



QBE INSURANCE CORPORATION

Administrative Office
55 Water Street
New York, NY 10041

BLANKET ACCIDENT CERTIFICATE OF INSURANCE

POLICYHOLDER: Hyde County Schools
GROUP POLICY NUMBER: SHH960003 Policyholder Paid Plan

QBE Insurance Corporation certifies that We have issued the Blanket Accident Insurance Policy to the Policyholder, to insure Eligible Persons described in the Policy and this Certificate.

This Certificate describes the benefits and provisions of the Policy and is in effect for you when you meet the conditions of eligibility described in this Certificate and the Policy under which it is issued.

This Certificate takes the place of any other Certificate previously issued to you under this Policy. It contains all of the terms and conditions applicable to this insurance. Please read it carefully and keep it in a safe place.

This is not the insurance contract. It does not waive or alter any terms of the Policy. You may examine the Policy at the office of the Policyholder.

IN WITNESS WHEREOF QBE Insurance Corporation has caused this Certificate to be executed on the Date of Issue to take effect on the Effective Date.

A handwritten signature in black ink, appearing to read 'Todd Jones'.

Todd Jones
President

A handwritten signature in black ink, appearing to read 'Mark Pasko'.

Mark Pasko
Secretary

**THIS CERTIFICATE PROVIDES LIMITED COVERAGE FOR ACCIDENT ONLY.
PLEASE READ YOUR CERTIFICATE CAREFULLY.**

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SCHEDULE OF BENEFITS

This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits, please read all the policy provisions carefully. Accident benefits shall be paid only once depending on when the Covered Accident occurred.

Eligible Persons:

- Class 1 An Eligible Person is a person who:
- 1 – is participating in interscholastic sports or intramural sports; or
 - 2 – is a student coach, student manager or student trainer; or
 - 3 – is an athletic trainer, head coach or assistant coach; and
 - 4 – for which the Policyholder has selected Plan A, B, C or D, as indicated in **Part I, Section d**, on the Policyholder Application.
- Class 2 An Eligible Person is a person who:
- 1 – is participating in interscholastic sports; or
 - 2 – is a cheerleader, band member or majorette; or
 - 3 – is a student coach, student manager or student trainer; or
 - 4 – is an athletic trainer, head coach or assistant coach; and
 - 5 – for which the Policyholder has selected Plan A, B, C or as indicated in **Part I, Section d**, on the Policyholder Application.
- Class 3 An Eligible Person is a person who:
- 1 – is participating in interscholastic sports, intramural sports or gym class; or
 - 2 – is a cheerleader, band member or majorette; or
 - 3 – is a student coach, student manager, student trainer; or
 - 4 – is an athletic trainer, head coach or assistant coach; or
 - 5 – is participating in school sponsored and supervised non-sports extracurricular activities; and
 - 6 – for which the Policyholder has selected Plan A, B, C or D, as indicated in **Part I, Section d**, on the Policyholder Application.
- Class 4 An Eligible Person is a student who:
- 1 – is an enrolled student; or
 - 2 – is participating in intramural sports; and
 - 3 – for which the Policyholder has selected Plan A, B, C or D, as indicated in **Part I, Section d**, on the Policyholder Application.

CONDITIONS OF COVERAGE

The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions under the following coverage.

Policyholder Coverage –Not Applicable

School Coverage – Applicable only if stated in **Part I, Section d**, of the Policyholder Application

Sports Coverage – Applicable only if stated in **Part I, Section d**, of the Policyholder Application

Covered Travel activities

Covered Activity Travel Limits

Personal Deviations	Not covered
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Travel arranged, provided, or paid for by the Policyholder	No time limit
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Any other covered travel immediately before or after a Covered Activity	Limited to one hour each way
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Overnight Supervised and Sponsored Activities with duration of more than 7 days and related travel are not covered unless specifically agreed to in writing by Us.

Covered Activities

- | | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Class 1 | Policyholder Supervised and Sponsored Interscholastic Sports and Intramural Sports. |
| Class 2 | Policyholder Supervised and Sponsored Interscholastic Sports, including cheerleading, band and majorettes. |
| Class 3 | Policyholder Supervised and Sponsored Interscholastic Sports and Intramural Sports, including cheerleading, band, majorettes, gym class, and Policyholder Supervised and Sponsored non-sport extracurricular activities. |
| Class 4 | Policyholder Supervised and Sponsored School Activities and Intramural Sports only (Interscholastic sports are excluded from Class 4). |

All One-Day Field Trips are included.

Any Sports or Activities for which coverage is provided under the State of North Carolina DOI - Public and Charter School Catastrophic Athletic Accident Policy are excluded under this Policy.

Solely as it may relate to a Covered Activity, coverage is in effect during travel to any Covered Activity that takes place within the United States, its possessions, or the countries of Canada or Mexico. Except to the extent coverage is provided herein, Exclusion 11. in Section COMMON EXCLUSIONS still applies.

INDEMNITY BENEFITS - Applicable to All Plans

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Loss must occur within 365 days of the Covered Accident

Covered Loss	Schedule of Covered Losses Benefit
Loss of Life	\$15,000
Loss of Life – Heart Failure	\$15,000
Loss of Two or More Hands or Feet	\$20,000
Loss of Sight of Both Eyes	\$20,000
Loss of One Hand or Foot and Sight in One Eye	\$20,000
Loss of Speech and Hearing	\$20,000
Quadriplegia	\$20,000
Paraplegia	\$20,000
Hemiplegia	\$20,000
Loss of One Hand or Foot	\$10,000
Loss of Sight in One Eye	\$10,000
Loss of Speech	\$10,000
Loss of Hearing in Both Ears	\$10,000
Loss of Thumb and Index Finger of the Same Hand	\$5,000
Aggregate Limit of Indemnity	\$500,000
Applies to:	All Conditions of Coverage

Not more than the Aggregate Limit of Indemnity specified above will be paid for all Covered Losses suffered by all Covered Persons insured under this Accidental Death and Dismemberment Benefit as the result of any one Covered Accident that occurs under one of the Conditions of Coverage, as specified above. If this amount does not allow all Covered Persons to be paid the amounts this Policy otherwise provides, the amount paid will be the proportion of the Covered Person's loss to the total of all losses, multiplied by the Aggregate Limit of Indemnity.

ACCIDENT MEDICAL EXPENSE BENEFITS

(Plan letter and related benefits based on Part II of the Policyholder Application.)

Any benefit limits and Benefit Percentages for Accident Medical Expense Benefits apply, unless otherwise specified, on a per-Covered Person – per Covered Accident basis. Any applicable Deductibles must be satisfied within the time periods specified before benefits are payable.

Scope of Coverage Applicable to Accident Medical Benefits

Full Excess Medical Expense
Other Health Care Plan Reduction 0%

Medical Expense Benefits

Total Lifetime Maximum for all Accident Medical Expense Benefits	Plan A and Plan B: \$1,000,000 Plan C and Plan D: \$5,000,000
First Covered Expenses must be Incurred within	60 days after a Covered Accident
Benefit Period	10 year(s) from the date of the Covered Accident
Deductible applies to	\$25,000 each Covered Accident and includes Covered Expenses paid under another Health Care Plan
Deductible must be satisfied within	730 days from the date of the Covered Accident

Covered Expense

Benefit Amount, Percentage, Other Limits

In-Patient Hospital Services

Daily ICU or CCU Benefit	100%, up to two times the average semi-private room rate
Daily In-Hospital Benefit	100% of the average semi-private room rate
Miscellaneous Services	100%

Ambulatory Medical Center

100%

Emergency Room Treatment

100%

Physician Services

Surgery Benefit	100%
Assistant Surgeon	100%
Physician's Surgical Facilities	100%
Second Opinion or Consultation	100%
Physician's Assistant	100%
Anesthesia Benefit	100%
Inpatient Visits	100%
Office Visits	100%

Outpatient X-Ray, CT Scan, MRI and Laboratory Tests

100%

Outpatient Physiotherapy

100%, up to \$100,000

Nursing Services	100%
Ambulance Services	100%
Medical Equipment Rental	100%, up to \$100,000
Medical Services and Supplies	100%

Covered Services include:

- (a) initial artificial limbs, eyes and larynx, including fitting; and
- (b) examination, prescription for, replacement or repair of damaged eyeglasses, contact lenses or hearing aids.

Dental Services	100%
Prescription Drug Benefit	100%

GENERAL DEFINITIONS

Please note that certain words used in this Policy have specific meanings. The words defined below and capitalized within the text of this Policy have the meanings set forth below.

Active Service

A Covered Person is considered in Active Service if he is none of the following:

1. an Inpatient in a Hospital or receiving Outpatient care or chemotherapy or radiation therapy;
2. confined at home under the care of a Physician for a treatment of a sickness or injury; or
3. totally disabled.

Aircraft means a vehicle which has a valid certificate of airworthiness and is being flown by a pilot with a valid license to operate the Aircraft.

Appropriate Treatment means care, services or supplies, provided by or at the direction of a Physician that are appropriate, according to accepted standards of medical practice, for the Covered Person's injury and are provided during the course of treatment of an injury sustained in a Covered Accident. Appropriate Treatment must be provided no less frequently than monthly.

Benefit Percentage means the percentage of Covered Expenses We pay that are Incurred by the Covered Person after he satisfies any applicable Deductible. Benefit Percentages are shown in the *Schedule of Benefits*.

Covered Activity means any recurring activity that is shown in the *Schedule of Benefits* and:

1. takes place under one of the Conditions of Coverage specified in the *Schedule of Benefits*; and
2. is sponsored, organized, scheduled or otherwise provided by the Policyholder.

Company or We, Us, Our, means QBE Insurance Corporation (QBEIC), domiciled in Pennsylvania.

Covered Accident means a sudden, unforeseeable, external event that results, directly and independently of all other causes, in an injury or loss and meets all of the following conditions:

1. occurs while the Covered Person is insured under this Policy;
2. is not contributed to by disease, sickness, or mental or bodily infirmity; and
3. is not otherwise excluded under the terms of this Policy.

Covered Expenses means the lesser of the reasonable and customary charge and the maximum benefit shown, for services or supplies listed, in the *Schedule of Benefits* and described in the *Accident Medical Expense Benefits* section of this Policy. Covered Expenses must be Incurred by a Covered Person for Appropriate Treatment for injuries sustained in a Covered Accident.

Covered Person means an Eligible Person, as defined in the *Schedule of Benefits*, for whom required premium has been paid when due and for whom coverage under this Policy remains in force.

Deductible means the amount of Covered Expenses that each Covered Person must incur before benefits are paid under this Policy. The Covered Person may use Covered Expenses paid under another Health Care Plan to satisfy the Deductible under this Policy only if so indicated in the *Schedule of Benefits*.

He, Him or His means an individual, male or female.

Health Care Plan means any arrangement, whether individually purchased or incident to employment or membership in an association or other group, which provides benefits or services for health care, dental care, disability benefits or repatriation of remains. A Health Care Plan includes group, blanket, franchise, family or individual:

1. insurance policies;
2. subscriber contracts;
3. uninsured agreements or arrangements;
4. coverage provided through Health Maintenance Organizations, Preferred Provider Organizations and other prepayment, group practice and individual practice plans;
5. medical benefits provided under automobile "fault" and no-fault – type contracts;
6. medical benefits provided by any governmental plan or coverage or other benefit law, except:
 - a. a state-sponsored Medicaid plan; or
 - b. a plan or law providing benefits only in excess of any private or non-governmental plan;
7. other valid and collectible medical or health care benefits or services.

Hospital means an institution that meets all of the following:

1. it is licensed as a Hospital pursuant to applicable law;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it is managed under the supervision of a staff of medical doctors;
4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
6. it charges for its services.

The term Hospital does not include a clinic, facility, or unit of a Hospital for:

1. rehabilitation, convalescent, custodial, or educational or nursing care;
2. the aged, drug addicts or alcoholics; or
3. a Veteran's Administration Hospital or Federal Government Hospitals unless the Covered Person incurs an expense.

Hospital Stay means a confinement in a Hospital, ordered by a Physician, over one or more nights when room and board and general nursing care are provided at a per diem charge made by the Hospital. The Hospital Stay must result directly and independently of all other causes from a Covered Accident. Separate Hospital Stays due to the same Covered Accident will be treated as one Hospital Stay unless (a) separated by at least 90 days or (b) a Covered Person returns to Active Service for 30 or more days between Hospital Stays.

Incurred or Incurs means an obligation to pay for a Covered Expense for treatment, service or purchase of supplies, deemed to be the date it is provided to the Covered Person.

In-Patient means a Covered Person who is confined for at least one full day's Hospital room and board. The requirement that a person be charged for room and board does not apply to confinement in a Veteran's Administration Hospital or Federal Government Hospital and in such case, the term "Inpatient" shall mean a Covered Person who is required to be confined for a period of at least a full day as determined by the Hospital.

Nurse means a licensed registered nurse (R. N.) or a licensed practical nurse (L. P. N.) who is not:

1. the Covered Person;
2. a parent, sibling, spouse or child of the Covered Person or the Covered Person's spouse;
3. a person living in the Covered Person's household; or
4. a person employed or retained by the Policyholder.

Out-Patient means a Covered Person who receives treatment, services and supplies while not an Inpatient in a Hospital.

Personal Deviation means any activity which:

1. is neither reasonably related to or incidental to the purpose of travel for which coverage is provided by this Policy; and
2. the Covered Person performs before, during or after covered travel.

When coverage is provided during a Personal Deviation, the time period covered is shown in the *Conditions of Coverage* section of the *Schedule of Benefits*.

Physician means a licensed health care provider practicing within the scope of his license and rendering care and treatment to a Covered Person that is appropriate for the condition and locality and who is not:

1. employed or retained by the Policyholder; or
2. living in the Covered Person's household; or
3. a parent, sibling, spouse or child of the Covered Person.

Usual and Customary Charge means the normal charge, in the absence of insurance, made by the provider of any Appropriate Treatment, but not more than the prevailing charge in the area:

1. for a like service by a provider with similar training or experience; or
2. for a supply that is identical or substantially equivalent.

The final determination of all Usual and Customary Charges rests solely with Us.

ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

Policy Effective Date

We agree to provide Blanket Accident Insurance Benefits described in this Policy in consideration of the Policyholder's application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown on this Policy's first page.

Eligibility

An individual becomes eligible for insurance under this Policy on the date he meets all of the requirements of one of the Covered Classes and completes any Eligibility Waiting Period, as shown in the *Schedule of Benefits*. An Eligible Person may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class.

Effective Date for Individuals

Insurance becomes effective for an Eligible Person on the latest of the following dates:

1. the effective date of this Policy; and
2. the date the individual becomes eligible.

Effective Date of Changes

Any increase or decrease in the amount of insurance for a Covered Person resulting from a change in benefits provided by this Policy will take effect on the date of such change. Increases will take effect subject to any Active Service requirement.

Termination of Insurance

The insurance on a Covered Person will end on the earliest date below:

1. the date the person is no longer in an Eligible Class;
2. the end of the last period for which premium is paid; or
3. the date this Policy terminates.

Termination will not affect a claim for a Covered Loss resulting from a Covered Accident that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit or Maximum, as shown in the *Schedule of Benefits*, have been paid;
3. the date benefits paid equal any applicable Policy Aggregate Maximum, as shown in the *Schedule of Benefits*.

COMMON EXCLUSIONS

In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Loss which, directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the *Description of Benefits* Section:

1. intentionally self-inflicted Injury, suicide or any attempt thereat while sane or insane;
2. commission or attempt to commit a felony or an assault;
3. commission of or active participation in a riot or insurrection;
4. bungee jumping; parachuting; skydiving; parasailing; hang-gliding;
5. declared or undeclared war or act of war;
6. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface, except as a fare-paying passenger on a regularly scheduled commercial or charter airline;
7. travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle;
8. participation in any motorized race or contest of speed;
9. an accident if the Covered Person is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license; except while participating in Driver's Education Program;
10. sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food;
11. travel or activity outside the United States or Canada;
12. the Covered Person's intoxication as determined according to the laws of the jurisdiction in which the Covered Accident occurred;
13. voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage; or
14. injuries compensable under Workers' Compensation law or any similar law.

We will not pay benefits for:

15. services or treatment rendered by a Physician, Nurse or any other person who is:
 - a. employed or retained by the Policyholder;
 - b. living in the Covered Person's household; or
 - c. who is a parent, sibling, spouse or child of the Covered Person;
16. any Hospital Stay or days of a Hospital Stay that are not Appropriate Treatment for the condition and locality; or
17. a Covered Person's Covered Loss if:
 - a. he was driving a private passenger automobile at the time of the Covered Accident that resulted in the Covered Loss; and
 - b. he was intoxicated, as that term is defined by the law of the jurisdiction in which the Covered Accident occurred.

CLAIM PROVISIONS

Notice of Claim

Written or authorized electronic/telephonic notice of claim must be given to Us within 31 days after a Covered Loss occurs or begins or as soon as reasonably possible. If written or authorized electronic/telephonic notice is not given in that time, the claim will not be invalidated or reduced if it is shown that such notice was given as soon as was reasonably possible. Notice can be given to Us at Our Administrative Office in New York, New York, to such other place as We may designate for the purpose, or to Our authorized agent. Notice should include the Policyholder's name and policy number and the Covered Person's name and address.

Claim Forms

We will send claim forms for filing proof of loss when We receive notice of a claim. If such forms are not sent within 15 days after We receive notice, the proof requirements will be met by submitting, within the time fixed in this Policy for filing proof of loss, written or authorized electronic proof of the nature and extent of the loss for which the claim is made.

Claimant Cooperation Provision

Failure of a claimant to cooperate with Us in the administration of the claim may result in termination of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Proof of Loss

Written or authorized electronic proof of loss satisfactory to Us must be given to Us at Our office, within 90 days of the loss for which claim is made. If written or authorized electronic notice is not given within that time, no claim will be invalidated or reduced if it is shown that such notice was given as soon as reasonably possible. In any case, written or authorized electronic proof must be given not more than one year after the time it is otherwise required, except if proof is not given solely due to the lack of legal capacity.

Time of Payment of Claims

We will pay benefits due under this Policy immediately upon receipt of due written or authorized electronic proof of such loss.

Payment of Claims

All benefits will be paid in United States currency. Benefits for loss of life will be payable in accordance with the Beneficiary provision and these Claim Provisions. All other proceeds payable under this Policy, unless otherwise stated, will be payable to the Covered Person or to his estate.

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. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

Beneficiary

The beneficiary is the person or persons the Covered Person names or changes on a form executed by him and satisfactory to Us. This form may be in writing or by any electronic means agreed upon between Us and the Policyholder. Consent of the beneficiary is not required to affect any changes or to make any assignment of rights or benefits permitted by this Policy, unless the beneficiary has been designated as an irrevocable beneficiary.

A beneficiary designation or change will become effective on the date the Covered Person executes it. However, We will not be liable for any action taken or payment made before We record notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the Covered Person has specified otherwise. The share of any beneficiary who does not survive the Covered Person will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary, or if the Covered Person dies while benefits are payable to him, We may make direct payment to the first surviving class of the following classes of persons:

1. spouse;
2. child or children;
3. mother or father;
4. sisters or brothers;
5. estate of the Covered Person.

Physical Examination and Autopsy

We, at Our own expense, have the right and opportunity to examine the Covered Person when and as often as We may reasonably require while a claim is pending and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions

No action at law or in equity may be brought to recover under this Policy less than 60 days after written or authorized electronic proof of loss has been furnished as required by this Policy. No such action will be brought more than three years after the time such written proof of loss must be furnished.

Recovery of Overpayment

If benefits are overpaid, We have the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under this Policy.

If there is an overpayment due when the Covered Person dies, We may recover the overpayment from the Covered Person's estate.

ADMINISTRATIVE PROVISIONS

Cancellation

We or the Policyholder may cancel this Policy as of any Premium Due Date by giving the other 60 days advance written notice. Any premium rate guarantee will not affect Our or the Policyholder's right to cancel this Policy.

If a premium is not paid when due, We will cancel this Policy at the end of the last period for which premium was paid, subject to any Grace Period provision. Premium Due Dates are shown in the *Schedule of Benefits*.

Cancellation will not affect a claim for a Covered Loss resulting from a Covered Accident that occurred before the cancellation date.

Premiums

All premium rates are expressed in, and all premiums are payable in, United States currency. The premiums for this Certificate will be based on the rates, as set forth in the *Schedule of Benefits* or subsequently changed, the plan and amounts of insurance in effect and the premium mode applicable to the Policy, as shown in the *Schedule of Benefits*. We will provide notifications of premiums due or premium changes, by mail to the most current address in our files, to the Policyholder, or to you if your coverage is being continued under a *Continuation Provision*.

Premium Payment

Premiums are paid by the Policyholder, from its funds or from funds it has collected from You, or from a combination of its and Your contributions, unless insurance under this Certificate is provided under a *Continuation Provision*. If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premiums, except as provided in the Grace Period provision.

Changes in Premium Rates

We may change the premium rates from time to time with at least 31 days advance written notice to the Policyholder. No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12-month period. However, We reserve the right to change rates at any time if any of the following events take place:

1. the terms of this Policy change;
2. coverage is reinstated following failure to pay premium during the Grace Period;
3. a change in any federal or state law or regulation is enacted, adopted or amended to the extent that it affects Our benefit obligations under this Policy; or
4. the Policyholder fails to provide sufficient information, as required by Us, to confirm adequacy of premiums and rates currently being paid.

Any increase or decrease in rate will take effect on the date of the applicable change specified above. A pro-rata adjustment will apply from the date of the change to the end of any period for which premium has been paid.

Reinstatement

This Certificate may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are Your written application satisfactory to Us and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to the earliest period for which premium was not previously paid.

GENERAL PROVISIONS

Entire Contract; Changes

This Certificate, including the endorsements, amendments and any attached papers, constitutes the entire contract of insurance. No change in this Certificate will be valid until approved by one of Our executive officers and endorsed on or attached to it. No agent has authority to change the Policy or any Certificate, or to waive any of its provisions.

Misstatement of Fact

If You have misstated any fact, all amounts payable under this Policy will be such as the premium paid would have purchased had such fact been correctly stated.

Assignment

The rights and benefits under this Policy may not be assigned and any attempt to assign will be void.

Incontestability

All statements You have made are considered representations and not warranties. No statement will be used 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 the claimant. In the event of death or incapacity, the applicable representative shall be given a copy.

After two years from Your effective date of insurance, or from the effective date of increased benefits, no such statement will cause insurance or the increased benefits to be contested except for fraud or lack of eligibility for insurance.

Clerical Error

Your insurance will not be affected by error or delay in keeping records of insurance under the Policy or your Certificate. If such error or delay is found, We will adjust the premium fairly.

Compensation Insurance

This Policy is not in place of and does not affect any requirements for coverage under any Workers' Compensation law.

CONDITIONS OF COVERAGE *(The Schedule will set forth the Conditions of Coverage applicable to the Policy.)*

This section describes the Conditions of Coverage under which benefits provided by this Policy become payable. Any benefits are payable only once, even though more than one Condition of Coverage may apply. Please read these and the *Common Exclusions* sections in order to understand all of the terms, conditions and limitations of coverage.

POLICYHOLDER COVERAGE

Provisions, exclusions and other conditions concerning travel apply only if indicated on the Schedule of Benefits.

We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, when a Covered Person suffers a Covered Loss or Incurs Covered Expenses resulting, directly and independently of all other causes, from a Covered Accident that occurs during one of the Covered Activities shown in the *Schedule of Benefits*.

The Covered Activity must take place:

1. under one of the Conditions of Coverage shown in the *Schedule of Benefits*; and
2. on the premises of the Policyholder during normal hours of operation or during another scheduled time; or
3. at another site designated by the Policyholder where the Covered Activity is scheduled.

This Coverage also includes travel only within the United States and only directly and without interruption;

1. between the Covered Person's home or another meeting place designated by the Policyholder and the site of the Covered Activity; and
2. by common carrier or Policyholder arranged or provided transportation to the site of the Covered Activity, or by a private passenger automobile driven by an adult with a valid drivers' license.

Exclusions This coverage will not be in effect during:

1. the Covered Person's Personal Deviation; or
2. during travel to any Covered Activity that takes place outside the United States unless We have agreed to provide it in advance.

Other exclusions that apply to this coverage are in the *Common Exclusions* section.

SCHOOL COVERAGE

Provisions, exclusions and other conditions concerning travel apply only if indicated on the Schedule of Benefits.

We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, when a Covered Person suffers a Covered Loss or Incurs Covered Expenses resulting directly and independently of all other causes from a Covered Accident that occurs while he is participating in or attending one of the following School Covered Activities:

1. regularly-scheduled classroom instruction;
2. regularly-scheduled and supervised recess or lunch period;
3. a study period or special instruction period supervised by a member of the school's faculty;
4. a Supervised and Sponsored School Activity; or
5. Covered School Travel.

Covered School Travel includes travel, only within the United States, and only directly and without interruption:

1. between home and school;
2. between home and another meeting place designated by the school;
3. between home and another school or site designated by the School, where a Supervised and Sponsored School Activity is scheduled;
4. between the school or other meeting place designated by the school, and another school or site designated by the school, where a Supervised and Sponsored School Activity is scheduled.

School Travel Coverage for Overnight Supervised and Sponsored School Activities

Covered School Travel also includes travel to a Supervised and Sponsored School Activity, within or outside the United States when a Covered Person's participation in or attendance at it requires him to be away from his normal residence for a stay of one or more nights. Coverage for travel to any Covered Activity that takes place outside the United States will be covered only if We have agreed to it in writing.

Definitions

For purposes of this coverage:

Supervised and Sponsored School Activity means a Covered Activity that:

1. takes place:
 - a. on school premises during, before or after normal school hours; or
 - b. at another school or site at which the Covered Activity is scheduled;
2. is sponsored, organized or otherwise provided, or at which student attendance is required, by the school; and
3. is supervised by a member of the faculty or staff of the school, or by another adult specifically assigned supervisory duties and authority for that Covered Activity by the school, or
4. is a regularly-scheduled sports tryout, practice, workout or training session, team meeting, game, exhibition play or competition of those sports shown on the *Schedule of Benefits* in which a Covered Person is participating.

(Item 4 – Applicable per Covered Activities in the Schedule of Benefits.)

Supervised and Sponsored School Activities does not include participating in tryouts, practice or any competitions or games for any interscholastic, intercollegiate or any sports activity not specifically shown in the *Schedule of Benefits*.

Exclusions

1. This coverage will not be in effect during a Covered Person's Personal Deviation.
2. This coverage will not be in effect during travel to any Covered Activity that takes place outside the United States unless We have agreed in advance to provide it.

Other exclusions that apply to this coverage are in the *Common Exclusions* Section.

SPORTS COVERAGE

Provisions, exclusions and other conditions concerning travel apply only if indicated on the Schedule of Benefits.

We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, when the Covered Person suffers a Covered Loss or Incurs Covered Expenses resulting directly and independently of all other causes from a Covered Accident that occurs while he is participating in one of the following Sports Covered Activities:

1. regularly-scheduled practice or training;
2. regularly-scheduled competition or exhibition game;
3. a scheduled tryout, workout session or team meeting;
4. a Supervised and Sponsored Sports Activity; or
5. Covered Sports Travel.

Covered Sports Travel includes travel only within the United States and only directly and without interruption:

1. between home and the premises of the Sports Organization;
2. between home and another meeting place designated by the Sports Organization;
3. between home and another site designated by the Sports Organization, where a Supervised and Sponsored Sports Activity is scheduled;
4. between the premises of the Sports Organization or other meeting place it designates and another site where a Supervised and Sponsored Sports Activity is scheduled.

Travel Coverage for Overnight Supervised and Sponsored Sports Activities

Covered Sports Travel also includes travel to a Supervised and Sponsored Sports Activity, within or outside the United States when a Covered Person's participation in or attendance at it requires him to be away from his normal residence for a stay of one or more nights. Coverage for travel to any Covered Activity that takes place outside the United States will be covered only if We have agreed to it in writing.

Definitions

For purposes of this coverage:

Sports Organization means a school, college or university, team, league or other organization, as named in the *Schedule of Benefits*, that organizes, sponsors, supervises, schedules or otherwise provides Sports Covered Activities.

Supervised and Sponsored Sports Activity means a Covered Activity that:

1. takes place:
 - a. on a Sports Organization's premises during scheduled hours;
 - b. at another site at which the Covered Activity is scheduled; and
2. is sponsored, organized or otherwise provided by the Sports Organization; and
3. is supervised by a coach, referee, or by another adult specifically assigned supervisory duties and authority for that Covered Activity by the Sports Organization.

Supervised and Sponsored Sports Activity does not include participating in any activity, including tryouts, practice or any competitions or games for any sports activity not specifically shown in the *Schedule of Benefits*.

Exclusions

1. This coverage will not be in effect during any sports activity unless it is sponsored, organized, supervised, scheduled or otherwise provided by the Sports Organization named in the *Schedule of Benefits*.
2. This coverage will not be in effect during travel to any Covered Activity that takes place outside the United States unless We have agreed in advance to provide it.
3. This coverage will not be in effect during a Covered Person's Personal Deviation.

Other exclusions that apply to this coverage are in the *Common Exclusions* Section.

ACCIDENT INDEMNITY BENEFITS

This Section describes the Accident Indemnity Benefits provided by this Policy. Benefit amounts and any applicable time requirements and limitations are shown in the *Schedule of Benefits*. Please read this and the *Common Exclusions* section in order to understand all of the terms, conditions and limitations applicable to these benefits.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Covered Loss

We will pay the benefit for any one of the Covered Losses listed in the *Schedule of Benefits*, if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident within the applicable time period specified in the *Schedule of Benefits*.

If the Covered Person sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable.

If a Covered Accident causes the Covered Person's death, the total of all Benefits We will pay for Accidental Death and any other Covered Losses will not exceed the largest Benefit payable for a Covered Loss.

Definitions

(The Schedule will set forth Accidental Death and Dismemberment Benefits provided. Please note that the type of losses have specific meanings, will be in bold face text in this Policy, and have the meanings set forth below.)

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 all vision in one eye which is irrecoverable by natural, surgical or artificial means.

Loss of Speech means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.

Loss of Hearing means total and permanent loss of ability to hear any sound in both ears which is irrecoverable by natural, surgical or artificial means.

Loss of a Thumb and Index Finger of the Same Hand or Four Fingers of the Same Hand means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).

Paralysis or Paralyzed means total loss of use of a limb. A Physician must determine the loss of use to be complete and irreversible.

Quadriplegia means total Paralysis of both upper and both lower limbs.

Paraplegia means total Paralysis of both lower limbs or both upper limbs.

Hemiplegia means total Paralysis of the upper and lower limbs on one side of the body.

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

Exclusions The exclusions that apply to this benefit are in the *Common Exclusions* Section.

SCOPE OF COVERAGE APPLICABLE TO MEDICAL EXPENSE BENEFITS

(The Schedule will set forth whether your Coverage applicable to Accident Medical Benefits shall be Primary Medical Expense, Primary Excess or Full Excess Medical Expense coverage. Please note that the terms Primary Medical Expense, Primary Excess or Full Excess Medical Expense have specific meanings, will be in bold face text in this Policy, and have the meanings set forth below.)

Covered Expenses and any applicable Deductibles are shown in the *Schedule of Benefits*.

Other Health Care Plan Benefits

When another Health Care Plan provides benefits in the form of services rather than cash payments, We will consider the reasonable cash value of such service in determining whether any Deductible has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

Primary Medical Expense

We will pay Covered Expenses without regard to any Health Care Plan the Covered Person may have, after any applicable Deductible has been satisfied.

Primary Excess Medical Expense

We will pay Covered Expenses, up to the Primary Excess Benefit shown in the *Schedule of Benefits* after the Covered Person satisfies any applicable Deductible, without regard to any other Health Care Plan he may have. We then pay Covered Expenses only when they are in excess of amounts payable by any other Health Care Plan, whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the Other Health Care Plan Reduction Percentage shown in the *Schedule of Benefits* if:

1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.

Covered Expenses will not be reduced for:

- (a) emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement; and
- (b) services rendered in a non-network facility or by a non-network provider, when such services are required for emergency treatment within 24 hours of a Covered Accident.

Full Excess Medical Expense

We will pay Covered Expenses:

1. after the Covered Person has satisfied any applicable Deductible; and
2. only when they are in excess of amounts payable by any Other Health Care Plan whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the Other Health Care Plan Reduction Percentage shown in the *Schedule of Benefits* if:

1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.

Covered Expenses will not be reduced for:

- (a) emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement; and
- (b) services rendered in a non-network facility or by a non-network provider, when such services are required for emergency treatment within 24 hours of a Covered Accident.

Definitions For purposes of the Accident Medical Benefits provided by this Policy:

HMO or Health Maintenance Organization means any organized system of health care that provides health maintenance and treatment services for a fixed sum of money agreed and paid in advance to the provider or service.

PPO or Preferred Provider Organization means an organization offering health care services through designated health care providers who agree to perform those services at rates lower than non-Preferred Providers.

ACCIDENT MEDICAL EXPENSE BENEFITS

We will pay benefits shown in the *Schedule of Benefits* for Covered Expenses Incurred by a Covered Person, subject to all applicable conditions and exclusions, for treatment of an injury that resulted directly and independently of all other causes from a Covered Accident.

Benefits will be paid:

1. when Covered Expenses Incurred exceed any applicable Deductible within the number of days from the date of the Covered Accident specified in the *Schedule of Benefits*; and
2. as long as the first expense has been Incurred within the number of days specified in the *Schedule of Benefits*; and
3. until any applicable Benefit Period shown in the *Schedule of Benefits* has expired; and
4. until the total of Covered Expenses paid equals any applicable Benefit Limit or maximum benefit shown in the *Schedule of Benefits*; and
5. until benefits paid equal the Maximum for Accident Medical Expense Benefits shown in the *Schedule of Benefits*.

Covered Expenses

Inpatient Hospital Services

Room and Board Expenses – We will pay for

1. confinement in an intensive or coronary care unit, up to the maximum daily benefit shown in the *Schedule of Benefits* for each day of such confinement; and
2. any other confinement, up to the maximum daily benefit shown in the *Schedule of Benefits* for each day of the Hospital Stay.

Miscellaneous Expenses – We will pay the Miscellaneous Expenses charged by a Hospital or ambulatory surgical center for outpatient surgery. Miscellaneous Expenses include, but are not limited to, X-ray, laboratory, in-Hospital physiotherapy, nurse services, orthopedic appliances, pre-admission tests and all necessary charges other than room and board, for services received during a Hospital Stay.

Ambulatory Medical Center

We will pay Covered Expenses Incurred for medical or surgical treatment provided in a licensed facility that provides ambulatory surgical or medical treatment and is not a Hospital or Physician's office.

Emergency Room Treatment

We will pay Covered Expenses Incurred for outpatient emergency room treatment performed in a Hospital, up to the Maximum Benefit shown in the *Schedule of Benefits*. When emergency room treatment is immediately followed by admission to a Hospital, such treatment will be a Hospital Covered Expense.

Physician Services – We will pay Covered Expenses for Covered Expenses listed below.

Surgery

1. Covered Expenses charged for performing a surgical procedure. Two or more surgical procedures through the same incision will be considered as one procedure. We will pay up to 150% of the benefit for a surgical procedure when more than one surgical procedure through different operating fields is performed during the same surgical session; and
2. Covered Expenses charged by an assistant surgeon assisting a Physician performing a surgical procedure;
3. Covered Expenses charged for treatment of fractured and dislocated bones, operations that involve cutting or incision and/or suturing of wounds or any other surgical procedure, including aftercare, which is given in the outpatient department of a Hospital or an ambulatory surgical center; and
4. Any braces, splints or other devices required after surgery to ensure proper healing.

Use of Physician's Surgical Facilities – Covered Expenses charged for the use of a Physician's surgical facilities.

Second Opinion or Consultation – Covered Expenses charged by a Physician for a second surgical opinion or consultation.

Physician's Assistant – Covered Expenses charged by a Physician's Assistant for other than pre-or post-operative care, second opinion or consultation:

1. for in-Hospital visits; and
2. for office visits.

Anesthesia and its administration – Covered Expenses charged by a Physician for anesthesia and its administration.

In-Hospital or Office Visits – Covered Expenses charged by a Physician for other than pre-or post-operative care, second opinion or consultation;

1. for in-Hospital visits; and
2. for office visits.

Outpatient X-Ray, CT Scan, MRI and Laboratory Tests

We will pay Covered Expenses Incurred for X-rays except dental X-rays, CT Scans, MRI's and laboratory tests.

Outpatient Physiotherapy

We will pay Covered Expenses Incurred for outpatient physiotherapy, which includes (a) acupuncture, (b) microthermy, (c) chiropractic adjustment, (d) manipulation, (e) diathermy, (f) massage therapy, (g) heat treatment, and (h) ultrasound treatment.

Nursing Services

We will pay Covered Expenses Incurred for services other than routine Hospital care, rendered by a Nurse.

Ambulance Services

We will pay Covered Expenses Incurred for ground or air ambulance service to transport a Covered Person from the place where a Covered Accident occurred to the nearest medically appropriate facility. We will pay Covered Expenses Incurred for ground or air ambulance transportation from the nearest medical facility to another appropriate medical facility if a Physician specifies in writing that specialized care not available in the first facility to which the Covered Person was transported is necessary to treat his injury.

Medical Equipment Rental

We will pay Covered Expenses Incurred for rental or, if less, for purchase of:

1. a wheelchair or hospital bed; or
2. other medical equipment that has permanent or temporary therapeutic value for the Covered Person and that can only be used by him. Permanent or therapeutic value is determined solely by Us. Examples of items that are not covered include but are not limited to computers, motor vehicles and modifications thereof, and ramps and installation costs.

Medical Services and Supplies

We will pay Covered Expenses Incurred for:

1. blood and blood transfusions, including processing and administration; and
2. cost and administration of oxygen and other gasses.

We will not pay for storage of blood for any reason.

Dental Services

We will pay Covered Expense Incurred for dental treatment, including X-rays, for injury to a tooth:

1. with no fillings or cavities or only fillings or cavities that do not undermine the tooth cusps; and
2. for which pulpal tissues are healthy and intact; and
3. for which periodontal tissue shows little or no signs of active or chronic inflammation. For insurance review purposes, each tooth unit is evaluated under these criteria rather than a blanket rating of the whole mouth.

Covered Expenses include examinations, X-rays, restorative treatment, endodontics, oral surgery, initial braces required for treatment of an injury and treatment of gingivitis resulting from trauma.

Covered Expenses must be Incurred within the Benefit Period shown in the *Schedule of Benefits*. If there is more than one way to treat a dental problem, We will pay based on the least expensive procedure if that procedure meets commonly accepted standards of the American Dental Association.

Prescription Drugs

We will pay Covered Expenses Incurred for drugs that

1. can only be obtained through a Physician's written prescription; and
 2. are approved for such prescription use by the Federal Drug Administration (FDA).
- We will also pay Covered Expenses Incurred for drugs that meet (1.) above and are prescribed by a Physician for therapeutic use not specifically approved by the FDA. The Covered Expense for a prescription drug is limited to the cost of a generic drug unless substitution of a generic drug is prohibited by law, no generic drug is available, or the Covered Person's Physician specifically request that a non-generic drug be dispensed.

Excluded Expenses

None of the following will be considered Covered Expenses unless coverage is specifically provided.

1. Blood, blood plasma or blood storage except expenses by a Hospital for processing or administration of blood.
2. Cosmetic surgery or care, or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to:
 - a. cosmetic surgery resulting from an accident, if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
 - b. reconstruction incidental to or following surgery resulting from a Covered Accident.
3. Any elective or routine treatment, surgery, health treatment or examinations.
4. Examination or prescriptions for, or purchase of, eyeglasses, contact lenses or hearing aids.
5. Treatment in any Veterans' Administration, Federal or state facility unless there is a legal obligation to pay.
6. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay.
7. Rest cures or custodial care.
8. Repair or replacement of existing dentures, partial dentures, braces or bridgework.
9. Personal services such as television and telephone, or transportation.
10. Expenses payable by any automobile insurance policy without regard to fault.
11. Services or treatment provided by an infirmary operated by the Policyholder.
12. Treatment of injuries that result over a period of time, such as blisters, tennis elbow, et al, that are a normal, foreseeable result of participation in the Covered Activity.
13. Treatment or service provided by a private duty nurse.
14. Treatment of hernia of any kind.
15. Treatment of injury resulting from a condition that a Covered Person knew existed on the date of a Covered Accident, unless we have received a written medical release from his Physician.

Other Exclusions that apply to this Benefit are in the *Common Exclusions* Section.

LIMITATIONS

When the Scope of Coverage indicated in the Schedule of Benefits is Primary Medical Expense, this provision applies.

Non-Duplication of Benefits

This provision applies if:

1. any other Health Care Plan covers the Covered Person; and
2. total benefits under all Plans would exceed the expenses actually incurred; and
3. We are not defined as primary under another Health Care Plan's Coordination of Benefits provision.

When the total of benefits payable by all Health Care Plans, whether or not claim is made for those benefits, exceeds Covered Expenses incurred, any Expense-Incurred Medical Benefits We pay will be reduced by such excess.

When the Scope of Coverage indicated in the Schedule of Benefits is Primary Excess Medical Expense or Full Excess Medical Expense, this provision applies.

Non-Duplication of Benefits When This Policy and Other Plans Are Excess

This provision applies if benefits under any other Health Care Plan are Covered Expenses under this Policy and coverage under this Policy and the other Plan are excess.

We pay a pro rata share of the total amount of Covered Expenses. In no case will the total benefits payable exceed 100% of the Covered Expenses.

Our pro rata share equals the total of benefits payable under this Policy multiplied by a fraction, of which the numerator is the benefits We pay and the denominator is the total of benefits payable by all Health Care Plans for the same Covered Accident.



ADDITIONAL BENEFIT RIDER

This Rider is attached to and made part of this Policy or Certificate. It is subject to all of the Policy or Certificate provisions that do not conflict with its provisions.

Policy Number: Refer to Page 1 of Policy
Rider Effective Date: Refer to Page 1 of Policy

The following section is added to the *Schedule of Indemnity Benefits*.

CATASTROPHIC CASH BENEFIT – Applicable to Plan A and Plan C

Lump Sum Payment	\$50,000 in one lump sum
Annual Payment	\$20,000
Maximum Number of Annual Payments	10
Paralysis must occur within	180 days of a Covered Accident and
continue for	180 consecutive days
Coma must begin within	180 days of a Covered Accident and
continue for	180 consecutive days
Brain Death must occur within	180 days of a Covered Accident
Percentage of Benefit Payable	
Paralysis:	
Quadriplegia	100%
Paraplegia	100%
Hemiplegia	100%
Uniplegia	50%
Coma	100%
Brain Death	100%

The following section is added to the *Description of Accident Indemnity Benefits*.

CATASTROPHIC CASH BENEFIT

We will pay benefits, as shown in the *Schedule of Benefits*, subject to all applicable conditions and exclusions, if the Covered Person suffers Paralysis, Coma or Brain Death as described below, as a result, directly and independently of all other causes, of a Covered Accident. If the Covered Person suffers more than one of these as a result of the same Covered Accident, the largest available benefit will be payable.

Paralysis	Paralysis means:
1.	for hemiplegia, Total Paralysis of the upper and lower limb on one side of the body;
2.	for paraplegia, Total Paralysis of both lower limbs or both upper limbs;
3.	for quadriplegia, Total Paralysis of both upper and lower limbs;
4.	for uniplegia, Total Paralysis of one upper or one lower limb.

Total Paralysis means complete loss of function and sensation of limbs.

Paralysis must:

1. occur within the period shown in the *Schedule of Benefits*; and
2. continue for the period of time shown in the *Schedule of Benefits* and;
3. be diagnosed by a Physician as being complete and not reversible.

The first Catastrophic Cash Benefit, as shown in the *Schedule of Benefits*, becomes payable when the Covered Person has met each of the three conditions specified above and remains alive. Each additional periodic payment becomes payable at the end of the period for which the last payment was made, as long as Paralysis continues and the Covered Person remains alive. The amount of each periodic payment and the period for which they are made are shown in the *Schedule of Benefits*. We will terminate benefits if Physician certification of Paralysis is not provided when requested.

Coma

Coma or Comatose means a profound state of unconsciousness from which the Covered Person is not likely to be aroused through powerful stimulation. This condition must be diagnosed and treated regularly by a Physician. Coma does not mean any state of unconsciousness intentionally induced during the course of treatment of a Covered Accident, unless the state of unconsciousness results from administration of anesthesia in preparation for surgical treatment of injuries sustained in that Covered Accident.

The Covered Person's Coma must:

1. begin within the period shown in the *Schedule of Benefits*; and
2. continue for the period shown in the *Schedule of Benefits*; and
3. be expected, as certified by a Physician, to continue for an indefinite period or end, leaving the Covered Person expecting, as certified by a Physician, to remain Totally Disabled for the remainder of his life.

The first Catastrophic Cash Benefit, as shown in the *Schedule of Benefits*, becomes payable when the Covered Person has met each of the three conditions specified above and remains alive. Each additional periodic payment thereafter becomes payable at the end of the period for which the last payment was made, as long as the Covered Person remains Comatose or Totally Disabled and alive. The amount of each periodic payment and the period for which they are made are shown in the *Schedule of Benefits*. We will terminate benefits if Physician certification of Coma or Total Disability is not provided when requested.

Brain Death **Brain Death** means irreversible unconsciousness with:

1. total loss of brain function; and
2. complete absence of electrical activity of the brain, even though the heart is still beating.

Brain Death must:

1. occur within the period shown in the *Schedule of Benefits*; and
2. be diagnosed by a Physician.

The first Catastrophic Cash Benefit, as shown in the *Schedule of Benefits*, becomes payable when the Covered Person has met both of the conditions specified above and remains alive. Each additional periodic payment becomes payable at the end of the period for which the last payment was made, as long as Brain Death continues and the Covered Person remains alive. The amount of each periodic payment and the period for which they are made are shown in the *Schedule of Benefits*. We will terminate benefits if Physician certification of Brain Death is not provided when requested.

Exclusions Exclusions that apply to this benefit are in the *Common Exclusions* Section.

All other benefits and provisions of the Policy or Certificate remain the same.

QBE Insurance Corporation

A handwritten signature in black ink, appearing to read 'T. Jones', with a long horizontal stroke extending to the right.

Todd Jones, President



ADDITIONAL BENEFIT RIDER

This Rider is attached to and made part of this Policy or Certificate. It is subject to all of the Policy or Certificate provisions that do not conflict with its provisions.

Policy Number: Refer to Page 1 of Policy
Rider Effective Date: Refer to Page 1 of Policy

The following section is added to the *Schedule of Benefits* as an additional *Accident Medical Benefit* Covered Expense.

Home Health Care Benefit	100% up to \$100,000 per year commencing from the date of the Covered Accident
Minimum Hospital Stay	3 consecutive days
Home Health Care must begin within	7 consecutive days after the Minimum Hospital Stay
Maximum Number of Home Health Care Visits	Unlimited

The following section is added as an additional Covered Expense under the *Description of Accident Medical Benefits*.

Home Health Care

We will pay Covered Expenses Incurred for care and treatment rendered to a Covered Person by a Home Health Care Agency, for the maximum number of visits shown in the *Schedule of Benefits*, for:

1. part-time nursing care provided or supervised by a registered graduate nurse;
2. part-time Home Health Aide service which consists of caring for the patient;
3. physical, speech and occupational therapies when indicated in conjunction with the Covered Person's discharge placement through a rehabilitation facility approved by his Physician and by Us;
4. nutritional counseling; and
5. medical social services by a qualified social worker licensed by the jurisdiction in which services are rendered.

Home Health Care services must be preceded by a Minimum Hospital Stay and must begin within the specified number of consecutive days of discharge from a Hospital. The Minimum Hospital Stay and the number of days of confinement within which Home Health Care must begin are shown in the *Schedule of Benefits*.

All other benefits and provisions of the Policy or Certificate remain the same.

QBE Insurance Corporation

Todd Jones, President



ADDITIONAL BENEFIT RIDER

This Rider is attached to and made part of this Policy or Certificate. It is subject to all of the Policy or Certificate provisions that do not conflict with its provisions.

Policy Number: Refer to Page 1 of Policy
Rider Effective Date: Refer to Page 1 of Policy

The following section is added to the *Schedule of Benefits* as an additional *Accident Medical Benefit* Covered Expense.

REHABILITATION AND EXTENDED CARE FACILITY BENEFITS

Rehabilitation Care Facility	100% up to \$100,000
Extended Care Facility	100%
Minimum Hospital Stay	3 consecutive days
Extended Care must begin within	7 consecutive days after the Minimum Hospital Stay

The following section is added as an additional Covered Expense under the *Description of Accident Medical Benefits*.

REHABILITATION AND EXTENDED CARE FACILITY BENEFITS

We will pay Covered Expenses Incurred for physical and occupational rehabilitation provided to a Covered Person. Treatment must be rendered by a Physician or provided at a Physician's direction at a Rehabilitation Facility.

We will also pay Covered Expenses Incurred, up to the Benefit Maximum shown in the *Schedule of Benefits*, by a Covered Person for treatment of an injury sustained in a Covered Accident provided in an Extended Care Facility. Confinement in an Extended Care Facility must:

1. be preceded by a Minimum Hospital Stay; and
2. begin within the number of consecutive days of a Minimum Hospital Stay, as specified in the *Schedule of Benefits*; and
3. include treatment for which a Physician visits the Covered Person at least once every 30 days.

Covered Expenses Incurred for treatment in an Extended Care Facility do not include those for routine custodial care.

Definitions For purposes of these benefits:
Extended Care Facility means an institution, operating pursuant to applicable law and engaged in providing, for a fee, in-patient skilled nursing care and related services and physical therapy services under the supervision of a Physician and registered Nurses. An Extended Care Facility must maintain medical records on all of its patients.

Rehabilitation Facility A legally operating institution or part of an institution which has a transfer agreement with one or more Hospitals and which:

1. is primarily engaged in providing comprehensive multi-disciplinary physical rehabilitative services or rehabilitation inpatient care; and
2. is duly licensed by the appropriate government agency to provide such services; and
3. is required to be accredited by the Joint Commission on Accreditation of Health Care Organizations or the Commission on Accreditation of Rehabilitation Facilities.

A Rehabilitation Facility does not include institutions which provide only minimal care, custodial care, care for the terminally ill, part-time care, or services or facilities for drug abuse or alcoholism.

Exclusions Exclusions that apply to these benefits are in the *Common Exclusions* Section.

All other benefits and provisions of the Policy or Certificate remain the same.

QBE Insurance Corporation

A handwritten signature in black ink, appearing to read 'T. Jones', with a long horizontal flourish extending to the right.

Todd Jones, President



AMENDMENT

This amendment is attached to and made part of this Policy and Certificate. Its provisions are intended to conform this Policy and Certificate to the laws of the State of North Carolina and apply only to residents of North Carolina insured under it.

Policyholder	Refer to Page 1 of Policy
Policy Number	Refer to Page 1 of Policy
Amendment Effective Date	Refer to Page 1 of Policy

1. The text following the signature blocks of the President and Secretary on the Policy Cover Page is replaced by the following:

IMPORTANT CANCELLATION INFORMATION

Please read the provision entitled Cancellation, found on page 14.

EXCESS INSURANCE

This Policy is not intended to be issued where other medical insurance exists. If other medical insurance does exist at the time of the claim then the amounts of benefit payable by such other medical insurance will become the deductible amount of this Policy if such benefits exceed the deductible amount shown in the Schedule of Benefits.

• BLANKET ACCIDENT POLICY • • NON-PARTICIPATING •

**This Policy is a legal contract between the Policy owner and the insurer.
PLEASE READ YOUR POLICY CAREFULLY.**

THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENTS ONLY. IT DOES NOT PAY BENEFITS FOR SICKNESS.

2. The Certificate Cover Page is amended as follows under the signature blocks of the President and Secretary:

- A. If the Covered Person pays any portion of the premiums, the following is added:

30 DAY RIGHT TO EXAMINE CERTIFICATE

If You do not like the certificate for any reason, it may be returned to Us within 30 days after receipt. We will return any premium that has been paid. In that case this Certificate will be void as if it had never been issued.

- B. The following is added:

The Policy is not intended to be issued where other medical insurance exists. If other medical insurance does exist at the time of the claim then the amounts of benefits payable

by such other medical insurance will become the deductible amount of the Policy if such benefits exceed the deductible amount shown in the Schedule of Benefits.

3. **Covered Expenses** under **ACCIDENT MEDICAL EXPENSE BENEFITS** in the **SCHEDULE OF BENEFITS** is amended by the addition of the following:

Treatment of Temporomandibular Joint and Craniomandibular Joint Disorders	100%
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4. Section **GENERAL DEFINITIONS** is amended as follows:

- A. The definition of **Health Care Plan** is replaced by the following:

Health Care Plan means any arrangement, whether individually purchased or incident to employment or membership in an association or other group, which provides benefits or services for health care, dental care, disability benefits or repatriation of remains. A Health Care Plan includes group, blanket, franchise, family or individual:

1. insurance policies;
2. subscriber contracts;
3. uninsured agreements or arrangements;
4. coverage provided through Health Maintenance Organizations, Preferred Provider Organizations and other prepayment, group practice or individual practice plans;
5. medical benefits provided by any governmental plan or coverage or other benefit law, except:
 - a. a state-sponsored Medicaid plan; or
 - b. a plan or law providing benefits only in excess of any private or non-governmental plan;
6. other valid and collectible medical or health care benefits or services.

- B. The definition of **Hospital** is replaced by the following:

Hospital means an institution that meets all of the following:

1. it is licensed as a Hospital pursuant to applicable law;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it is managed under the supervision of a staff of medical doctors;
4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
6. it charges for its services.

The term Hospital also includes duly licensed State tax-supported institutions.

The term Hospital does not include a clinic, facility, or unit of a Hospital for:

1. rehabilitation, convalescent, custodial, or educational or nursing care;
2. the aged; or
3. a Veteran's Administration Hospital or Federal Government Hospitals unless the Covered Person incurs an expense.

- C. The definition of **Physician** is replaced by the following:

Physician means a licensed health care provider practicing within the scope of his license and rendering care and treatment to a Covered Person that is appropriate for the condition and locality. The term Physician includes a chiropractor, a physician assistant, an advance practice registered nurse, a certified clinical social worker, and a certified fee-based practicing pastoral counselor, who provides services that are covered under the Policy and is acting within the scope of his or her license.

The term Physician does not include a person who is:

1. employed or retained by the Policyholder; or
2. living in the Covered Person's household; or
3. a parent, sibling, spouse or child of the Covered Person.

5. The exclusion stating "injuries compensable under Workers' Compensation law or any similar law;" in Section **COMMON EXCLUSIONS** is replaced by the following:

services or supplies for the treatment of an Occupational Injury or Sickness which are paid under the North Carolina Workers' Compensation Act only to the extent such services or supplies are the liability of the employee, employer or workers' compensation insurance carrier according to a final adjudication under the North Carolina Workers' Compensation Act or an order of the North Carolina Industrial Commission approving a settlement agreement under the North Carolina Workers' Compensation Act;

6. Section **CLAIM PROVISIONS** is amended as follows:

- A. **Proof of Loss** is amended as follows:

"within 90 days" is replaced with "within 180 days"

- B. The second paragraph in **Payment of Claims** is replaced by the following:

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 \$3,000 to a relative by blood or marriage whom We believe is equitably entitled. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

7. Section **ADMINISTRATIVE PROVISIONS** in the Policy is amended as follows:

- A. "60 days" is replaced by "45 days" in the first sentence of **Cancellation**.

- B. "31 days" is replaced by "45 days" in the first sentence of **Changes in Premium Rates**.

8. Section **ADMINISTRATIVE PROVISIONS** in the Certificate is amended as follows:

- A. Section **Cancellation** is deleted.

- B. The following is added:

Grace Period

An Individual Grace Period of 31 days, applicable when You remain eligible for coverage under the Continuation Provisions, will be granted for payment of required premiums. Your insurance under this Policy will remain in force during the Grace Period. We will reduce any benefits payable for any claims incurred during the grace period by the amount of premium due.

If no such claims are incurred and premium is not paid during the grace period, insurance will end on the last day of the period for which premiums were paid.

- C. **Changes in Premium Rates** is replaced by the following:

Changes in Premium Rates

We may change the premium rates from time to time with at least 45 days advance written notice to the Policyholder. No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12-month period. However, We reserve the right to change rates at any time if any of the following events take place:

1. the terms of the Policy change;
2. coverage is reinstated following failure to pay premium during the Grace Period;
3. a change in any federal or state law or regulation is enacted, adopted or amended to the extent that it affects Our benefit obligations under this Policy; or
4. the Policyholder fails to provide sufficient information, as required by Us, to confirm adequacy of premiums and rates currently being paid.

Any increase or decrease in rate will take effect on the date of the applicable change specified above. A pro-rata adjustment will apply from the date of the change to the end of any period for which premium has been paid.

9. Section **GENERAL PROVISIONS** of the Certificate is amended as follows:

- A. If the Covered Person pays any portion of the premium, the following is added:

30 Day Right To Examine Certificate

If You do not like this Certificate for any reason, You may return it to Us within 30 days after receipt. We will return any premium that has been paid and the Certificate will be void as if it had never been issued.

- B. The word "Policy" is replaced by "Certificate" in **Assignment**.

10. **ACCIDENT MEDICAL EXPENSE BENEFITS** is amended as follows:

- A. The following is added under **Covered Expenses**:

Treatment of Temporomandibular Joint and Craniomandibular Joint Disorders

We will pay Covered Expenses Incurred for an orthodontic appliance and treatment, crowns, bridges or dentures for treatment of temporomandibular and craniomandibular joint disorders due to a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

- B. Excluded Expenses is amended by deleting the following:

"Expenses payable to any automobile insurance policy without regard to fault."

"Treatment of hernia of any kind."

11. The attached notices are included with all policies issued in North Carolina.

QBE Insurance Corporation



Todd Jones, President



IMPORTANT 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 CONTRACT, 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.



**NOTICE CONCERNING COVERAGE
LIMITATIONS AND EXCLUSIONS UNDER THE NORTH CAROLINA
LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the North Carolina Life and Health Insurance Guaranty Association. The purpose of this association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the guaranty association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the guaranty association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

**The North Carolina Life and Health Insurance Guaranty Association
Post Office Box 10218
Raleigh, North Carolina 27605**

**North Carolina Department of Insurance, Consumer Division
Post Office Box 26387
Raleigh, North Carolina 27611**

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

COVERAGE

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

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange.

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contractholder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contractholders, not individuals), unless they fund a government lottery or a benefit plan of an employer, association or union, except that unallocated annuities issued to employee benefit plans protected by the Federal Pension Benefit Guaranty Corporation are not covered.

LIMITS ON AMOUNT OF COVERAGE

The act also limits the amount the association is obligated to pay out: The association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one individual, the association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. For any one holder of an unallocated annuity contract, the association will pay a maximum of \$5,000,000.