

**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 the 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  
4441 SIX FORKS RD STE 106-153  
Raleigh, North Carolina, 27609-5729  
  
North Carolina Department of Insurance, Consumer Services Division  
1201 Mail Service Center  
Raleigh, North Carolina 27699-1201

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 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 or HMO. 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 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.
- They acquired rights to received payments through a structured settlement factoring transaction.

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.
- A policy or contract commonly known as Medicare Part C, Medicare Part D, Medicaid or any regulation issued pursuant thereto.

#### LIMITS ON AMOUNT OF COVERAGE

The act also limits the amount the association is obligated to pay out as follows:

- (1) The guaranty association cannot pay more than the insurance company would owe under a policy or contract.
- (2) Except as provided in (3), (4) and (5) below, the guaranty association will pay a maximum of \$300,000 per individual, per insolvency, no matter how many policies or types of policies issued by the insolvent company.
- (3) The guaranty association will pay a maximum of \$500,000 with respect to a health benefit plan.
- (4) The guaranty association will pay a maximum of \$1,000,000 with respect to the payee of a structured settlement annuity.
- (5) The guaranty association will pay a maximum of \$5,000,000 to any one unallocated annuity contract holder.

**REQUIRED NORTH CAROLINA NOTICE  
REGARDING WILLFUL NONPAYMENT OF PREMIUM**

To Our North Carolina Participating Employers:

Under North Carolina General Statute Section 58-50-45, we are required to give you the following 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.

# STANDARD INSURANCE COMPANY

A Stock Life Insurance Company  
900 SW Fifth Avenue  
Portland, Oregon 97204-1282  
(503) 321-7000

## GROUP CRITICAL ILLNESS INSURANCE POLICY

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Policyholder:	Cabarrus County Schools
Group Policy Number:	762038-B
Group Policy Effective Date:	August 1, 2023
State of Issue:	North Carolina

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The consideration for this Group Policy is the application of the Policyholder and the payment by the Policyholder of premiums as provided herein.

Subject to **The Group Policy** and **Premium Payment** sections, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Eligibility, Premium Rates, And Participation Requirement** and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

All provisions on this and the following pages are part of this Group Policy. "You" and "your" mean the Member. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized. Section and provision headings, and references to them, appear in boldface type.

The Group Policy is a legal contract between the Policyholder and us.

**Please read the Group Policy carefully.** Coverage may be terminated, see Termination of the Group Policy.

**THIS IS A LIMITED BENEFIT POLICY THAT PROVIDES CRITICAL ILLNESS BENEFITS. THIS POLICY DOES NOT PROVIDE COMPREHENSIVE HEALTH INSURANCE COVERAGE. IT IS NOT INTENDED TO SATISFY THE INDIVIDUAL MANDATE OF THE AFFORDABLE CARE ACT (ACA) OR PROVIDE THE MINIMUM ESSENTIAL COVERAGE REQUIRED BY THE ACA (OFTEN REFERRED TO AS "MAJOR MEDICAL COVERAGE"). IT DOES NOT PROVIDE COVERAGE FOR HOSPITAL, MEDICAL, SURGICAL, OR MAJOR MEDICAL EXPENSES.**

**THIS LIMITED BENEFIT POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. FOR MEMBERS ELIGIBLE FOR MEDICARE, REVIEW THE "GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE" AVAILABLE FROM US.**

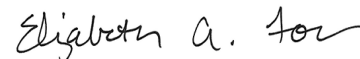
**NO RECOVERY FOR PREEXISTING DIAGNOSED CANCER - - -READ CAREFULLY.** No benefits will be provided during the first 12 months of the policy for cancer diagnosed before the 30th day after becoming insured shown in the Diagnosis Waiting Period.

STANDARD INSURANCE COMPANY

By



President and CEO



Corporate Secretary

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## ELIGIBILITY, PREMIUM RATES, and PARTICIPATION REQUIREMENT

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### Eligibility

Employer(s): Cabarrus County Schools  
 Eligible Class(es): All Members

### Premium Rates and Renewals

Member and Dependents:

The rates below are not combined rates for the Member and Spouse, rather they are for each individually.

Age of Member	Annual rates per \$1000 of coverage		Age of Spouse	Annual rates per \$1000 of coverage	
	Tobacco	Non-Tobacco		Tobacco	Non-Tobacco
Age 18-29	\$7.92	\$6.72	Age 18-29	\$7.92	\$6.72
Age 30 - 39	\$13.80	\$10.08	Age 30 - 39	\$13.80	\$10.08
Age 40 - 49	\$27.84	\$17.04	Age 40 - 49	\$27.84	\$17.04
Age 50 - 59	\$51.48	\$27.00	Age 50 - 59	\$51.48	\$27.00
Age 60 - 69	\$93.60	\$44.52	Age 60 - 69	\$93.60	\$44.52
Age 70+	\$190.68	\$105.72	Age 70+	\$190.68	\$105.72

Premium Due Date: August 1, 2023 and the first day of each calendar month thereafter.  
 Initial Rate Guarantee Period: 08/01/2023 to 08/01/2026  
 Grace Period: 60 days from Premium Due Date.  
 Notice of Rate Change: 90 days  
 Notice of Termination: 45 days

### Participation Requirement

Minimum Participation Number: 10 insured Members

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## THE GROUP POLICY

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### **The Group Policy; Entire Contract**

The Group Policy is the entire contract between the Policyholder and us. We will provide benefits according to the terms of the Group Policy.

The Group Policy consists of the following:

- This group critical illness insurance policy issued by us to the Policyholder and identified by the Group Policy Number.
- The Policyholder's attached application.
- Group critical illness insurance certificates with the same Group Policy Number.
- Any amendments to the Group Policy or certificates.

The Policyholder's rights or the rights of any Member will only be affected by provisions that are part of the Group Policy. Only an executive officer of Standard Insurance Company may bind us by making a promise or a representation; or accept a representation that relates to the Group Policy.

### **Changes to the Group Policy**

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. No agent has authority to change the Group Policy, or to waive any of its provisions. The Policyholder, an Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups of Members.

### **Incontestability of Group Policy**

Any statement made by the Policyholder to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder will be used to deny a claim or to deny the validity of the Group Policy unless all of the following are true:

- The Group Policy would not have been issued if we had known the truth.
- We have given the Policyholder a copy of a written instrument signed by the Policyholder which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or misrepresentations.

### **Termination of the Group Policy**

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium.

The Policyholder may terminate the Group Policy in whole and may terminate insurance for any class or group of Members, at any time by giving us written notice. The effective date of termination will be the date stated in the notice. If no date is stated in the notice, then the effective date of termination will be the last day of the calendar month for which the premium was paid in full.

We may terminate the Group Policy as follows:

- On any Premium Due Date if the number of persons insured is less than the Minimum Participation Number shown in **Eligibility, Premium Rates, and Participation Requirement**.
- On any Premium Due Date if we determine that the Policyholder has failed to promptly furnish any necessary information requested by us, or has failed to perform any other obligations relating to the Group Policy.

The minimum advance Notice of Termination by us is stated in **Eligibility, Premium Rates, and Participation Requirement**.

With respect to a Member or Spouse who has continued insurance under the **Continuation of Insurance (Portability) for the Member** provision or **Continuation of Insurance (Portability) for the Spouse** provision, continued coverage will not terminate unless it would otherwise terminate under the terms of the **Continuation of Insurance (Portability) for the Member** provision or **Continuation of Insurance (Portability) for the Spouse** provision.

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## PREMIUM PAYMENT

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### Premiums

Each premium is payable on or before its Premium Due Date to us. The premium due on each Premium Due Date is the sum of the premiums for all Members and Dependents then insured. Premium Rates are shown in **Eligibility, Premium Rates, and Participation Requirement**.

The payment of each premium as it becomes due will maintain the Group Policy in force until the next Premium Due Date.

### Contributions from Members

The Policyholder determines the amount, if any, of each Member's contribution toward the cost of insurance under the Group Policy.

### Changes in Premium Rates

We may change Premium Rates whenever:

- A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations.
- Factors material to underwriting the risk we assumed under the Group Policy with respect to an Employer, including, but not limited to, number of persons insured, age, gender, and occupational classification, change by 25 % or more.
- The premium contribution arrangement for Members is changed or varies from that stated in the Group Policy when issued or last renewed.
- We and the Policyholder or the Employer mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in **Eligibility, Premium Rates, and Participation Requirement**. Thereafter, except as provided above, we may change Premium Rates upon 90 days advance written notice to the Policyholder.

### Premium Adjustments

Premium adjustments involving a return of unearned premiums to the Policyholder will be limited to the 12 months just before the date we receive a request for premium adjustment.



## **Grace Period and Termination for Nonpayment**

If a premium is not paid on or before its Premium Due Date, it may be paid during the Grace Period shown in **Eligibility, Premium Rates, and Participation Requirement**. The Group Policy or an Employer's coverage under the Group Policy will remain in force during the Grace Period.

If the premium is not paid during the Grace Period, the Group Policy will terminate automatically at the end of the Grace Period.

The Policyholder is liable for premium for insurance during the Grace Period. We may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after the Grace Period.

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## **GENERAL PROVISIONS**

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### **Certificates**

We will issue a certificate to the Policyholder showing the coverage under the Group Policy. The Policyholder will distribute a certificate to each insured Member.

### **Records and Reports**

The Policyholder will furnish on our forms all information reasonably necessary to administer the Group Policy. We have the right at all reasonable times to inspect the payroll and other records of the Policyholder which relate to insurance under the Group Policy.

### **Agency and Release**

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard Insurance Company. The Policyholder, Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard Insurance Company from any liability arising from or related to any negligence, error, omission, misrepresentation, or dishonesty of any of them or their representatives, agents or employees.

### **Notice of Suit**

The Policyholder or Employer shall promptly give us written notice of any lawsuit or other legal proceedings arising under the Group Policy.