

**BLANKET ACCIDENT ONLY POLICY**

**Policyholder:** North Carolina Community and Technical College  
**Policy Number:** US079578  
**Policy Effective Date:** August 14, 2014  
**Policy Expiration Date:** August 14, 2015

**READ THIS POLICY CAREFULLY – It is a legal contract between the Group Policyholder and Us.**

This Policy is issued in the state of **North Carolina** and shall be governed by its laws.

This Policy contains the terms under which the Insurance Company agrees to insure certain persons and pay benefits. The Insurance Company and the Policyholder have agreed to all the terms of this Policy.

**THIS IS ACCIDENT ONLY COVERAGE.**  
**THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENTS ONLY.**

**BENEFITS ARE NOT PAYABLE FOR PRE-EXISTING INJURIES  
OR FOR LOSS DUE TO SICKNESS**

**IMPORTANT CANCELLATION INFORMATION**  
**PLEASE READ THE PROVISION ENTITLED “POLICY TERMINATION”.**

**EXCESS INSURANCE**

This Policy is not intended to be issued if other medical insurance exists. If other medical insurance does exist at the time of the claim, then the benefits payable by such other medical insurance will become the deductible of this Policy if the benefits payable under the other coverage exceed the deductible for this Policy shown in the Schedule.

**THIS POLICY IS NOT RENEWABLE.**

Signed for **United States Fire Insurance Company** By:



Joseph F. Braunstein, Jr.  
President



Carol Ann Soos  
Secretary

## NOTICE

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS SHALL:

- (1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP HEALTH OR LIFE INSURANCE, HOSPITAL, MEDICAL OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTACT; AND
- (2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY, A WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES.

VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

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**SCHEDULE OF BENEFITS  
FOR NORTH CAROLINA RESIDENTS ONLY**

<b>BENEFIT PERIOD:</b>	52 weeks from the date of Injury, provided the Injury occurs prior to the Expiration Date and care is Medically Necessary.
<b>DEDUCTIBLE AMOUNT:</b>	\$0
<b>COINSURANCE PERCENTAGE:</b>	100%
<b>LIFETIME MAXIMUM BENEFIT AMOUNT:</b>	\$20,000 / \$25,000 / \$50,000

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**MEDICAL EXPENSE BENEFIT**

Hospital Room & Board Daily Maximum Benefit Amount:	URC per day
Intensive Care Room & Board Daily Maximum Benefit:	URC per day
Hospital Miscellaneous Maximum Benefit Amount:	URC per day
Outpatient Pre-Admission Testing Benefit Amount:	URC
Outpatient Hospital Emergency Room Treatment Maximum Benefit Amount:	URC
Surgical Benefits:	
Primary Surgeons Maximum Benefit Amount:	URC
Assistant Surgeon, Second Surgical Opinion, Consultation Maximum Benefit:	URC
Anesthesia Maximum Benefit:	URC
Surgical Facility Maximum Benefit per Operating Session:	URC
Doctor's Visits	
In-Hospital Maximum Benefit:	URC per visit
Office Visits Maximum Benefit:	URC per visit
Maximum for All In-Hospital and Office Doctor's Visits:	N/A
X-ray and Laboratory Maximum Benefit Amount:	URC per procedure
Nursing Maximum Benefit Amount:	URC per Injury
Physiotherapy Benefit	
Maximum Benefit Amount (Hospital Inpatient):	URC
Maximum Benefit Amount (Outpatient):	URC
Maximum for All Physiotherapy Combined (Inpatient & Outpatient):	URC per Injury
Ambulance Maximum Benefit Amount:	URC
Medical Equipment Rental Charges Maximum Benefit Amount:	URC
Medical Services and Supplies Maximum Benefit Amount (Blood, Blood Transfusions, Oxygen):	URC
Dental Treatment Maximum Benefit Amount:	URC
<b>OUT-PATIENT PRESCRIPTION DRUG BENEFIT</b>	
Maximum Benefit Amount:	URC

**ACCIDENTAL DEATH BENEFIT**

Principal Sum:

\$10,000.00

**ACCIDENTAL DEATH, DISMEMBERMENT, LOSS OF SIGHT, SPEECH,  
HEARING OR PARALYSIS**

Principal Sum:

\$10,000.00

## DEFINITIONS

The terms shown below shall have the meaning given in this section whenever they appear in this Policy. Additional terms may be defined within the provision to which they apply.

**"Accident"** means a sudden, unforeseeable external event which:

- (1) Causes Injury to one or more Covered Persons; and
- (2) Occurs while coverage is in effect for the Covered Person.

**"Benefit Period"** means the period of time from the date of Injury, as shown in the Schedule of Benefits.

**"Covered Person"** means a person eligible for coverage for whom application has been accepted and proper premium payment has been made, and who is therefore insured under this Policy.

**"Deductible"** means the amount of Eligible Expenses which must be paid by the Covered Person before benefits are payable under this Policy. It applies separately to each Covered Person.

**"Doctor"** means a licensed practitioner of the healing arts acting within the scope of his license. Doctor does not include:

- (1) The Covered Person;
- (2) The Covered Person's spouse, child, parent, brother, or sister; or
- (3) A person living with a Covered Person.

**"Eligible Expenses"** means the Usual, Reasonable and Customary charges for services or supplies which are incurred by the Covered Person for the Medically Necessary treatment of an Injury. Eligible Expenses must be incurred while this Policy is in force.

**"He", "his" and "him"** includes "she", "her" and "hers."

**"Health Care Plan"** means any contract, policy or other arrangement for benefits or services for medical or dental care or treatment under:

- (1) Group or blanket insurance, whether on an insured or self-funded basis;
- (2) Hospital or medical service organizations on a group basis;
- (3) Health Maintenance Organizations on a group basis.
- (4) Group labor management plans;
- (5) Employee benefit organization plan;
- (6) Professional association plans on a group basis; or
- (7) Any other group employee welfare benefit plan as defined in the Employee Retirement Income Security Act of 1974 as amended.

**"Hospital"** means an institution which:

- (1) Is operated pursuant to law;
- (2) Is primarily and continuously engaged in providing medical care and treatment to sick and injured persons on an inpatient basis;
- (3) Is under the supervision of a staff of doctors;
- (4) Provides 24-hour nursing service by or under the supervision of a graduate registered nurse, (R.N.);
- (5) Has medical, diagnostic and treatment facilities, with major surgical facilities;
  - (a) On its premises; or
  - (b) Available to it on a prearranged basis; and
- (6) Charges for its services.

A Hospital also includes a State tax-supported institution even though it may not have an operating room and related equipment for surgery.

"Hospital" does not include:

- (1) A clinic or facility for:
  - (a) Convalescent, custodial, educational or nursing care;
  - (b) The aged, drug addicts or alcoholics; or

- (c) Rehabilitation; or
- (2) A military or veterans hospital or a hospital contracted for or operated by a national government or its agency unless:
  - (a) The services are rendered on an emergency basis; and
  - (b) A legal liability exists for the charges made to the individual for the services given in the absence of insurance.

**"Hospital Stay"** means a Medically Necessary overnight confinement in a Hospital when room and board and general nursing care are provided for which a per diem charge is made by the Hospital.

**"Injury"** means bodily harm which results, directly and independently of disease or bodily infirmity, from an Accident. All injuries to the same Covered Person sustained in one accident, including all related conditions and recurring symptoms of the Injuries will be considered one Injury.

**"Medically Necessary"** means those services or supplies provided or prescribed that are:

- (1) Provided for the diagnosis, treatment, cure or relief of a health condition, illness, injury or disease and not for experimental, investigational or cosmetic purposes.
- (2) Necessary for and appropriate to the diagnosis, treatment, cure or relief of a health condition, illness, injury or disease or its symptoms.
- (3) Within generally accepted standards of medical care in the community.
- (4) Not solely for a Covered Person's convenience, their families convenience or the Doctor's convenience.

**"Nurse"** means either a professional, licensed, graduate registered nurse (R.N.) or a professional, licensed practical nurse (L.P.N.).

**"Supervised or Sponsored Activity"** means a Policyholder or School authorized function:

- (1) In which the Covered Person participates;
  - (2) Which is organized by or under its auspices;
- which is within the scope of customary activities for such entity and is shown on the schedule.

**"Usual, Reasonable and Customary"** means:

- (1) With respect to fees or charges, fees for medical services or supplies which are:
  - (a) Usually charged by the provider for the service or supply given; and
  - (b) The average charged for the service or supply in the locality in which the service or supply is received; or
- (2) With respect to treatment or medical services, treatment which is reasonable in relationship to the service or supply given and the severity of the condition.

## SCOPE OF COVERAGE

We will provide the benefits described in this Policy to all Covered Persons who suffer a covered loss which:

- (1) Is within the scope of the **DESCRIPTION OF BENEFITS PROVISIONS** and results, directly and independently of disease or bodily infirmity, from an Injury which is suffered in an Accident;
- (2) Occurs while the person is a Covered Person under this Policy; and
- (3) Is within the scope of the risks set forth in the **DESCRIPTION OF HAZARDS** provisions.

### **Full Excess Medical Expense**

If an Injury to the Covered Person results in his incurring Eligible Expenses for any of the services in the SCHEDULE OF BENEFITS, we will pay the Eligible Expenses incurred, subject to the Deductible Amount and Coinsurance Percentage (if any), that are in excess of Expenses payable by any other Health Care Plan, regardless of any Coordination of Benefits provision contained in such Health Care Plan.

The Covered Person must be under the care of a Doctor when the Eligible Expenses are incurred. The Expense must be incurred solely for the treatment of a covered Injury:

- (1) While the person is insured; or
- (2) During the Benefit Period stated on the SCHEDULE OF BENEFITS.

The first Expense must be incurred within the time frame shown on the SCHEDULE OF BENEFITS.

The total of all medical benefits payable under this Policy is shown on the SCHEDULE OF BENEFITS: and

- (1) Subject to the specific maximums shown on the SCHEDULE OF BENEFITS; and
- (2) Subject to compliance with the requirement, set forth in the Limitations section of this policy.

### **Non-Duplication of Benefits Provision**

This provision applies if a Covered Person:

- (1) Is covered by any other blanket or group health care plan; and
- (2) Would, as a result, receive total medical expense or service benefits in excess of the expenses actually incurred.

In this case, the medical expense benefits we will pay under this Policy will be reduced by such excess. This provision does not apply if we would be primary under any coordination of benefit guidelines contained in the other health care plans.



## PROVISIONS CONCERNING INSUREDS

### Eligibility:

Persons eligible to be insured under this Policy are those persons described as an ELIGIBLE CLASS on the Application who have completed any applicable Service Waiting Period. This includes anyone who may become eligible while this Policy is in force.

### Effective Dates:

A Covered Person will become an Insured under this Policy, provided proper premium payment is made, on the latest of:

- (1) The Policy Effective Date; or
- (2) The day he becomes eligible according to the referenced date shown in the Application.

### Termination:

Insurance for an Insured will end on the earliest of:

- (1) The date he is no longer in an Eligible Class.
- (2) The date he reports for active duty in any Armed Forces, according to the referenced date shown in the Application. We will refund, upon receipt of proof of service, any premium paid, calculated from the date active duty begins until the earlier of:
  - (a) The date the premium is fully earned; or
  - (b) The Policy Expiration Date.This does not include Reserve or National Guard duty for training;
- (3) The end of the period for which the last premium contribution is made; or
- (4) The date this Policy is terminated.

Coverage can be continued by payment of premium for an Insured who is no longer eligible due to:

- (1) Disability; or
- (2) Authorized leave of absence, (other than military leave).

"Disability", as used in this provision, means the Insured is unable, due to Injury, to perform all the substantial and material duties of his job.

Coverage under this provision will end on the earlier of:

- (1) The date ending the six month period immediately following the last day the Insured was actively at work on a full-time basis; or
- (2) The end of the period for which the last premium is paid.

"Full-time" as used in this provision, means working an average of at least 30-hours per week for the Policyholder.

## DESCRIPTION OF HAZARDS

### HAZARD: POLICYHOLDER FUNCTIONS

Subject to all other provisions of this Policy, coverage is provided for a Covered Person while he is:

- (1) Attending or participating in a Supervised or Sponsored Activity; or
- (2) Attending a Policyholder function.

The Covered Person must be:

- (1) On the premises of the Policyholder:
  - (a) During its normal hours;
  - (b) During scheduled functions; or
  - (c) During other periods if he is attending or participating in a Supervised or Sponsored Activity;
- (2) Not on Policyholder premises and attending or participating in a Supervised or Sponsored Activity;
- (3) Traveling directly, without interruption:
  - (a) Between his home and the Policyholder's premises for participation in a Supervised or Sponsored Activity;
  - (b) Between the site of the Supervised or Sponsored Activity and his home or the Policyholder's premises.
  - (c) In a vehicle which is:
    - (i) Designated or furnished by the Policyholder;
    - (ii) Operated by a properly licensed adult driver; and
    - (iii) Under the direct supervision of the Policyholder; or
  - (d) In a vehicle other than that described in (3)(c) when:
    - (i) Operated by a properly licensed driver; and
    - (ii) Travel time does not exceed an hour each way.

Travel time includes the time:

- (i) To or from home, the Policyholder's address and the Supervised or Sponsored Activity;
- (ii) Before the appointed time; and
- (iii) After the Supervised or Sponsored Activity is completed.

Unless otherwise stated, we will pay benefits for a covered loss, only once, even if coverage was provided under more than one Description of Hazards.

## DESCRIPTION OF BENEFITS

### BENEFIT - MEDICAL EXPENSE

We will pay, Eligible Expenses for a Covered Person's Injury, subject to the Deductible Amount and Coinsurance Percentage, if any, shown in the Schedule of Benefits. Eligible Expenses are those incurred for:

- (1) **Hospital Room and Board** – charges for the most common semi-private daily room rate for each day of the Hospital Stay, up to the Maximum Daily Benefit Amount shown in the Schedule of Benefits for Hospital Room and Board.
- (2) **Intensive Care Room and Board** - charges for each day of Intensive Care Unit confinement, up to the Daily Maximum Benefit Amount shown in the Schedule of Benefits for the Intensive Care Room and Board benefit. This payment is in lieu of payment for the Hospital Room and Board charges for those days.
- (3) **Hospital Miscellaneous** - charges during a Hospital Stay, up to the Maximum Daily Benefit Amount shown in the Schedule of Benefits for the Hospital Miscellaneous benefit. Miscellaneous charges do not include charges for telephone, radio or television, extra beds or cots, meals for guests, take home items, or other convenience items.
- (4) **Outpatient Hospital Expenses** - charges by a Hospital for:
  - (a) Pre-admission testing (confinement must occur within 7 days of the testing); or
  - (b) Emergency room treatment, up to the Maximum Benefit Amount per emergency shown in the Schedule of Benefits for the Outpatient Emergency Room Treatment benefit.
- (5) **Surgical Benefits** - charges for:
  - (a) A Doctor, for primary performance of a surgical procedure, up to the Maximum Benefit Amount shown in the Schedule of Benefits per procedure. Two or more surgical procedures through the same incision will be considered as one procedure. However, we will pay up to 1.57 times the surgical procedure charge when more than one surgical procedure through different operating fields are performed during the same surgical session.
  - (b) A Doctor, for: (i) assistant surgeon duties; (ii) a second surgical opinion; or (iii) consultation, up to the Maximum Benefit shown in the Schedule of Benefits for an Assistant Surgeon, Second Surgical Opinion, and Consultation.
  - (c) Anesthesia and its administration, up to the Maximum Benefit Amount shown in the Schedule of Benefits for the Anesthesia benefit.
  - (d) Use of surgical facilities, up to the Maximum Benefit Amount per operating session, as shown in the Schedule of Benefits for the Surgical Facility benefit.
- (6) **Doctor's Visits** - charges by a Doctor for other than pre- or post-operative care:
  - (a) For in-Hospital visits, up to the Maximum Benefit Amount shown in the Schedule of Benefits for Doctor's Visit – In-Hospital.
  - (b) For office visits, up to the Maximum Benefit Amount shown in the Schedule of Benefits for Doctor's Office Visits.Total visits per Injury will not exceed the combined Maximum shown in the Schedule of Benefits for All In-Hospital and Office Doctor's Visits.
- (7) **X-Ray and Laboratory** - charges for X-ray and laboratory tests, up to the Maximum Benefit Amount shown in the Schedule of Benefits for the X-ray & Laboratory benefit.
- (8) **Nursing Services** - Charges for nursing services (other than routine Hospital care) by or under the supervision of a licensed graduate registered nurse, up to the Maximum Benefit Amount shown on the Schedule of Benefits for the Nursing benefit.
- (9) **Physiotherapy** - Charges for physiotherapy:
  - (a) While Hospital confined, up to the Maximum Benefit Amount shown in the Schedule of Benefits for the Hospital Inpatient Physiotherapy benefit;

- (b) As an outpatient, up to the Maximum Benefit Amount shown on the Schedule of Benefits for the Outpatient Physiotherapy benefit.

Physiotherapy includes:

- (a) Heat treatment;
- (b) Diathermy;
- (c) Microtherm;
- (d) Ultrasonic;
- (e) Adjustment;
- (f) Manipulation;
- (g) Massage therapy and
- (h) Acupuncture.

Total treatment per Injury will not exceed the Maximum Benefit Amounts for Physiotherapy shown in the Schedule of Benefits.

- (10) **Ambulance** - from the place where the Injury occurred to the Hospital, up to the Maximum Benefit Amount shown in the Schedule of Benefits for the Ambulance benefit.

- (11) **Medical Equipment Rental** - charges for medical equipment for:

- (a) A wheelchair;
  - (b) An iron lung; or
  - (c) Other medical equipment for which prior approval by us has been given;
- up to the Maximum Benefit Amount shown in the Schedule of Benefits for the Medical Equipment Rental benefit.

- (12) **Medical Services and Supplies** - Charges for medical services and supplies for:

- (a) Oxygen and its administration;
  - (b) Blood and blood transfusions;
- up to the Maximum Benefit Amount shown in the Schedule of Benefits for the Medical Service & Supply benefit.

- (13) **Dental Treatment** - Charges for dental treatment for Injury to a tooth which was sound and natural at the time of Injury, up to the Maximum Benefit Amount shown in the Schedule of Benefits for the Dental Treatment benefit.

The amounts payable under this Medical Expense benefit could be greatly reduced if the Covered Person does not comply with the requirements in the Limitations section of this Policy.

#### **BENEFIT - OUT-PATIENT PRESCRIPTION DRUG BENEFIT**

We will pay the Eligible Expenses, subject to the Deductible Amount and Coinsurance Percentage shown in the Schedule of Benefits, if any; for a Prescription Drug or medication when prescribed by a Doctor on an outpatient basis.

**Prescription Drug** means a drug which:

- (1) Under Federal law may only be dispensed by written prescription; and
- (2) Is utilized for the specific purpose approved for general use by the Food and Drug Administration.

The Prescription Drug must be dispensed for the out-patient use by the Covered Person:

- (1) On or after the Covered Person's Effective Date; and
- (2) By a licensed pharmacy provider.

Benefits are payable up to the Maximum Benefit Amount shown on the Schedule of Benefits.

The amount payable under this benefit could be greatly reduced if the Covered Person does not comply with the requirements in the Limitations section of this Policy.

## **BENEFIT A: BENEFITS FOR ACCIDENTAL DEATH**

If, within one-year from the date of an Accident covered by this Policy, Injury from such Accident, results in the death of the Covered Person, we will pay 100% of the Principal Sum shown in the Schedule of Benefits.

## **BENEFIT A: BENEFITS FOR ACCIDENTAL DEATH, DISMEMBERMENT, LOSS OF SIGHT, SPEECH AND HEARING; OR PARALYSIS**

If, within one-year from the date of an Accident covered by this Policy, Injury from such Accident, results in Loss listed below, we will pay the percentage of the Principal Sum set opposite the loss in the table below. If the Covered Person sustains more than one such Loss as the result of one Accident, we will pay only one amount, the largest to which he is entitled. This amount will not exceed the Principal Sum which applies for the Covered Person.

<b><u>Loss</u></b>	<b><u>Percentage of Principal Sum</u></b>
Loss of Life	100%
Loss of Both Hands	100%
Loss of Both Feet	100%
Loss of Entire Sight of Both Eyes	100%
Loss of One Hand and One Foot	100%
Loss of One Hand and Entire Sight of One Eye	100%
Loss of One Foot and Entire Sight of One Eye	100%
Loss of Speech and Hearing (both ears)	100%
Quadriplegia (total Paralysis of both upper and lower limbs)	100%
Paraplegia (total Paralysis of both lower limbs)	50%
Loss of One Hand	50%
Loss of One Foot	50%
Loss of Entire Sight of One Eye	50%
Loss of Speech	50%
Loss of Hearing (both ears)	50%
Hemiplegia (total Paralysis of upper and lower limbs on one side of body)	50%
Loss of Thumb and Index Finger of the Same Hand	25%

**Loss of a hand or foot** means complete Severance through or above the wrist or ankle joint.

**Loss of sight** means the total, permanent loss of sight of the eye. The loss of sight must be irrecoverable by natural, surgical or artificial means.

**Loss of speech** means total, permanent and irrecoverable loss of audible communication.

**Loss of hearing** means total and permanent loss of hearing in both ears which cannot be corrected by any means.

**Loss of a thumb and index finger** means complete Severance through or above the metacarpophalangeal joints (the joints between the fingers and the hand).

**"Severance"** means the complete separation and dismemberment of the part from the body.

**"Paralysis"** means loss of use, without Severance, of a limb. This loss must be determined by a Doctor to be complete and not reversible.

**United States Fire Insurance Company**  
5 Christopher Way, Eatontown, NJ 07724

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**AMENDATORY ENDORSEMENT**

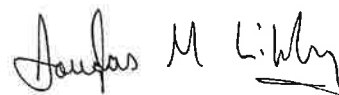
This Amendatory Endorsement is attached to and made a part of the Policy/Certificate. The provisions of this Amendatory Endorsement are effective on the Effective Date and will expire concurrently with the Policy/Certificate, unless otherwise terminated. In consideration of issuance, the Policy/Certificate is hereby amended and modified, as follows:

Benefits are payable for accidental Needlestick which incurs to an Insured Person during their course of study with the Policyholder. The accident must be documented by the appropriate personnel on duty at the time of the accident.

Eligible Expenses include antibiotics, counseling, baseline testing, and blood-borne pathogen, whether or not it leads to a disease being contracted by blood borne pathogens such as human immunodeficiency virus ("HIV"), or acquired immune deficiency syndrome ("AIDS"), Hepatitis B or Hepatitis C.

Eligible Expenses are paid as any other Sickness under the Base Plan

Except as stated herein, this Amendatory Endorsement does not change coverage in any other way and is subject to all provisions, terms, and conditions of the Policy/Certificate. If there is a conflict between the Policy/Certificate and this Amendatory Endorsement, the terms of this Amendatory Endorsement will govern.



Douglas M. Libby  
Chairman and CEO

## EXCLUSIONS

Benefits will not be paid for a Covered Person's loss which:

- (1) Is caused by or results from the Covered Person's own:
  - (a) Intentionally self-inflicted Injury, suicide or any attempt thereat. (In Missouri this applies only while sane.);
  - (b) Voluntary self-administration of any drug or chemical substance not prescribed by, and taken according to the directions of, a doctor (Accidental ingestion of a poisonous substance and involuntary inhalation of gas or fumes is not excluded.);
  - (c) Commission or attempt to commit a felony;
  - (d) Participation in a riot or insurrection;
  - (e) Driving under the influence of a controlled substance unless administered on the advice of a doctor; or
  - (f) Driving while Intoxicated. "Intoxicated" will have the meaning determined by the laws in the jurisdiction of the geographical area where the loss occurs;
- (2) Is caused by or results from:
  - (a) Declared or undeclared war or act of war;
  - (b) An Accident which occurs while the Covered Person is on active duty service in any Armed Forces. (Reserve or National Guard active duty for training is not excluded unless it extends beyond 31 days.);
  - (c) Aviation, except as specifically provided in this Policy;
  - (d) Sickness, disease, bodily or mental infirmity or medical or surgical treatment thereof, bacterial or viral infection, regardless of how contracted. This does not include bacterial infection that is the result of an accidental external bodily injury or accidental food poisoning.
  - (e) Nuclear reaction or the release of nuclear energy if care or treatment is first sought more than 180-days after the loss is first sustained. However, this exclusion will not apply if the loss is sustained within 180 days of the initial incident and:
    - (i) The loss was caused by fire, heat, explosion or other physical trauma which was a result of the release of nuclear energy; and
    - (ii) The Covered Person was within a 25-mile radius of the site of the release either:
      - 1) At the time of the release; or
      - 2) Within 24 hours of the start of the release; or

## ADDITIONAL EXCLUSIONS

Benefits will not be paid for:

1. Normal health checkups;
2. Dental care or treatment other than care of sound, natural teeth and gums required on account of Injury resulting from an Accident while the Covered Person is covered under this Certificate, and rendered within 6 months of the Accident;
3. Services or treatment rendered by a doctor, nurse or any other person who is:
  - (a) Employed or retained by the Certificateholder; or
  - (b) Who is the Covered Person or a member of his immediate family;
4. Charges which:
  - (a) The Covered Person would not have to pay if he did not have insurance; or
  - (b) Are in excess of Usual, Reasonable and Customary charges.
5. An Injury that is caused by flight in:
  - (a) An aircraft, except as a fare-paying passenger;
  - (b) A space craft or any craft designed for navigation above or beyond the earth's atmosphere; or
  - (c) An ultra light, hang-gliding, parachuting or bungi-cord jumping;
6. Travel in or upon:
  - (a) A snowmobile;
  - (b) Any three wheeled motor vehicle;
  - (c) Any off-road motorized vehicle not requiring licensing as a motor vehicle;
7. Any Accident where the Covered Person is the operator of a motor vehicle and does not possess a current and valid motor vehicle operator's license;
8. That part of medical expense payable by any automobile insurance policy without regard to fault. (Does not apply in any state where prohibited);
9. Injury that is:
  - (a) The result of the Covered Person being Intoxicated. ("Intoxicated" will have the meaning determined by the laws in the jurisdiction of the geographical area where the loss occurs); or
  - (b) Caused by any narcotic, drug, poison, gas or fumes voluntarily taken, administered, absorbed or inhaled, unless prescribed by a doctor;
10. Any Sickness, except infection which occurs directly from an Accidental cut or wound or diagnostic tests or treatment, or ingestion of contaminated food, [unless a Sickness Expense Rider is in force under this Certificate];
11. Practice or play in any sports activity, including travel to and from the activity and practice, unless specifically provided for in this Certificate;
12. Expenses to the extent that they are paid or payable under other valid and collectible group insurance or medical prepayment plan;
13. Blood or Blood plasma, except for charges by a Hospital for the processing or administration of blood;
14. Elective treatment or surgery, health treatment, or examination where no Injury is involved;
15. Injury sustained while in the service of the armed forces of any country. When the Covered Person enters the armed forces of any country, we will refund the unearned pro rata premium upon request;
16. Eyeglasses, contact lenses, hearing aids, braces, appliances, or examinations or prescriptions therefore;
17. Treatment in any Veterans Administration or Federal Hospital, except if there is a legal obligation to pay;
18. Treatment of temporomandibular joint (TMJ) disorders involving the installation of crowns, pontics, bridges or abutments, or the installation, maintenance or removal of orthodontic or occlusal appliances or equilibration therapy;
19. Cosmetic surgery, except for reconstructive surgery on a diseased or injured part of the body;
20. Any loss which is covered by state or federal worker's compensation, employers liability, occupational disease law, or similar laws;
21. The repair or replacement of existing artificial limbs, orthopedic braces, or orthotic devices;
22. Rest cures or custodial care;
23. The repair or replacement of existing dentures, partial dentures, braces or fixed or removable bridges;
24. Expenses incurred for an Accident after the Benefit Period shown in the Schedule of Benefits;
25. Orthopedic appliances which are used mainly to protect an Injury so that a covered student can take part in interscholastic or intercollegiate sports;
26. Any bacterial infection that was not caused by an Accidental cut or wound;
27. Prescription medicines unless specifically provided for under this Certificate.



## LIMITATIONS

Any benefits payable under this Certificate will be limited to the following:

- (1) The medical benefits otherwise payable under this Certificate will be reduced by 50% if:
  - (a) Excess insurance is provided under this Certificate; and
  - (b) The Covered Person has coverage under another plan providing medical expense benefits; and
  - (c) The other plan is an HMO, PPO or similar arrangement ("PPO-Preferred Provider Organization" means an Organization offering health care services through designated health care providers who agree to perform these services at rates lower than nonpreferred providers.); and
  - (d) The Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement for the provision of benefits.

The Covered Person's limitation does not apply to emergency treatment required within 24 hours after an Accident which occurred outside the geographic area serviced by the HMO, PPO or similar arrangement.

- (2) The application of the Coordination of Benefits or Non-Duplication of Benefits provision.

## **AGGREGATE LIMIT**

The Aggregate Limit of Liability is shown in the Application on the Schedule of Benefits. We will NOT be liable for any amount over such limit for any one Accident.

If the total amount of benefits to be paid under this Policy is more than the Aggregate Limit of Liability, the benefit amount payable for a Covered Person's loss will be determined as a proportionate share of the Aggregate Limit of Liability.

## **PREMIUM PROVISIONS**

### **GRACE PERIOD:**

A grace period of not less than 31 days is granted for each premium due after the first premium due date. The grace period is shown in the SCHEDULE OF BENEFITS. Coverage will stay in force during this period unless notice has been sent, in accordance with the POLICY TERMINATION provision, of the intent to terminate coverage under this Policy. Coverage will end if the premium is not paid by the end of the grace period.

### **PREMIUMS:**

Premium due dates are the first of every month. Premium payment made in advance or for more than a one month period will not affect any provisions of this Policy with regard to change. Failure by the Policyholder to pay premiums when due or within the grace period shall be deemed notice to us to terminate coverage at the end of the period for which premium was paid.

### **CHANGES IN RATES:**

We have the right to change the premium rates on any premium due date:

- (1) After the first 12 months insurance is in effect;
- (2) Coinciding with a change in the coverage provided or classes eligible; or
- (3) Coinciding with a change in the risks we have assumed.

We will give 31 days written notice of any change under (1) above. Notice will be sent to the Policyholder's most recent address in our records.

## GENERAL POLICY PROVISIONS

### **ENTIRE CONTRACT; CHANGES:**

This Policy, the application of the Policyholder (a copy of which is attached), endorsements, riders and attached papers constitute the entire contract between the parties. If an application of an Insured is required, the application of any Insured, at our option, may also be made a part of this contract.

All statements made by the Policyholder or by a Covered Person are deemed representations and not warranties. No such statement will cause us to deny or reduce benefits or be used as a defense to a claim unless a copy of the instrument containing the statement is or has been furnished to such person; or, in the event of his death or incapacity, his beneficiary or representative. After 2-years from the Covered Person's effective date of coverage no such statement, except in the case of fraud, will cause such coverage to be contested.

No change in this Policy will be valid until approved by one of our executive officers. This approval must be endorsed on or attached to this Policy. No agent may change this Policy or waive any of its provisions.

### **RECORDS MAINTAINED:**

The Policyholder or its authorized administrator will maintain records of the essential features of each Covered Person's insurance under this Policy.

We shall be permitted to examine the Policyholder's records relating to coverage under this Policy. Examination may occur at any reasonable time up to the later of:

- (1) The two year period after the expiration of the Policyholder's coverage; or
- (2) The final adjustment and settlement of all claims under the Policyholder's coverage.

### **REPORTING REQUIREMENTS:**

The Policyholder or its authorized agent must report to us, by the premium due date:

- (1) The names of all persons insured on the Policy Effective Date;
- (2) The names of all persons who are insured after the Policy Effective Date;
- (3) The names of those persons whose insurance has terminated; and
- (1) Additional information required as agreed to by us and the Policyholder.

### **CONFORMITY WITH STATE STATUTES:**

Any provision of this Policy in conflict, on the Policy Effective Date, with the laws of the state where it is delivered, is amended to conform to the minimum requirements of such laws.

## CLAIM PROVISIONS

### NOTICE OF CLAIM:

Written notice must be given to us within 30 days after a covered loss occurs or begins or as soon as reasonably possible. Notice can be given at our administrative office as shown on the Policy cover or to our agent. Notice should include the Policyholder's name and number and the Insured's name and address.

### CLAIM FORMS:

When we receive the notice of claim, we will send forms for filing proof of loss. If claim forms are not sent within 15 days after notice is given, the proof requirements will be met by submitting, within the time required under PROOF OF LOSS, written proof of the nature and extent of the loss.

### PROOF OF LOSS:

Written proof of loss must be furnished to us in the case of a claim for loss for which this Policy provides periodic payment contingent upon continuing loss within 90 days after the end of the period for which we are liable. Written proof that the loss continues must be furnished to us at intervals required by us.

In case of claim for any other loss, proof must be furnished within 90 days after the date of such loss.

If that is not reasonably possible, we will not deny or reduce any claim if proof is furnished as soon as reasonably possible. Proof must, in any case, be furnished not more than a year later, except for lack of legal capacity.

### TIME OF PAYMENT OF CLAIMS:

We will acknowledge a claim within 30 days after receiving notice of claim if the notice contains sufficient information for us to identify the coverage. If the claim is being investigated, within 45 days after receipt by us of the initial claim, we will send a claim status report to you and every 45 days thereafter until the claim is paid or denied. The report will give details sufficient for you to understand why processing of the claim has not been completed and whether we need additional information to process the claim.

Benefits due under the policy for a loss, other than a loss for which the policy provides installments, will be paid immediately upon receipt of due written proof of such loss.

### PAYMENT OF CLAIMS:

Benefits for the Insured's loss of life will be paid to the beneficiary named in our records, if any, at the time of payment. The benefits can be paid in one sum or, at the Insured's written request, in accordance with one of our settlement plans. If the Insured has not requested any settlement plan, the beneficiary can do so in writing after the Insured's death. If there is no named beneficiary or surviving beneficiary, the Insured's loss of life benefits will be paid in one sum to the first surviving class of following in the order shown below:

- (1) The beneficiary named to receive the Insured's proceeds;
- (2) Spouse;
- (3) Child or children;
- (4) Mother or father;
- (5) Sisters or brothers; or
- (6) The estate of the Insured.

If we are to pay benefits to the estate or to a person who is incapable of giving a valid release, we may pay up to \$1,000 to a relative by blood or marriage whom we believe is equitably entitled. This good faith payment satisfies our legal duty to the extent of that payment.

Any other accrued benefits which are unpaid at the Insured's death may, at our option, be paid either to his beneficiary or to his estate. All other benefits, unless specifically stated otherwise, will be paid to the Insured.

### PAYMENT OF CLAIMS: OTHER BENEFITS:

All other benefits will be paid to the Covered Person, if he is living, if not, we will pay his beneficiary or his estate.

### CHANGE OF BENEFICIARY: (Applicable only if an Accidental Death or Dismemberment benefit is provided)

The Insured can change the beneficiary at any time by giving us written notice. The beneficiary's consent is not required for this or any other change which the Insured may make unless the designation of beneficiary is irrevocable or otherwise required by law.

**PHYSICAL EXAMINATION AND AUTOPSY:**

We will pay the cost and have the right to have the Covered Person examined as often as reasonably necessary while the claim is pending. We can have an autopsy made at our expense unless prohibited by law. (Autopsies are not permitted to be required in Massachusetts, Mississippi and South Carolina.)

**LEGAL ACTIONS:**

No action at law or in equity shall be brought to recover benefits under this Policy less than 60 days after written proof of loss has been furnished as required by this Policy. No such action shall be brought more than 3 years (South Carolina: 6 years) after the time written proof of loss is required to be furnished.