



CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205
(herein called Continental American)

Based on the application for this Group Accidental Injury Insurance Policy (herein called the Plan) made by

Henders on County Government
(herein called the Policyholder)

and based on the payment of the premium when due, Continental American agrees to pay the benefits provided on the following pages.

THIS IS A GROUP SUPPLEMENTAL ACCIDENTAL INJURY PLAN
There may be no recovery for pre-existing conditions for the first year. Important
cancellation information - PLEASE READ THE PROVISION ENTITLED
“TERMINATION OF AN EMPLOYEE’S INSURANCE” found on Page 3

This Plan becomes effective at 12:01 a.m. Standard Time at the policyholder's address on the Effective Date shown below. It may be continued in effect by the payment of premiums as provided in Section II. The Plan will terminate as provided in the provision titled "Termination of the Plan" in Section I.

The first anniversary of this Plan will be the Anniversary Date shown below. Subsequent anniversaries of the Plan will be the same date each year thereafter.

All matter printed or written by Continental American on the following pages forms a part of this Plan as if recited over the signatures below. This Plan is a legal contract between Continental American and the Policyholder.

This Plan is delivered in and is governed by the laws of the jurisdiction shown below.

In witness whereof Continental American has caused this Plan to be executed at its Home Office in Columbia, South Carolina on the Effective Date.

THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If eligible for Medicare, review the Guild the Health Insurance for People with Medicare, which is available from the company.

PLEASE READ YOUR POLICY CAREFULLY.

Signed for the Company at its Home Office.

Paul S. Amos II, President

J. Matthew Loudermilk, Secretary

Countersigned By _____

Group Policy Number -18880
Effective Date - July 1, 2013
Anniversary Date - July 1, 2014
Jurisdiction - North Carolina
Non-Participating

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
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SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

Employee as used in this Plan, means a person insured under this Plan:

1. who is an employee of the Policyholder;
2. who is under age 70; and
3. who is engaged in full-time work; and
4. who is included in the class of employees eligible for coverage as shown on the Application.

EFFECTIVE DATE

The Effective Date of this Plan is shown on Page 1.

The Effective Date for an employee is as follows:

1. An employee's insurance will be effective on the date shown on the Certificate Schedule provided the employee is then actively at work.
2. If an employee is not actively at work on the date coverage would otherwise become effective, the Effective Date of his or her coverage will be the date on which such employee is first thereafter actively at work.

TERMINATION OF THE PLAN

The Plan will cease if the policyholder fails to pay the premium before the end of the Grace Period.

After the end of the first Plan year, Continental American has the right to cancel the Plan on the day prior to the date any premium is due by giving 45 days written notice.

The Plan will terminate when the number of participating employees is less than the number mutually agreed upon by the Policyholder and Continental American in writing.

In these events, this Plan and all certificates issued hereunder will terminate on such date at 12:01 A.M. Standard Time at the Policyholder's address. This will be without prejudice to the rights of any employee as respects any claim arising during the period the Plan is in force.

The Policyholder has the sole responsibility to notify employees of such termination.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An employee's insurance will terminate on the earliest of:

1. the date the Plan is terminated;
2. on the 31st day after the premium due date if the required premium has not been paid;
3. on the date an employee ceases to meet the definition of an employee as defined in the Plan;
4. on the premium due date which falls on or first follows the employee's 70th birthday; or
5. on the date he or she is no longer a member of the class eligible.

Termination of the insurance on any employee shall be without prejudice to his or her rights as regarding any claim arising prior thereto.

SECTION II

PREMIUM PROVISIONS

PREMIUM CALCULATIONS

Premiums payable on any premium due date for insurance on employees will be calculated in accordance with the Schedule of Premiums. The rates shown in this schedule can be changed annually. Continental American will give the Policyholder written notice 45 days prior to the date any change in rates is to be effective.

PREMIUM PAYMENTS

The first premiums are due on the Effective Date of this Plan. After that, premiums are due on the first day of each month that the Plan remains in effect.

Aggregate premiums for this Plan are to be paid by the Policyholder to Continental American at our Home Office in Columbia, South Carolina. Payment of any premium will not keep the Plan in force beyond the due date of the next premium, except as set forth in the Grace Period.

GRACE PERIOD

This Plan has a 31 day Grace Period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given Continental American written notice of discontinuance of the Plan.

SECTION III DEFINITIONS

When the terms below are used in this Plan, the following definitions will apply:

We, Us, Our - means Continental American Insurance Company.

You and Your - refer to an employee as defined in this Plan.

Accidental Injury or Injuries - means bodily injury or injuries caused solely by or as the result of a covered accident.

Covered Accident - means an accident which occurs on or after your Effective Date, while your certificate is in force and which is not specifically excluded.

Doctor or Physician - means a person, other than yourself or a member of your immediate family, who:

1. is licensed by the state to practice a healing art;
2. performs services which are allowed by his or her license; and
3. performs services for which benefits are provided by this Plan.

Under the Fractures and Dislocations Benefit, a doctor means a person, other than yourself or a member of your immediate family, who is licensed by the state to practice medicine or osteopathy.

Hospital - means a place which:

1. is legally licensed and operated as a hospital;
2. provides overnight care of injured and sick people;
3. is supervised by a doctor;
4. has full-time nurses supervised by a registered nurse;
5. has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities; and
6. maintains permanent medical history records.
7. a state supported institution even though it may not have an operating room and related equipment for the surgery.

A Hospital is not:

1. a nursing home;
2. an extended care facility;
3. a convalescent home;
4. a rest home or a home for the aged;
5. a place for alcoholics or drug addicts; or
6. a mental institution.

Hospital Intensive Care Unit - means a specifically designed facility of the hospital that provides the highest level of medical care which is restricted to those patients who are critically ill or injured. Such facilities must be separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement. They must be permanently equipped with special life-saving equipment for the care of the critically ill or injured. They must be under constant and continuous observation by nursing staffs assigned on a full-time basis, exclusively to the Intensive Care Unit.

Immediate Family - means your spouse, son, daughter, mother, father, sister or brother.

Your Occupation - means the occupation in which you are regularly engaged at the time you become disabled.

Actively at Work - to be considered actively at work, you must perform for a full normal workday the regular duties of your employment at the regular place of business of the Policyholder or at a location to which you may be required to travel to perform the regular duties of your employment.

Full-Time Work - means spending at least 30 hours per week performing your occupational duties.

Treatment or Medical Treatment - means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Elimination Period - means the number of days of Hospital Confinement that must elapse before benefits become payable. The number of days is shown in the Benefit Schedule. Benefits are not payable, nor do they accrue during an Elimination Period.

ON-JOB BENEFITS - On-job benefits means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits.

OFF-JOB BENEFITS - Off-job benefits means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits.

SECTION IV

BENEFIT PROVISIONS

The benefit amounts payable under this section are shown in the Benefit Schedules. Coverage terminates on the premium due date which falls on or first follows your 70th birthday; at that time all benefits cease regardless of the maximum benefit period.

FRACTURES

Fractures - A fracture is a break in a bone which can be seen by x-ray. If you fracture a bone in a covered accident, and it is diagnosed and treated by a physician within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

If the fracture requires open reduction, we will pay 150% of the amount shown in the Benefit Schedule.

Multiple Fractures - If more than one fracture requiring either open or closed reduction occurs in any one covered accident, we will pay the amounts shown in the Benefit Schedule for each fracture. However, we will pay no more than 150% of the benefit amount for the bone fractured which has the higher dollar value.

Chip Fracture - A chip fracture is a piece of bone which is completely broken off near a joint. If a physician diagnoses the fracture as a chip fracture, we will pay 10% of the amount shown in the Benefit Schedule for the affected bone.

DISLOCATIONS

Dislocation - A dislocation is a completely separated joint. If you dislocate a joint in a covered accident, and it is diagnosed and treated by a physician within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

If the dislocation requires open reduction, we will pay 150% of the amount shown in the Benefit Schedule.

We will pay benefits only for the first dislocation of a joint. We will not pay for recurring dislocations of the same joint. If you dislocated a joint before the Effective Date of this Certificate and you dislocate the same joint again, it will not be covered by this Certificate.

Multiple Dislocations - If more than one dislocation requiring either open or closed reduction occurs in any one covered accident, we will pay the amounts shown in the Benefit Schedule for each dislocation. However, we will pay no more than 150% of the benefit amount for the joint dislocated which has the higher dollar value.

Partial Dislocation - A partial dislocation is one in which the joint is not completely separated. If a physician diagnoses and treats the accidental injury as a partial dislocation, we will pay 25% of the amount shown in the Benefit Schedule for the affected joint.

Fracture and Dislocation - If you fracture a bone and dislocate a joint in the same accident, we will pay for both. However, we will pay no more than 150% of the benefit amount for the bone fractured or joint dislocated which has the higher dollar value.

LACERATIONS

Lacerations - If you receive laceration in a covered accident and the laceration is repaired with stitches by a physician within 72 hours after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the length of the laceration.

If you receive a laceration in a covered accident and the laceration does not require stitches but is treated by a physician within 72 after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

If you suffer multiple lacerations in a covered accident and the lacerations are repaired with stitches by a physician within 72 hours after the accident, we will pay this benefit based on the largest single laceration which requires stitches, as shown in the Benefit Schedule.

CONCUSSIONS

Concussions - If you are injured in a covered accident and the injury causes you to have a concussion, we will pay this benefit in the amount shown in the Benefit Schedule. Concussion means a head injury resulting in electroencephalogram abnormality.

COMA

Coma - If you suffer a coma lasting 30 days or more as the result of a covered accident, we will pay this benefit as shown in the Benefit Schedule. Coma means a state of profound unconsciousness caused by a covered accident.

EMERGENCY DENTAL WORK

Emergency Dental Work - We will pay this benefit if you receive an injury to sound natural teeth as the result of a covered accident. We will pay for repair with a crown or for extraction as shown in the Benefit Schedule.

INJURIES REQUIRING SURGERY

Eye Injuries - If you injure an eye in a covered accident and surgical repair is performed by a physician within 90 days after the accident, we will pay the amount shown in the Benefit Schedule. If a physician removes a foreign body from your eye, with or without anesthesia, we will pay the amount shown in the Benefit Schedule.

Tendons and Ligaments - If you tear, sever or rupture a tendon or ligament in a covered accident, receive treatment from a physician within 60 days, and have surgical repair within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the number (single or multiple) of tendons or ligaments repaired.

If you are in a covered accident and fracture a bone or dislocate a joint, and tear, sever or rupture a tendon or ligament, we will pay only one benefit. We will pay the largest of the fracture benefit, the dislocation benefit, or the tendon and ligament benefit.

Ruptured Disc - If you rupture a disc in your spine in a covered accident, receive treatment from a physician within 60 days after the accident and have surgical repair by a physician within one year after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on when the accident occurred.

Torn Knee Cartilage - We will pay this benefit in the amount shown in the Benefit Schedule if you are injured in a covered accident and:

1. Accidental injuries result in torn knee cartilage;
2. Such injury requires treatment by a physician within 60 days from the date of the covered accident; and
3. Such injury requires repair by surgical operation within one year from the date of the covered accident.

The amount paid will be based on when the accident occurred.

Internal Injuries - We will pay this benefit as shown in the Benefits Schedule if you have internal injuries as the result of a covered accident which result in open abdominal or thoracic surgery.

Exploratory Surgery - If as the result of an injury in a covered accident you have exploratory surgery (without repair), we will pay the amount shown on the Benefit Schedule.

PARALYSIS

Paralysis - Paralysis means the permanent loss of movement of two or more limbs. If you are injured in a covered accident and the injury causes paralysis which lasts more than 90 days and is diagnosed by a physician within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the number of limbs paralyzed.

If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate Death Benefit, less any amounts paid under the Paralysis Benefit.

BURNS

Burns - If you are burned in a covered accident and are treated by a physician within 72 hours after the accident, we will pay the burn benefit shown in the Benefit Schedule according to the percentage of body surface burned.

First-degree burns are not covered.

SERVICES

Blood/Plasma - If you are injured in a covered accident and receive blood or plasma as a result of the injury within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

Ambulance - If you are injured in a covered accident and require transportation to a hospital by a professional ambulance service (including "air ambulance" service) within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

Transportation - We will pay this benefit if you are injured in a covered accident and the injury causes the attending physician to recommend hospital treatment or diagnostic study which is not available in your city of residence. We will pay the applicable amount shown in the Benefit Schedule for transportation by train, plane, or bus for each covered accident. Use of such transportation must begin within 90 days from the date of the covered accident. The distance to the location of the hospital treatment or diagnostic study must be greater than 50 miles from your residence.

Family Member Lodging - We will pay this benefit in amount and for the number of days shown in the Benefit Schedule, for each night's lodging in a motel/hotel room for an adult member of your immediate family when you are confined to a hospital for treatment of an injury due to a covered accident. The Hospital and motel/hotel must be more than 100 miles from your residence. The treatment must be prescribed by your local physician.

Medical Fees - If you are injured in a covered accident and receive treatment within one year after the accident, we will pay the amount shown in the Benefit Schedule for:

1. emergency room services and supplies;
2. x-rays;
3. physician services.

We will pay for these services up to the total amount shown for medical fees in the Benefit Schedule, for each covered accident.

This benefit is payable if you received initial treatment within 60 days after the accident.

Prosthesis - We will pay the amount shown in the Benefit Schedule for each prosthetic device you use as the result of an injury received in a covered accident. Hearing aids, wigs, or dental aids including but not limited to false teeth are not covered.

Appliances - If you are advised by a physician to use a medical appliance as an aid in personal locomotion as the result of an injury received in a covered accident, we will pay the amount shown in the Benefit Schedule. Medical appliance means crutches, wheelchairs, leg braces, back braces and walkers.

Accident Follow-up Treatment - We will pay this benefit when you receive follow-up treatment for an injury received as a result of a covered accident. We will pay for a maximum of 6 (six) treatments per covered accident. You must have received initial treatment within 72 hours of a covered accident and follow-up treatment must begin within 30 days of the covered accident or discharge from the hospital.

Physical Therapy - If you are injured in a covered accident and that injury requires physical therapy, we will pay this benefit for a maximum of six physical therapy sessions per covered accident. You must have received initial treatment for the injury within 72 hours of the covered accident and physical therapy must begin within 30 days of the covered accident or discharge from the hospital. Treatment must take place within 6 months after the accident. We will not pay this benefit for the same visit that the Accident Follow-up Treatment benefit is paid.

Wellness - After premiums have been paid for 12 months and while your coverage is in force, we will pay the amount shown in the Benefit Schedule for annual physical exams, mammograms, pap smears, eye examinations, immunizations, flexible sigmoidoscopy, PAS tests, ultrasounds and blood screening.

This benefit is payable once each 12-month period.

HOSPITAL BENEFITS

Hospital Admission - We will pay this benefit when you are injured in a covered accident and the injury requires hospital confinement as a resident bed patient within 6 months of the date of the accident.

We will pay the Hospital Admission benefit amount shown in the Benefit Schedule. We will not pay this benefit for confinement to an observation unit, or for emergency room treatment or outpatient treatment.

We will pay this benefit once per calendar year.

Hospital Confinement - If you are injured in a covered accident and the injury causes you to be confined to a hospital within 90 days after the accident, we will pay the amount shown in the Benefit Schedule, subject to the elimination period if any, for each day that you are confined to a hospital. The length of time shown for hospital confinement in the Benefit Schedule is the maximum period for which you can collect benefits for hospital confinements resulting from the same injury.

This benefit is payable once per hospital confinement even if the confinement is caused by more than one accidental injury.

Hospital Intensive Care - If you are injured in a covered accident and the injury causes you to be confined to a hospital intensive care unit, we will pay this benefit in amount and for the number of days shown in the Benefit Schedule per covered accident. This benefit is payable in addition to the Hospital Confinement benefit above.

DISMEMBERMENT

Dismemberment - If you are injured in a covered accident and the injury causes loss of a hand, foot or sight within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

If you lose one hand, foot or the sight of one eye in a covered accident, we will pay the single loss benefit shown in the Benefit Schedule.

If you lose both hands, feet, the sight of both eyes or a combination of any two, we will pay the double loss benefit shown in the Benefit Schedule.

If you lose one or more finger or toe in a covered accident, we will pay the finger/toe benefit shown in the Benefit Schedule.

Dismemberment means:

1. **Loss of a hand:** the hand is cut off at or above the wrist joint; or
2. **Loss of a foot:** the foot is cut off at or above the ankle; or
3. **Loss of sight:** at least 80% of the vision in one eye is lost. Such loss of sight must be permanent and irrecoverable or
4. **Loss of a finger/toe:** the finger or toe is cut off at or above the joint where it is attached to the hand or foot.

If you do not qualify for the Dismemberment Benefit but loose at least one joint of a finger or toe, we will pay the Partial Dismemberment shown in the Benefit Schedule.

If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate death benefit, less any amounts paid under this benefit.

ACCIDENTAL DEATH

Accidental Death - If you are injured in a covered accident and the injury causes you to die within 90 days after the accident, we will pay the Accidental Death Benefit shown in the Benefit Schedule. If the Accidental Death Benefit is paid, we will not pay the Accidental Common Carrier Death Benefit.

Accidental Common Carrier Death - If you are injured in a covered accident and the injury causes you to die within 90 days after the accident, we will pay the Accidental Common Carrier Death Benefit in the amount shown in the Benefit Schedule if the injury is the result of traveling as a fare-paying passenger on a common carrier, as defined below.

Common Carrier means:

1. an airline carrier which is licensed by the United States Federal Aviation Administration and operated by a licensed pilot on a regular schedule between established airports;
2. a railroad train which is licensed and operated for passenger service only; or
3. a boat or ship which is licensed for passenger service and operated on a regular schedule between established ports.

If the Accidental Common Carrier Death Benefit is paid, we will not pay the Accidental Death Benefit.

SECTION V

EXCEPTION AND REDUCTIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - means within the 12-month period prior to the Effective Date of the Certificate and attached Riders, as applicable, those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss, injury or total disability which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of the Certificate and attached riders, as applicable.

A claim for benefits for loss starting after 12 months from the Effective Date of a certificate and attached riders, as applicable, will not be reduced or denied on the grounds that it is caused by a pre-existing condition.

This certificate may have been issued as a replacement for a certificate previously issued to you under the Plan. If so, then the pre-existing condition limitation provision of the employee's certificate applies only to any increase in benefits over the prior certificate. Any remaining period of pre-existing condition limitation of the prior certificate would continue to apply to the prior level of benefits.

EXCLUSIONS

We will not pay benefits for loss caused by pre-existing conditions (except as stated in the previous provision).

We will not pay benefits for loss, injury or death contributed to, caused by, or resulting from:

1. **War** - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. **Suicide** - committing or attempting to commit suicide, while sane or insane.
3. **Sickness** - having any disease or bodily/mental illness or degenerative process. We also will not pay benefits for any related medical/surgical treatment or diagnostic procedures for such illness.
4. **Self-Inflicted Injuries** - injuring or attempting to injure yourself intentionally.
5. **Traveling** - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica, except under the Accidental Common Carrier Death Benefit.
6. **Racing** - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
7. **Aviation** - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
8. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
9. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.
10. **Sports** - participating in any organized sport: professional or semi-professional.
11. **Driving** - driving any taxi or intrastate or interstate long-distance vehicle for wage, compensation or profit.
12. **Avocations** - mountaineering using ropes and/or other equipment, parachuting or hand-gliding.
13. **Cosmetic Surgery** - having cosmetic surgery or other elective procedures that are not medically necessary or having dental treatment except as a result of covered accident.

SECTION VI

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or as soon as reasonably possible. The notice must be sent to us at our Home Office in Columbia, South Carolina. The notice should include the name of the Insured and the Certificate number.

Claim Forms - When we receive notice of a claim, we will send you the forms for filing proof of loss. If these forms are not sent to you within 15 working days, you will meet the proof of loss requirements by giving us a written statement of the nature and extent of the loss within the time limit stated on the Proof of Loss Section.

Proof of Loss - You must give us written proof within 180 days after the loss for which you are seeking benefits. If it is not reasonably possible to give written proof in the time required, we shall not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the covered accident unless you were legally incapacitated during that time.

Time of Payment of Claims: After we receive written proof of loss and process your claim, we will pay monthly all benefits then due for the claims providing a periodic payment. Benefits for any other loss covered by this Plan will be paid as soon as we receive proper written proof.

Payment of Claims - Benefits will be paid to you. All of the benefits due will be paid to you unless you assign them elsewhere. Any benefits unpaid at the time of your death will be paid in the following order:

1. to any approved assignee;
2. your beneficiary;
3. your surviving spouse;
4. your estate.

Changing Your Beneficiary - You can ask us to change your beneficiary at any time. The request must be in writing and the change must be approved by us. If approved, it will go into effect the day you sign the request. The change will not have any bearing on payments made before we approved the request.

Unpaid Premium - When a claim is paid, any premium due and unpaid may be deducted from the claim payment.

Physical Examination and Autopsy - At our expense, we can require you to have a physical examination as often as reasonably necessary while a claim is pending, or an autopsy in the case of death, where allowed by law. This will be done at our expense.

Legal Action - You cannot take legal action against us for benefits under this Plan:

1. within 60 days after you have sent us written proof of loss; or
2. more than 6 years from the time written proof is required to be given.

SECTION VII GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. the Plan;
2. the Application of the Policyholder; and
3. if applicable, your Application(s).

All statements made in such Application(s) shall, in the absence of fraud, be deemed representations and not warranties. No statement will be used in defense of a claim under this Plan unless:

- a. the statement is in writing signed by the Policyholder or by you; and
- b. a copy of that statement is given to the Policyholder or to you or to your beneficiary.

Contract Changes - No change in this Plan is valid unless approved by our Home Office and unless such approval is endorsed by an officer and attached to this Plan. No agent has the authority to change this Plan or to waive any of its provisions.

Misstatements of Age - If you incorrectly stated your age or the ages of your dependents, if any, in the Application, the benefits will be such as the premium paid would have purchased at the correct age. If, based on the correct ages, we would not have issued your Certificate or insured certain dependents under this Certificate, then our responsibility will be to refund the excess premium paid, if any.

Time Limit on Certain Defenses - (1) After two years from the effective date of coverage, no misstatements, made by the applicant in the application shall be used to void the coverage or to deny a claim for loss incurred commencing after the expiration of such two-year period. (2) No claim for loss incurred commencing after two years from the effective date of coverage shall be reduced or denied on the grounds that a disease or physical condition, not excluded from coverage by name or specific description, had existed prior to such effective date.

Clerical Error- Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

Individual Certificate - Continental American will give the Policyholder a Certificate for each employee. The Certificate will set forth:

1. the coverage;
2. to whom benefits will be paid; and
3. the rights and privileges under the Plan.

Data Required - The Policyholder will furnish all information and proofs which Continental American may reasonably require with regard to the Plan.

Conformity with State Statutes - Any provision of this Plan which, on the Effective Date, is in conflict with the laws of the state in which the Plan was issued, will be amended to conform to the minimum requirements of those laws.

SECTION VIII**BENEFIT SCHEDULE**

	PLAN I	PLAN II
FRACTURES		
Hip/thigh	\$1,500	\$1,000
Vertebrae	1,350	900
Pelvis	1,200	800
Skull (depressed)	1,125	750
Skull (simple)	525	350
Leg	900	600
Foot/ankle/knee cap	750	500
Forearm/hand	750	500
Lower jaw	600	400
Shoulder blade/collar bone	600	400
Upper arm/upper jaw	525	350
Facial bones (except teeth)	450	300
Vertebral processes	300	200
Coccyx/rib/finger/toe	120	80
DISLOCATIONS		
Hip	1,350	900
Knee (not knee cap)	975	650
Shoulder	750	500
Foot/ankle	600	400
Hand	525	350
Lower jaw	450	300
Wrist	375	250
Elbow	300	200
Finger/toe	120	80
LACERATIONS		
2" to 6"	200	100
Lacerations not requiring stitches	25	25
CONCUSSIONS		
	100	100
COMA		
	4,500	3000
EMERGENCY DENTAL WORK		
Repair with crown	150	75
INJURIES REQUIRING SURGERY		
Eye injuries		
Requiring surgical repair	250	125
Removal of foreign body	50	25
Tendons/ligaments		
Single	600	300

Ruptured disc		
Up to renewal years	600	400
Torn knee cartilage		
Up to renewal years	400	400
Internal Injuries	450	300
Exploratory Surgery (without repair)	250	100
PARALYSIS		
Four limbs (quadriplegia)	10,000	5,000
Two limbs (paraplegia)	10,000	5,000
BURNS		
Second Degree		
Less than 10%	60	30
At least 10% but less than 25%	120	60
At least 25% but less than 35%	300	150
35% or more	600	300
Third Degree		
Less than 10%	300	150
At least 10% but less than 25%	900	450
At least 25% but less than 35%	4,200	2,100
35% or more	6,000	3,000
SERVICES		
Blood/plasma	100	100
Ambulance	150	150
Air ambulance	500	250
Transportation		
Train or Plane	300	300
Bus	150	150
Family Member Lodging	100/per night	100/per night
Maximum Benefit - 30 days		
Medical fees		
Maximum per accident	150	100
Prosthesis	750	500
Appliances	150	100
Accident Follow-up Treatment	25	25
Maximum of 6 treatments per covered accident		

Physical Therapy	75	50
Maximum of 6 treatments per covered accident		
Wellness	60	60
Once per 12-month period		
HOSPITAL ADMISSION	\$1,500	500
Payable once per calendar year		
HOSPITAL CONFINEMENT	\$200 /day	100
Maximum Benefit - 365 days		
0 Day elimination Period		
HOSPITAL INTENSIVE CARE	\$600 /day	300
Maximum Benefit - 30 days		
0 Day elimination Period		
ACCIDENTAL DISMEMBERMENT		
Loss of hand, foot or sight		
Single loss	6,250	3,125
Double loss	25,000	12,500
Loss of one or more finger or toe	1,250	625
Partial Amputation of finger or toe	100	100
ACCIDENTAL DEATH	50,000	25,000
ACCIDENTAL COMMON CARRIER DEATH	70,000	35,000

SECTION IX

SCHEDULE OF PREMIUMS

All Full-Time employees, who are actively at work, working at least 30 hours per week, and have completed at least 0 days of continuous employment with the Policyholder.

The tables below show the premiums applicable to the Plan on the Effective Date.

Plan I Monthly Premiums	
Employee Only	\$18.80
Employee and Spouse	\$25.82
Employee and Children	\$31.41
Family	\$38.43

Plan II Monthly Premiums	
Employee Only	\$10.36
Employee and Spouse	\$14.62
Employee and Children	\$17.77
Family	\$22.03

SECTION X

INCORPORATION OF RIDER PROVISIONS

The attached listed Certificate Riders are made a part of this Policy.

INCORPORATED RIDERS

RIDER NAME	FORM NUMBER
Dependent Accident Rider	CA 7700-DAR(NC)
Dependent Definition Rider	CAI0040NC
Portability Rider	CAI-PR-09



CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205

CERTIFICATE OF INSURANCE FOR ACCIDENTAL INJURY POLICY

THIS IS AN ACCIDENT ONLY COVERAGE AND DOES NOT PAY BENEFITS FOR LOSS FROM SICKNESS (COVERAGE FOR SICKNESS MAY BE INCLUDED IN A SEPARATE RIDER, REQUIRING ADDITIONAL PREMIUMS.)

PLEASE READ YOUR CERTIFICATE CAREFULLY

THIS IS A GROUP SUPPLEMENTAL ACCIDENTAL INJURY PLAN. IMPORTANT CANCELLATION INFORMATION- PLEASE READ THE PROVISION ENTITLED: "TERMINATION OF THE PLAN" ON PAGE 4

CERTIFICATE INDEX

Definitions	Section I
Premiums and Individual Terminations	Section II
Benefits	Section III
Exception and Reductions	Section IV
Claim Provisions	Section V
General Provisions	Section VI
Benefit Schedule	Section VII
Certificate Schedule	Section VIII

We certify that you are insured under the Accidental Injury Policy (herein called the Plan) issued to your employer, the Policyholder, subject to the definitions, exclusions and other provisions of the Plan against loss resulting from accidental injury.

Certain provisions of the Plan are summarized in this Certificate. All provisions of the Plan, whether contained in your Certificate or not, apply to the insurance referred to by the Certificate.

The Effective Date of your Certificate is as shown in the Certificate Schedule if you are on that date actively at work for the Policyholder. If not, this Certificate will become effective on the next date you are actively at work as an eligible employee. This Certificate will remain in effect for the period for which the premium has been paid. This Certificate may be continued for further periods as stated in the Plan.

This Certificate is issued in consideration of the payment in advance of the required premium and of your statements and representations in the Application. A copy of your Application is attached and made a part of this Certificate.

This Certificate, on its Effective Date, automatically replaces any Certificate or Certificates previously issued to you under the Plan.

NO RECOVERY FOR PRE-EXISTING CONDITIONS-READ CAREFULLY. No benefits will be provided during the first 12-months of this Certificate for conditions diagnosed within the 12-month period prior to the effective date shown in the Certificate Schedule.

THIS IS NOT A MEDICARE SUPPLEMENT CERTIFICATE. If eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the company.

SECTION I DEFINITIONS

When the terms below are used in this Certificate, the following definitions will apply:

We, Us, Our - means Continental American.

You and Your - the Insured named in the Certificate Schedule.

Accidental Injury or Injuries - means bodily injury or injuries caused solely by or as the result of a covered accident.

Covered Accident - means an accident which occurs on or after your Effective Date, while this Certificate is in force and which is not specifically excluded.

Doctor or Physician - means a person, other than yourself or a member of your immediate family, who:

1. is licensed by the state to practice a healing art;
2. performs services which are allowed by his or her license; and
3. performs services for which benefits are provided by this Certificate.

Under the Fractures and Dislocations Benefit, a doctor means a person, other than yourself or a member of your immediate family, who is licensed by the state to practice medicine or osteopathy.

Hospital - means a place which:

1. is legally licensed and operated as a hospital;
2. provides overnight care of injured and sick people;
3. is supervised by a doctor;
4. has full-time nurses supervised by a registered nurse;
5. has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities; and
6. maintains permanent medical history records.
7. a state supported institution even though it may not have an operating room and related equipment for the surgery.

A Hospital is not:

1. a nursing home;
2. an extended care facility;
3. a convalescent home;
4. a rest home or a home for the aged;
5. a place for alcoholics or drug addicts; or
6. a mental institution.

Hospital Intensive Care Unit - means a specifically designed facility of the hospital that provides the highest level of medical care which is restricted to those patients who are critically ill or injured. Such facilities must be separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement. They must be permanently equipped with special life-saving equipment for the care of the critically ill or injured. They must be under constant and continuous observation by nursing staffs assigned on a full-time basis, exclusively to the Intensive Care Unit.

Immediate Family - means your spouse, son, daughter, mother, father, sister or brother.

Your Occupation - means the occupation in which you are regularly engaged at the time you become disabled.

Actively at Work - to be considered actively at work, you must perform for a full normal workday the regular duties of your

Fractures - A fracture is a break in a bone which can be seen by x-ray. If you fracture a bone in a covered accident, and it is diagnosed and treated by a physician within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

If the fracture requires open reduction, we will pay 150% of the amount shown in the Benefit Schedule.

Multiple Fractures - If more than one fracture requiring either open or closed reduction occurs in any one covered accident, we will pay the amounts shown in the Benefit Schedule for each fracture. However, we will pay no more than 150% of the benefit amount for the bone fractured which has the higher dollar value.

Chip Fracture - A chip fracture is a piece of bone which is completely broken off near a joint. If a physician diagnoses the fracture as a chip fracture, we will pay 10% of the amount shown in the Benefit Schedule for the affected bone.

DISLOCATIONS

Dislocation - A dislocation is a completely separated joint. If you dislocate a joint in a covered accident, and it is diagnosed and treated by a physician within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

If the dislocation requires open reduction, we will pay 150% of the amount shown in the Benefit Schedule.

We will pay benefits only for the first dislocation of a joint. We will not pay for recurring dislocations of the same joint. If you dislocated a joint before the Effective Date of this Certificate and you dislocate the same joint again, it will not be covered by this Certificate.

Multiple Dislocations - If more than one dislocation requiring either open or closed reduction occurs in any one covered accident, we will pay the amounts shown in the Benefit Schedule for each dislocation. However, we will pay no more than 150% of the benefit amount for the joint dislocated which has the higher dollar value.

Partial Dislocation - A partial dislocation is one in which the joint is not completely separated. If a physician diagnoses and treats the accidental injury as a partial dislocation, we will pay 25% of the amount shown in the Benefit Schedule for the affected joint.

Fracture and Dislocation - If you fracture a bone and dislocate a joint in the same accident, we will pay for both. However, we will pay no more than 150% of the benefit amount for the bone fractured or joint dislocated which has the higher dollar value.

LACERATIONS

Lacerations - If you receive laceration in a covered accident and the laceration is repaired with stitches by a physician within 72 hours after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the length of the laceration.

If you receive a laceration in a covered accident and the laceration does not require stitches but is treated by a physician within 72 after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

If you suffer multiple lacerations in a covered accident and the lacerations are repaired with stitches by a physician within 72 hours after the accident, we will pay this benefit based on the largest single laceration which requires stitches, as shown in the Benefit Schedule.

CONCUSSIONS

Concussions - If you are injured in a covered accident and the injury causes you to have a concussion, we will pay this benefit in the amount shown in the Benefit Schedule. Concussion means a head injury resulting in electroencephalogram abnormality.

COMA

Coma - If you suffer a coma lasting 30 days or more as the result of a covered accident, we will pay this benefit as shown in the Benefit Schedule. Coma means a state of profound unconsciousness caused by a covered accident.

EMERGENCY DENTAL WORK

Emergency Dental Work - We will pay this benefit if you receive an injury to sound natural teeth as the result of a covered accident. We will pay for repair with a crown or for extraction as shown in the Benefit Schedule.

INJURIES REQUIRING SURGERY

Eye Injuries - If you injure an eye in a covered accident and surgical repair is performed by a physician within 90 days after the accident, we will pay the amount shown in the Benefit Schedule. If a physician removes a foreign body from your eye, with or without anesthesia, we will pay the amount shown in the Benefit Schedule.

Tendons and Ligaments - If you tear, sever or rupture a tendon or ligament in a covered accident, receive treatment from a physician within 60 days, and have surgical repair within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the number (single or multiple) of tendons or ligaments repaired.

If you are in a covered accident and fracture a bone or dislocate a joint, and tear, sever or rupture a tendon or ligament, we will pay only one benefit. We will pay the largest of the fracture benefit, the dislocation benefit, or the tendon and ligament benefit.

Ruptured Disc - If you rupture a disc in your spine in a covered accident, receive treatment from a physician within 60 days after the accident and have surgical repair by a physician within one year after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on when the accident occurred.

Torn Knee Cartilage - We will pay this benefit in the amount shown in the Benefit Schedule if you are injured in a covered accident and:

1. Accidental injuries result in torn knee cartilage;
2. Such injury requires treatment by a physician within 60 days from the date of the covered accident; and
3. Such injury requires repair by surgical operation within one year from the date of the covered accident.

The amount paid will be based on when the accident occurred.

Internal Injuries - We will pay this benefit as shown in the Benefits Schedule if you have internal injuries as the result of a covered accident which results in open abdominal or thoracic surgery.

Exploratory Surgery - If as the result of an injury in a covered accident you have exploratory surgery (without repair), we will pay the amount shown on the Benefit Schedule.

PARALYSIS

Paralysis - Paralysis means the permanent loss of movement of two or more limbs. If you are injured in a covered accident and the injury causes paralysis which lasts more than 90 days and is diagnosed by a physician within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the number of limbs

paralyzed.

If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate Death Benefit, less any amounts paid under the Paralysis Benefit.

BURNS

Burns - If you are burned in a covered accident and are treated by a physician within 72 hours after the accident, we will pay the burn benefit shown in the Benefit Schedule according to the percentage of body surface burned.

First-degree burns are not covered.

SERVICES

Blood/Plasma - If you are injured in a covered accident and receive blood or plasma as a result of the injury within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

Ambulance - If you are injured in a covered accident and require transportation to a hospital by a professional ambulance service (including "air ambulance" service) within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

Transportation - We will pay this benefit if you are injured in a covered accident and the injury causes the attending physician to recommend hospital treatment or diagnostic study which is not available in your city of residence. We will pay the applicable amount shown in the Benefit Schedule for transportation by train, plane, or bus for each covered accident. Use of such transportation must begin within 90 days from the date of the covered accident. The distance to the location of the hospital treatment or diagnostic study must be greater than 50 miles from your residence.

Family Member Lodging - We will pay this benefit in amount and for the number of days shown in the Benefit Schedule, for each night's lodging in a motel/hotel room for an adult member of your immediate family when you are confined to a hospital for treatment of an injury due to a covered accident. The Hospital and motel/hotel must be more than 100 miles from your residence. The treatment must be prescribed by your local physician.

Medical Fees - If you are injured in a covered accident and receive treatment within one year after the accident, we will pay the amount shown in the Benefit Schedule for:

1. emergency room services and supplies;
2. x-rays;
3. physician services.

We will pay for these services up to the total amount shown for medical fees in the Benefit Schedule, for ~~each covered~~ accident.

This benefit is payable if you received initial treatment within 60 days after the accident.

Prosthesis - We will pay the amount shown in the Benefit Schedule for each prosthetic device you use as the result of an injury received in a covered accident. Hearing aids, wigs, or dental aids including but not limited to false teeth are not covered.

Appliances - If you are advised by a physician to use a medical appliance as an aid in personal locomotion as the result of an injury received in a covered accident, we will pay the amount shown in the Benefit Schedule. Medical appliance means crutches, wheelchairs, leg braces, back braces and walkers.

Accident Follow-up Treatment - We will pay this benefit when you receive follow-up treatment for an injury received as a result of a covered accident. We will pay for a maximum of 6 (six) treatments per covered accident. You must have received initial

treatment within 72 hours of a covered accident and follow-up treatment must begin within 30 days of the covered accident or discharge from the hospital.

Physical Therapy - If you are injured in a covered accident and that injury requires physical therapy, we will pay this benefit for a maximum of six physical therapy sessions per covered accident. You must have received initial treatment for the injury within 72 hours of the covered accident and physical therapy must begin within 30 days of the covered accident or discharge from the hospital. Treatment must begin within 6 months of the accident. We will not pay this benefit for the same visit that the Accident Follow-up Treatment benefit is paid.

Wellness - After premiums have been paid for 12 months and while your coverage is in force, we will pay the amount shown in the Benefit Schedule for annual physical exams, mammograms, pap smears, eye examinations, immunizations, flexible sigmoidoscopy, PAS tests, ultrasounds and blood screening. This benefit is payable once each 12-month period.

HOSPITAL BENEFITS

Hospital Admission - We will pay this benefit when you are injured in a covered accident and the injury requires hospital confinement as a resident bed patient within 6 months of the date of the accident.

We will pay the Hospital Admission Benefit amount shown in the Benefit Schedule. We will not pay this benefit for confinement to an observation unit, or for emergency room treatment or outpatient treatment.

We will pay this benefit once per calendar year.

Hospital Confinement - If you are injured in a covered accident and the injury causes you to be confined to a hospital within 90 days after the accident, we will pay the amount shown in the Benefit Schedule, subject to the elimination period if any, for each day that you are confined to a hospital. The length of time shown for hospital confinement in the Benefit Schedule is the maximum period for which you can collect benefits for hospital confinements resulting from the same injury.

This benefit is payable once per hospital confinement even if the confinement is caused by more than one accidental injury.

Hospital Intensive Care - If you are injured in a covered accident and the injury causes you to be confined to a hospital intensive care unit, we will pay this benefit in amount and for the number of days shown in the Benefit Schedule per covered accident. This benefit is payable in addition to the Hospital Confinement Benefit above.

DISMEMBERMENT

Dismemberment - If you are injured in a covered accident and the injury causes loss of a hand, foot or sight within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

If you lose one hand, foot or the sight of one eye in a covered accident, we will pay the single loss benefit shown in the Benefit Schedule.

If you lose both hands, feet, the sight of both eyes or a combination of any two, we will pay the double loss benefit shown in the Benefit Schedule.

If you lose one or more finger or toe in a covered accident, we will pay the finger/toe benefit shown in the Benefit Schedule.

Dismemberment means:

1. **Loss of a hand:** the hand is cut off at or above the wrist joint; or
2. **Loss of a foot:** the foot is cut off at or above the ankle; or
3. **Loss of sight:** at least 80% of the vision in one eye is lost. Such loss of sight must be permanent and irrecoverable or

4. **Loss of a finger/toe:** the finger or toe is cut off at or above the joint where it is attached to the hand or foot.

If you do not qualify for the Dismemberment Benefit but loose at least one joint of a finger or toe, we will pay the Partial Dismemberment shown in the Benefit Schedule.

If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate death benefit, less any amounts paid under this benefit.

ACCIDENTAL DEATH

Accidental Death - If you are injured in a covered accident and the injury causes you to die within 90 days after the accident, we will pay the Accidental Death Benefit shown in the Benefit Schedule. If the Accidental Death Benefit is paid, we will not pay the Accidental Common Carrier Death Benefit.

Accidental Common Carrier Death - If you are injured in a covered accident and the injury causes you to die within 90 days after the accident, we will pay the Accidental Common Carrier Death Benefit in the amount shown in the Benefit Schedule if the injury is the result of traveling as a fare-paying passenger on a common carrier, as defined below.

Common Carrier means:

1. an airline carrier which is licensed by the United States Federal Aviation Administration and operated by a licensed pilot on a regular schedule between established airports;
2. a railroad train which is licensed and operated for passenger service only; or
3. a boat or ship which is licensed for passenger service and operated on a regular schedule between established ports.

If the Accidental Common Carrier Death Benefit is paid, we will not pay the Accidental Death Benefit.

SECTION IV

EXCEPTION AND REDUCTIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - means within the 12-month period prior to the Effective Date of the Certificate and attached Riders, as applicable, those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss, injury or total disability which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of your Certificate and attached riders, as applicable.

A claim for benefits for loss starting after 12 months from the Effective Date of your Certificate and attached riders, as applicable, will not be reduced or denied on the grounds that it is caused by a pre-existing condition.

This certificate may have been issued as a replacement for a Certificate previously issued to you under the Plan. If so, then the pre-existing condition limitation provision of this Certificate applies only to any increase in benefits over the prior Certificate. Any remaining period of pre-existing condition limitation of the prior Certificate would continue to apply to the prior level of benefits.

EXCLUSIONS

We will not pay benefits for loss caused by pre-existing conditions (except as stated in the previous provision).

We will not pay benefits for loss, injury, total disability or death contributed to, caused by, or resulting from:

1. **War** - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.

2. **Suicide** - committing or attempting to commit suicide, while sane or insane.
3. **Sickness** - having any disease or bodily/mental illness or degenerative process. We also will not pay benefits for any related medical/surgical treatment or diagnostic procedures for such illness.
4. **Self-Inflicted Injuries** - injuring or attempting to injure yourself intentionally.
5. **Traveling** - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica, except under the Accidental Common Carrier Death Benefit.
6. **Racing** - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
7. **Aviation** - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
8. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
9. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.
10. **Sports** - participating in any organized sport: professional or semi-professional.
11. **Driving** - driving any taxi or intrastate or interstate long-distance vehicle for wage, compensation or profit.
12. **Avocations** - mountaineering using ropes and/or other equipment, parachuting or hand-gliding.
13. **Cosmetic Surgery** - having cosmetic surgery or other elective procedures that are not medically necessary or having dental treatment except as a result of covered accident.

SECTION V

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or as soon as reasonably possible. The notice must be sent to us at our Home Office in Columbia, South Carolina. The notice should include the name of the insured and the Certificate number.

Claim Forms - When we receive notice of a claim, we will send you the forms for filing proof of loss. If these forms are not sent to you within 15 working days, you will meet the proof of loss requirements by giving us a written statement of the nature and extent of the loss within the time limit stated on the Proof of Loss Section.

Proof of Loss - You must give us written proof within 180 days after the loss for which you are seeking benefits. If it is not reasonably possible to give written proof in the time required, we shall not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the covered accident unless you were legally incapacitated during that time.

Time of Payment of Claims: After we receive written proof of loss and process your claim, we will pay monthly all benefits then due for the claims providing a periodic payment. Benefits for any other loss covered by this Plan will be paid as soon as we receive proper written proof.

Payment of Claims - Benefits will be paid to you. All of the benefits due will be paid to you unless you assign them elsewhere. Any

benefits unpaid at the time of your death will be paid in the following order:

1. to any approved assignee;
2. your beneficiary;
3. your surviving spouse;
4. your estate.

Changing Your Beneficiary - You can ask us to change your beneficiary at any time. The request must be in writing and the change must be approved by us. If approved, it will go into effect the day you sign the request. The change will not have any bearing on payments made before we approved the request.

Unpaid Premium - When a claim is paid, any premium due and unpaid may be deducted from the claim payment.

Physical Examination and Autopsy - At our expense, we can require you to have a physical examination as often as reasonably necessary while a claim is pending, or an autopsy in the case of death, where allowed by law. This will be done at our expense.

Legal Action - You cannot take legal action against us for benefits under this Plan:

1. within 60 days after you have sent us written proof of loss; or
2. more than 6 years from the time written proof is required to be given.

SECTION VI

GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. the Plan;
2. the application of the policyholder; and
3. if applicable, your application(s).

All statements made in such application(s) shall, in the absence of fraud, be deemed representations and not warranties. No statement will be used in defense of a claim under this Plan unless:

- a. the statement is in writing signed by the policyholder or by you; and
- b. a copy of that statement is given to the policyholder or to you or to your beneficiary.

Contract Changes - No change in the Plan is valid unless approved by our Home Office and unless such approval is endorsed by an officer and attached to this Plan. No agent has the authority to change this Plan or to waive any of its provisions.

Misstatements of Age - If you incorrectly stated your age or the ages of your dependents, if any, in the application, the benefits will be such as the premium paid would have purchased at the correct age. If, based on the correct ages, we would not have issued your certificate or insured certain dependents under this certificate, then our responsibility will be to refund the excess premium paid, if any.

Time Limit on Certain Defenses - (1) After two years from the effective date of coverage, no misstatement, made by the applicant in the application shall be used to void the coverage or to deny a claim for loss incurred commencing after the expiration of such two-year period. (2) No claim for loss incurred commencing after two-years from the effective date of coverage shall be reduced or denied on the grounds that a disease or physical condition, not excluded from coverage by name or specific description, had existed prior to such effective date.

Clerical Error- Clerical error by the policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

Conformity with State Statutes - Any provision of the Plan which, on the Effective Date, is in conflict with the laws of the state in which the Plan was issued, will be amended to conform to the minimum requirements of those laws.

SECTION VII

**BENEFIT SCHEDULE
PLAN II**

FRACTURES

Hip/thigh	\$1,000
Vertebrae	900
Pelvis	800
Skull (depressed)	750
Skull (simple)	350
Leg	600

Foot/ankle/knee cap	500
Forearm/hand	500
Lower jaw	400
Shoulder blade/collar bone	400
Upper arm/upper jaw	350
Facial bones (except teeth)	300
Vertebral processes	200
Coccyx/rib/finger/toe	80
DISLOCATIONS	
Hip	900
Knee (not knee cap)	650
Shoulder	500
Foot/ankle	400
Hand	350
Lower jaw	300
Wrist	250
Elbow	200
Finger/toe	80
LACERATIONS	
2" to 6"	100
Lacerations not requiring stitches	25
CONCUSSIONS	
	100
COMA	
	3000
EMERGENCY DENTAL WORK	
Repair with crown	75
INJURIES REQUIRING SURGERY	
Eye injuries	
Requiring surgical repair	125
Removal of foreign body	25
Tendons/ligaments	
Single	300
Ruptured disc	
Up to renewal years	600
Torn knee cartilage	
Up to renewal years	400
Internal Injuries	
	300
Exploratory Surgery (without repair)	
	100
PARALYSIS	
Four limbs (quadriplegia)	5,000
Two limbs (paraplegia)	5,000

BURNS

Second Degree	
Less than 10%	30
At least 10% but less than 25%	60
At least 25% but less than 35%	150
35% or more	300
Third Degree	
Less than 10%	150
At least 10% but less than 25%	450
At least 25% but less than 35%	2,100
35% or more	3,000

SERVICES

Blood/plasma	100
Ambulance	150
Air ambulance	250
Transportation	
Train or Plane	300
Bus	150
Family Member Lodging	100/per night
Maximum Benefit - 30 days	
Medical fees	
Maximum per accident	100
Prosthesis	500
Appliances	100
Accident Follow-up Treatment	25
Maximum of 6 treatments per covered accident	
Physical Therapy	50
Maximum of 6 treatments per covered accident	
Wellness	60
Once per 12-month period	

HOSPITAL ADMISSION \$500
 Payable once per calendar year

HOSPITAL CONFINEMENT \$100 /day
 Maximum Benefit - 365 days
 0 Day elimination Period

HOSPITAL INTENSIVE CARE \$300 /day
Maximum Benefit - 30 days
0 Day elimination Period

ACCIDENTAL DISMEMBERMENT
Loss of hand, foot or sight
 Single loss 3,125
 Double loss 12,500

Loss of one or more finger or toe 625

Partial Amputation of finger or toe 100

ACCIDENTAL DEATH 25,000

ACCIDENTAL COMMON CARRIER DEATH 35,000

SECTION VIII

CERTIFICATE SCHEDULE

HOSPITAL ADMISSION \$500
Payable once per calendar year

HOSPITAL CONFINEMENT \$100 /day
Maximum Benefit - 365 days
0 Day elimination Period

HOSPITAL INTENSIVE CARE \$300 /day
Maximum Benefit - 30 days
0 Day elimination Period

Coverage Includes Other Benefits Shown In The Benefit Schedule

*Initial premium includes the premium for any riders purchased at the same time as the coverage provided by your certificate.

This certificate terminates on the premium due date which falls on or first follows your 70th birthday.



CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205

DEPENDENT ACCIDENT RIDER TO CERTIFICATE OF INSURANCE FOR ACCIDENTAL INJURY

PLEASE READ THIS RIDER CAREFULLY.

This Rider is a part of the Certificate to which it is attached. We have issued this Rider to you because: (1) you paid the additional premium for this Rider; and (2) we relied on the Application you made. Unless amended by this Rider, Certificate Definitions, Exclusions and Limitations, other Provisions and terms apply to this Rider.

Effective Date - If issued at the same time as the Certificate, this rider becomes effective when the Certificate becomes effective. If issued after the Certificate becomes effective, this Rider will have a later Effective Date, which will be shown in the Rider Schedule issued with this Rider. The insurance of a dependent will become effective on the rider date if such person is active on that date. Otherwise, the Effective Date will be deferred until the day following the date he or she becomes active.

DEFINITIONS

When the terms below are used in this rider, the following definitions will apply:

YOU, YOUR Means the person named in the Certificate Schedule.

SPOUSE Means the person married to you on the Effective Date of this Rider.

This Rider may only be issued to your spouse if your spouse is between ages 18 and 64, inclusive. Coverage on your spouse terminates when your spouse attains age 70.

CHILDREN Means your natural children, step-children, foster children, legally adopted children or children placed for adoption, who:

- are unmarried;
- are chiefly dependent on you or your spouse for support;
- are living with you in a regular parent-child relationship; and
- are younger than age 19, or younger than age 23 if they are full-time students. The definition of "full-time student" will be based on the criteria of the learning institution at which the student is enrolled.

"Children" also includes dependent children, regardless of age, who:

- are mentally or physically handicapped;
- became or become handicapped prior to age 19; and
- cannot support themselves because of their handicap.

If additional monthly premiums will be required to enroll a new spouse or a new dependent child, you must submit an application through your group within thirty-one (31) days of acquiring a new dependent. This applies to a newborn child or an adopted of a foster child newly placed in the adoptive/foster home. If no additional monthly premium will be required when you add a dependent child to your plan, you should notify us in writing.

A newborn child will be covered from the moment of birth. A foster care child will be covered from the date of placement in the home provided coverage for that child is put into effect within thirty-one (31) days. Children for which a decree of adoption has been entered by the insured (or for whom adoption proceedings have been instituted by the insured), shall be covered automatically from birth. A foster care child will be covered from the date of placement in the home provided coverage for the child is put in to effect within thirty-one (31) days.

We will not decline enrollment of a child on the grounds the child was born out of wedlock, the child was not claimed as dependent on the parent's federal tax return; or the child does not reside with the parent or the insurer's service area.

DEPENDENT Means your spouse, child or children, named in the Application for this rider for whom a premium is paid.

ACTIVE "Active" as used refers to a dependent who is not confined in a hospital and who is able to carry on regular activities customary of a person in good health of the same age and sex.

PRE-EXISTING CONDITION Pre-existing condition means within the 12 month period prior to the Effective Date of this Rider an injury, sickness, or physical condition. For which medical advice or treatment was received or recommended.

TREATMENT Means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

BENEFITS

If a dependent is injured in an accident, we will provide the benefits contained in the Certificate under the Benefits Section. The appropriate benefit amounts we will pay for the dependent are shown in the Dependent Benefit Schedule issued with this Rider.

EXCEPTIONS AND REDUCTIONS

PRE-EXISTING CONDITION We will not pay benefits for any loss caused by a pre-existing condition; coverage for such condition will be excluded for 12 months after the Effective Date of this Rider.

This Rider may have been issued as a replacement for a Rider previously issued to you under the Plan. If so, then the pre-existing condition limitation provision of this Rider will only exclude those conditions excluded by the former contract. This pre-existing condition limitation applies only to any increase in benefits over the prior Rider. Any remaining period of pre-existing condition limitation of the prior Rider will continue to apply to the prior level of benefits. Time spent under the former and present contract will be computed together to determine if a condition is still considered pre-existing.

GENERAL PROVISIONS

If your spouse's coverage is terminated because of annulment or divorce, or a dependent child's coverage is terminated because of marriage or attainment of the limiting age, we will still pay benefits for any accident which occurred while the dependent was covered under this Rider.

**TIME LIMIT
ON CERTAIN
DEFENSES**

(1) After two years from the effective date of coverage, no misstatements, made by the applicant in the application shall be used to void the coverage or to deny a claim for loss incurred commencing after the expiration of such two-year period.

(2) No claim for loss incurred commencing after two years from the effective date of coverage shall be reduced or denied on the grounds that a disease or physical condition, not excluded from coverage by name or specific description, had existed prior to such effective date.

CONTRACT

This Rider is part of the Certificate, and will terminate when the Certificate terminates, or when premiums are no longer paid for this Rider.

This Rider is subject to all of the terms of the Certificate to which it is attached unless any such terms are inconsistent with the terms of this Rider.

**DEPENDENT BENEFIT SCHEDULE
PLAN II**

Spouse and Children

FRACTURES

Hip/thigh	\$1,000
Vertebrae	900
Pelvis	800
Skull (depressed)	750
Skull (simple)	350
Leg	600
Foot/ankle/knee cap	500
Forearm/hand	500
Lower jaw	400
Shoulder blade/collar bone	400
Upper arm/upper jaw	350
Facial bones (except teeth)	300
Vertebral processes	200
Coccyx/rib/finger/toe	80

DISLOCATIONS

Hip	900
Knee (not knee cap)	650
Shoulder	500
Foot/ankle	400
Hand	350
Lower jaw	300
Wrist	250
Elbow	200
Finger/toe	80

LACERATIONS

2" to 6"	100
Lacerations not requiring stitches	25

CONCUSSIONS

100

EMERGENCY DENTAL WORK

Repair with crown	75
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INJURIES REQUIRING SURGERY

Eye injuries

Requiring surgical repair	125
Removal of foreign body	25

Tendons/ligaments

Single	600
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Ruptured disc

Up to renewal years	400
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Torn knee cartilage

Up to renewal years	400
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Internal Injuries	300
Exploratory Surgery (without repair)	100
BURNS	
Second Degree	
Less than 10%	30
At least 10% but less than 25%	60
At least 25% but less than 35%	150
35% or more	300
Third Degree	
Less than 10%	150
At least 10% but less than 25%	450
At least 25% but less than 35%	2,100
35% or more	3,000
SERVICES	
Blood/plasma	100
Ambulance	150
Air ambulance	250
Transportation	
Train or Plane	300
Bus	150
Family Member Lodging	100/per night
Maximum Benefit - 30 days	
Prosthesis	500
Appliances	100
Accident Follow-up Treatment	25
Maximum of 6 treatments per covered accident	
Physical Therapy	50
Maximum of 6 treatments per covered accident	
Wellness	60
Once per 12-month period	

	<u>Spouse</u>	<u>Children</u>
PARALYSIS		
Four limbs (quadriplegia)	5,000	2,500
Two limbs (paraplegia)	5,000	2,500
COMA	3,000	1,500
Medical fees		
Maximum per accident	100	70
HOSPITAL ADMISSION	\$500	\$300
Payable once per calendar year		
HOSPITAL CONFINEMENT	\$100 /day	\$100/day
Maximum Benefit - 365 days		
0 Day elimination Period		
HOSPITAL INTENSIVE CARE	\$300 /day	\$200/day
Maximum Benefit - 30 days		
0 Day elimination Period		
ACCIDENTAL DISMEMBERMENT		
Loss of hand, foot or sight		
Single loss	1,250	625
Double loss	5,000	2,500
Loss of one or more finger or toe	250	125
Partial Amputation of finger or toe	100	100
ACCIDENTAL DEATH	12,500	2,500
ACCIDENTAL COMMON CARRIER DEATH	17,500	3,500

DEPENDENT ACCIDENT RIDER SCHEDULE

**Insured -
Effective Date -
Initial Premium -**

**Group Policy Number -
Rider Number -
Certificate Number-
First Renewal Date-**

Benefits for Accidents - Dependent Accident Coverage
(See Dependent Benefit Schedule)



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800-433-3036

Dependent Child Definition Rider

This rider is a part of the document to which it is attached. Unless amended by this rider Policy, Certificate and Dependent Rider Definitions, Exclusions and Limitations, other term and provisions apply to this rider.

The definition of Dependent Child is deleted and replaced by the following:

Dependent Child means your natural children, step-children, foster children, legally adopted children or children placed for adoption, who are under age 26.

- a. Coverage on a Dependent Child will terminate on the child's 26th birthday. However, if any child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, the above age of twenty-six (26) shall not apply. Proof of such incapacity and dependency must be furnished to the Company within thirty-one (31) days following such 26th birthday, and not more frequently than annually from then forward.
- b. Newborn Children of an Employee and/or his/her insured spouse and newborn Adopted Children shall automatically be covered from the moment of birth, under the same terms and conditions that apply to the natural, dependent children of covered persons.
- c. Other foster children and adopted children shall be treated the same as newborn infants and are eligible for coverage on the same basis upon placement in the Employee's home, under the same terms and conditions that apply to the natural, dependent children of covered persons.
- d. If a parent is required by a court or administrative order to provide health benefit plan coverage for a child, and the parent is eligible for family health benefit plan coverage through a health insurer, the health insurer:
 - i. Must allow the parent to enroll, under the family coverage, a child who is otherwise eligible for the coverage without regard to any enrollment season restrictions.
 - ii. Must enroll the child under family coverage upon application of the child's other parent or the Department of Health and Human Services in connection with its administration of the Medical Assistance or Child Support Enforcement Program if the parent is enrolled but fails to make application to obtain coverage for the child.
 - iii. May not disenroll or eliminate coverage of the child unless the health insurer is provided satisfactory written evidence that the court or administrative order is no longer in effect or the child is or will be enrolled in comparable health benefit plan coverage through another health insurer, which coverage will take effect not later than the effective date of disenrollment.
 - iv. Will not impose pre-ex limitations or waiting periods.

- f. If Dependent Child is covered under the plan, Dependent Children born or placed in the Employee's home after the Effective Date of this Rider will also be covered from the moment of birth. No notice or additional premium is required and the enrollment period will be waived. The company will not impose pre-ex limitations or waiting periods for newborn children, foster and adopted children if they are enrolled upon placement or children covered by the court or administrative order.

The second paragraph under the provisions **TERMINATION OF AN EMPLOYEE'S INSURANCE** and **TERMINATION OF YOUR INSURANCE** is deleted and replaced by the following:

Insurance for an insured Spouse or Dependent Child will terminate the earliest of:

1. the date the Plan is terminated;
2. the date the Spouse or Dependent Child ceases to be a dependent;
3. the premium due date following the date we receive your written request to terminate coverage for your Spouse and/or all Dependent Children.

This rider is subject to all of the terms of the document to which it is attached unless any such terms are inconsistent with the terms of this Rider.

Signed by the Company at its Home Office.



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

IMPORTANT NOTICE

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRICIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OF 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 ARRANGMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THESE 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 THIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHT 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 VIOTATING 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.