor Benefit
- Worksite Accommodation Benefit Evaluation
- Social Security Filing Assistance
- Waiver Of Premium
- Return To Work Benefit
- Physician Expense Benefit
 - Accidental Injury - \$100.00
 - Sickness - \$50.00
- Hospital Confinement Benefit
- Accidental Death Benefit

Choose The Plan For You

BENEFITS BEGIN

- **Plan II** - On the 15th day of Disability due to a covered Accidental Injury or Sickness.
- **Plan III** - On the 31st day of Disability due to a covered Accidental Injury or Sickness.
- **Plan IV** - On the 61st day of Disability due to a covered Accidental Injury or Sickness.
- **Plan V** - On the 91st day of Disability due to a covered Accidental Injury or Sickness.
- **Plan VI** - On the 151st day of Disability due to a covered Accidental Injury or Sickness.

BENEFITS ARE PAYABLE

Up to the period of time shown in the table below, based on your age as of the date of Disability due to a covered Accidental Injury or Sickness begins.

Age	Maximum Benefit Period
59 or younger	to age 65
60 through 64	5 years
65 through 68	to age 70
69 or older	1 year

Benefit Schedule

Several benefit options are available to you. You may participate in the Plan under any one of the benefit levels outlined below, provided the Monthly Disability Benefit level selected does not exceed 70% of your regular monthly salary. Your monthly salary is defined as your annual compensation divided by 12.

			MONTHLY PREMIUMS				
Monthly Salary	Monthly Disability Benefit	Accidental Death Benefit	Plan II (15th)	Plan III (31st)	Plan IV (61st)	Plan V (91st)	Plan VI (151st)
\$286.00 - 428.99	\$200	\$20,000	\$6.60	\$5.28	\$4.48	\$3.76	\$2.84
429.00 - 571.99	300	20,000	9.90	7.92	6.72	5.64	4.26
572.00 - 714.99	400	20,000	13.20	10.56	8.96	7.52	5.68
715.00 - 857.99	500	20,000	16.50	13.20	11.20	9.40	7.10
858.00 - 999.99	600	20,000	19.80	15.84	13.44	11.28	8.52
1,000.00 - 1,142.99	700	20,000	23.10	18.48	15.68	13.16	9.94
1,143.00 - 1,285.99	800	20,000	26.40	21.12	17.92	15.04	11.36
1,286.00 - 1,428.99	900	20,000	29.70	23.76	20.16	16.92	12.78
1,429.00 - 1,571.99	1,000	20,000	33.00	26.40	22.40	18.80	14.20
1,572.00 - 1,714.99	1,100	20,000	36.30	29.04	24.64	20.68	15.62
1,715.00 - 1,857.99	1,200	20,000	39.60	31.68	26.88	22.56	17.04
1,858.00 - 1,999.99	1,300	20,000	42.90	34.32	29.12	24.44	18.46
2,000.00 - 2,142.99	1,400	20,000	46.20	36.96	31.36	26.32	19.88
2,143.00 - 2,285.99	1,500	20,000	49.50	39.60	33.60	28.20	21.30
2,286.00 - 2,428.99	1,600	20,000	52.80	42.24	35.84	30.08	22.72
2,429.00 - 2,571.99	1,700	20,000	56.10	44.88	38.08	31.96	24.14
2,572.00 - 2,714.99	1,800	20,000	59.40	47.52	40.32	33.84	25.56
2,715.00 - 2,857.99	1,900	20,000	62.70	50.16	42.56	35.72	26.98
2,858.00 - 2,999.99	2,000	20,000	66.00	52.80	44.80	37.60	28.40
3,000.00 - 3,142.99	2,100	20,000	69.30	55.44	47.04	39.48	29.82
3,143.00 - 3,285.99	2,200	20,000	72.60	58.08	49.28	41.36	31.24
3,286.00 - 3,428.99	2,300	20,000	75.90	60.72	51.52	43.24	32.66
3,429.00 - 3,571.99	2,400	20,000	79.20	63.36	53.76	45.12	34.08
3,572.00 - 3,714.99	2,500	20,000	82.50	66.00	56.00	47.00	35.50
3,715.00 - 3,857.99	2,600	20,000	85.80	68.64	58.24	48.88	36.92
3,858.00 - 3,999.99	2,700	20,000	89.10	71.28	60.48	50.76	38.34
4,000.00 - 4,142.99	2,800	20,000	92.40	73.92	62.72	52.64	39.76
4,143.00 - 4,285.99	2,900	20,000	95.70	76.56	64.96	54.52	41.18
4,286.00 - 4,428.99	3,000	20,000	99.00	79.20	67.20	56.40	42.60
4,429.00 - 4,571.99	3,100	20,000	102.30	81.84	69.44	58.28	44.02
4,572.00 - 4,714.99	3,200	20,000	105.60	84.48	71.68	60.16	45.44
4,715.00 - 4,857.99	3,300	20,000	108.90	87.12	73.92	62.04	46.86
4,858.00 - 4,999.99	3,400	20,000	112.20	89.76	76.16	63.92	48.28
5,000.00 - 5,142.99	3,500	20,000	115.50	92.40	78.40	65.80	49.70
5,143.00 - 5,285.99	3,600	20,000	118.80	95.04	80.64	67.68	51.12
5,286.00 - 5,428.99	3,700	20,000	122.10	97.68	82.88	69.56	52.54
5,429.00 - 5,571.99	3,800	20,000	125.40	100.32	85.12	71.44	53.96
5,572.00 - 5,714.99	3,900	20,000	128.70	102.96	87.36	73.32	55.38

Benefit Schedule (con't)

You may participate in the Plan under any one of the benefit levels outlined below, provided the Monthly Disability Benefit level selected does not exceed 70% of your regular monthly salary. Your monthly salary is defined as your annual compensation divided by 12.

			MONTHLY PREMIUMS				
Monthly Salary	Monthly Disability Benefit	Accidental Death Benefit	Plan II (15th)	Plan III (31st)	Plan IV (61st)	Plan V (91st)	Plan VI (151st)
5,715.00 - 5,857.99	4,000	20,000	\$132.00	\$105.60	\$89.60	\$75.20	\$56.80
5,858.00 - 5,999.99	4,100	20,000	135.30	108.24	91.84	77.08	58.22
6,000.00 - 6,142.99	4,200	20,000	138.60	110.88	94.08	78.96	59.64
6,143.00 - 6,285.99	4,300	20,000	141.90	113.52	96.32	80.84	61.06
6,286.00 - 6,428.99	4,400	20,000	145.20	116.16	98.56	82.72	62.48
6,429.00 - 6,571.99	4,500	20,000	148.50	118.80	100.80	84.60	63.90
6,572.00 - 6,714.99	4,600	20,000	151.80	121.44	103.04	86.48	65.32
6,715.00 - 6,857.99	4,700	20,000	155.10	124.08	105.28	88.36	66.74
6,858.00 - 6,999.99	4,800	20,000	158.40	126.72	107.52	90.24	68.16
7,000.00 - 7,142.99	4,900	20,000	161.70	129.36	109.76	92.12	69.58
7,143.00 - 7,285.99	5,000	20,000	165.00	132.00	112.00	94.00	71.00
7,286.00 - 7,428.99	5,100	20,000	168.30	134.64	114.24	95.88	72.42
7,429.00 - 7,571.99	5,200	20,000	171.60	137.28	116.48	97.76	73.84
7,572.00 - 7,714.99	5,300	20,000	174.90	139.92	118.72	99.64	75.26
7,715.00 - 7,857.99	5,400	20,000	178.20	142.56	120.96	101.52	76.68
7,858.00 - 7,999.99	5,500	20,000	181.50	145.20	123.20	103.40	78.10
8,000.00 - 8,142.99	5,600	20,000	184.80	147.84	125.44	105.28	79.52
8,143.00 - 8,285.99	5,700	20,000	188.10	150.48	127.68	107.16	80.94
8,286.00 - 8,428.99	5,800	20,000	191.40	153.12	129.92	109.04	82.36
8,429.00 - 8,571.99	5,900	20,000	194.70	155.76	132.16	110.92	83.78
8,572.00 - 8,713.99	6,000	20,000	198.00	158.40	134.40	112.80	85.20
8,714.00 - 8,856.99	6,100	20,000	201.30	161.04	136.64	114.68	86.62
8,857.00 - 8,999.99	6,200	20,000	204.60	163.68	138.88	116.56	88.04
9,000.00 - 9,142.99	6,300	20,000	207.90	166.32	141.12	118.44	89.46
9,143.00 - 9,285.99	6,400	20,000	211.20	168.96	143.36	120.32	90.88
9,286.00 - 9,428.99	6,500	20,000	214.50	171.60	145.60	122.20	92.30
9,429.00 - 9,570.99	6,600	20,000	217.80	174.24	147.84	124.08	93.72
9,571.00 - 9,713.99	6,700	20,000	221.10	176.88	150.08	125.96	95.14
9,714.00 - 9,856.99	6,800	20,000	224.40	179.52	152.32	127.84	96.56
9,857.00 - 9,999.99	6,900	20,000	227.70	182.16	154.56	129.72	97.98
10,000.00 - 10,142.99	7,000	20,000	231.00	184.80	156.80	131.60	99.40
10,143.00 - 10,285.99	7,100	20,000	234.30	187.44	159.04	133.48	100.82
10,286.00 - 10,428.99	7,200	20,000	237.60	190.08	161.28	135.36	102.24
10,429.00 - 10,570.99	7,300	20,000	240.90	192.72	163.52	137.24	103.66
10,571.00 - 10,713.99	7,400	20,000	244.20	195.36	165.76	139.12	105.08
10,714.00 and up	7,500	20,000	247.50	198.00	168.00	141.00	106.50

Plan Features

PHYSICIAN EXPENSE BENEFIT

- Accidental Injury - \$100.00
- Sickness - \$50.00

If you need personal treatment by a Physician due to an Accidental Injury or Sickness, the expense incurred for such treatment will be paid if a claim for no other benefit is made under the Policy; the expense is not for routine dental or eye care; and the expense is not more than the Physician's Expense Benefit amount shown above. This benefit will be paid for Sickness only if the expense is incurred during one full day of Disability during which you missed one full day of work; and you are personally seen and treated by a Physician.

To be eligible for more than one payment for the same or related condition, you must have returned to Active Employment for at least 14 consecutive workdays.

HOSPITAL CONFINEMENT BENEFIT

If you are confined as a Patient in a Hospital due to an Accidental Injury or Sickness, a Hospital Confinement Benefit will be paid for each day you are charged room and board up to 60 days. The Hospital Confinement Benefit will be paid in lieu of any other benefit payable under the Policy. The amount payable is the Disability Benefit which will not be reduced by Deductible Sources of Income and will be prorated based upon the number of days you are hospital confined. The Hospital confinement must be at least 18 continuous hours in duration. The Hospital Confinement Benefit will begin after your satisfaction of the elimination period.

ACCIDENTAL DEATH BENEFIT

The Accidental Death Benefit of \$20,000.00 will be paid if you die as a direct result of an Accidental Injury and death occurs within 90 days after the date of the Accidental Injury.

If you die and the Accidental Death Benefit applies, such benefit will be increased 1% for each full month that your Certificate was continuously in force just prior to death. The increase shall not be more than 60%.

RETURN TO WORK INCENTIVE BENEFIT

Disabled While Working: We will provide a Disability Payment if you are Disabled and your monthly Disability Earnings, if any, are less than 20% of your Monthly Compensation due to the same Sickness or Accidental Injury.

If you are Disabled and your Disability Earnings are greater than 20% of your Monthly Compensation due to the same Sickness or Accidental Injury, we will figure your payment as follows:

You will receive payments based on the percentage of Monthly Compensation you are losing due to your Disability computed as follows:

- subtract your Disability Earnings from your Monthly Compensation;
- divide the answer in item (a) by your Monthly Compensation. This is your percentage of lost earnings; and
- multiply your Disability Payment by the answer in item (b).

We will stop payments and your claim will end, if at any time you are no longer Disabled or if your Disability Earnings exceed 80% of your Monthly Compensation or at the end of 1 year, whichever comes first.

The Elimination Period cannot be satisfied with days you are Disabled and working.

DISABILITY EARNINGS:

means the gross monthly earnings you receive while Disabled and working.

PREGNANCY BENEFIT

Pregnancy or related complications of pregnancy will be treated as any other illness under the terms of your plan.

DONOR BENEFIT

If you are disabled as a result of being an organ or tissue donor, we will pay your benefit as any other illness under the terms of your plan.

WORKSITE ACCOMMODATION

If worksite modifications may assist your return to work, we will evaluate your claim for appropriate action.

DIRECT DEPOSIT DISABILITY BENEFITS

In the event you choose the direct deposit option on an approved claim, we will deposit your benefits directly into your bank account at no additional cost. This can accelerate access to your benefits by several days. We also have a toll-free fax that allows you instant transmission of your claim forms to our benefits department.

SOCIAL SECURITY FILING ASSISTANCE

If we determine a Disabled Insured is a likely candidate for Social Security Disability benefits, we can assist you with the application and appeal process.

WAIVER OF PREMIUM

If you become Disabled due to a covered Accidental Injury or Sickness and are eligible to receive a Disability Payment, your insurance will be continued without payment of premium. Waiver of Premium will begin the first of the month following: (a) your satisfaction of the Elimination Period; or (b) 6 months of continuous Disability, whichever is later, provided premium has been paid from the beginning of Disability to the date Waiver of Premium begins.

Waiver of Premium will continue until: (a) the end of your Disability; (b) the end of the Maximum Benefit Period; (c) the date you are no longer eligible to receive a Disability Payment; (d) the date the Policy terminates; or (e) the date your employment with the Policyholder or subscribing Employer unit ends, whichever first occurs. We will require proof on an annual basis that you remain Disabled during said period.

MENTAL ILLNESS LIMITED BENEFIT

If you are Disabled due to a Mental Illness, regardless of the cause, Disability Payments will be provided for the period of up to 2 years, not to exceed the Maximum Disability Period, as long as: (a) you are under the Regular and Appropriate Care of a Physician; and (b) you receive medical treatment (mental or medical examination alone will not be considered treatment) from either: (1) a registered specialist in psychiatry; (2) a Physician administering treatment on the advice of a registered specialist in psychiatry who certifies that such treatment is medically necessary; or (3) a Physician, if in our opinion, a specialist in psychiatry is not required to certify that such treatment is medically necessary.

ALCOHOLISM AND DRUG ADDICTION LIMITED BENEFIT

If you are Disabled due to alcoholism or drug addiction, a limited benefit of up to 15 days for each Disability will be paid. In no event will benefits be paid for more than 15 days of Disability in any 12-month period. If drug addiction is sustained at the hands of, or while under the Regular and Appropriate Care of a Physician in the course of treatment for Accidental Injury or Sickness, it will be covered the same as any other illness.

DISABILITY:

Disability or Disabled for the first 12 months of Disability means that you are unable to perform the material and substantial duties of your Regular Occupation. After that, Disability means you are unable to perform the material and substantial duties of any Gainful Occupation for wage or profit for which you are reasonably qualified by training, education, or experience.

HOSPITAL

The term "Hospital" shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatrics ward; or as an extended care facility for the care of convalescent, rehabilitative, or ambulatory patients.

Important Policy Provisions

ELIGIBILITY

All active full-time members and employees of members working 20 hours or more per week. Proof of good health may be required by us in order to be eligible for disability coverage. We will rely on answers given on your application to determine if coverage can be issued. Regardless of your health at the time of application, if coverage is approved and issued, claims incurred while coverage is in force will be subject to all terms of the Policy including any Pre-Existing Condition limitation.

EFFECTIVE DATE OF COVERAGE: Certificates will become effective the first of the month following the date we approve the application, providing you are on Active Employment and premium has been paid.

ACTIVE EMPLOYMENT

"Active Employment" means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Employment on a day which is not a scheduled work day only if you are not Disabled and would be able to perform in the usual manner all the regular duties of your employment if it were a scheduled work day.

DISABILITY PAYMENT

Means your Disability Benefit minus Deductible Sources of Income.

MINIMUM DISABILITY BENEFIT

The Disability Payment payable will be no less than \$100.00 or 10% of the Monthly Disability Benefit, whichever is greater.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND NOT WORKING

Your Disability Payment will be calculated as follows:

For the first 36 months Disability Payments are provided, the Disability Payment will be the lesser of:

- (a) your Disability Benefit; or
- (b) 70% of your Monthly Compensation less any Deductible Sources of Income you receive or are entitled to receive.

After 36 months the Disability Payment will be the lesser of:

- (a) the Disability Benefit (as indicated on your application for coverage as approved by us) less any Deductible Sources of Income you receive or are entitled to receive; or
- (b) 70% of your Monthly Compensation less any Deductible Sources of Income you receive or are entitled to receive.

DEDUCTIBLE SOURCES OF INCOME WILL INCLUDE

- (a) other group disability income;
- (b) governmental or other retirement system as a result of your Regular Occupation, whether due to disability, normal retirement or voluntary election of retirement benefits;
- (c) United States Social Security Act or similar plan or act, including any amounts due your dependent(s) on account of your Disability;
- (d) sick leave or other salary or wage continuance plans provided by the Employer which extend beyond 60 days (Plans II, III, and IV), 90 days (Plan V), or 150 days (Plan VI);
- (e) State Disability;
- (f) unemployment compensation; and
- (g) workers' compensation law, occupational disease law or any similar act or law.

If we determine that you may qualify for benefits under items (b), (c), or (g) listed above, we may estimate the amount of benefits you may be entitled to receive.

COST OF LIVING ADJUSTMENT

The Disability Payment will not be reduced due to a cost of living increase if the increase from a Deductible Source of Income takes effect after the onset of Disability and while benefits are payable under the Policy.

PRE EXISTING CONDITION LIMITATION

A limited benefit up to 1 month's Disability Benefit in any 12-month period will be payable for Disability due to a Pre-Existing Condition. This provision will not apply if you have gone treatment-free; incurred no expense; taken no medication; and received no diagnosis or advice from a Physician, for 12 consecutive months for such condition(s).

Benefits will not be excluded for Disability due to a Pre-Existing Condition, which begins after you have been continuously covered under the policy for 24 months.

Any increase in benefits will be subject to this Pre-Existing Condition limitation. A new Pre-Existing Condition period must be satisfied with respect to any increase applied for and approved by us.

PRE-EXISTING CONDITION:

The term "Pre-Existing Condition" means a disease, Accidental Injury, Sickness, physical condition or mental illness for which you had treatment; incurred expense; took medicine; received care or services including diagnostic testing or related measures; or received a diagnosis or advice from a Physician, during the 12-month period immediately before your Effective Date of coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Accidental Injury, Sickness, physical condition, or mental illness.

EXCLUSIONS

The Policy does not cover any loss, fatal or non-fatal, which results from:

- (a) intentionally self-inflicted injury while sane or insane;
- (b) an act of war, declared or undeclared;
- (c) Accidental Injury sustained or Sickness contracted while in the service of the armed forces of any country;
- (d) committing a felony; or
- (e) penal incarceration.

We will not pay benefits for Disability or any other loss for any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer.

LEAVE OF ABSENCE

Your coverage may be continued for up to 1 year during a Leave of Absence approved in writing by your Employer.

TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates:

- (a) the date you do not meet the Eligibility requirements as defined in the Eligibility paragraph in this brochure;
- (b) the date you retire;
- (c) the date you cease to be on Active Employment, except as provided for under the Leave of Absence provision;
- (d) the end of the last period for which premium has been paid; or
- (e) the date the Policy is discontinued.

If:

- (a) your coverage ends as a result of your termination of Active Employment;
- (b) such termination is caused by an Accidental Injury or Sickness for which Disability Benefits would be payable; and
- (c) Disability is established prior to the termination of Active Employment,

then:

Disability Benefits will be paid as if such termination had not occurred.

Termination of the Policy will have no effect on Disability Payments which began before termination. We may end your coverage if you submit a fraudulent claim.

Disability Insurance Needs Worksheet

Use this worksheet to get a general estimate of how much Disability Income Protection insurance you need. However, you should consult with a financial advisor before buying any insurance products.

MONTHLY INCOME

Your Income \$ _____

Spouse/Other Income \$ _____

Total Monthly Income \$ _____

MONTHLY EXPENSES

Mortgage/Rent \$ _____

Car Payment \$ _____

Utilities \$ _____

Loan/Credit Card Payments \$ _____

Insurance (Home, Auto, Health, Life, etc.) \$ _____

Food/Clothing \$ _____

Child Care/Education \$ _____

Other Expenses \$ _____

Total Monthly Expenses \$ _____

Are You Covered?

\$ _____

The Company Behind Your Plan

American Fidelity Assurance Company is a third-generation, family-owned organization providing insurance products and financial services to education employees, trade association members and companies throughout the United States and across the globe.

Since 1982, American Fidelity has been rated "A+" (Superior)¹ by A.M. Best Company – one of the nation's leading insurance company rating services – because of American Fidelity's strong financial condition and operating performance.

Because of American Fidelity's fiscal strength and financial security, the company has been rated "A" (Excellent)² with TheStreet.com, Inc (formerly Weiss Ratings, Inc.). This places American Fidelity on the list of TheStreet.com's Recommended Companies, an elite group of life, health and annuity companies. American Fidelity's rating represents the top 2.8 percent of insurance companies.

American Fidelity is founded on and driven by the principle of serving our customers and protecting their investment. We continue to grow steadily through calculated growth and conservative investment practices.

¹ www.ambest.com, February 21, 2008 (A+ is 2nd out of 16 with 1 being the highest.)

² TheStreet.com Ratings' Guide to Life, Health and Annuity Insurers, Winter 2008-2009 (A is 2nd out of 16 with 1 being the highest.)



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