



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina
800.433.3036

Endorsement to Policy and Certificate of Insurance

This Endorsement alters the Policy and the Certificate to which it is attached. Unless specifically addressed by this Endorsement, all other Policy and Certificate provisions, definitions, and terms continue to apply.

Continental American Insurance Company's mailing addresses for claims and premium payments are changed as listed below.

Notice of Claim and **Proof of Loss** should be mailed to the Company at:

P.O. Box 84075, Columbus, Georgia, 31993-9103

Premium Payments should be mailed to the Company at:

P.O. Box 84069, Columbus, Georgia, 31908-4069

If applicable, references to 2801 Devine Street, Columbia, SC 29205 are deleted.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Certificate of Insurance For Group Supplemental Hospital Indemnity Policy

This limited Plan provides supplemental benefits only. It does not constitute comprehensive health insurance coverage and does not satisfy the requirement of Minimum Essential Coverage under the Affordable Care Act.

THIS PLAN IS A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES.

This Plan provides the benefits listed in the Benefit Schedule.

THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the Company.

THIS IS A LEGAL CONTRACT. PLEASE READ YOUR CERTIFICATE CAREFULLY.

Your Employer (the “Policyholder”) applied for coverage under this Group Supplemental Hospital Indemnity Insurance Policy (the “Plan”). This Plan is issued by Continental American Insurance Company (the “Company,” “CAIC,” “we,” “us,” or “our”). For the purposes of this Plan, “you” (including “your” and “yours”) refers to you. Based on the application process and the timely payment of premiums, the Company agrees to pay the benefits provided on the following pages. (Please note that male pronouns— such as “he,” “him,” and “his”—are used for both males and females, unless the context clearly shows otherwise.)

You will notice that certain words and phrases (including some medical terms and the names of Plan documents) in this document are capitalized. The capitalized words refer to terms with very specific definitions as they apply to this insurance Plan.

We certify that you are insured under the Group Supplemental Hospital Indemnity Policy (the “Plan”). The Plan was issued to the Policyholder. The Certificate is subject to the Definitions, Exclusions, and other provisions of the Plan.

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.

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

Important Cancellation Information-Please read the provision entitled “Plan Termination” found on page 4.

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SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION

Eligibility

You are eligible to be covered under this Plan if you are Actively at Work for the Policyholder and included in the class that is eligible for coverage, as shown on the Master Application.

Insureds are defined as those who might be eligible for coverage under this Plan in the following categories:

- **Employee Coverage** – We insure only the Employee.
- **Employee and Spouse Coverage** – We insure the Employee and spouse (as defined in the applicable rider).
- **Employee and Children Coverage** – We insure the Employee and any dependent children (as defined in the applicable rider).
- **Family Coverage** – We insure the Employee, spouse, and any dependent children (as defined in the applicable rider).

We will not insure anyone specifically excluded from coverage by Endorsement to the Certificate or by application, even if that person would otherwise be eligible for coverage.

Details for adding Insureds to your coverage are outlined in the Effective Date section.

Effective Date

Your Employee Effective Date is shown on the Certificate Schedule.

Your Employee Effective Date is the date your insurance takes effect. After we receive and approve the Application, that date is either:

- The date shown on the Certificate Schedule if you are Actively at Work on that date, or
- The date you return to an Actively-at-Work status if you were not Actively at Work on the date shown on the Certificate Schedule.

The Effective Date of coverage will be no later than your 91st day of employment.

If Employee and Spouse, Employee and Children, or Family Coverage is offered:

- A Dependent may be added to the Plan after the Employee's Effective Date within 31 days of a Life Event or during an approved enrollment period. The enrollment period is waived if a parent is required by court or administrative order to enroll a child.
- If Dependent Child Rider coverage **is already in force**, no additional notice or premium is required to add another dependent child.
- If Dependent Spouse Rider or Dependent Child Rider coverage is **not** in force, the Employee must complete an Application to add a Dependent to the Plan. The Company will assign a Dependent Rider Effective Date for a Dependent's coverage after approving the Application. For Dependent coverage to become effective, the premium for the Dependent must be included in the premium payment.
- If Dependent Child Rider coverage is not already in force, *newborn* children are automatically covered from the moment of birth for 60 days. *Newly adopted* children are automatically covered from the earlier of a) placement for adoption, b) the date of entry of an order granting custody of the child for the purposes of adoption, or c) the effective date of adoption, for 60 days. *Newly placed* foster children are automatically covered from placement in the foster home. To extend coverage beyond 60 days with no gap in coverage, the Employee must contact the Company within the 60-day time period following the child's birth, adoption, or placement. No premium is due for the first 60 days of newborn/newly adopted/newly placed coverage.

A day begins at 12:01 a.m. standard time at the Employee's place of residence.

Plan Termination

The **Company** has the right to cancel the Plan on any premium due date for the following reasons:

- The premium is not paid before the end of the Grace Period,
- The number of participating Employees is less than the number mutually agreed upon by the Company and the Policyholder,
- The number of participating Employees changes by 25% or more,
- The Policyholder fails to perform any of the obligations that relate to this policy or that are required by applicable law,
- The Policyholder no longer offers coverage to a particular class of Employees,
- The Policyholder no longer serves a class of Employees who reside in a particular geographical area, or
- The Policyholder does not provide timely information that is reasonably required.

The **Policyholder** has the right to cancel the Plan on any premium due date.

- To do this, the Policyholder must give the Company at least 45 days' written notice.
- The Plan will end on the date in the written notice or the date the Company receives the notice, whichever is later.

All outstanding premiums are due upon Plan termination. If the Company accepts premium payments after the Plan terminates, this will not reinstate the Plan; we will refund any excess premium.

The Policyholder has the sole responsibility of notifying Certificateholders in writing of the Plan's termination as soon as reasonably possible. If the Plan terminates, it—and all Certificates and Riders issued under the Plan—will terminate on the specified termination date. The termination occurs as of 12:01 a.m. at the Policyholder's address.

Termination of Your Insurance

Your insurance will terminate on whichever occurs first:

- The date the Company terminates the Plan.
- The 31st day after the premium due date (the last day of the Grace Period), if the premium has not been paid.
- The date you no longer belong to an eligible class.

If an Insured's coverage terminates, we will provide benefits for valid claims that arose while your coverage was active.

Portability Privilege

When you are no longer a member of an eligible class and your coverage would otherwise end, you may elect to continue your coverage under this Plan. You may continue the coverage you had on the date your Certificate would otherwise terminate, including any in-force Dependent Spouse Rider or Dependent Child Rider coverage, without any additional underwriting requirements.

To keep your coverage in force, you must:

- Notify the Company within 31 days after the date your coverage would otherwise terminate. You may notify us by sending written notice to P.O. Box 427, Columbia, South Carolina, 29202 or by calling the Customer Service number at 800.433.3036, and
- Pay the required premium directly to the Company no later than 31 days after the date your coverage would otherwise terminate and on each premium due date thereafter.

Your ported coverage will end on the earliest of the following dates:

- 31 days after the premium due date (the last day of the Grace Period), if the premium has not been paid, or
- The date the Group Plan is terminated.

If you qualify for this Portability Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate as shown in your previously-issued Certificate. Notification of any changes in the Plan will be provided directly by the Company.

Reinstatement

If any renewal premium is not paid on time (as outlined in the initial payment agreement) for the Plan, the Company (or an agent who is authorized by the Company) may accept the late premium and reinstate the Plan without requiring a new Application.

However, if the Company (or authorized agent) does require an Application for Reinstatement and issues a conditional receipt for the premium tendered, the Plan will be reinstated:

- Upon the Company's approval, or
- Lacking such approval, upon the 45th day following the date of the conditional receipt (unless the Company has previously notified the Policyholder in writing of its disapproval of such Application).

The reinstated Plan covers only loss resulting from such accidental injury as may be sustained after the date of Reinstatement and loss due to such sickness as may begin more than 10 days after such date. In all other respects, the Policyholder and the Company will have the same rights they had under the Plan immediately before the due date of the defaulted premium (subject to any provisions endorsed with or attached to the Reinstatement).

Any premium accepted with a Reinstatement will:

- Be applied to a period for which premium has not been previously paid, but
- Not to any period more than 60 days prior to the date of Reinstatement.

SECTION II – PREMIUM PROVISIONS

Premium Payments

Premiums should be paid to the Company at its Home Office in Columbia, South Carolina. The first premiums are due on the Plan's Effective Date. After that, premiums are due on the first day of each month that the Plan remains in effect.

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 provision.

Premium Changes

Unless we have agreed in writing not to increase premiums, the premium may change:

- On the Group Policy Anniversary Date based on renewal underwriting. (The Group Policy Anniversary Date is shown on the Policy Schedule and falls on the same date each year thereafter.)
- Whenever the terms or conditions of the Plan are modified. The new premium rates will apply only to premiums due on or after the rate change takes effect.

A change in premium rate will not take effect until at least one year after the Policy Effective Date. However, we may change premium rates at any time, though never more than every 6 months, thereafter based upon 12 months of experience.

We will provide the Policyholder a 45-day advance written notice of any change in premiums.

Grace Period

This Plan has a 31-day Grace Period. If a premium is not paid on or before its due date, the premium may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given the Company written notice of its intention to discontinue the Plan. If the Plan is discontinued, the Plan's termination date will be the latest date for which premium has been paid.

SECTION III – DEFINITIONS

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

Accidental Injury means accidental bodily damage to an Insured. This must be the direct result of an accident and not the result of disease or bodily infirmity. A **Covered Accidental Injury** is an Accidental Injury that occurs while coverage is in force. A **Covered Accident** is an accident that occurs on or after an Insured's Effective Date while coverage is in force, and that is not specifically excluded by the Plan.

Actively at Work refers to your ability to perform your regular employment duties for a full normal workday. You may perform these activities either at your Employer's regular place of business or at a location where you are required to travel to perform the regular duties of your employment.

Calendar Year means the period beginning on the policy Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Claimant means a person who is authorized to make a claim under the Certificate.

Dependent means your spouse or dependent children, as defined in the applicable rider, who have been accepted for coverage.

Doctor is a person who is duly qualified as a practitioner of the healing arts acting within the scope of his license, and:

- Is licensed to practice medicine; prescribe and administer drugs; or to perform surgery, or
- Is a duly qualified medical practitioner according to the laws and regulations in the state in which Treatment is made.

A Doctor **does not** include you or any of your Family Members.

For the purposes of this definition, **Family Member** includes your Spouse as well as the following members of your immediate family:

- Son.
- Daughter.
- Mother.
- Father.
- Sister.
- Brother.

This includes step-Family Members and Family-Members-in-law.

Employee is a person who meets Eligibility requirements under **Section I – Eligibility, Effective Date, and Termination**, and who is covered under this Plan. The Employee is the primary Insured under this Plan.

Hospital means a place that meets all of the following criteria:

- Is legally licensed and operated as a Hospital,
- Provides overnight care of injured and sick people,
- Is supervised by a Doctor,
- Has full-time nurses supervised by a registered nurse, and
- Has on-site use of X-ray equipment, laboratory, and surgical facilities. This requirement is not applicable to state tax supported institutions.

Hospital includes any duly licensed state tax supported institution, including those community health centers and other health clinics which are certified as Medicaid providers.

The term **Hospital** specifically excludes any facility not meeting the definition of Hospital as defined in this Plan, including:

- A nursing home,
- An extended care facility,
- A skilled nursing facility,
- A rest home or home for the aged,
- A Rehabilitation Facility,
- A facility for the Treatment of alcoholism or drug addiction, or
- An assisted living facility.

Hospital Intensive Care Unit means a place that meets all of the following criteria:

- Is a specifically designated area of the Hospital called a Hospital Intensive Care Unit;
- Provides the highest level of medical care;
- Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
- Is separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement;
- Is permanently equipped with special life-saving equipment for the care of the critically ill or injured;
- Is under close observation by a specially trained nursing staff assigned exclusively to the Hospital Intensive Care Unit 24 hours a day; and
- Has a Doctor assigned to the Hospital Intensive Care Unit on a full-time basis.

The term *Hospital Intensive Care Unit* specifically excludes any type of facility not meeting the definition of Hospital Intensive Care Unit as defined in this Plan, including but not limited to private monitored rooms, surgical recovery rooms, observation units, and the following step-down units:

- A progressive care unit,
- A sub-acute intensive care unit, or
- An intermediate care unit.

Intermediate Intensive Care Step-Down Unit means any of the following:

- A progressive care unit,
- A sub-acute intensive care unit,
- An intermediate care unit, or
- A pre- or post-intensive care unit.

An Intermediate Intensive Care Step-Down Unit is **not** a Hospital Intensive Care Unit as defined in this Plan.

Life Event means an event that qualifies you to make changes to benefits at times other than your enrollment period. Events qualifying as Life Events are established solely by the Policyholder.

Rehabilitation Facility is a unit or facility providing coordinated multidisciplinary physical restorative services. These services must be provided to inpatients under a Doctor's direction. The Doctor must be knowledgeable and experienced in rehabilitative medicine. Beds must be set up in a unit or facility specifically designated and staffed for this service. This is not a facility for the Treatment of alcoholism or drug addiction.

Related – a Related Accidental Injury or Sickness is one that is in correlation to, or occurs as a result of, the initial Accidental Injury or Sickness, and would not otherwise have been sustained if that initial condition had not occurred.

Sickness means an illness, infection, disease, or any other abnormal physical condition or pregnancy that is not caused solely by, or the result of, any injury. A **Covered Sickness** is one that is not excluded by name, specific description, or any other provision in this Plan. For a benefit to be payable, loss arising from the Covered Sickness must occur while the applicable Insured's coverage is in force.

Spouse is your legal wife or husband.

Telemedicine Service means a medical inquiry with a Doctor via audio or video communication that assists with a patient's assessment, diagnosis, and consultation.

Treatment is the consultation, care, or services provided by a Doctor. This includes receiving any diagnostic measures and taking prescribed drugs and medicines. Treatment does **not** include Telemedicine Services.

SECTION IV – BENEFIT PROVISIONS

Hospitalization Benefits

Hospital Admission Benefit

We will pay this benefit when an Insured is admitted to a Hospital and confined as an inpatient because of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, an Insured must be admitted to a Hospital within six months of the date of the Covered Accident.

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

We will pay this benefit once per period of Hospital Confinement. This benefit is limited to the maximum shown in the Benefit Schedule. We will only pay this benefit once for each Covered Accident or Covered Sickness per Calendar Year. If an Insured is confined to the Hospital because of the same or Related Accidental Injury or Sickness, we will not pay this benefit again in the same Calendar Year.

Hospital Confinement Benefit

We will pay the amount shown in the Benefit Schedule for each day that an Insured is confined to a Hospital as an inpatient as the result of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, the Insured must be confined to a Hospital within six months of the date of the Covered Accident.

The length of time shown for Hospital Confinement in the Benefit Schedule is the maximum period for which an Insured can collect benefits for Hospital Confinements resulting from Covered Sickness or from Covered Accidental Injuries received in the same Covered Accident.

If we pay benefits for confinement and the Insured becomes confined again within six months because of the same or a Related condition, we will treat this confinement as the same period of confinement.

This benefit is payable for only one Hospital Confinement at a time, even if it is caused by more than one Covered Accidental Injury, more than one Covered Sickness, or a Covered Accidental Injury and a Covered Sickness.

Health Screening Benefit

We will pay the amount shown on the Benefit Schedule for Health Screening Tests performed while an Insured's coverage is in force. This benefit is limited to the Calendar Year Maximum shown in the Benefit Schedule. Benefits are payable for covered dependent children at 100% of the Employee benefit amount.

This benefit is only payable for Health Screening Tests performed as the result of preventive care, including tests and diagnostic procedures ordered in connection with routine examinations.

Health Screening Tests include, but are not limited to, the following:

- Blood test for triglycerides.
- Bone marrow testing.
- Breast ultrasound.
- CA 15-3 (blood test for breast cancer).
- CA 125 (blood test for ovarian cancer).
- CEA (blood test for colon cancer).
- Chest X-ray.
- Colonoscopy.
- Non-diagnostic vascular screening.
- DNA stool analysis.
- Fasting blood glucose test.
- Flexible sigmoidoscopy.
- Hemoccult stool analysis.
- Immunization.
- Mammography.
- Pap smear.
- PSA (blood test for prostate cancer).
- Serum cholesterol test to determine level of HDL and LDL.
- Serum protein electrophoresis (blood test for myeloma).
- Spiral CT screening for lung cancer.
- Stress test on a bicycle or treadmill.
- Thermography.
- Urinalysis.
- Vision screening.

Treatment Benefits

Major Diagnostic Exams Benefit

We will pay the daily benefit amount shown in the Benefit Schedule for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured requires one of the following exams:

- Computerized Tomography (CT/CAT scan).
- Magnetic Resonance Imaging (MRI).
- Electroencephalography (EEG).

This benefit is limited to one payment per Calendar Year for each Covered Accident or Covered Sickness. If an Insured has another covered major diagnostic exam because of the same or a Related Covered Accident or Covered Sickness, we will not pay this benefit again in the same Calendar Year.

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SECTION V – EXCLUSIONS

Exclusions

We will not pay for loss due to:

- War – voluntarily participating in war, any act of war, or military conflicts, declared or undeclared, or voluntarily participating or serving in the military, armed forces, or an auxiliary unit thereto, or contracting with any country or international authority. (We will return the prorated premium for any period not covered by the certificate when the Insured is in such service.) War also includes voluntary participation in an insurrection, riot, civil commotion or civil state of belligerence. War does not include acts of terrorism.
- Suicide – committing or attempting to commit suicide, while sane or insane.
- Self-Inflicted Injuries – injuring or attempting to injure oneself intentionally.
- Racing – riding in or driving any motor-driven vehicle in a race, stunt show or speed test in a professional or semi-professional capacity.
- Illegal Occupation – voluntarily participating in, committing, or attempting to commit a felony or illegal act or activity, or voluntarily working at, or being engaged in, an illegal occupation or job.
- Sports – participating in any organized sport in a professional or semi-professional capacity.
- Custodial Care – this is non-medical care that helps individuals with the basic tasks of everyday life, the preparation of special diets, and the self-administration of medication which does not require the constant attention of medical personnel.
- Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including any resulting complications.
- Services performed by a Family Member.
- Services related to sex or gender change, sterilization, in vitro fertilization, vasectomy or reversal of a vasectomy, or tubal ligation.
- Elective Abortion – an abortion for any reason other than to preserve the life of the person upon whom the abortion is performed.
- Dental Services or Treatment.
- Cosmetic surgery, except when due to:
 - Reconstructive surgery, when the service is related to or follows surgery resulting from a Covered Accidental Injury or a Covered Sickness, or is related to or results from a congenital disease or anomaly of a covered dependent child.
 - Congenital defects in newborns.

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SECTION VI - CLAIM PROVISIONS

Notice of Claim

Written Notice of Claim must be given to us:

- Within 20 days after the occurrence or commencement of any loss covered by the Certificate, or
- As soon as reasonably possible.

Notice must include the Employee's name and the Certificate number. Notice can be mailed to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

The notice may also be given to an authorized agent of the Company.

Claim Forms

When we receive written Notice of Claim, we will send a Claim Form. If the Claimant does not receive the Claim Form within 15 days after the notice is sent, written Proof of Loss can be sent to us without waiting for the form.

Proof of Loss

Proof of Loss refers to documentation that supports a claim. (This information is often found in standardized medical documents, such as Hospital bills and operative reports. It can include a statement by the treating Doctor.) Proof of Loss establishes the nature and extent of the loss, the Company's obligation to pay the claim, and the Claimant's right to receive payment.

The Claimant must provide Proof of Loss to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

Proof of Loss must be given to us within 180 days of the Covered Accidental Injury or Covered Sickness. Failure to give Proof of Loss within such time shall not invalidate or reduce any claim if such Proof of Loss is given as soon as reasonably possible. The Company will not accept Proof of Loss any later than one year and three months after the Covered Accidental Injury or Covered Sickness, except in the absence of your legal mental capacity.

The Claimant will be responsible for the cost of obtaining a completed claim form. We may request additional Proof of Loss, such as records from Hospitals or Doctors. We will be responsible for the cost of obtaining these records.

We may require authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

When we receive the claim and due Proof of Loss, we will review the Proof of Loss. If we approve the claim, we will pay the benefits subject to the terms of the Certificate.

Physical Examination and Autopsy

The Company may have an Insured examined as often as reasonably necessary while a claim is pending. In the case of death, the Company may also require an autopsy, unless prohibited by law. The Company will cover all costs for physical exams or autopsy.

Time of Payment of Claims

Benefits payable under the Certificate will be paid after we receive due Proof of Loss acceptable to us. We will pay, deny, or settle all clean claims* immediately after receiving the appropriate information.

**Clean claims contain all information and/or documentation needed for processing. These claims do not require further information from the provider, you, or your Employer.*

Payment of Claims

We will pay all benefits to you unless otherwise assigned. For any benefits that remain unpaid at the time of death, we will pay those benefits in the following order:

- To any approved assignee.
- To your beneficiary.
- To your surviving Spouse.
- To your estate.

If we can pay any benefits under this Plan to the Insured's estate or to an Insured or beneficiary who is a minor, or otherwise not competent to give a valid release, we may decide to pay those benefits to any relative by blood or connection by marriage of the Insured or beneficiary who we determine is rightfully allowed. The benefit amount will not exceed \$3,000.

Unpaid Premium

When a claim is paid, we may deduct any premium due and unpaid from the claim payment.

Changing of Beneficiary

A change in beneficiary must be submitted in writing to our Home Office in a form acceptable to us and signed by you. Unless otherwise specified by you, a change in beneficiary will take effect on the date the notice of change is signed. We will not be liable for any action taken before notice is received and recorded at the Home Office.

Claim Review

If a claim is denied, you will be given written notice of:

- The reason for the denial,
- The Plan provision that supports the denial, and
- Your right to ask for a review of the claim.

Appeals Procedure

Before filing any lawsuit—and no later than 60 days after notice of denial of a claim—you, the Claimant, or an authorized representative of either must appeal any denial of benefits under the Plan by sending a written request for review of the denial to our Home Office.

Legal Action

You may not take Legal Action against us for benefits under this Plan:

- Within 60 days after you have sent us written Proof of Loss, or
- More than 3 years from the time written proof is required to be given.

SECTION VII - GENERAL PROVISIONS

Entire Contract Changes

Your insurance is provided under a contract of Group Supplemental Hospital Indemnity insurance with the Policyholder. The Entire Contract of Insurance is made up of:

- The Policy;
- The Certificate of insurance;
- The Application of the Policyholder; and
- Any Riders, Endorsements, or Amendments to the Policy or Certificate.

All statements that the Policyholder or an Insured has made in the Application will be considered representations, not warranties. The Company will not void insurance or reduce benefits as a result of statements made on the Application without sending Application copies.

Changes to the Plan:

- Will not be valid unless approved in writing by an officer of the Company,
- Must be noted on or attached to the Contract, and
- May not be made by any insurance agent or producer (nor can an agent or producer waive any Plan provisions).

Misstatement of Age

If an age has been misstated on the Application, the benefits will be those that the paid premium would have purchased at the correct age.

Successor Insured

If you die while covered under this Certificate and your Spouse is also insured under this Plan at the time of your death, then your surviving Spouse may elect to become the primary Insured. This would include continuation of any Dependent Child Rider coverage that is in force at that time.

To become the primary Insured and keep coverage in force, your surviving Spouse must:

- Notify the Company in writing within 31 days after the date of your death; and
- Pay the required premium to the Company no later than 31 days after the date of your death, and on each premium due date thereafter.

If the Certificate does not cover a surviving Spouse, the Certificate will terminate on the next premium due date following your death.

Time Limit on Certain Defenses

After two years from your Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on your Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

Clerical Error

Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, the Company will make a premium adjustment.

Individual Certificates

The Company will give the Policyholder a Certificate for each Employee. The Certificate will set forth:

- The coverage,
- To whom benefits will be paid, and
- The rights and privileges under the Plan.

Required Information

The Policyholder will be responsible for furnishing all information and proofs that the Company may reasonably require with regard to the Plan.

Conformity with State Statutes

This Plan was issued on its Effective Date in the state noted on the Master Application. Any Plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina

800.433.3036

Please call the toll-free number above with any questions about this coverage.

Surgical Benefits Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

SURGICAL BENEFITS

We will pay the daily benefit amount shown in the Schedule of Operations for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured has surgery performed by a Doctor. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Doctor's office.

If an operation is not listed in the Schedule of Operations, we will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

Only one benefit is payable per 24-hour period for surgery, even though more than one surgical procedure may be performed. If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

ANESTHESIA BENEFITS

When a surgical procedure is performed that is covered under the Surgical Benefits, we will pay the daily benefit amount shown in the Schedule of Operations for each day that anesthesia is administered by a Doctor in connection with such procedure.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Policy after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

A notice of nonrenewal shall be given to the contract holder 45 days prior to termination.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

SECTION XI

SCHEDULE OF OPERATIONS

| INTEGUMENTARY SYSTEM | Maximum Surgical Benefit | JOINTS | Maximum Surgical Benefit |
|---|--------------------------------|---|--------------------------------|
| SKIN | | | |
| Incision and Drainage of Cyst | \$ 7.50 | Shoulder or Elbow Arthrotomy | \$ 187.50 |
| Acne Surgery | \$ 5.63 | Arthroplasty | \$ 300.00 |
| Biopsy | \$ 11.25 | Wrist Arthrotomy | \$ 150.00 |
| Excision of Benign Tumor | \$ 15.00 | Arthroplasty | \$ 300.00 |
| Excision of Malignant Tumor | \$ - | Hip Arthrotomy | \$ 262.50 |
| (Trunk, Arms or Legs) | \$ 22.50 | Arthroplasty | \$ 375.00 |
| Excision of Malignant Tumor | \$ - | Knee Arthrotomy | \$ 187.50 |
| (Face, Scalp, Ears, Neck, Hands | \$ - | Arthroplasty | \$ 375.00 |
| Feet, Genitalia) | \$ 37.50 | Ankle Arthrotomy | \$ 187.50 |
| Excision of Malignant Tumor | \$ - | Arthroplasty | \$ 281.25 |
| (Eyelids, Nose, Lips, Mucous | \$ - | Hammertoe | \$ 75.00 |
| Membrane) | \$ 56.25 | | \$ - |
| Excision of Nail | \$ 37.50 | DISLOCATIONS | \$ - |
| Repair – Simple Wounds | \$ 7.50 | Jaw | \$ 18.75 |
| Repair – Complex Wounds (Linear Repair) | \$ 26.25 | Collar Bone (requiring reduction) | \$ 37.50 |
| Repair – Skin Grafts (Single Stage) | \$ 18.75 | Shoulder (humerus with anesthesia) | \$ - |
| Repair – Skin Grafts (Multiple Stage) | \$ 56.25 | Or Elbow | \$ 18.75 |
| Electro – surgical destruction of | \$ - | Wrist | \$ 18.75 |
| Chemocautery | \$ 7.50 | Fingers or Toes | \$ 7.50 |
| Chemotherapy – malignancies of skin | \$ 75.00 | Hip or Knee | \$ 75.00 |
| | \$ - | Ankle | \$ 37.50 |
| | \$ - | | \$ - |
| BREAST | | TENDONS | |
| Biopsy | \$ 56.25 | Repair or Suture | \$ 45.00 |
| Excision of Cyst or Benign Tumor | \$ 56.25 | Lengthening or Shortening | \$ - |
| Excision of Chest Wall Tumor | \$ 262.50 | (e.g. Achilles tendon) | \$ 112.50 |
| Mastectomy, simple | \$ 112.50 | | \$ - |
| Mastectomy, radical | \$ 262.50 | AMPUTATIONS | \$ - |
| Mammoplasty, Reconstructive | \$ 562.50 | Arm at Shoulder Joint | \$ 281.25 |
| | \$ - | Arm below Shoulder Joint | \$ 131.25 |
| MUSCULOSKELETAL SYSTEM | \$ - | Finger | \$ 56.25 |
| | \$ - | Leg at Hip Joint | \$ 300.00 |
| BONE OR CARTILAGE GRAFT | \$ - | Leg at Knee | \$ 150.00 |
| Spinal Fusion | \$ 300.00 | Leg above or below knee | \$ 187.50 |
| Spinal Fusion with removal of | \$ - | Toe | \$ 37.50 |
| Intervertebral disc | \$ 300.00 | | \$ - |
| Spinal Fusion of Scoliosis | \$ 450.00 | | \$ - |
| | \$ - | RESPIRATORY SYSTEM | \$ - |
| | \$ - | | \$ - |
| FRACTURES (Requiring Reduction) | \$ - | NOSE | \$ - |
| Skull | \$ 281.25 | Excision of Nasal Polyps | \$ 11.25 |
| Nose | \$ 18.75 | Submucous resection, Classic Nasal Sept | \$ 112.50 |
| Jaw | \$ 112.50 | | \$ - |
| Vertabrae, one or more | \$ 112.50 | SINUSES | \$ - |
| Collar Bone | \$ 56.25 | Frontal Sinusotomy – simple | \$ 75.00 |
| Shoulder blade (Scapula) | \$ 206.25 | Frontal Sinusotomy – radical | \$ 225.00 |
| Upper Arm | \$ 93.75 | | \$ - |
| | \$ - | LARYNX | \$ - |
| Lower Arm | \$ 56.25 | Laryngectomy | \$ 375.00 |
| Hand | \$ 37.50 | Laryngoscopy | \$ 15.00 |
| Fingers or Toes | \$ 18.75 | | \$ - |
| Upper Leg | \$ 150.00 | | \$ - |
| Lower Leg | \$ 56.25 | | \$ - |
| Ankle | \$ 93.75 | | \$ - |
| Foot | \$ 37.50 | | \$ - |
| | \$ - | | \$ - |
| | \$ - | TRACHEA AND BRONCHI | \$ - |
| LUNGS | | Tracheotomy | \$ 75.00 |
| Thoracotomy | \$ 187.50 | Bronchoscopy | \$ 56.25 |
| Pneumonotomy | \$ 225.00 | Closure of Tracheotomy | \$ 93.75 |
| Pneumonocentesis | \$ 18.75 | | \$ - |
| Thoracentesis | \$ 11.25 | | \$ - |
| Pneumonectomy, total | \$ 375.00 | Fistulotomy | \$ 37.50 |
| Wedge Resection of Lung, | \$ - | Sphincterotomy | \$ 18.75 |
| Single or Multiple | \$ 300.00 | Fissurectomy or Hemorrhoidectomy | \$ 75.00 |
| Thoracoscopy (including biopsy) | \$ 75.00 | Removal of External Hemorrhoids | \$ 11.25 |
| | \$ - | | |

| | | | |
|---------------------------------------|-----------|--------------------------------------|-----------|
| CARDIOVASCULAR SYSTEM | \$ - | Aspiration biopsy of liver, pancreas | \$ - |
| | \$ - | Or bile duct | \$ 18.75 |
| HEART | \$ - | Cholecystotomy | \$ 187.50 |
| Heart Transplant | \$ 750.00 | Cholecystectomy | \$ 225.00 |
| Catheterization of Heart | \$ 56.25 | Pancreatectomy – partial | \$ 300.00 |
| Suture of Heart wound or injury | \$ 375.00 | Pancreatectomy – total | \$ 525.00 |
| Valvotomy, aortic and pulmonic valve | \$ 562.50 | Laparotomy | \$ 150.00 |
| Valvotomy, mitral valve | \$ 525.00 | Hemiotomy | \$ 131.25 |
| Valvutoplasty or Replacement | \$ - | | \$ - |
| Aortic and mitral valve | \$ 750.00 | URINARY SYSTEM | \$ - |
| Coronary Bypass, single or multiple | \$ 750.00 | Nephrolithotomy | \$ 300.00 |
| Repair of Myocardial Aneurysm | \$ 750.00 | Renal Biopsy | \$ 18.75 |
| Repair of Septal Defect | \$ 675.00 | Nephrectomy | \$ 300.00 |
| Angioplasty, percutaneous | \$ 375.00 | Lithotripsy | \$ 187.50 |
| Pervenous or Transvenous insertion of | \$ - | Kidney Transplant | \$ 468.75 |
| Pacemaker | \$ 187.50 | Cystotomy | \$ 187.50 |
| | \$ - | Cystectomy – partial | \$ 262.50 |
| ARTERIES | \$ - | Cystectomy – complete | \$ 375.00 |
| Arterlotomy, extramity | \$ 225.00 | Urethroscopy or Cystoscopy | \$ 18.75 |
| Thromboendarterectomy | \$ 450.00 | Cystoplasty | \$ 300.00 |
| Carotid endurterectomy | \$ 450.00 | Dilation of Urethra | \$ 7.50 |
| Excision and graft, Abdominal Aortic | \$ - | | \$ - |
| Aneurysm | \$ 562.50 | GENITAL SYSTEM | \$ - |
| Injection – Varicose Veins | \$ 3.75 | | \$ - |
| | \$ - | MALE | \$ - |
| HEMIC AND LYPHATIC SYSTEMS | \$ - | Circumcision | \$ 11.25 |
| Splenectomy | \$ 225.00 | Orchlectomy | \$ 75.00 |
| Biopsy of Lymph Node | \$ 18.75 | Reduction of Torsion of Testis | \$ 112.50 |
| Radical Lymphadenectomy | \$ 191.25 | Excision of Epididymis, Hydrocele, | \$ 37.50 |
| | \$ - | Varicocale | \$ 112.50 |
| DIGESTIVE SYSTEM | \$ - | Vasectomy | \$ 56.25 |
| Gastrotomy | \$ 187.50 | Biopsy, Prostate | \$ 62.50 |
| Gastrectomy, Total | \$ 375.00 | Prostatectomy – partial | \$ 300.00 |
| Gastrectomy, Partial | \$ 300.00 | Prostatectomy – radical | \$ 375.00 |
| Gastroscopy | \$ 56.25 | | \$ - |
| Gastro Gastrorrhaphy | \$ 187.50 | FEMALE | \$ - |
| Enterectathy | \$ 225.00 | Hysterectomy, Vaginal or Abdominal | \$ 225.00 |
| Enterectomy | \$ 262.50 | Hysterectomy, radical for cancer | \$ - |
| Colostomy | \$ 300.00 | Including lymph nodes | \$ 375.00 |
| Enterostomy | \$ 187.50 | Salpingo – oophorectomy | \$ 168.75 |
| Enterolysis | \$ 150.00 | Repair of cystocele or rectocele | \$ 131.25 |
| Diverticulectomy | \$ 187.50 | Repair of cystocele and rectocele | \$ 195.00 |
| Appendectomy | \$ 150.00 | Tubal Ligation | \$ 150.00 |
| Proctectomy | \$ 375.00 | Biopsy or removal of cervical lesion | \$ - |
| Protosigmoidoscopy | \$ 11.25 | or polyp | \$ 112.50 |
| Proctoplasty | \$ 150.00 | Dilation and curettage | \$ 56.25 |
| | \$ - | Myomectomy | \$ 187.50 |
| | \$ - | Repair of uterine suspension | \$ 150.00 |
| | \$ - | Cesarian Section | \$ 187.50 |
| | \$ - | Obstetrical Delivery | \$ 75.00 |
| | \$ - | Amniocentesis | \$ 18.75 |
| | \$ - | | |
| ENDOCRINE SYSTEM | \$ - | | |
| Incision and drainage of | \$ - | | |
| Thyroid Gland | \$ 11.25 | | |
| Local excision of thyroid cyst | \$ - | | |
| Or adenoma | \$ 150.00 | | |
| Thyroidectomy or parathyroidectomy | \$ 262.50 | | |
| Adrenalectomy | \$ 300.00 | | |
| | \$ - | | |
| NERVOUS SYSTEM | \$ - | | |
| Burr Holes | \$ 112.50 | | |
| Carnioplasty | \$ 375.00 | | |
| Craniotomy or Craniectomy | \$ 150.00 | | |
| Laminectomy | \$ 375.00 | | |
| Spinal Puncture | \$ 7.50 | | |
| Paravertebral block, lumbar, | \$ - | | |
| Or thoracic nerve | \$ 18.75 | | |
| Median nerve decompression | \$ - | | |
| (Carpal Tunnel) | \$ 112.50 | | |
| | \$ - | | |
| | \$ - | | |

EYE

| | | |
|--|----|--------|
| Removal of eye | \$ | 150.00 |
| Excision of pteryglum | \$ | 93.75 |
| Sclerotomy – anterior | \$ | 187.50 |
| Sclerotomy – posterior | \$ | 112.50 |
| Iridectomy | \$ | 187.50 |
| Extraction of lens (including | \$ | - |
| Cataract extraction) | \$ | 300.00 |
| Reattachment of retina | \$ | 375.00 |
| Muscle operation (one or more muscles) | \$ | 225.00 |
| Excision of lacrimal gland or sac | \$ | 187.50 |

EAR

| | | |
|-----------------------------------|----|--------|
| | \$ | - |
| Drainage of abscess | \$ | 7.50 |
| Otoscopy | \$ | 7.50 |
| Myringotomy | \$ | 11.25 |
| Tympanotomy (diagnostic) | \$ | 187.50 |
| Tympanotomy with insertion of | \$ | - |
| Collar Button Tube | \$ | 93.75 |
| Mastoidectomy – simple | \$ | 187.50 |
| Tympanoplasty | \$ | 375.00 |
| Labyrinthotomy or Labyrinthectomy | \$ | 375.00 |



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Waiver of Premium Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Total Disability or **Totally Disabled** means you are:

- Not working at any job for pay or benefits,
- Under the care of a Doctor for the Treatment of a Covered Sickness or a Covered Accidental Injury, and
- Unable to Work.

Unable to Work means either:

- You are unable to work at the occupation you were performing when your Total Disability began, which was during the first 365 days of Total Disability; or
- You are unable to work at any gainful occupation for which you are suited by education, training, or experience after the first 365 days of Total Disability.

WAIVER OF PREMIUM BENEFIT

If you, the Employee, become Totally Disabled as defined in this Plan due to a Covered Sickness or Covered Accidental Injury, we will waive premiums for you and for any currently covered Dependents. This includes waiving premiums for any Riders that are in force.

After 90 days of Total Disability, all Plan premiums will be waived if:

- Your Total Disability began before the age of 65;
- Your Total Disability has continued without interruption for at least 90 days, during which time you and/or the Policyholder have paid premiums; and
- You provide proof of Total Disability as required by us. Satisfactory Proof of Loss for Total Disability must be provided at least once every 12 months.

Pending our approval of a claim for the Waiver of Premium Benefit, premiums should be paid as they are due.

Premium will continue to be waived until the earliest of the following:

- The premium due date following your 65th birthday,
- The date the Company has waived premiums for a total of 24 months of Total Disability,
- The date you refuse to provide proof of continuing Total Disability,
- The date your Total Disability ends, or
- The date coverage ends according to the Termination provisions in **Section I** of your Certificate.

If you are still eligible for coverage when you return to Active Work, coverage for any Insured may be continued if premium payments are resumed.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Dependent Spouse Benefit Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date. Dependent Spouse coverage will become effective on the Effective Date of the Rider if the Dependent Spouse is Active on that date. Otherwise, the Effective Date will be deferred until the day following the date he becomes Active.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Active refers to a Dependent Spouse 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 gender.

Dependent Spouse is your legal wife or husband who is at least age 18 on the Effective Date of this Rider and is listed on your Application.

BENEFITS

If a Dependent Spouse qualifies for benefits under the Certificate to which this Rider is attached because of a Covered Accidental Injury or Covered Sickness, we will provide the benefits shown in the Certificate under the **Benefit Provisions** section.

GENERAL PROVISIONS

If your Dependent Spouse's coverage terminates, we will provide benefits for valid claims that arose while Dependent Spouse coverage was active.

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate:

- When the Certificate terminates,
- On the premium due date following the date the covered Spouse no longer qualifies as a Dependent,
- On the premium due date following the date we receive your written request to terminate coverage for your Spouse, or
- When premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Dependent Children Benefit Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date. Dependent Child coverage will become effective on the Effective Date of the Rider if the Dependent Child is Active on that date. Otherwise, the Effective Date will be deferred until the day following the date he becomes Active.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Active refers to a Dependent Child 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 gender.

Dependent Child or Dependent Children means your or your Spouse's natural children, step-children, grandchildren who are in the legal custody of and residing with you, foster children, children subject to legal guardianship, legally adopted children or Children Placed for Adoption. Dependent Children must be younger than age 26.

However, there is an exception to the age-26 limit above. This limit will not apply to any Dependent Child who is incapable of self-sustaining employment due to mental or physical handicap and is chiefly dependent on a parent for support and maintenance. You or your Spouse must provide us with proof of this incapacity and dependency within 31 days following the Dependent Child's 26th birthday, but not more frequently than annually.

Newborn, adopted, and foster children are equally considered under this Plan. A newborn child will be covered from the moment of birth, if the birth occurs while the Plan is in force. Foster children and adopted children will be treated the same as newborn infants and eligible for coverage on the same basis upon placement in the foster home or placement for adoption. Prior notification will not be required unless an additional premium charge to add the Dependent is due. If an additional premium charge is due to cover the Dependent, we will cover the newborn child, foster child, or adopted child from the moment of birth or placement if the child is enrolled within 60 days after the date of birth or placement.

If a parent is required by a court or administrative order to provide insurance for a child, and the parent is eligible for family insurance coverage, we:

- Will 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.
- Will 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.
- Will not disenroll or eliminate coverage of the child unless we are 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 no later than the effective date of disenrollment.

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 in the insurer's service area.

BENEFITS

If a Dependent Child qualifies for benefits under the Certificate to which this Rider is attached because of a Covered Accidental Injury or Covered Sickness, we will provide the benefits shown in the Certificate under the **Benefit Provisions** section.

GENERAL PROVISIONS

If your Dependent Child's coverage terminates, we will provide benefits for valid claims that arose while his coverage was active.

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate:

- When the Certificate terminates,
- On the premium due date following the date the covered Child no longer qualifies as a Dependent,
- When the covered Dependent Child reaches age 26 (details in the **Definitions** section of this Rider),
- On the premium due date following the date we receive your written request to terminate coverage for your Child,
or
- When premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary


CONTINENTAL AMERICAN INSURANCE COMPANY

P.O. Box 427, Columbia, South Carolina 292052
800.433.3036

Portability Privilege Amendment

This Amendment is part of the form to which it is attached. Unless amended by this document, all definitions, exclusions, limitations, terms, and other provisions apply. For the purpose of this Amendment, “you” (including “your” and “yours”) refers to the Insured named in the Certificate Schedule.

Effective Date

This Amendment becomes effective on the Effective Date of the form to which it is attached.

Portability Privilege

The following language replaces the ELIGIBILITY provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance:

ELIGIBILITY — CLASSES OF COVERAGE

Class I

All full-time and part-time benefit-eligible Employees are eligible for Class I coverage. That eligibility extends to their spouses and children under age 26.

Class II

A Class I primary insured is eligible for Class II coverage if he:

- was previously insured under Class I; and
- is no longer employed by the Policyholder.

The Employee must elect Class II coverage under the Portability Privilege within 31 days after the date for which his class I eligibility would otherwise terminate.

Only Dependents covered under Class I coverage are eligible for continued coverage under Class II.

Class II insureds cannot continue coverage through the employer’s payroll deduction process. They must remit premiums directly to the Company.

The following language replaces the TERMINATION OF THE PLAN provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy.

TERMINATION OF THE PLAN

The Plan will cease if the premium is not paid before the end of the Grace Period.

After the end of the first Plan year, the Company has the right to cancel the Plan. To do so, the Company must give 45 days’ written notice that the plan will end on the date before the next premium due date.

The Policyholder has the right to cancel the Plan on the date before any premium due date by giving 45 days’ written notice.

Upon such termination, Class I and Class II coverage will be affected as follows:

Class I

If terminated, this Plan and all certificates issued under this class 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 Insured regarding any claim arising while the Plan is in force.

The Policyholder has the sole responsibility to notify Class I Employees of such termination. When notice of termination is received by the Company, the Portability Privilege under Class I coverage is no longer available.

Class II

The group policy will remain active, and coverage under Class II will continue as long as premiums are paid, subject to the premium grace period. Notification of any changes in the plan will be provided directly to each insured by the Company. The Policyholder will lose any rights and obligations under the Plan.

The following language replaces the TERMINATION OF AN EMPLOYEE'S INSURANCE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of the following:

1. the date the Plan is terminated, for Class I insureds;
2. the 31st day after the premium due date if the required premium has not been paid;
3. the date he ceases to meet the definition of an Employee as defined in the Plan, for Class I insureds; or
4. the date he is no longer a member of the Class eligible for coverage.

Insurance for Dependents will terminate on the earliest of the following:

1. the date the Plan is terminated, for Dependents of Class I insureds;
2. the 31st day after the premium due date, if the required premium has not been paid;
3. the date the Spouse or Dependent Child ceases to be a dependent; or
4. the premium due date following the date we receive the Employee's written request to terminate coverage for his Spouse and/or all Dependent Children.

Termination of the insurance on any Insured will not prejudice his rights regarding any claim arising prior to termination.

The following language replaces the PORTABILITY PRIVILEGE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

PORTABILITY PRIVILEGE

Under the Portability Privilege provision, when coverage would otherwise terminate because an Employee ends his employment, coverage may be continued. He may exercise the Portability Privilege when there is a change to his coverage class. The Employee — and any covered dependents — will continue the coverage that is in-force on the date employment ends. The continued coverage will be provided under Class II.

The premium rate for portability coverage may change for the class of covered persons on portability on any premium due date. Written notice will be given at least 45 days before any change is to take effect.

The Employee may continue the coverage until the earlier of:

- the date he fails to pay the required premium; or
- the date the class of coverage is terminated.

Coverage may not be continued:

- if the Employee fails to pay any required premium; or
- if the Company receives notice of Class I plan termination.

General Provisions

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Insured's Application. This does not apply to fraudulent misstatements.

Contract

This Amendment is part of the form to which it is attached. It will terminate when that form terminates.

This Amendment is subject to all of the terms of the form to which it is attached unless those terms are inconsistent with this Amendment.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

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 below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

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

**North Carolina Department of Insurance, Consumer Services Division
1201 Mail Service Center
Raleigh, NC 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 insurance guaranty association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

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

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contract holder;
- 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 contract holders, 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 or Part D or any regulations issued pursuant thereto.

LIMITS ON AMOUNT OF COVERAGE

(1) The guaranty association cannot pay out more than the insurance company would owe under the 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 basic hospital, medical and surgical insurance and major medical insurance.

(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.

NOTICE TO INSURANCE FIDUCIARY

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.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina
800.433.3036

Endorsement to Policy and Certificate of Insurance

This Endorsement alters the Policy and the Certificate to which it is attached. Unless specifically addressed by this Endorsement, all other Policy and Certificate provisions, definitions, and terms continue to apply.

Continental American Insurance Company's mailing addresses for claims and premium payments are changed as listed below.

Notice of Claim and Proof of Loss should be mailed to the Company at:

P.O. Box 84075, Columbus, Georgia, 31993-9103

Premium Payments should be mailed to the Company at:

P.O. Box 84069, Columbus, Georgia, 31908-4069

If applicable, references to 2801 Devine Street, Columbia, SC 29205 are deleted.

Signed for the Company at its Home Office,

A handwritten signature in black ink that reads "Teresa White".

Teresa White, President

A handwritten signature in black ink that reads "J. Matthew Loudermilk".

J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Group Supplemental Hospital Indemnity Policy

This limited Plan provides supplemental benefits only. It does not constitute comprehensive health insurance coverage and does not satisfy the requirement of Minimum Essential Coverage under the Affordable Care Act.

THIS PLAN IS A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES.

This Plan provides the benefits listed in the Benefit Schedule.

THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the Company.

THIS IS A LEGAL CONTRACT. PLEASE READ YOUR POLICY CAREFULLY.

The Policyholder as shown on the Policy Schedule applied for coverage under this Group Supplemental Hospital Indemnity Insurance Policy (the "Plan"). This Plan is issued by Continental American Insurance Company (the "Company," "CAIC," "we," "us," or "our"). Based on the Master Application and the timely payment of premiums, the Company agrees to pay the benefits provided on the following pages. (Please note that male pronouns—such as "he," "him," and "his"—are used for both males and females, unless the context clearly shows otherwise.) The Policyholder may add new Insureds from time to time, according to the Plan's terms.

You will notice that certain words and phrases (including some medical terms and the names of Plan documents) in this document are capitalized. The capitalized words refer to terms with very specific definitions as they apply to this insurance Plan.

This Plan is a legal contract between the Company and the Policyholder. All material printed by the Company on the following pages is part of the Plan. This Plan is delivered in and governed by the laws of the jurisdiction shown on the Policy Schedule.

In witness whereof, the Company executes this Plan at its home office in Columbia, South Carolina, on the Effective Date.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary

Important Cancellation Information-Please read the provision entitled "Plan Termination" found on page 5.

Group Supplemental Hospital Indemnity Insurance Non-Participating

Continental American Insurance Company (CAIC), a proud member of the Aflac family of insurers, is a wholly-owned subsidiary of Aflac Incorporated and underwrites group coverage.

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SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION

Eligibility

An Employee is eligible to be covered under this Plan if he is Actively at Work for the Policyholder and included in the class that is eligible for coverage, as shown on the Master Application.

Insureds are defined as those who might be eligible for coverage under this Plan in the following categories:

- **Employee Coverage** – We insure only the Employee.
- **Employee and Spouse Coverage** – We insure the Employee and spouse (as defined in the applicable rider).
- **Employee and Children Coverage** – We insure the Employee and any dependent children (as defined in the applicable rider).
- **Family Coverage** – We insure the Employee, spouse, and any dependent children (as defined in the applicable rider).

We will not insure anyone specifically excluded from coverage by Endorsement to the Certificate or by application, even if that person would otherwise be eligible for coverage.

Details for adding Insureds to Plan coverage are outlined in the Effective Date section.

Effective Date

The Plan's Effective Date is shown on the Policy Schedule. This Plan becomes effective on the Policy Effective Date at 12:01 a.m., as determined by the Policyholder's address.

An eligible Employee must enroll in this Plan and agree to pay the required premiums for coverage to become effective. He must enroll within 31 days of the date he first becomes eligible for coverage. *The first premium must have been paid for coverage to become effective.*

We may require evidence of insurability satisfactory to us if we do not receive the Application within 31 days after the Employee was first eligible for coverage. Evidence of insurability may also be required based on an agreement between the Policyholder and us.

An Employee's Effective Date is the date his insurance takes effect. After we receive and approve the Application, that date is either:

- The date shown on the Certificate Schedule if the Employee is Actively at Work on that date, or
- The date the Employee returns to an Actively-at-Work status if he was not Actively at Work on the date shown on the Certificate Schedule.

The Effective Date of coverage will be no later than the Employee's 91st day of employment.

If Employee and Spouse, Employee and Children, or Family Coverage is offered:

- A Dependent may be added to the Plan after the Employee's Effective Date within 31 days of a Life Event or during an approved enrollment period. The enrollment period is waived if a parent is required by court or administrative order to enroll a child.
- If Dependent Child Rider coverage **is already in force**, no additional notice or premium is required to add another dependent child.
- If Dependent Spouse Rider or Dependent Child Rider coverage is **not** in force, the Employee must complete an Application to add a Dependent to the Plan. The Company will assign a Dependent Rider Effective Date for a Dependent's coverage after approving the Application. For Dependent coverage to become effective, the premium for the Dependent must be included in the premium payment.
- If Dependent Child Rider coverage is not already in force, **newborn** children are automatically covered from the moment of birth for 60 days. **Newly adopted** children are automatically covered from the earlier of a) placement for adoption, b) the date of entry of an order granting custody of the child for the purposes of adoption, or c) the effective date of adoption, for 60 days. **Newly placed** foster children are automatically covered from placement in the foster home. To extend coverage beyond 60 days with no gap in coverage, the Employee must contact the Company within the 60-day time period following the child's birth, adoption, or placement. No premium is due for the first 60 days of newborn/newly adopted/newly placed coverage.

A day begins at 12:01 a.m. standard time at the Employee's place of residence.

Plan Termination

The **Company** has the right to cancel the Plan on any premium due date for the following reasons:

- The premium is not paid before the end of the Grace Period,
- The number of participating Employees is less than the number mutually agreed upon by the Company and the Policyholder,
- The number of participating Employees changes by 25% or more,
- The Policyholder fails to perform any of the obligations that relate to this policy or that are required by applicable law,
- The Policyholder no longer offers coverage to a particular class of Employees,
- The Policyholder no longer serves a class of Employees who reside in a particular geographical area, or
- The Policyholder does not provide timely information that is reasonably required.

The **Policyholder** has the right to cancel the Plan on any premium due date.

- To do this, the Policyholder must give the Company at least 45 days' written notice.
- The Plan will end on the date in the written notice or the date the Company receives the notice, whichever is later.

All outstanding premiums are due upon Plan termination. If the Company accepts premium payments after the Plan terminates, this will not reinstate the Plan; we will refund any excess premium.

The Policyholder has the sole responsibility of notifying Certificateholders in writing of the Plan's termination as soon as reasonably possible. If the Plan terminates, it—and all Certificates and Riders issued under the Plan—will terminate on the specified termination date. The termination occurs as of 12:01 a.m. at the Policyholder's address.

Termination of an Employee's Insurance

An Employee's insurance will terminate on whichever occurs first:

- The date the Company terminates the Plan.
- The 31st day after the premium due date (the last day of the Grace Period), if the premium has not been paid.
- The date he no longer belongs to an eligible class.

If an Insured's coverage terminates, we will provide benefits for valid claims that arose while his coverage was active.

Portability Privilege

When an Employee is no longer a member of an eligible class and his coverage would otherwise end, he may elect to continue his coverage under this Plan. He may continue the coverage he had on the date his Certificate would otherwise terminate, including any in-force Dependent Spouse Rider or Dependent Child Rider coverage, without any additional underwriting requirements.

To keep his coverage in force, the Employee must:

- Notify the Company within 31 days after the date his coverage would otherwise terminate. He may notify us by sending written notice to P.O. Box 427, Columbia, South Carolina, 29202 or by calling the Customer Service number at 800.433.3036, and
- Pay the required premium directly to the Company no later than 31 days after the date his coverage would otherwise terminate and on each premium due date thereafter.

The Employee's ported coverage will end on the earliest of the following dates:

- 31 days after the premium due date (the last day of the Grace Period), if the premium has not been paid, or
- The date the Group Plan is terminated.

If the Employee qualifies for this Portability Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate as shown in his previously-issued Certificate. Notification of any changes in the Plan will be provided directly by the Company.

Reinstatement

If any renewal premium is not paid on time (as outlined in the initial payment agreement) for the Plan, the Company (or an agent who is authorized by the Company) may accept the late premium and reinstate the Plan without requiring a new Application.

However, if the Company (or authorized agent) does require an Application for Reinstatement and issues a conditional receipt for the premium tendered, the Plan will be reinstated:

- Upon the Company's approval, or
- Lacking such approval, upon the 45th day following the date of the conditional receipt (unless the Company has previously notified the Policyholder in writing of its disapproval of such Application).

The reinstated Plan covers only loss resulting from such accidental injury as may be sustained after the date of Reinstatement and loss due to such sickness as may begin more than 10 days after such date. In all other respects, the Policyholder and the Company will have the same rights they had under the Plan immediately before the due date of the defaulted premium (subject to any provisions endorsed with or attached to the Reinstatement).

Any premium accepted with a Reinstatement will:

- Be applied to a period for which premium has not been previously paid, but
- Not to any period more than 60 days prior to the date of Reinstatement.

SECTION II – PREMIUM PROVISIONS

Premium Payments

Premiums should be paid to the Company at its Home Office in Columbia, South Carolina. The first premiums are due on the Plan's Effective Date. After that, premiums are due on the first day of each month that the Plan remains in effect.

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 provision.

Premium Changes

Unless we have agreed in writing not to increase premiums, the premium may change:

- On the Group Policy Anniversary Date based on renewal underwriting. (The Group Policy Anniversary Date is shown on the Policy Schedule and falls on the same date each year thereafter.)
- Whenever the terms or conditions of the Plan are modified. The new premium rates will apply only to premiums due on or after the rate change takes effect.

A change in premium rate will not take effect until at least one year after the Policy Effective Date. However, we may change premium rates at any time, though never more than every 6 months, thereafter based upon 12 months of experience.

We will provide the Policyholder a 45-day advance written notice of any change in premiums.

Grace Period

This Plan has a 31-day Grace Period. If a premium is not paid on or before its due date, the premium may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given the Company written notice of its intention to discontinue the Plan. If the Plan is discontinued, the Plan's termination date will be the latest date for which premium has been paid.

SECTION III – DEFINITIONS

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

Accidental Injury means accidental bodily damage to an Insured. This must be the direct result of an accident and not the result of disease or bodily infirmity. A **Covered Accidental Injury** is an Accidental Injury that occurs while coverage is in force. A **Covered Accident** is an accident that occurs on or after an Insured's Effective Date while coverage is in force, and that is not specifically excluded by the Plan.

Actively at Work refers to an Employee's ability to perform his regular employment duties for a full normal workday. The Employee may perform these activities either at his employer's regular place of business or at a location where he is required to travel to perform the regular duties of his employment.

Calendar Year means the period beginning on the policy Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Claimant means a person who is authorized to make a claim under the Certificate.

Dependent means an Employee's spouse or dependent children, as defined in the applicable rider, who have been accepted for coverage.

Doctor is a person, who is duly qualified as a practitioner of the healing arts, acting within the scope of his license, and:

- Is licensed to practice medicine; prescribe and administer drugs; or to perform surgery, or
- Is a duly qualified medical practitioner according to the laws and regulations in the state in which Treatment is made.

A Doctor **does not** include the Insured or an Insured's Family Member.

For the purposes of this definition, **Family Member** includes the Employee's Spouse as well as the following members of the Employee's immediate family:

- Son.
- Daughter.
- Mother.
- Father.
- Sister.
- Brother.

This includes step-Family Members and Family-Members-in-law.

Employee is a person who meets Eligibility requirements under **Section I – Eligibility, Effective Date, and Termination** and who is covered under this Plan. The Employee is the primary Insured under this Plan.

Hospital means a place that meets all of the following criteria:

- Is legally licensed and operated as a Hospital,
- Provides overnight care of injured and sick people,
- Is supervised by a Doctor,
- Has full-time nurses supervised by a registered nurse, and
- Has on-site use of X-ray equipment, laboratory, and surgical facilities. This requirement is not applicable to state tax supported institutions.

Hospital includes any duly licensed state tax supported institution, including those community health centers and other health clinics which are certified as Medicaid providers.

The term **Hospital** specifically excludes any facility not meeting the definition of Hospital as defined in this Plan, including:

- A nursing home,
- An extended-care facility,
- A skilled nursing facility,
- A rest home or home for the aged,
- A Rehabilitation Facility,
- A facility for the Treatment of alcoholism or drug addiction, or
- An assisted living facility.

Hospital Intensive Care Unit means a place that meets all of the following criteria:

- Is a specifically designated area of the Hospital called a Hospital Intensive Care Unit;
- Provides the highest level of medical care;
- Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
- Is separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement;
- Is permanently equipped with special life-saving equipment for the care of the critically ill or injured;
- Is under close observation by a specially trained nursing staff assigned exclusively to the Hospital Intensive Care Unit 24 hours a day; and
- Has a Doctor assigned to the Hospital Intensive Care Unit on a full-time basis.

The term *Hospital Intensive Care Unit* specifically excludes any type of facility not meeting the definition of Hospital Intensive Care Unit as defined in this Plan, including but not limited to private monitored rooms, surgical recovery rooms, observation units, and the following step-down units:

- A progressive care unit,
- A sub-acute intensive care unit, or
- An intermediate care unit.

Intermediate Intensive Care Step-Down Unit means any of the following:

- A progressive care unit,
- A sub-acute intensive care unit,
- An intermediate care unit, or
- A pre- or post-intensive care unit.

An Intermediate Intensive Care Step-Down Unit is **not** a Hospital Intensive Care Unit as defined in this Plan.

Life Event means an event that qualifies an Employee to make changes to benefits at times other than his enrollment period. Events qualifying as Life Events are established solely by the Policyholder.

Rehabilitation Facility is a unit or facility providing coordinated multidisciplinary physical restorative services. These services must be provided to inpatients under a Doctor's direction. The Doctor must be knowledgeable and experienced in rehabilitative medicine. Beds must be set up in a unit or facility specifically designated and staffed for this service. This is not a facility for the Treatment of alcoholism or drug addiction.

Related – a Related Accidental Injury or Sickness is one that is in correlation to, or occurs as a result of, the initial Accidental Injury or Sickness, and would not otherwise have been sustained if that initial condition had not occurred.

Sickness means an illness, infection, disease, or any other abnormal physical condition or pregnancy that is not caused solely by, or the result of, any injury. A **Covered Sickness** is one that is not excluded by name, specific description, or any other provision in this Plan. For a benefit to be payable, loss arising from the Covered Sickness must occur while the applicable Insured's coverage is in force.

Spouse is an Employee's legal wife or husband.

Telemedicine Service means a medical inquiry with a Doctor via audio or video communication that assists with a patient's assessment, diagnosis, and consultation.

Treatment is the consultation, care, or services provided by a Doctor. This includes receiving any diagnostic measures and taking prescribed drugs and medicines. Treatment does **not** include Telemedicine Services.

SECTION IV – BENEFIT PROVISIONS

Hospitalization Benefits

Hospital Admission Benefit

We will pay this benefit when an Insured is admitted to a Hospital and confined as an inpatient because of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, an Insured must be admitted to a Hospital within six months of the date of the Covered Accident.

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

We will pay this benefit once per period of Hospital Confinement. This benefit is limited to the maximum shown in the Benefit Schedule. We will only pay this benefit once for each Covered Accident or Covered Sickness per Calendar Year. If an Insured is confined to the Hospital because of the same or Related Accidental Injury or Sickness, we will not pay this benefit again in the same Calendar Year.

Hospital Confinement Benefit

We will pay the amount shown in the Benefit Schedule for each day that an Insured is confined to a Hospital as an inpatient as the result of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, the Insured must be confined to a Hospital within six months of the date of the Covered Accident.

The length of time shown for Hospital Confinement in the Benefit Schedule is the maximum period for which an Insured can collect benefits for Hospital Confinements resulting from Covered Sickness or from Covered Accidental Injuries received in the same Covered Accident.

If we pay benefits for confinement and the Insured becomes confined again within six months because of the same or a Related condition, we will treat this confinement as the same period of confinement.

This benefit is payable for only one Hospital Confinement at a time, even if it is caused by more than one Covered Accidental Injury, more than one Covered Sickness, or a Covered Accidental Injury and a Covered Sickness.

Health Screening Benefit

We will pay the amount shown on the Benefit Schedule for Health Screening Tests performed while an Insured's coverage is in force. This benefit is limited to the Calendar Year Maximum shown in the Benefit Schedule. Benefits are payable for covered dependent children at 100% of the Employee benefit amount.

This benefit is only payable for Health Screening Tests performed as the result of preventive care, including tests and diagnostic procedures ordered in connection with routine examinations.

Health Screening Tests include, but are not limited to, the following:

- Blood test for triglycerides.
- Bone marrow testing.
- Breast ultrasound.
- CA 15-3 (blood test for breast cancer).
- CA 125 (blood test for ovarian cancer).
- CEA (blood test for colon cancer).
- Chest X-ray.
- Colonoscopy.
- Non-diagnostic vascular screening.
- DNA stool analysis.
- Fasting blood glucose test.
- Flexible sigmoidoscopy.
- Hemocult stool analysis.
- Immunization.
- Mammography.
- Pap smear.
- PSA (blood test for prostate cancer).
- Serum cholesterol test to determine level of HDL and LDL.
- Serum protein electrophoresis (blood test for myeloma).
- Spiral CT screening for lung cancer.
- Stress test on a bicycle or treadmill.
- Thermography.
- Urinalysis.
- Vision screening.

Treatment Benefits

Major Diagnostic Exams Benefit

We will pay the daily benefit amount shown in the Benefit Schedule for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured requires one of the following exams:

- Computerized Tomography (CT/CAT scan).
- Magnetic Resonance Imaging (MRI).
- Electroencephalography (EEG).

This benefit is limited to one payment per Calendar Year for each Covered Accident or Covered Sickness. If an Insured has another covered major diagnostic exam because of the same or a Related Covered Accident or Covered Sickness, we will not pay this benefit again in the same Calendar Year.

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SECTION V – EXCLUSIONS

Exclusions

We will not pay for loss due to:

- War – voluntarily participating in war, any act of war, or military conflicts, declared or undeclared, or voluntarily participating or serving in the military, armed forces, or an auxiliary unit thereto, or contracting with any country or international authority. (We will return the prorated premium for any period not covered by the certificate when the Insured is in such service.) War also includes voluntary participation in an insurrection, riot, civil commotion or civil state of belligerence. War does not include acts of terrorism.
- Suicide – committing or attempting to commit suicide, while sane or insane.
- Self-Inflicted Injuries – injuring or attempting to injure oneself intentionally.
- Racing – riding in or driving any motor-driven vehicle in a race, stunt show or speed test in a professional or semi-professional capacity.
- Illegal Occupation – voluntarily participating in, committing, or attempting to commit a felony or illegal act or activity, or voluntarily working at, or being engaged in, an illegal occupation or job.
- Sports – participating in any organized sport in a professional or semi-professional capacity.
- Custodial Care – this is non-medical care that helps individuals with the basic tasks of everyday life, the preparation of special diets, and the self-administration of medication which does not require the constant attention of medical personnel.
- Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including any resulting complications.
- Services performed by a Family Member.
- Services related to sex or gender change, sterilization, in vitro fertilization, vasectomy or reversal of a vasectomy, or tubal ligation.
- Elective Abortion – an abortion for any reason other than to preserve the life of the person upon whom the abortion is performed.
- Dental Services or Treatment.
- Cosmetic surgery, except when due to:
 - Reconstructive surgery, when the service is related to or follows surgery resulting from a Covered Accidental Injury or a Covered Sickness, or is related to or results from a congenital disease or anomaly of a covered dependent child.
 - Congenital defects in newborns.

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SECTION VI – CLAIM PROVISIONS

Notice of Claim

Written Notice of Claim must be given to us:

- Within 20 days after the occurrence or commencement of any loss covered by the Policy, or
- As soon as reasonably possible.

Notice must include the Employee's name and the Certificate number. Notice can be mailed to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

The notice may also be given to an authorized agent of the Company.

Claim Forms

When we receive written Notice of Claim, we will send a Claim Form. If the Claimant does not receive the Claim Form within 15 days after the notice is sent, written Proof of Loss can be sent to us without waiting for the form.

Proof of Loss

Proof of Loss refers to documentation that supports a claim. (This information is often found in standardized medical documents, such as Hospital bills and operative reports. It can include a statement by the treating Doctor.) Proof of Loss establishes the nature and extent of the loss, the Company's obligation to pay the claim, and the Claimant's right to receive payment.

The Claimant must provide Proof of Loss to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

Proof of Loss must be given to us within 180 days of the Covered Accidental Injury or Covered Sickness. Failure to give Proof of Loss within such time shall not invalidate or reduce any claim if such Proof of Loss is given as soon as reasonably possible. The Company will not accept Proof of Loss any later than one year and three months after the Covered Accidental Injury or Covered Sickness, except in the absence of the Employee's legal mental capacity.

The Claimant will be responsible for the cost of obtaining a completed claim form. We may request additional Proof of Loss, such as records from Hospitals or Doctors. We will be responsible for the cost of obtaining these records.

We may require authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

When we receive the claim and due Proof of Loss, we will review the Proof of Loss. If we approve the claim, we will pay the benefits subject to the terms of the Certificate.

Physical Examination and Autopsy

The Company may have an Insured examined as often as reasonably necessary while a claim is pending. In the case of death, the Company may also require an autopsy, unless prohibited by law. The Company will cover all costs for physical exams or autopsy.

Time of Payment of Claims

Benefits payable under the Certificate will be paid after we receive due Proof of Loss acceptable to us. We will pay, deny, or settle all clean claims* immediately after receiving the appropriate information.

**Clean claims contain all information and/or documentation needed for processing. These claims do not require further information from the provider, the Employee, or the employer.*

Payment of Claims

We will pay all benefits to the Employee unless otherwise assigned. For any benefits that remain unpaid at the time of death, we will pay those benefits in the following order:

- To any approved assignee.
- To the Employee's beneficiary.
- To the Employee's surviving Spouse.
- To the Employee's estate.

If we can pay any benefits under this Plan to the Insured's estate or to an Insured or beneficiary who is a minor, or otherwise not competent to give a valid release, we may decide to pay those benefits to any relative by blood or connection by marriage of the Insured or beneficiary who we determine is rightfully allowed. The benefit amount will not exceed \$3,000.

Unpaid Premium

When a claim is paid, we may deduct any premium due and unpaid from the claim payment.

Changing of Beneficiary

A change in beneficiary must be submitted in writing to our Home Office in a form acceptable to us and signed by the Employee. Unless otherwise specified by the Employee, a change in beneficiary will take effect on the date the notice of change is signed. We will not be liable for any action taken before notice is received and recorded at the Home Office.

Claim Review

If a claim is denied, the Employee will be given written notice of:

- The reason for the denial,
- The Plan provision that supports the denial, and
- His right to ask for a review of the claim.

Appeals Procedure

Before filing any lawsuit—and no later than 60 days after notice of denial of a claim—the Employee, the Claimant, or an authorized representative of either must appeal any denial of benefits under the Plan by sending a written request for review of the denial to our Home Office.

Legal Action

The Employee may not take Legal Action against us for benefits under this Plan:

- Within 60 days after he has sent us written Proof of Loss, or
- More than 3 years from the time written proof is required to be given.

SECTION VII – GENERAL PROVISIONS

Entire Contract Changes

This insurance is provided under a contract of Group Supplemental Hospital Indemnity insurance with the Policyholder. The Entire Contract of Insurance is made up of:

- The Policy;
- The Certificates of insurance;
- The Application of the Policyholder; and
- Any Riders, Endorsements, or Amendments to the Policy or Certificate.

All statements that the Policyholder or an Insured has made in the Application will be considered representations, not warranties. The Company will not void insurance or reduce benefits as a result of statements made on the Application without sending Application copies.

Changes to the Plan:

- Will not be valid unless approved in writing by an officer of the Company,
- Must be noted on or attached to the Contract, and
- May not be made by any insurance agent or producer (nor can an agent or producer waive any Plan provisions).

Misstatement of Age

If an age has been misstated on the Application, the benefits will be those that the paid premium would have purchased at the correct age.

Successor Insured

If an Employee dies while covered under his Certificate and his Spouse is also insured under this Plan at the time of the Employee's death, then his surviving Spouse may elect to become the primary Insured. This would include continuation of any Dependent Child Rider coverage that is in force at that time.

To become the primary Insured and keep coverage in force, the surviving Spouse must:

- Notify the Company in writing within 31 days after the date of the Employee's death; and
- Pay the required premium to the Company no later than 31 days after the date of the Employee's death, and on each premium due date thereafter.

If the Certificate does not cover a surviving Spouse, the Certificate will terminate on the next premium due date following the Employee's death.

Time Limit on Certain Defenses

After two years from the Employee's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Employee's Application. The Company will not use fraudulent misstatements as a basis for contesting the Policy after coverage has been in force for more than two years.

Clerical Error

Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, the Company will make a premium adjustment.

Individual Certificates

The Company will give the Policyholder a Certificate for each Employee. The Certificate will set forth:

- The coverage,
- To whom benefits will be paid, and
- The rights and privileges under the Plan.

Required Information

The Policyholder will be responsible for furnishing all information and proofs that the Company may reasonably require with regard to the Plan.

Conformity with State Statutes

This Plan was issued on its Effective Date in the state noted on the Master Application. Any Plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.

POLICY SCHEDULE

| | |
|---------------------------------------|------------------------|
| Group Policyholder: | Harnett County Schools |
| Group Policy Number: | 24829 |
| Group Policy Effective Date: | 01/01/2019 |
| Group Policy Anniversary Date: | 01/01/2020 |
| Jurisdiction: | NC |

BENEFIT SCHEDULE

Hospitalization Category

| | |
|---|---|
| Hospital Admission Benefit | \$500 per admission |
| Payable once per admission | |
| Maximum per Insured per each Covered Sickness | 1 time per Calendar Year |
| Maximum per Insured per each Covered Accident | 1 time per Calendar Year |
| Hospital Confinement Benefit | \$100 per day |
| Maximum confinement period | 180 days per Covered Sickness or covered Accident |
| <u>Health Screening Benefit</u> | \$50 per Health Screening Test |
| Maximum number of benefit payments | 1 per Calendar Year per eligible Insured |

INCORPORATION OF RIDER PROVISIONS

The attached listed Riders are made a part of this Plan.

Rider Name

Dependent Spouse Benefit Rider
Dependent Children Benefit Rider
Waiver of Premium Rider
Surgical Benefits Rider
Portability Privilege Amendment

Form Number

C80300NC
C80302NC
C80303NC
C80308NC
CAICCLASSPORTNC

OCCUPATIONAL CLASSIFICATIONS AND SCHEDULE OF PREMIUMS

Benefit-eligible employees are classified as such in the Master Application as being Actively at Work and working full-time, a minimum of 30 hours per week.

Group Hospital Indemnity

Mark III Low Plan With Diagnostic Testing - Monthly (12pp/yr)

| Coverage | Rates |
|---------------------------------|---------|
| Employee | \$20.96 |
| Employee & Dependent Spouse | \$41.92 |
| Employee & Dependent Child(ren) | \$30.96 |
| Family | \$51.92 |

Hospitalization Category:

| | |
|--------------------------|-------|
| Hospital Admission | \$500 |
| Hospital Confinement | \$100 |
| Health Screening Benefit | \$50 |

Treatment Category:

| | |
|------------------------|-------|
| Major Diagnostic Exams | \$125 |
|------------------------|-------|

Surgery Category:

| | |
|-----------------------------------|----------|
| Surgical Benefit (up to amount) | \$750 |
| Anesthesia Benefit (up to amount) | \$187.50 |

Provisions:

Waiver of Pre-existing Conditions Exclusion
 Waiver of Pregnancy Exclusion
 Waiver of Mental and Emotional Disorders Exclusion
 No Issue Age or Termination Age Limitations
 Rate Guarantee: 3 years
 Portability: Class I/II
 Waiver of Premium: 90/90 EP, 24 Mo BP
 Waiver of Premium Pre-existing Conditions: No Pre-X
 Up to 180 confinement days

Group Attributes:

Situs State: NC

Please note: Premiums shown are accurate as of publication. They are subject to change.



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Dependent Spouse Benefit Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date. Dependent Spouse coverage will become effective on the Effective Date of the Rider if the Dependent Spouse is Active on that date. Otherwise, the Effective Date will be deferred until the day following the date he becomes Active.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Active refers to a Dependent Spouse 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 gender.

Dependent Spouse is your legal wife or husband who is at least age 18 on the Effective Date of this Rider and is listed on your Application.

BENEFITS

If a Dependent Spouse qualifies for benefits under the Certificate to which this Rider is attached because of a Covered Accidental Injury or Covered Sickness, we will provide the benefits shown in the Certificate under the **Benefit Provisions** section.

GENERAL PROVISIONS

If your Dependent Spouse's coverage terminates, we will provide benefits for valid claims that arose while Dependent Spouse coverage was active.

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate:

- When the Certificate terminates,
- On the premium due date following the date the covered Spouse no longer qualifies as a Dependent,
- On the premium due date following the date we receive your written request to terminate coverage for your Spouse, or
- When premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Dependent Children Benefit Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date. Dependent Child coverage will become effective on the Effective Date of the Rider if the Dependent Child is Active on that date. Otherwise, the Effective Date will be deferred until the day following the date he becomes Active.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Active refers to a Dependent Child 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 gender.

Dependent Child or Dependent Children means your or your Spouse's natural children, step-children, grandchildren who are in the legal custody of and residing with you, foster children, children subject to legal guardianship, legally adopted children or Children Placed for Adoption. Dependent Children must be younger than age 26.

However, there is an exception to the age-26 limit above. This limit will not apply to any Dependent Child who is incapable of self-sustaining employment due to mental or physical handicap and is chiefly dependent on a parent for support and maintenance. You or your Spouse must provide us with proof of this incapacity and dependency within 31 days following the Dependent Child's 26th birthday, but not more frequently than annually.

Newborn, adopted, and foster children are equally considered under this Plan. A newborn child will be covered from the moment of birth, if the birth occurs while the Plan is in force. Foster children and adopted children will be treated the same as newborn infants and eligible for coverage on the same basis upon placement in the foster home or placement for adoption. Prior notification will not be required unless an additional premium charge to add the Dependent is due. If an additional premium charge is due to cover the Dependent, we will cover the newborn child, foster child, or adopted child from the moment of birth or placement if the child is enrolled within 60 days after the date of birth or placement.

If a parent is required by a court or administrative order to provide insurance for a child, and the parent is eligible for family insurance coverage, we:

- Will 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.
- Will 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.
- Will not disenroll or eliminate coverage of the child unless we are 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 no later than the effective date of disenrollment.

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 in the insurer's service area.

BENEFITS

If a Dependent Child qualifies for benefits under the Certificate to which this Rider is attached because of a Covered Accidental Injury or Covered Sickness, we will provide the benefits shown in the Certificate under the **Benefit Provisions** section.

GENERAL PROVISIONS

If your Dependent Child's coverage terminates, we will provide benefits for valid claims that arose while his coverage was active.

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate:

- When the Certificate terminates,
- On the premium due date following the date the covered Child no longer qualifies as a Dependent,
- When the covered Dependent Child reaches age 26 (details in the **Definitions** section of this Rider),
- On the premium due date following the date we receive your written request to terminate coverage for your Child,
or
- When premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Waiver of Premium Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Total Disability or **Totally Disabled** means you are:

- Not working at any job for pay or benefits,
- Under the care of a Doctor for the Treatment of a Covered Sickness or a Covered Accidental Injury, and
- Unable to Work.

Unable to Work means either:

- You are unable to work at the occupation you were performing when your Total Disability began, which was during the first 365 days of Total Disability; or
- You are unable to work at any gainful occupation for which you are suited by education, training, or experience after the first 365 days of Total Disability.

WAIVER OF PREMIUM BENEFIT

If you, the Employee, become Totally Disabled as defined in this Plan due to a Covered Sickness or Covered Accidental Injury, we will waive premiums for you and for any currently covered Dependents. This includes waiving premiums for any Riders that are in force.

After 90 days of Total Disability, all Plan premiums will be waived if:

- Your Total Disability began before the age of 65;
- Your Total Disability has continued without interruption for at least 90 days, during which time you and/or the Policyholder have paid premiums; and
- You provide proof of Total Disability as required by us. Satisfactory Proof of Loss for Total Disability must be provided at least once every 12 months.

Pending our approval of a claim for the Waiver of Premium Benefit, premiums should be paid as they are due.

Premium will continue to be waived until the earliest of the following:

- The premium due date following your 65th birthday,
- The date the Company has waived premiums for a total of 24 months of Total Disability,
- The date you refuse to provide proof of continuing Total Disability,
- The date your Total Disability ends, or
- The date coverage ends according to the Termination provisions in **Section I** of your Certificate.

If you are still eligible for coverage when you return to Active Work, coverage for any Insured may be continued if premium payments are resumed.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina

800.433.3036

Please call the toll-free number above with any questions about this coverage.

Surgical Benefits Rider

To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

SURGICAL BENEFITS

We will pay the daily benefit amount shown in the Schedule of Operations for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured has surgery performed by a Doctor. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Doctor's office.

If an operation is not listed in the Schedule of Operations, we will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

Only one benefit is payable per 24-hour period for surgery, even though more than one surgical procedure may be performed. If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

ANESTHESIA BENEFITS

When a surgical procedure is performed that is covered under the Surgical Benefits, we will pay the daily benefit amount shown in the Schedule of Operations for each day that anesthesia is administered by a Doctor in connection with such procedure.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Policy after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

A notice of nonrenewal shall be given to the contract holder 45 days prior to termination.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

SECTION XI

SCHEDULE OF OPERATIONS

| INTEGUMENTARY SYSTEM | Maximum Surgical Benefit | JOINTS | Maximum Surgical Benefit |
|---|--------------------------------|---|--------------------------------|
| SKIN | | | |
| Incision and Drainage of Cyst | \$ 7.50 | Shoulder or Elbow Arthrotomy | \$ 187.50 |
| Acne Surgery | \$ 5.63 | Arthroplasty | \$ 300.00 |
| Biopsy | \$ 11.25 | Wrist Arthrotomy | \$ 150.00 |
| Excision of Benign Tumor | \$ 15.00 | Arthroplasty | \$ 300.00 |
| Excision of Malignant Tumor | \$ - | Hip Arthrotomy | \$ 262.50 |
| (Trunk, Arms or Legs) | \$ 22.50 | Arthroplasty | \$ 375.00 |
| Excision of Malignant Tumor | \$ - | Knee Arthrotomy | \$ 187.50 |
| (Face, Scalp, Ears, Neck, Hands | \$ - | Arthroplasty | \$ 375.00 |
| Feet, Genitalia) | \$ 37.50 | Ankle Arthrotomy | \$ 187.50 |
| Excision of Malignant Tumor | \$ - | Arthroplasty | \$ 281.25 |
| (Eyelids, Nose, Lips, Mucous | \$ - | Hammertoe | \$ 75.00 |
| Membrane) | \$ 56.25 | | \$ - |
| Excision of Nail | \$ 37.50 | DISLOCATIONS | \$ - |
| Repair – Simple Wounds | \$ 7.50 | Jaw | \$ 18.75 |
| Repair – Complex Wounds (Linear Repair) | \$ 26.25 | Collar Bone (requiring reduction) | \$ 37.50 |
| Repair – Skin Grafts (Single Stage) | \$ 18.75 | Shoulder (humerus with anesthesia) | \$ - |
| Repair – Skin Grafts (Multiple Stage) | \$ 56.25 | Or Elbow | \$ 18.75 |
| Electro – surgical destruction of | \$ - | Wrist | \$ 18.75 |
| Chemocautery | \$ 7.50 | Fingers or Toes | \$ 7.50 |
| Chemotherapy – malignancies of skin | \$ 75.00 | Hip or Knee | \$ 75.00 |
| | \$ - | Ankle | \$ 37.50 |
| BREAST | \$ - | | \$ - |
| Biopsy | \$ 56.25 | TENDONS | \$ - |
| Excision of Cyst or Benign Tumor | \$ 56.25 | Repair or Suture | \$ 45.00 |
| Excision of Chest Wall Tumor | \$ 262.50 | Lengthening or Shortening | \$ - |
| Mastectomy, simple | \$ 112.50 | (e.g. Achilles tendon) | \$ 112.50 |
| Mastectomy, radical | \$ 262.50 | | \$ - |
| Mammoplasty, Reconstructive | \$ 562.50 | AMPUTATIONS | \$ - |
| | \$ - | Arm at Shoulder Joint | \$ 281.25 |
| MUSCULOSKELETAL SYSTEM | \$ - | Arm below Shoulder Joint | \$ 131.25 |
| | \$ - | Finger | \$ 56.25 |
| BONE OR CARTILAGE GRAFT | \$ - | Leg at Hip Joint | \$ 300.00 |
| Spinal Fusion | \$ 300.00 | Leg at Knee | \$ 150.00 |
| Spinal Fusion with removal of | \$ - | Leg above or below knee | \$ 187.50 |
| Intervertebral disc | \$ 300.00 | Toe | \$ 37.50 |
| Spinal Fusion of Scoliosis | \$ 450.00 | | \$ - |
| | \$ - | | \$ - |
| | \$ - | RESPIRATORY SYSTEM | \$ - |
| FRACTURES (Requiring Reduction) | \$ - | | \$ - |
| Skull | \$ 281.25 | NOSE | \$ - |
| Nose | \$ 18.75 | Excision of Nasal Polyps | \$ 11.25 |
| Jaw | \$ 112.50 | Submucous resection, Classic Nasal Sept | \$ 112.50 |
| Vertabrae, one or more | \$ 112.50 | | \$ - |
| Collar Bone | \$ 56.25 | SINUSES | \$ - |
| Shoulder blade (Scapula) | \$ 206.25 | Frontal Sinusotomy – simple | \$ 75.00 |
| Upper Arm | \$ 93.75 | Frontal Sinusotomy – radical | \$ 225.00 |
| | \$ - | | \$ - |
| Lower Arm | \$ 56.25 | LARYNX | \$ - |
| Hand | \$ 37.50 | Laryngectomy | \$ 375.00 |
| Fingers or Toes | \$ 18.75 | Laryngoscopy | \$ 15.00 |
| Upper Leg | \$ 150.00 | | \$ - |
| Lower Leg | \$ 56.25 | | \$ - |
| Ankle | \$ 93.75 | | \$ - |
| Foot | \$ 37.50 | | \$ - |
| | \$ - | | \$ - |
| | \$ - | TRACHEA AND BRONCHI | \$ - |
| LUNGS | \$ - | Tracheotomy | \$ 75.00 |
| Thoracotomy | \$ 187.50 | Bronchoscopy | \$ 56.25 |
| Pneumonotomy | \$ 225.00 | Closure of Tracheotomy | \$ 93.75 |
| Pneumonocentesis | \$ 18.75 | | \$ - |
| Thoracentesis | \$ 11.25 | | \$ - |
| Pneumonectomy, total | \$ 375.00 | Fistulotomy | \$ 37.50 |
| Wedge Resection of Lung, | \$ - | Sphincterotomy | \$ 18.75 |
| Single or Multiple | \$ 300.00 | Fissurectomy or Hemorrhoidectomy | \$ 75.00 |
| Thoracoscopy (including biopsy) | \$ 75.00 | Removal of External Hemorrhoids | \$ 11.25 |
| | \$ - | | |

| | | | |
|---------------------------------------|-----------|--------------------------------------|-----------|
| CARDIOVASCULAR SYSTEM | \$ - | Aspiration biopsy of liver, pancreas | \$ - |
| | \$ - | Or bile duct | \$ 18.75 |
| HEART | \$ - | Cholecystotomy | \$ 187.50 |
| Heart Transplant | \$ 750.00 | Cholecystectomy | \$ 225.00 |
| Catheterization of Heart | \$ 56.25 | Pancreatectomy – partial | \$ 300.00 |
| Suture of Heart wound or injury | \$ 375.00 | Pancreatectomy – total | \$ 525.00 |
| Valvotomy, aortic and pulmonic valve | \$ 562.50 | Laparotomy | \$ 150.00 |
| Valvotomy, mitral valve | \$ 525.00 | Hemiotomy | \$ 131.25 |
| Valvutoplasty or Replacement | \$ - | | \$ - |
| Aortic and mitral valve | \$ 750.00 | URINARY SYSTEM | \$ - |
| Coronary Bypass, single or multiple | \$ 750.00 | Nephrolithotomy | \$ 300.00 |
| Repair of Myocardial Aneurysm | \$ 750.00 | Renal Biopsy | \$ 18.75 |
| Repair of Septal Defect | \$ 675.00 | Nephrectomy | \$ 300.00 |
| Angioplasty, percutaneous | \$ 375.00 | Lithotripsy | \$ 187.50 |
| Pervenous or Transvenous insertion of | \$ - | Kidney Transplant | \$ 468.75 |
| Pacemaker | \$ 187.50 | Cystotomy | \$ 187.50 |
| | \$ - | Cystectomy – partial | \$ 262.50 |
| ARTERIES | \$ - | Cystectomy – complete | \$ 375.00 |
| Arterlotomy, extramity | \$ 225.00 | Urethroscopy or Cystoscopy | \$ 18.75 |
| Thromboendarterectomy | \$ 450.00 | Cystoplasty | \$ 300.00 |
| Carotid endurterectomy | \$ 450.00 | Dilation of Urethra | \$ 7.50 |
| Excision and graft, Abdominal Aortic | \$ - | | \$ - |
| Aneurysm | \$ 562.50 | GENITAL SYSTEM | \$ - |
| Injection – Varicose Veins | \$ 3.75 | | \$ - |
| | \$ - | MALE | \$ - |
| HEMIC AND LYPHATIC SYSTEMS | \$ - | Circumcision | \$ 11.25 |
| Splenectomy | \$ 225.00 | Orchlectomy | \$ 75.00 |
| Biopsy of Lymph Node | \$ 18.75 | Reduction of Torsion of Testis | \$ 112.50 |
| Radical Lymphadenectomy | \$ 191.25 | Excision of Epididymis, Hydrocele, | \$ 37.50 |
| | \$ - | Varicocale | \$ 112.50 |
| DIGESTIVE SYSTEM | \$ - | Vasectomy | \$ 56.25 |
| Gastrotomy | \$ 187.50 | Biopsy, Prostate | \$ 62.50 |
| Gastrectomy, Total | \$ 375.00 | Prostatectomy – partial | \$ 300.00 |
| Gastrectomy, Partial | \$ 300.00 | Prostatectomy – radical | \$ 375.00 |
| Gastroscopy | \$ 56.25 | | \$ - |
| Gastro Gastrorrhaphy | \$ 187.50 | FEMALE | \$ - |
| Enterectathy | \$ 225.00 | Hysterectomy, Vaginal or Abdominal | \$ 225.00 |
| Enterectomy | \$ 262.50 | Hysterectomy, radical for cancer | \$ - |
| Colostomy | \$ 300.00 | Including lymph nodes | \$ 375.00 |
| Enterostomy | \$ 187.50 | Salpingo – oophorectomy | \$ 168.75 |
| Enterolysis | \$ 150.00 | Repair of cystocele or rectocele | \$ 131.25 |
| Diverticulectomy | \$ 187.50 | Repair of cystocele and rectocele | \$ 195.00 |
| Appendectomy | \$ 150.00 | Tubal Ligation | \$ 150.00 |
| Proctectomy | \$ 375.00 | Biopsy or removal of cervical lesion | \$ - |
| Protosigmoidoscopy | \$ 11.25 | or polyp | \$ 112.50 |
| Proctoplasty | \$ 150.00 | Dilation and curettage | \$ 56.25 |
| | \$ - | Myomectomy | \$ 187.50 |
| | \$ - | Repair of uterine suspension | \$ 150.00 |
| | \$ - | Cesarian Section | \$ 187.50 |
| | \$ - | Obstetrical Delivery | \$ 75.00 |
| | \$ - | Amniocentesis | \$ 18.75 |
| | \$ - | | |
| ENDOCRINE SYSTEM | \$ - | | |
| Incision and drainage of | \$ - | | |
| Thyroid Gland | \$ 11.25 | | |
| Local excision of thyroid cyst | \$ - | | |
| Or adenoma | \$ 150.00 | | |
| Thyroidectomy or parathyroidectomy | \$ 262.50 | | |
| Adrenalectomy | \$ 300.00 | | |
| | \$ - | | |
| NERVOUS SYSTEM | \$ - | | |
| Burr Holes | \$ 112.50 | | |
| Carnioplasty | \$ 375.00 | | |
| Craniotomy or Craniectomy | \$ 150.00 | | |
| Laminectomy | \$ 375.00 | | |
| Spinal Puncture | \$ 7.50 | | |
| Paravertebral block, lumbar, | \$ - | | |
| Or thoracic nerve | \$ 18.75 | | |
| Median nerve decompression | \$ - | | |
| (Carpal Tunnel) | \$ 112.50 | | |
| | \$ - | | |
| | \$ - | | |

EYE

| | | |
|--|----|--------|
| Removal of eye | \$ | 150.00 |
| Excision of pteryglum | \$ | 93.75 |
| Sclerotomy – anterior | \$ | 187.50 |
| Sclerotomy – posterior | \$ | 112.50 |
| Iridectomy | \$ | 187.50 |
| Extraction of lens (including | \$ | - |
| Cataract extraction) | \$ | 300.00 |
| Reattachment of retina | \$ | 375.00 |
| Muscle operation (one or more muscles) | \$ | 225.00 |
| Excision of lacrimal gland or sac | \$ | 187.50 |

EAR

| | | |
|-----------------------------------|----|--------|
| | \$ | - |
| Drainage of abscess | \$ | 7.50 |
| Otoscopy | \$ | 7.50 |
| Myringotomy | \$ | 11.25 |
| Tympanotomy (diagnostic) | \$ | 187.50 |
| Tympanotomy with insertion of | \$ | - |
| Collar Button Tube | \$ | 93.75 |
| Mastoidectomy – simple | \$ | 187.50 |
| Tympanoplasty | \$ | 375.00 |
| Labyrinthotomy or Labyrinthectomy | \$ | 375.00 |

CONTINENTAL AMERICAN INSURANCE COMPANY

P.O. Box 427, Columbia, South Carolina 292052
800.433.3036

Portability Privilege Amendment

This Amendment is part of the form to which it is attached. Unless amended by this document, all definitions, exclusions, limitations, terms, and other provisions apply. For the purpose of this Amendment, “you” (including “your” and “yours”) refers to the Insured named in the Certificate Schedule.

Effective Date

This Amendment becomes effective on the Effective Date of the form to which it is attached.

Portability Privilege

The following language replaces the ELIGIBILITY provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance:

ELIGIBILITY — CLASSES OF COVERAGE

Class I

All full-time and part-time benefit-eligible Employees are eligible for Class I coverage. That eligibility extends to their spouses and children under age 26.

Class II

A Class I primary insured is eligible for Class II coverage if he:

- was previously insured under Class I; and
- is no longer employed by the Policyholder.

The Employee must elect Class II coverage under the Portability Privilege within 31 days after the date for which his class I eligibility would otherwise terminate.

Only Dependents covered under Class I coverage are eligible for continued coverage under Class II.

Class II insureds cannot continue coverage through the employer’s payroll deduction process. They must remit premiums directly to the Company.

The following language replaces the TERMINATION OF THE PLAN provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy.

TERMINATION OF THE PLAN

The Plan will cease if the premium is not paid before the end of the Grace Period.

After the end of the first Plan year, the Company has the right to cancel the Plan. To do so, the Company must give 45 days’ written notice that the plan will end on the date before the next premium due date.

The Policyholder has the right to cancel the Plan on the date before any premium due date by giving 45 days’ written notice.

Upon such termination, Class I and Class II coverage will be affected as follows:

Class I

If terminated, this Plan and all certificates issued under this class 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 Insured regarding any claim arising while the Plan is in force.

The Policyholder has the sole responsibility to notify Class I Employees of such termination. When notice of termination is received by the Company, the Portability Privilege under Class I coverage is no longer available.

Class II

The group policy will remain active, and coverage under Class II will continue as long as premiums are paid, subject to the premium grace period. Notification of any changes in the plan will be provided directly to each insured by the Company. The Policyholder will lose any rights and obligations under the Plan.

The following language replaces the TERMINATION OF AN EMPLOYEE'S INSURANCE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of the following:

1. the date the Plan is terminated, for Class I insureds;
2. the 31st day after the premium due date if the required premium has not been paid;
3. the date he ceases to meet the definition of an Employee as defined in the Plan, for Class I insureds; or
4. the date he is no longer a member of the Class eligible for coverage.

Insurance for Dependents will terminate on the earliest of the following:

1. the date the Plan is terminated, for Dependents of Class I insureds;
2. the 31st day after the premium due date, if the required premium has not been paid;
3. the date the Spouse or Dependent Child ceases to be a dependent; or
4. the premium due date following the date we receive the Employee's written request to terminate coverage for his Spouse and/or all Dependent Children.

Termination of the insurance on any Insured will not prejudice his rights regarding any claim arising prior to termination.

The following language replaces the PORTABILITY PRIVILEGE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

PORTABILITY PRIVILEGE

Under the Portability Privilege provision, when coverage would otherwise terminate because an Employee ends his employment, coverage may be continued. He may exercise the Portability Privilege when there is a change to his coverage class. The Employee — and any covered dependents — will continue the coverage that is in-force on the date employment ends. The continued coverage will be provided under Class II.

The premium rate for portability coverage may change for the class of covered persons on portability on any premium due date. Written notice will be given at least 45 days before any change is to take effect.

The Employee may continue the coverage until the earlier of:

- the date he fails to pay the required premium; or
- the date the class of coverage is terminated.

Coverage may not be continued:

- if the Employee fails to pay any required premium; or
- if the Company receives notice of Class I plan termination.

General Provisions

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Insured's Application. This does not apply to fraudulent misstatements.

Contract

This Amendment is part of the form to which it is attached. It will terminate when that form terminates.

This Amendment is subject to all of the terms of the form to which it is attached unless those terms are inconsistent with this Amendment.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

NOTICE OF NON-INSURANCE BENEFITS ENDORSEMENT

This Endorsement is added to and part of the Certificate to which it is attached.

From time to time, Continental American Insurance Company (CAIC) may offer or provide goods and/or services that are not related to insurance. These goods and services, which could be offered or provided to some people who apply for CAIC coverage or become insured by CAIC, may include (but are not limited to) the following:

- Enrollment services.
- Educational services.
- Benefit statement services.
- Payroll or plan administration services.

The services listed above will fall under the same benefit plan that includes or is related to the applicable CAIC coverage, individual wellness programs, and related services.

In addition, CAIC may arrange for third-party service providers to provide discounted goods and services to people who apply for CAIC coverage or who become insured by CAIC.

Though CAIC has arranged these goods, services, and/or third-party provider discounts, the third-party providers—**not CAIC**—are liable to applicants/insureds for these goods and services. CAIC is not responsible for providing the goods and/or services, nor is CAIC liable to applicants/insureds for the negligent provision of these goods and/or services by third-party service providers.

For assistance or information about this notice, call 800.433.3036.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary

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 below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

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

**North Carolina Department of Insurance, Consumer Services Division
1201 Mail Service Center
Raleigh, NC 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 insurance guaranty association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

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

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contract holder;
- 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 contract holders, 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 or Part D or any regulations issued pursuant thereto.

LIMITS ON AMOUNT OF COVERAGE

(1) The guaranty association cannot pay out more than the insurance company would owe under the 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 basic hospital, medical and surgical insurance and major medical insurance.

(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.

NOTICE TO INSURANCE FIDUCIARY

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.

Hospital Indemnity Certificate Schedule

Hospitalization Category

| | |
|---|--|
| EMPLOYEE «FIRST» «LAST_» | CERTIFICATE NUMBER «POLICY» |
| GROUP POLICYHOLDER HARNETT COUNTY SCHOOLS | GROUP POLICY NUMBER 24829 |
| EMPLOYEE EFFECTIVE DATE «EFFECTIVE_DATE» | GROUP POLICY ANNIVERSARY DATE 01/01/2020 |
| TOTAL INITIAL PREMIUM* «PREMIUM» | PREMIUM MODE «PREM_MODE» |
| HOSPITALIZATION COVERAGE LEVEL LOW | JURISDICTION NC |
| COVERAGE TYPE «COVERAGE SELECTED» | |

Hospital Admission Benefit \$500 per admission

Payable once per admission

Maximum per Insured per each Covered Sickness 1 time per Calendar Year

Maximum per Insured per each Covered Accident 1 time per Calendar Year

Hospital Confinement Benefit \$100 per day

Maximum confinement period 180 days per Covered Sickness or Covered Accident

Health Screening Benefit \$50 per Health Screening Test

Maximum number of benefit payments 1 per Calendar Year per eligible Insured

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

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

Treatment Category

Major Diagnostic Exams Benefit \$125 per day

SURGICAL RIDER SCHEDULE

| | |
|----------------------------|---------------------------|
| Surgical Benefits | Up to \$750 |
| Maximum per Insured | 4 times per Calendar Year |
| Anesthesia Benefits | Up to \$187.50 |
| Maximum per Insured | 4 times per Calendar Year |

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

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

WAIVER OF PREMIUM RIDER SCHEDULE

| | |
|---------------------------|----------|
| Waiver of Premium: | Included |
|---------------------------|----------|

For assistance with your Waiver of Premium benefit, please call our Customer Service number, 800.433.3036.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina
800.433.3036

Endorsement to Policy and Certificate of Insurance

This Endorsement alters the Policy and the Certificate to which it is attached. Unless specifically addressed by this Endorsement, all other Policy and Certificate provisions, definitions, and terms continue to apply.

Continental American Insurance Company's mailing addresses for claims and premium payments are changed as listed below.

Notice of Claim and **Proof of Loss** should be mailed to the Company at:

P.O. Box 84075, Columbus, Georgia, 31993-9103

Premium Payments should be mailed to the Company at:

P.O. Box 84069, Columbus, Georgia, 31908-4069

If applicable, references to 2801 Devine Street, Columbia, SC 29205 are deleted.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Certificate of Insurance For Group Supplemental Hospital Indemnity Policy

This limited Plan provides supplemental benefits only. It does not constitute comprehensive health insurance coverage and does not satisfy the requirement of Minimum Essential Coverage under the Affordable Care Act.

THIS PLAN IS A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES.

This Plan provides the benefits listed in the Benefit Schedule.

THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the Company.

THIS IS A LEGAL CONTRACT. PLEASE READ YOUR CERTIFICATE CAREFULLY.

Your Employer (the “Policyholder”) applied for coverage under this Group Supplemental Hospital Indemnity Insurance Policy (the “Plan”). This Plan is issued by Continental American Insurance Company (the “Company,” “CAIC,” “we,” “us,” or “our”). For the purposes of this Plan, “you” (including “your” and “yours”) refers to you. Based on the application process and the timely payment of premiums, the Company agrees to pay the benefits provided on the following pages. (Please note that male pronouns— such as “he,” “him,” and “his”—are used for both males and females, unless the context clearly shows otherwise.)

You will notice that certain words and phrases (including some medical terms and the names of Plan documents) in this document are capitalized. The capitalized words refer to terms with very specific definitions as they apply to this insurance Plan.

We certify that you are insured under the Group Supplemental Hospital Indemnity Policy (the “Plan”). The Plan was issued to the Policyholder. The Certificate is subject to the Definitions, Exclusions, and other provisions of the Plan.

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.

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

Important Cancellation Information-Please read the provision entitled “Plan Termination” found on page 4.

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Section I - Eligibility, Effective Date, and Termination

Section II - Premium Provisions

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Section VII - General Provisions

SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION

Eligibility

You are eligible to be covered under this Plan if you are Actively at Work for the Policyholder and included in the class that is eligible for coverage, as shown on the Master Application.

Insureds are defined as those who might be eligible for coverage under this Plan in the following categories:

- **Employee Coverage** – We insure only the Employee.
- **Employee and Spouse Coverage** – We insure the Employee and spouse (as defined in the applicable rider).
- **Employee and Children Coverage** – We insure the Employee and any dependent children (as defined in the applicable rider).
- **Family Coverage** – We insure the Employee, spouse, and any dependent children (as defined in the applicable rider).

We will not insure anyone specifically excluded from coverage by Endorsement to the Certificate or by application, even if that person would otherwise be eligible for coverage.

Details for adding Insureds to your coverage are outlined in the Effective Date section.

Effective Date

Your Employee Effective Date is shown on the Certificate Schedule.

Your Employee Effective Date is the date your insurance takes effect. After we receive and approve the Application, that date is either:

- The date shown on the Certificate Schedule if you are Actively at Work on that date, or
- The date you return to an Actively-at-Work status if you were not Actively at Work on the date shown on the Certificate Schedule.

The Effective Date of coverage will be no later than your 91st day of employment.

If Employee and Spouse, Employee and Children, or Family Coverage is offered:

- A Dependent may be added to the Plan after the Employee's Effective Date within 31 days of a Life Event or during an approved enrollment period. The enrollment period is waived if a parent is required by court or administrative order to enroll a child.
- If Dependent Child Rider coverage **is already in force**, no additional notice or premium is required to add another dependent child.
- If Dependent Spouse Rider or Dependent Child Rider coverage is **not** in force, the Employee must complete an Application to add a Dependent to the Plan. The Company will assign a Dependent Rider Effective Date for a Dependent's coverage after approving the Application. For Dependent coverage to become effective, the premium for the Dependent must be included in the premium payment.
- If Dependent Child Rider coverage is not already in force, **newborn** children are automatically covered from the moment of birth for 60 days. **Newly adopted** children are automatically covered from the earlier of a) placement for adoption, b) the date of entry of an order granting custody of the child for the purposes of adoption, or c) the effective date of adoption, for 60 days. **Newly placed** foster children are automatically covered from placement in the foster home. To extend coverage beyond 60 days with no gap in coverage, the Employee must contact the Company within the 60-day time period following the child's birth, adoption, or placement. No premium is due for the first 60 days of newborn/newly adopted/newly placed coverage.

A day begins at 12:01 a.m. standard time at the Employee's place of residence.

Plan Termination

The **Company** has the right to cancel the Plan on any premium due date for the following reasons:

- The premium is not paid before the end of the Grace Period,
- The number of participating Employees is less than the number mutually agreed upon by the Company and the Policyholder,
- The number of participating Employees changes by 25% or more,
- The Policyholder fails to perform any of the obligations that relate to this policy or that are required by applicable law,
- The Policyholder no longer offers coverage to a particular class of Employees,
- The Policyholder no longer serves a class of Employees who reside in a particular geographical area, or
- The Policyholder does not provide timely information that is reasonably required.

The **Policyholder** has the right to cancel the Plan on any premium due date.

- To do this, the Policyholder must give the Company at least 45 days' written notice.
- The Plan will end on the date in the written notice or the date the Company receives the notice, whichever is later.

All outstanding premiums are due upon Plan termination. If the Company accepts premium payments after the Plan terminates, this will not reinstate the Plan; we will refund any excess premium.

The Policyholder has the sole responsibility of notifying Certificateholders in writing of the Plan's termination as soon as reasonably possible. If the Plan terminates, it—and all Certificates and Riders issued under the Plan—will terminate on the specified termination date. The termination occurs as of 12:01 a.m. at the Policyholder's address.

Termination of Your Insurance

Your insurance will terminate on whichever occurs first:

- The date the Company terminates the Plan.
- The 31st day after the premium due date (the last day of the Grace Period), if the premium has not been paid.
- The date you no longer belong to an eligible class.

If an Insured's coverage terminates, we will provide benefits for valid claims that arose while your coverage was active.

Portability Privilege

When you are no longer a member of an eligible class and your coverage would otherwise end, you may elect to continue your coverage under this Plan. You may continue the coverage you had on the date your Certificate would otherwise terminate, including any in-force Dependent Spouse Rider or Dependent Child Rider coverage, without any additional underwriting requirements.

To keep your coverage in force, you must:

- Notify the Company within 31 days after the date your coverage would otherwise terminate. You may notify us by sending written notice to P.O. Box 427, Columbia, South Carolina, 29202 or by calling the Customer Service number at 800.433.3036, and
- Pay the required premium directly to the Company no later than 31 days after the date your coverage would otherwise terminate and on each premium due date thereafter.

Your ported coverage will end on the earliest of the following dates:

- 31 days after the premium due date (the last day of the Grace Period), if the premium has not been paid, or
- The date the Group Plan is terminated.

If you qualify for this Portability Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate as shown in your previously-issued Certificate. Notification of any changes in the Plan will be provided directly by the Company.

Reinstatement

If any renewal premium is not paid on time (as outlined in the initial payment agreement) for the Plan, the Company (or an agent who is authorized by the Company) may accept the late premium and reinstate the Plan without requiring a new Application.

However, if the Company (or authorized agent) does require an Application for Reinstatement and issues a conditional receipt for the premium tendered, the Plan will be reinstated:

- Upon the Company's approval, or
- Lacking such approval, upon the 45th day following the date of the conditional receipt (unless the Company has previously notified the Policyholder in writing of its disapproval of such Application).

The reinstated Plan covers only loss resulting from such accidental injury as may be sustained after the date of Reinstatement and loss due to such sickness as may begin more than 10 days after such date. In all other respects, the Policyholder and the Company will have the same rights they had under the Plan immediately before the due date of the defaulted premium (subject to any provisions endorsed with or attached to the Reinstatement).

Any premium accepted with a Reinstatement will:

- Be applied to a period for which premium has not been previously paid, but
- Not to any period more than 60 days prior to the date of Reinstatement.

SECTION II – PREMIUM PROVISIONS

Premium Payments

Premiums should be paid to the Company at its Home Office in Columbia, South Carolina. The first premiums are due on the Plan's Effective Date. After that, premiums are due on the first day of each month that the Plan remains in effect.

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 provision.

Premium Changes

Unless we have agreed in writing not to increase premiums, the premium may change:

- On the Group Policy Anniversary Date based on renewal underwriting. (The Group Policy Anniversary Date is shown on the Policy Schedule and falls on the same date each year thereafter.)
- Whenever the terms or conditions of the Plan are modified. The new premium rates will apply only to premiums due on or after the rate change takes effect.

A change in premium rate will not take effect until at least one year after the Policy Effective Date. However, we may change premium rates at any time, though never more than every 6 months, thereafter based upon 12 months of experience.

We will provide the Policyholder a 45-day advance written notice of any change in premiums.

Grace Period

This Plan has a 31-day Grace Period. If a premium is not paid on or before its due date, the premium may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given the Company written notice of its intention to discontinue the Plan. If the Plan is discontinued, the Plan's termination date will be the latest date for which premium has been paid.

SECTION III – DEFINITIONS

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

Accidental Injury means accidental bodily damage to an Insured. This must be the direct result of an accident and not the result of disease or bodily infirmity. A **Covered Accidental Injury** is an Accidental Injury that occurs while coverage is in force. A **Covered Accident** is an accident that occurs on or after an Insured's Effective Date while coverage is in force, and that is not specifically excluded by the Plan.

Actively at Work refers to your ability to perform your regular employment duties for a full normal workday. You may perform these activities either at your Employer's regular place of business or at a location where you are required to travel to perform the regular duties of your employment.

Calendar Year means the period beginning on the policy Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Claimant means a person who is authorized to make a claim under the Certificate.

Dependent means your spouse or dependent children, as defined in the applicable rider, who have been accepted for coverage.

Doctor is a person who is duly qualified as a practitioner of the healing arts acting within the scope of his license, and:

- Is licensed to practice medicine; prescribe and administer drugs; or to perform surgery, or
- Is a duly qualified medical practitioner according to the laws and regulations in the state in which Treatment is made.

A Doctor **does not** include you or any of your Family Members.

For the purposes of this definition, **Family Member** includes your Spouse as well as the following members of your immediate family:

- Son.
- Daughter.
- Mother.
- Father.
- Sister.
- Brother.

This includes step-Family Members and Family-Members-in-law.

Employee is a person who meets Eligibility requirements under **Section I – Eligibility, Effective Date, and Termination**, and who is covered under this Plan. The Employee is the primary Insured under this Plan.

Hospital means a place that meets all of the following criteria:

- Is legally licensed and operated as a Hospital,
- Provides overnight care of injured and sick people,
- Is supervised by a Doctor,
- Has full-time nurses supervised by a registered nurse, and
- Has on-site use of X-ray equipment, laboratory, and surgical facilities. This requirement is not applicable to state tax supported institutions.

Hospital includes any duly licensed state tax supported institution, including those community health centers and other health clinics which are certified as Medicaid providers.

The term **Hospital** specifically excludes any facility not meeting the definition of Hospital as defined in this Plan, including:

- A nursing home,
- An extended care facility,
- A skilled nursing facility,
- A rest home or home for the aged,
- A Rehabilitation Facility,
- A facility for the Treatment of alcoholism or drug addiction, or
- An assisted living facility.

Hospital Intensive Care Unit means a place that meets all of the following criteria:

- Is a specifically designated area of the Hospital called a Hospital Intensive Care Unit;
- Provides the highest level of medical care;
- Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
- Is separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement;
- Is permanently equipped with special life-saving equipment for the care of the critically ill or injured;
- Is under close observation by a specially trained nursing staff assigned exclusively to the Hospital Intensive Care Unit 24 hours a day; and
- Has a Doctor assigned to the Hospital Intensive Care Unit on a full-time basis.

The term *Hospital Intensive Care Unit* specifically excludes any type of facility not meeting the definition of Hospital Intensive Care Unit as defined in this Plan, including but not limited to private monitored rooms, surgical recovery rooms, observation units, and the following step-down units:

- A progressive care unit,
- A sub-acute intensive care unit, or
- An intermediate care unit.

Intermediate Intensive Care Step-Down Unit means any of the following:

- A progressive care unit,
- A sub-acute intensive care unit,
- An intermediate care unit, or
- A pre- or post-intensive care unit.

An Intermediate Intensive Care Step-Down Unit is **not** a Hospital Intensive Care Unit as defined in this Plan.

Life Event means an event that qualifies you to make changes to benefits at times other than your enrollment period. Events qualifying as Life Events are established solely by the Policyholder.

Rehabilitation Facility is a unit or facility providing coordinated multidisciplinary physical restorative services. These services must be provided to inpatients under a Doctor's direction. The Doctor must be knowledgeable and experienced in rehabilitative medicine. Beds must be set up in a unit or facility specifically designated and staffed for this service. This is not a facility for the Treatment of alcoholism or drug addiction.

Related – a Related Accidental Injury or Sickness is one that is in correlation to, or occurs as a result of, the initial Accidental Injury or Sickness, and would not otherwise have been sustained if that initial condition had not occurred.

Sickness means an illness, infection, disease, or any other abnormal physical condition or pregnancy that is not caused solely by, or the result of, any injury. A **Covered Sickness** is one that is not excluded by name, specific description, or any other provision in this Plan. For a benefit to be payable, loss arising from the Covered Sickness must occur while the applicable Insured's coverage is in force.

Spouse is your legal wife or husband.

Telemedicine Service means a medical inquiry with a Doctor via audio or video communication that assists with a patient's assessment, diagnosis, and consultation.

Treatment is the consultation, care, or services provided by a Doctor. This includes receiving any diagnostic measures and taking prescribed drugs and medicines. Treatment does **not** include Telemedicine Services.

SECTION IV – BENEFIT PROVISIONS

Hospitalization Benefits

Hospital Admission Benefit

We will pay this benefit when an Insured is admitted to a Hospital and confined as an inpatient because of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, an Insured must be admitted to a Hospital within six months of the date of the Covered Accident.

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

We will pay this benefit once per period of Hospital Confinement. This benefit is limited to the maximum shown in the Benefit Schedule. We will only pay this benefit once for each Covered Accident or Covered Sickness per Calendar Year. If an Insured is confined to the Hospital because of the same or Related Accidental Injury or Sickness, we will not pay this benefit again in the same Calendar Year.

Hospital Confinement Benefit

We will pay the amount shown in the Benefit Schedule for each day that an Insured is confined to a Hospital as an inpatient as the result of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, the Insured must be confined to a Hospital within six months of the date of the Covered Accident.

The length of time shown for Hospital Confinement in the Benefit Schedule is the maximum period for which an Insured can collect benefits for Hospital Confinements resulting from Covered Sickness or from Covered Accidental Injuries received in the same Covered Accident.

If we pay benefits for confinement and the Insured becomes confined again within six months because of the same or a Related condition, we will treat this confinement as the same period of confinement.

This benefit is payable for only one Hospital Confinement at a time, even if it is caused by more than one Covered Accidental Injury, more than one Covered Sickness, or a Covered Accidental Injury and a Covered Sickness.

Health Screening Benefit

We will pay the amount shown on the Benefit Schedule for Health Screening Tests performed while an Insured's coverage is in force. This benefit is limited to the Calendar Year Maximum shown in the Benefit Schedule. Benefits are payable for covered dependent children at 100% of the Employee benefit amount.

This benefit is only payable for Health Screening Tests performed as the result of preventive care, including tests and diagnostic procedures ordered in connection with routine examinations.

Health Screening Tests include, but are not limited to, the following:

- Blood test for triglycerides.
- Bone marrow testing.
- Breast ultrasound.
- CA 15-3 (blood test for breast cancer).
- CA 125 (blood test for ovarian cancer).
- CEA (blood test for colon cancer).
- Chest X-ray.
- Colonoscopy.
- Non-diagnostic vascular screening.
- DNA stool analysis.
- Fasting blood glucose test.
- Flexible sigmoidoscopy.
- Hemoccult stool analysis.
- Immunization.
- Mammography.
- Pap smear.
- PSA (blood test for prostate cancer).
- Serum cholesterol test to determine level of HDL and LDL.
- Serum protein electrophoresis (blood test for myeloma).
- Spiral CT screening for lung cancer.
- Stress test on a bicycle or treadmill.
- Thermography.
- Urinalysis.
- Vision screening.

Treatment Benefits

Major Diagnostic Exams Benefit

We will pay the daily benefit amount shown in the Benefit Schedule for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured requires one of the following exams:

- Computerized Tomography (CT/CAT scan).
- Magnetic Resonance Imaging (MRI).
- Electroencephalography (EEG).

This benefit is limited to one payment per Calendar Year for each Covered Accident or Covered Sickness. If an Insured has another covered major diagnostic exam because of the same or a Related Covered Accident or Covered Sickness, we will not pay this benefit again in the same Calendar Year.

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SECTION V – EXCLUSIONS

Exclusions

We will not pay for loss due to:

- War – voluntarily participating in war, any act of war, or military conflicts, declared or undeclared, or voluntarily participating or serving in the military, armed forces, or an auxiliary unit thereto, or contracting with any country or international authority. (We will return the prorated premium for any period not covered by the certificate when the Insured is in such service.) War also includes voluntary participation in an insurrection, riot, civil commotion or civil state of belligerence. War does not include acts of terrorism.
- Suicide – committing or attempting to commit suicide, while sane or insane.
- Self-Inflicted Injuries – injuring or attempting to injure oneself intentionally.
- Racing – riding in or driving any motor-driven vehicle in a race, stunt show or speed test in a professional or semi-professional capacity.
- Illegal Occupation – voluntarily participating in, committing, or attempting to commit a felony or illegal act or activity, or voluntarily working at, or being engaged in, an illegal occupation or job.
- Sports – participating in any organized sport in a professional or semi-professional capacity.
- Custodial Care – this is non-medical care that helps individuals with the basic tasks of everyday life, the preparation of special diets, and the self-administration of medication which does not require the constant attention of medical personnel.
- Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including any resulting complications.
- Services performed by a Family Member.
- Services related to sex or gender change, sterilization, in vitro fertilization, vasectomy or reversal of a vasectomy, or tubal ligation.
- Elective Abortion – an abortion for any reason other than to preserve the life of the person upon whom the abortion is performed.
- Dental Services or Treatment.
- Cosmetic surgery, except when due to:
 - Reconstructive surgery, when the service is related to or follows surgery resulting from a Covered Accidental Injury or a Covered Sickness, or is related to or results from a congenital disease or anomaly of a covered dependent child.
 - Congenital defects in newborns.

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SECTION VI - CLAIM PROVISIONS

Notice of Claim

Written Notice of Claim must be given to us:

- Within 20 days after the occurrence or commencement of any loss covered by the Certificate, or
- As soon as reasonably possible.

Notice must include the Employee's name and the Certificate number. Notice can be mailed to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

The notice may also be given to an authorized agent of the Company.

Claim Forms

When we receive written Notice of Claim, we will send a Claim Form. If the Claimant does not receive the Claim Form within 15 days after the notice is sent, written Proof of Loss can be sent to us without waiting for the form.

Proof of Loss

Proof of Loss refers to documentation that supports a claim. (This information is often found in standardized medical documents, such as Hospital bills and operative reports. It can include a statement by the treating Doctor.) Proof of Loss establishes the nature and extent of the loss, the Company's obligation to pay the claim, and the Claimant's right to receive payment.

The Claimant must provide Proof of Loss to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

Proof of Loss must be given to us within 180 days of the Covered Accidental Injury or Covered Sickness. Failure to give Proof of Loss within such time shall not invalidate or reduce any claim if such Proof of Loss is given as soon as reasonably possible. The Company will not accept Proof of Loss any later than one year and three months after the Covered Accidental Injury or Covered Sickness, except in the absence of your legal mental capacity.

The Claimant will be responsible for the cost of obtaining a completed claim form. We may request additional Proof of Loss, such as records from Hospitals or Doctors. We will be responsible for the cost of obtaining these records.

We may require authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

When we receive the claim and due Proof of Loss, we will review the Proof of Loss. If we approve the claim, we will pay the benefits subject to the terms of the Certificate.

Physical Examination and Autopsy

The Company may have an Insured examined as often as reasonably necessary while a claim is pending. In the case of death, the Company may also require an autopsy, unless prohibited by law. The Company will cover all costs for physical exams or autopsy.

Time of Payment of Claims

Benefits payable under the Certificate will be paid after we receive due Proof of Loss acceptable to us. We will pay, deny, or settle all clean claims* immediately after receiving the appropriate information.

**Clean claims contain all information and/or documentation needed for processing. These claims do not require further information from the provider, you, or your Employer.*

Payment of Claims

We will pay all benefits to you unless otherwise assigned. For any benefits that remain unpaid at the time of death, we will pay those benefits in the following order:

- To any approved assignee.
- To your beneficiary.
- To your surviving Spouse.
- To your estate.

If we can pay any benefits under this Plan to the Insured's estate or to an Insured or beneficiary who is a minor, or otherwise not competent to give a valid release, we may decide to pay those benefits to any relative by blood or connection by marriage of the Insured or beneficiary who we determine is rightfully allowed. The benefit amount will not exceed \$3,000.

Unpaid Premium

When a claim is paid, we may deduct any premium due and unpaid from the claim payment.

Changing of Beneficiary

A change in beneficiary must be submitted in writing to our Home Office in a form acceptable to us and signed by you. Unless otherwise specified by you, a change in beneficiary will take effect on the date the notice of change is signed. We will not be liable for any action taken before notice is received and recorded at the Home Office.

Claim Review

If a claim is denied, you will be given written notice of:

- The reason for the denial,
- The Plan provision that supports the denial, and
- Your right to ask for a review of the claim.

Appeals Procedure

Before filing any lawsuit—and no later than 60 days after notice of denial of a claim—you, the Claimant, or an authorized representative of either must appeal any denial of benefits under the Plan by sending a written request for review of the denial to our Home Office.

Legal Action

You may not take Legal Action against us for benefits under this Plan:

- Within 60 days after you have sent us written Proof of Loss, or
- More than 3 years from the time written proof is required to be given.

SECTION VII - GENERAL PROVISIONS

Entire Contract Changes

Your insurance is provided under a contract of Group Supplemental Hospital Indemnity insurance with the Policyholder. The Entire Contract of Insurance is made up of:

- The Policy;
- The Certificate of insurance;
- The Application of the Policyholder; and
- Any Riders, Endorsements, or Amendments to the Policy or Certificate.

All statements that the Policyholder or an Insured has made in the Application will be considered representations, not warranties. The Company will not void insurance or reduce benefits as a result of statements made on the Application without sending Application copies.

Changes to the Plan:

- Will not be valid unless approved in writing by an officer of the Company,
- Must be noted on or attached to the Contract, and
- May not be made by any insurance agent or producer (nor can an agent or producer waive any Plan provisions).

Misstatement of Age

If an age has been misstated on the Application, the benefits will be those that the paid premium would have purchased at the correct age.

Successor Insured

If you die while covered under this Certificate and your Spouse is also insured under this Plan at the time of your death, then your surviving Spouse may elect to become the primary Insured. This would include continuation of any Dependent Child Rider coverage that is in force at that time.

To become the primary Insured and keep coverage in force, your surviving Spouse must:

- Notify the Company in writing within 31 days after the date of your death; and
- Pay the required premium to the Company no later than 31 days after the date of your death, and on each premium due date thereafter.

If the Certificate does not cover a surviving Spouse, the Certificate will terminate on the next premium due date following your death.

Time Limit on Certain Defenses

After two years from your Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on your Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

Clerical Error

Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, the Company will make a premium adjustment.

Individual Certificates

The Company will give the Policyholder a Certificate for each Employee. The Certificate will set forth:

- The coverage,
- To whom benefits will be paid, and
- The rights and privileges under the Plan.

Required Information

The Policyholder will be responsible for furnishing all information and proofs that the Company may reasonably require with regard to the Plan.

Conformity with State Statutes

This Plan was issued on its Effective Date in the state noted on the Master Application. Any Plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina

800.433.3036

Please call the toll-free number above with any questions about this coverage.

Surgical Benefits Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

SURGICAL BENEFITS

We will pay the daily benefit amount shown in the Schedule of Operations for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured has surgery performed by a Doctor. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Doctor's office.

If an operation is not listed in the Schedule of Operations, we will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

Only one benefit is payable per 24-hour period for surgery, even though more than one surgical procedure may be performed. If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

ANESTHESIA BENEFITS

When a surgical procedure is performed that is covered under the Surgical Benefits, we will pay the daily benefit amount shown in the Schedule of Operations for each day that anesthesia is administered by a Doctor in connection with such procedure.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Policy after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

A notice of nonrenewal shall be given to the contract holder 45 days prior to termination.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

SECTION XI

SCHEDULE OF OPERATIONS

| INTEGUMENTARY SYSTEM | Maximum Surgical Benefit | | Maximum Surgical Benefit |
|---|--------------------------|---|--------------------------|
| SKIN | | JOINTS | |
| Incision and Drainage of Cyst | \$ 7.50 | Shoulder or Elbow Arthrotomy | \$ 187.50 |
| Acne Surgery | \$ 5.63 | Arthroplasty | \$ 300.00 |
| Biopsy | \$ 11.25 | Wrist Arthrotomy | \$ 150.00 |
| Excision of Benign Tumor | \$ 15.00 | Arthroplasty | \$ 300.00 |
| Excision of Malignant Tumor | \$ - | Hip Arthrotomy | \$ 262.50 |
| (Trunk, Arms or Legs) | \$ 22.50 | Arthroplasty | \$ 375.00 |
| Excision of Malignant Tumor | \$ - | Knee Arthrotomy | \$ 187.50 |
| (Face, Scalp, Ears, Neck, Hands | \$ - | Arthroplasty | \$ 375.00 |
| Feet, Genitalia) | \$ 37.50 | Ankle Arthrotomy | \$ 187.50 |
| Excision of Malignant Tumor | \$ - | Arthroplasty | \$ 281.25 |
| (Eyelids, Nose, Lips, Mucous | \$ - | Hammertoe | \$ 75.00 |
| Membrane) | \$ 56.25 | | \$ - |
| Excision of Nail | \$ 37.50 | DISLOCATIONS | |
| Repair – Simple Wounds | \$ 7.50 | Jaw | \$ 18.75 |
| Repair – Complex Wounds (Linear Repair) | \$ 26.25 | Collar Bone (requiring reduction) | \$ 37.50 |
| Repair – Skin Grafts (Single Stage) | \$ 18.75 | Shoulder (humerus with anesthesia) | \$ - |
| Repair – Skin Grafts (Multiple Stage) | \$ 56.25 | Or Elbow | \$ 18.75 |
| Electro – surgical destruction of | \$ - | Wrist | \$ 18.75 |
| Chemocautery | \$ 7.50 | Fingers or Toes | \$ 7.50 |
| Chemotherapy – malignancies of skin | \$ 75.00 | Hip or Knee | \$ 75.00 |
| | \$ - | Ankle | \$ 37.50 |
| | \$ - | | \$ - |
| BREAST | | TENDONS | |
| Biopsy | \$ 56.25 | Repair or Suture | \$ 45.00 |
| Excision of Cyst or Benign Tumor | \$ 56.25 | Lengthening or Shortening | \$ - |
| Excision of Chest Wall Tumor | \$ 262.50 | (e.g. Achilles tendon) | \$ 112.50 |
| Mastectomy, simple | \$ 112.50 | | \$ - |
| Mastectomy, radical | \$ 262.50 | AMPUTATIONS | |
| Mammoplasty, Reconstructive | \$ 562.50 | Arm at Shoulder Joint | \$ 281.25 |
| | \$ - | Arm below Shoulder Joint | \$ 131.25 |
| MUSCULOSKELETAL SYSTEM | | Finger | \$ 56.25 |
| | \$ - | Leg at Hip Joint | \$ 300.00 |
| BONE OR CARTILAGE GRAFT | | Leg at Knee | \$ 150.00 |
| Spinal Fusion | \$ 300.00 | Leg above or below knee | \$ 187.50 |
| Spinal Fusion with removal of | \$ - | Toe | \$ 37.50 |
| Intervertebral disc | \$ 300.00 | | \$ - |
| Spinal Fusion of Scoliosis | \$ 450.00 | | \$ - |
| | \$ - | RESPIRATORY SYSTEM | |
| | \$ - | | \$ - |
| | \$ - | NOSE | |
| FRACTURES (Requiring Reduction) | | | \$ - |
| Skull | \$ 281.25 | Excision of Nasal Polyps | \$ 11.25 |
| Nose | \$ 18.75 | Submucous resection, Classic Nasal Sept | \$ 112.50 |
| Jaw | \$ 112.50 | | \$ - |
| Vertabrae, one or more | \$ 112.50 | SINUSES | |
| Collar Bone | \$ 56.25 | Frontal Sinusotomy – simple | \$ 75.00 |
| Shoulder blade (Scapula) | \$ 206.25 | Frontal Sinusotomy – radical | \$ 225.00 |
| Upper Arm | \$ 93.75 | | \$ - |
| | \$ - | LARYNX | |
| | \$ - | Laryngectomy | \$ 375.00 |
| Lower Arm | \$ 56.25 | Laryngoscopy | \$ 15.00 |
| Hand | \$ 37.50 | | \$ - |
| Fingers or Toes | \$ 18.75 | | \$ - |
| Upper Leg | \$ 150.00 | | \$ - |
| Lower Leg | \$ 56.25 | TRACHEA AND BRONCHI | |
| Ankle | \$ 93.75 | Tracheotomy | \$ 75.00 |
| Foot | \$ 37.50 | Bronchoscopy | \$ 56.25 |
| | \$ - | Closure of Tracheotomy | \$ 93.75 |
| | \$ - | | \$ - |
| | \$ - | | \$ - |
| LUNGS | | | \$ - |
| Thoracotomy | \$ 187.50 | Fistulotomy | \$ 37.50 |
| Pneumonotomy | \$ 225.00 | Sphincterotomy | \$ 18.75 |
| Pneumonocentesis | \$ 18.75 | Fissurectomy or Hemorrhoidectomy | \$ 75.00 |
| Thoracentesis | \$ 11.25 | Removal of External Hemorrhoids | \$ 11.25 |
| Pneumonectomy, total | \$ 375.00 | | \$ - |
| Wedge Resection of Lung, | \$ - | | \$ - |
| Single or Multiple | \$ 300.00 | | \$ - |
| Thoracoscopy (including biopsy) | \$ 75.00 | | \$ - |
| | \$ - | | \$ - |

| | | | |
|---------------------------------------|-----------|--------------------------------------|-----------|
| CARDIOVASCULAR SYSTEM | \$ - | Aspiration biopsy of liver, pancreas | \$ - |
| | \$ - | Or bile duct | \$ 18.75 |
| HEART | \$ - | Cholecystotomy | \$ 187.50 |
| Heart Transplant | \$ 750.00 | Cholecystectomy | \$ 225.00 |
| Catheterization of Heart | \$ 56.25 | Pancreatectomy – partial | \$ 300.00 |
| Suture of Heart wound or injury | \$ 375.00 | Pancreatectomy – total | \$ 525.00 |
| Valvotomy, aortic and pulmonic valve | \$ 562.50 | Laparotomy | \$ 150.00 |
| Valvotomy, mitral valve | \$ 525.00 | Hemiotomy | \$ 131.25 |
| Valvutoplasty or Replacement | \$ - | | \$ - |
| Aortic and mitral valve | \$ 750.00 | URINARY SYSTEM | \$ - |
| Coronary Bypass, single or multiple | \$ 750.00 | Nephrolithotomy | \$ 300.00 |
| Repair of Myocardial Aneurysm | \$ 750.00 | Renal Biopsy | \$ 18.75 |
| Repair of Septal Defect | \$ 675.00 | Nephrectomy | \$ 300.00 |
| Angioplasty, percutaneous | \$ 375.00 | Lithotripsy | \$ 187.50 |
| Pervenous or Transvenous insertion of | \$ - | Kidney Transplant | \$ 468.75 |
| Pacemaker | \$ 187.50 | Cystotomy | \$ 187.50 |
| | \$ - | Cystectomy – partial | \$ 262.50 |
| ARTERIES | \$ - | Cystectomy – complete | \$ 375.00 |
| Arterlotomy, extramity | \$ 225.00 | Urethroscopy or Cystoscopy | \$ 18.75 |
| Thromboendarterectomy | \$ 450.00 | Cystoplasty | \$ 300.00 |
| Carotid endurterectomy | \$ 450.00 | Dilation of Urethra | \$ 7.50 |
| Excision and graft, Abdominal Aortic | \$ - | | \$ - |
| Aneurysm | \$ 562.50 | GENITAL SYSTEM | \$ - |
| Injection – Varicose Veins | \$ 3.75 | | \$ - |
| | \$ - | MALE | \$ - |
| HEMIC AND LYPHATIC SYSTEMS | \$ - | Circumcision | \$ 11.25 |
| Splenectomy | \$ 225.00 | Orchlectomy | \$ 75.00 |
| Biopsy of Lymph Node | \$ 18.75 | Reduction of Torsion of Testis | \$ 112.50 |
| Radical Lymphadenectomy | \$ 191.25 | Excision of Epididymis, Hydrocele, | \$ 37.50 |
| | \$ - | Varicocale | \$ 112.50 |
| DIGESTIVE SYSTEM | \$ - | Vasectomy | \$ 56.25 |
| Gastrotomy | \$ 187.50 | Biopsy, Prostate | \$ 62.50 |
| Gastrectomy, Total | \$ 375.00 | Prostatectomy – partial | \$ 300.00 |
| Gastrectomy, Partial | \$ 300.00 | Prostatectomy – radical | \$ 375.00 |
| Gastroscopy | \$ 56.25 | | \$ - |
| Gastro Gastrorrhaphy | \$ 187.50 | FEMALE | \$ - |
| Enterectathy | \$ 225.00 | Hysterectomy, Vaginal or Abdominal | \$ 225.00 |
| Enterectomy | \$ 262.50 | Hysterectomy, radical for cancer | \$ - |
| Colostomy | \$ 300.00 | Including lymph nodes | \$ 375.00 |
| Enterostomy | \$ 187.50 | Salpingo – oophorectomy | \$ 168.75 |
| Enterolysis | \$ 150.00 | Repair of cystocele or rectocele | \$ 131.25 |
| Diverticulectomy | \$ 187.50 | Repair of cystocele and rectocele | \$ 195.00 |
| Appendectomy | \$ 150.00 | Tubal Ligation | \$ 150.00 |
| Proctectomy | \$ 375.00 | Biopsy or removal of cervical lesion | \$ - |
| Protosigmoidoscopy | \$ 11.25 | or polyp | \$ 112.50 |
| Proctoplasty | \$ 150.00 | Dilation and curettage | \$ 56.25 |
| | \$ - | Myomectomy | \$ 187.50 |
| | \$ - | Repair of uterine suspension | \$ 150.00 |
| | \$ - | Cesarian Section | \$ 187.50 |
| | \$ - | Obstetrical Delivery | \$ 75.00 |
| | \$ - | Amniocentesis | \$ 18.75 |
| | \$ - | | |
| ENDOCRINE SYSTEM | \$ - | | |
| Incision and drainage of | \$ - | | |
| Thyroid Gland | \$ 11.25 | | |
| Local excision of thyroid cyst | \$ - | | |
| Or adenoma | \$ 150.00 | | |
| Thyroidectomy or parathyroidectomy | \$ 262.50 | | |
| Adrenalectomy | \$ 300.00 | | |
| | \$ - | | |
| NERVOUS SYSTEM | \$ - | | |
| Burr Holes | \$ 112.50 | | |
| Carnioplasty | \$ 375.00 | | |
| Craniotomy or Craniectomy | \$ 150.00 | | |
| Laminectomy | \$ 375.00 | | |
| Spinal Puncture | \$ 7.50 | | |
| Paravertebral block, lumbar, | \$ - | | |
| Or thoracic nerve | \$ 18.75 | | |
| Median nerve decompression | \$ - | | |
| (Carpal Tunnel) | \$ 112.50 | | |
| | \$ - | | |
| | \$ - | | |

EYE

| | | |
|--|----|--------|
| Removal of eye | \$ | 150.00 |
| Excision of pteryglum | \$ | 93.75 |
| Sclerotomy – anterior | \$ | 187.50 |
| Sclerotomy – posterior | \$ | 112.50 |
| Iridectomy | \$ | 187.50 |
| Extraction of lens (including | \$ | - |
| Cataract extraction) | \$ | 300.00 |
| Reattachment of retina | \$ | 375.00 |
| Muscle operation (one or more muscles) | \$ | 225.00 |
| Excision of lacrimal gland or sac | \$ | 187.50 |

EAR

| | | |
|-----------------------------------|----|--------|
| | \$ | - |
| Drainage of abscess | \$ | 7.50 |
| Otoscopy | \$ | 7.50 |
| Myringotomy | \$ | 11.25 |
| Tympanotomy (diagnostic) | \$ | 187.50 |
| Tympanotomy with insertion of | \$ | - |
| Collar Button Tube | \$ | 93.75 |
| Mastoidectomy – simple | \$ | 187.50 |
| Tympanoplasty | \$ | 375.00 |
| Labyrinthotomy or Labyrinthectomy | \$ | 375.00 |



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Waiver of Premium Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Total Disability or **Totally Disabled** means you are:

- Not working at any job for pay or benefits,
- Under the care of a Doctor for the Treatment of a Covered Sickness or a Covered Accidental Injury, and
- Unable to Work.

Unable to Work means either:

- You are unable to work at the occupation you were performing when your Total Disability began, which was during the first 365 days of Total Disability; or
- You are unable to work at any gainful occupation for which you are suited by education, training, or experience after the first 365 days of Total Disability.

WAIVER OF PREMIUM BENEFIT

If you, the Employee, become Totally Disabled as defined in this Plan due to a Covered Sickness or Covered Accidental Injury, we will waive premiums for you and for any currently covered Dependents. This includes waiving premiums for any Riders that are in force.

After 90 days of Total Disability, all Plan premiums will be waived if:

- Your Total Disability began before the age of 65;
- Your Total Disability has continued without interruption for at least 90 days, during which time you and/or the Policyholder have paid premiums; and
- You provide proof of Total Disability as required by us. Satisfactory Proof of Loss for Total Disability must be provided at least once every 12 months.

Pending our approval of a claim for the Waiver of Premium Benefit, premiums should be paid as they are due.

Premium will continue to be waived until the earliest of the following:

- The premium due date following your 65th birthday,
- The date the Company has waived premiums for a total of 24 months of Total Disability,
- The date you refuse to provide proof of continuing Total Disability,
- The date your Total Disability ends, or
- The date coverage ends according to the Termination provisions in **Section I** of your Certificate.

If you are still eligible for coverage when you return to Active Work, coverage for any Insured may be continued if premium payments are resumed.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Dependent Children Benefit Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date. Dependent Child coverage will become effective on the Effective Date of the Rider if the Dependent Child is Active on that date. Otherwise, the Effective Date will be deferred until the day following the date he becomes Active.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Active refers to a Dependent Child 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 gender.

Dependent Child or Dependent Children means your or your Spouse's natural children, step-children, grandchildren who are in the legal custody of and residing with you, foster children, children subject to legal guardianship, legally adopted children or Children Placed for Adoption. Dependent Children must be younger than age 26.

However, there is an exception to the age-26 limit above. This limit will not apply to any Dependent Child who is incapable of self-sustaining employment due to mental or physical handicap and is chiefly dependent on a parent for support and maintenance. You or your Spouse must provide us with proof of this incapacity and dependency within 31 days following the Dependent Child's 26th birthday, but not more frequently than annually.

Newborn, adopted, and foster children are equally considered under this Plan. A newborn child will be covered from the moment of birth, if the birth occurs while the Plan is in force. Foster children and adopted children will be treated the same as newborn infants and eligible for coverage on the same basis upon placement in the foster home or placement for adoption. Prior notification will not be required unless an additional premium charge to add the Dependent is due. If an additional premium charge is due to cover the Dependent, we will cover the newborn child, foster child, or adopted child from the moment of birth or placement if the child is enrolled within 60 days after the date of birth or placement.

If a parent is required by a court or administrative order to provide insurance for a child, and the parent is eligible for family insurance coverage, we:

- Will 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.
- Will 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.
- Will not disenroll or eliminate coverage of the child unless we are 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 no later than the effective date of disenrollment.

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 in the insurer's service area.

BENEFITS

If a Dependent Child qualifies for benefits under the Certificate to which this Rider is attached because of a Covered Accidental Injury or Covered Sickness, we will provide the benefits shown in the Certificate under the **Benefit Provisions** section.

GENERAL PROVISIONS

If your Dependent Child's coverage terminates, we will provide benefits for valid claims that arose while his coverage was active.

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate:

- When the Certificate terminates,
- On the premium due date following the date the covered Child no longer qualifies as a Dependent,
- When the covered Dependent Child reaches age 26 (details in the **Definitions** section of this Rider),
- On the premium due date following the date we receive your written request to terminate coverage for your Child,
or
- When premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary


CONTINENTAL AMERICAN INSURANCE COMPANY

P.O. Box 427, Columbia, South Carolina 292052
800.433.3036

Portability Privilege Amendment

This Amendment is part of the form to which it is attached. Unless amended by this document, all definitions, exclusions, limitations, terms, and other provisions apply. For the purpose of this Amendment, “you” (including “your” and “yours”) refers to the Insured named in the Certificate Schedule.

Effective Date

This Amendment becomes effective on the Effective Date of the form to which it is attached.

Portability Privilege

The following language replaces the ELIGIBILITY provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance:

ELIGIBILITY — CLASSES OF COVERAGE

Class I

All full-time and part-time benefit-eligible Employees are eligible for Class I coverage. That eligibility extends to their spouses and children under age 26.

Class II

A Class I primary insured is eligible for Class II coverage if he:

- was previously insured under Class I; and
- is no longer employed by the Policyholder.

The Employee must elect Class II coverage under the Portability Privilege within 31 days after the date for which his class I eligibility would otherwise terminate.

Only Dependents covered under Class I coverage are eligible for continued coverage under Class II.

Class II insureds cannot continue coverage through the employer’s payroll deduction process. They must remit premiums directly to the Company.

The following language replaces the TERMINATION OF THE PLAN provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy.

TERMINATION OF THE PLAN

The Plan will cease if the premium is not paid before the end of the Grace Period.

After the end of the first Plan year, the Company has the right to cancel the Plan. To do so, the Company must give 45 days’ written notice that the plan will end on the date before the next premium due date.

The Policyholder has the right to cancel the Plan on the date before any premium due date by giving 45 days’ written notice.

Upon such termination, Class I and Class II coverage will be affected as follows:

Class I

If terminated, this Plan and all certificates issued under this class 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 Insured regarding any claim arising while the Plan is in force.

The Policyholder has the sole responsibility to notify Class I Employees of such termination. When notice of termination is received by the Company, the Portability Privilege under Class I coverage is no longer available.

Class II

The group policy will remain active, and coverage under Class II will continue as long as premiums are paid, subject to the premium grace period. Notification of any changes in the plan will be provided directly to each insured by the Company. The Policyholder will lose any rights and obligations under the Plan.

The following language replaces the TERMINATION OF AN EMPLOYEE'S INSURANCE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of the following:

1. the date the Plan is terminated, for Class I insureds;
2. the 31st day after the premium due date if the required premium has not been paid;
3. the date he ceases to meet the definition of an Employee as defined in the Plan, for Class I insureds; or
4. the date he is no longer a member of the Class eligible for coverage.

Insurance for Dependents will terminate on the earliest of the following:

1. the date the Plan is terminated, for Dependents of Class I insureds;
2. the 31st day after the premium due date, if the required premium has not been paid;
3. the date the Spouse or Dependent Child ceases to be a dependent; or
4. the premium due date following the date we receive the Employee's written request to terminate coverage for his Spouse and/or all Dependent Children.

Termination of the insurance on any Insured will not prejudice his rights regarding any claim arising prior to termination.

The following language replaces the PORTABILITY PRIVILEGE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

PORTABILITY PRIVILEGE

Under the Portability Privilege provision, when coverage would otherwise terminate because an Employee ends his employment, coverage may be continued. He may exercise the Portability Privilege when there is a change to his coverage class. The Employee — and any covered dependents — will continue the coverage that is in-force on the date employment ends. The continued coverage will be provided under Class II.

The premium rate for portability coverage may change for the class of covered persons on portability on any premium due date. Written notice will be given at least 45 days before any change is to take effect.

The Employee may continue the coverage until the earlier of:

- the date he fails to pay the required premium; or
- the date the class of coverage is terminated.

Coverage may not be continued:

- if the Employee fails to pay any required premium; or
- if the Company receives notice of Class I plan termination.

General Provisions

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Insured's Application. This does not apply to fraudulent misstatements.

Contract

This Amendment is part of the form to which it is attached. It will terminate when that form terminates.

This Amendment is subject to all of the terms of the form to which it is attached unless those terms are inconsistent with this Amendment.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

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 below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

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

**North Carolina Department of Insurance, Consumer Services Division
1201 Mail Service Center
Raleigh, NC 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 insurance guaranty association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

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

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contract holder;
- 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 contract holders, 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 or Part D or any regulations issued pursuant thereto.

LIMITS ON AMOUNT OF COVERAGE

(1) The guaranty association cannot pay out more than the insurance company would owe under the 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 basic hospital, medical and surgical insurance and major medical insurance.

(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.

NOTICE TO INSURANCE FIDUCIARY

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.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina
800.433.3036

Endorsement to Policy and Certificate of Insurance

This Endorsement alters the Policy and the Certificate to which it is attached. Unless specifically addressed by this Endorsement, all other Policy and Certificate provisions, definitions, and terms continue to apply.

Continental American Insurance Company's mailing addresses for claims and premium payments are changed as listed below.

Notice of Claim and **Proof of Loss** should be mailed to the Company at:

P.O. Box 84075, Columbus, Georgia, 31993-9103

Premium Payments should be mailed to the Company at:

P.O. Box 84069, Columbus, Georgia, 31908-4069

If applicable, references to 2801 Devine Street, Columbia, SC 29205 are deleted.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Certificate of Insurance For Group Supplemental Hospital Indemnity Policy

This limited Plan provides supplemental benefits only. It does not constitute comprehensive health insurance coverage and does not satisfy the requirement of Minimum Essential Coverage under the Affordable Care Act.

THIS PLAN IS A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES.

This Plan provides the benefits listed in the Benefit Schedule.

THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the Company.

THIS IS A LEGAL CONTRACT. PLEASE READ YOUR CERTIFICATE CAREFULLY.

Your Employer (the “Policyholder”) applied for coverage under this Group Supplemental Hospital Indemnity Insurance Policy (the “Plan”). This Plan is issued by Continental American Insurance Company (the “Company,” “CAIC,” “we,” “us,” or “our”). For the purposes of this Plan, “you” (including “your” and “yours”) refers to you. Based on the application process and the timely payment of premiums, the Company agrees to pay the benefits provided on the following pages. (Please note that male pronouns— such as “he,” “him,” and “his”—are used for both males and females, unless the context clearly shows otherwise.)

You will notice that certain words and phrases (including some medical terms and the names of Plan documents) in this document are capitalized. The capitalized words refer to terms with very specific definitions as they apply to this insurance Plan.

We certify that you are insured under the Group Supplemental Hospital Indemnity Policy (the “Plan”). The Plan was issued to the Policyholder. The Certificate is subject to the Definitions, Exclusions, and other provisions of the Plan.

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.

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

Important Cancellation Information-Please read the provision entitled “Plan Termination” found on page 4.

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SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION

Eligibility

You are eligible to be covered under this Plan if you are Actively at Work for the Policyholder and included in the class that is eligible for coverage, as shown on the Master Application.

Insureds are defined as those who might be eligible for coverage under this Plan in the following categories:

- **Employee Coverage** – We insure only the Employee.
- **Employee and Spouse Coverage** – We insure the Employee and spouse (as defined in the applicable rider).
- **Employee and Children Coverage** – We insure the Employee and any dependent children (as defined in the applicable rider).
- **Family Coverage** – We insure the Employee, spouse, and any dependent children (as defined in the applicable rider).

We will not insure anyone specifically excluded from coverage by Endorsement to the Certificate or by application, even if that person would otherwise be eligible for coverage.

Details for adding Insureds to your coverage are outlined in the Effective Date section.

Effective Date

Your Employee Effective Date is shown on the Certificate Schedule.

Your Employee Effective Date is the date your insurance takes effect. After we receive and approve the Application, that date is either:

- The date shown on the Certificate Schedule if you are Actively at Work on that date, or
- The date you return to an Actively-at-Work status if you were not Actively at Work on the date shown on the Certificate Schedule.

The Effective Date of coverage will be no later than your 91st day of employment.

If Employee and Spouse, Employee and Children, or Family Coverage is offered:

- A Dependent may be added to the Plan after the Employee's Effective Date within 31 days of a Life Event or during an approved enrollment period. The enrollment period is waived if a parent is required by court or administrative order to enroll a child.
- If Dependent Child Rider coverage **is already in force**, no additional notice or premium is required to add another dependent child.
- If Dependent Spouse Rider or Dependent Child Rider coverage is **not** in force, the Employee must complete an Application to add a Dependent to the Plan. The Company will assign a Dependent Rider Effective Date for a Dependent's coverage after approving the Application. For Dependent coverage to become effective, the premium for the Dependent must be included in the premium payment.
- If Dependent Child Rider coverage is not already in force, **newborn** children are automatically covered from the moment of birth for 60 days. **Newly adopted** children are automatically covered from the earlier of a) placement for adoption, b) the date of entry of an order granting custody of the child for the purposes of adoption, or c) the effective date of adoption, for 60 days. **Newly placed** foster children are automatically covered from placement in the foster home. To extend coverage beyond 60 days with no gap in coverage, the Employee must contact the Company within the 60-day time period following the child's birth, adoption, or placement. No premium is due for the first 60 days of newborn/newly adopted/newly placed coverage.

A day begins at 12:01 a.m. standard time at the Employee's place of residence.

Plan Termination

The **Company** has the right to cancel the Plan on any premium due date for the following reasons:

- The premium is not paid before the end of the Grace Period,
- The number of participating Employees is less than the number mutually agreed upon by the Company and the Policyholder,
- The number of participating Employees changes by 25% or more,
- The Policyholder fails to perform any of the obligations that relate to this policy or that are required by applicable law,
- The Policyholder no longer offers coverage to a particular class of Employees,
- The Policyholder no longer serves a class of Employees who reside in a particular geographical area, or
- The Policyholder does not provide timely information that is reasonably required.

The **Policyholder** has the right to cancel the Plan on any premium due date.

- To do this, the Policyholder must give the Company at least 45 days' written notice.
- The Plan will end on the date in the written notice or the date the Company receives the notice, whichever is later.

All outstanding premiums are due upon Plan termination. If the Company accepts premium payments after the Plan terminates, this will not reinstate the Plan; we will refund any excess premium.

The Policyholder has the sole responsibility of notifying Certificateholders in writing of the Plan's termination as soon as reasonably possible. If the Plan terminates, it—and all Certificates and Riders issued under the Plan—will terminate on the specified termination date. The termination occurs as of 12:01 a.m. at the Policyholder's address.

Termination of Your Insurance

Your insurance will terminate on whichever occurs first:

- The date the Company terminates the Plan.
- The 31st day after the premium due date (the last day of the Grace Period), if the premium has not been paid.
- The date you no longer belong to an eligible class.

If an Insured's coverage terminates, we will provide benefits for valid claims that arose while your coverage was active.

Portability Privilege

When you are no longer a member of an eligible class and your coverage would otherwise end, you may elect to continue your coverage under this Plan. You may continue the coverage you had on the date your Certificate would otherwise terminate, including any in-force Dependent Spouse Rider or Dependent Child Rider coverage, without any additional underwriting requirements.

To keep your coverage in force, you must:

- Notify the Company within 31 days after the date your coverage would otherwise terminate. You may notify us by sending written notice to P.O. Box 427, Columbia, South Carolina, 29202 or by calling the Customer Service number at 800.433.3036, and
- Pay the required premium directly to the Company no later than 31 days after the date your coverage would otherwise terminate and on each premium due date thereafter.

Your ported coverage will end on the earliest of the following dates:

- 31 days after the premium due date (the last day of the Grace Period), if the premium has not been paid, or
- The date the Group Plan is terminated.

If you qualify for this Portability Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate as shown in your previously-issued Certificate. Notification of any changes in the Plan will be provided directly by the Company.

Reinstatement

If any renewal premium is not paid on time (as outlined in the initial payment agreement) for the Plan, the Company (or an agent who is authorized by the Company) may accept the late premium and reinstate the Plan without requiring a new Application.

However, if the Company (or authorized agent) does require an Application for Reinstatement and issues a conditional receipt for the premium tendered, the Plan will be reinstated:

- Upon the Company's approval, or
- Lacking such approval, upon the 45th day following the date of the conditional receipt (unless the Company has previously notified the Policyholder in writing of its disapproval of such Application).

The reinstated Plan covers only loss resulting from such accidental injury as may be sustained after the date of Reinstatement and loss due to such sickness as may begin more than 10 days after such date. In all other respects, the Policyholder and the Company will have the same rights they had under the Plan immediately before the due date of the defaulted premium (subject to any provisions endorsed with or attached to the Reinstatement).

Any premium accepted with a Reinstatement will:

- Be applied to a period for which premium has not been previously paid, but
- Not to any period more than 60 days prior to the date of Reinstatement.

SECTION II – PREMIUM PROVISIONS

Premium Payments

Premiums should be paid to the Company at its Home Office in Columbia, South Carolina. The first premiums are due on the Plan's Effective Date. After that, premiums are due on the first day of each month that the Plan remains in effect.

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 provision.

Premium Changes

Unless we have agreed in writing not to increase premiums, the premium may change:

- On the Group Policy Anniversary Date based on renewal underwriting. (The Group Policy Anniversary Date is shown on the Policy Schedule and falls on the same date each year thereafter.)
- Whenever the terms or conditions of the Plan are modified. The new premium rates will apply only to premiums due on or after the rate change takes effect.

A change in premium rate will not take effect until at least one year after the Policy Effective Date. However, we may change premium rates at any time, though never more than every 6 months, thereafter based upon 12 months of experience.

We will provide the Policyholder a 45-day advance written notice of any change in premiums.

Grace Period

This Plan has a 31-day Grace Period. If a premium is not paid on or before its due date, the premium may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given the Company written notice of its intention to discontinue the Plan. If the Plan is discontinued, the Plan's termination date will be the latest date for which premium has been paid.

SECTION III – DEFINITIONS

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

Accidental Injury means accidental bodily damage to an Insured. This must be the direct result of an accident and not the result of disease or bodily infirmity. A **Covered Accidental Injury** is an Accidental Injury that occurs while coverage is in force. A **Covered Accident** is an accident that occurs on or after an Insured's Effective Date while coverage is in force, and that is not specifically excluded by the Plan.

Actively at Work refers to your ability to perform your regular employment duties for a full normal workday. You may perform these activities either at your Employer's regular place of business or at a location where you are required to travel to perform the regular duties of your employment.

Calendar Year means the period beginning on the policy Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Claimant means a person who is authorized to make a claim under the Certificate.

Dependent means your spouse or dependent children, as defined in the applicable rider, who have been accepted for coverage.

Doctor is a person who is duly qualified as a practitioner of the healing arts acting within the scope of his license, and:

- Is licensed to practice medicine; prescribe and administer drugs; or to perform surgery, or
- Is a duly qualified medical practitioner according to the laws and regulations in the state in which Treatment is made.

A Doctor **does not** include you or any of your Family Members.

For the purposes of this definition, **Family Member** includes your Spouse as well as the following members of your immediate family:

- Son.
- Daughter.
- Mother.
- Father.
- Sister.
- Brother.

This includes step-Family Members and Family-Members-in-law.

Employee is a person who meets Eligibility requirements under **Section I – Eligibility, Effective Date, and Termination**, and who is covered under this Plan. The Employee is the primary Insured under this Plan.

Hospital means a place that meets all of the following criteria:

- Is legally licensed and operated as a Hospital,
- Provides overnight care of injured and sick people,
- Is supervised by a Doctor,
- Has full-time nurses supervised by a registered nurse, and
- Has on-site use of X-ray equipment, laboratory, and surgical facilities. This requirement is not applicable to state tax supported institutions.

Hospital includes any duly licensed state tax supported institution, including those community health centers and other health clinics which are certified as Medicaid providers.

The term **Hospital** specifically excludes any facility not meeting the definition of Hospital as defined in this Plan, including:

- A nursing home,
- An extended care facility,
- A skilled nursing facility,
- A rest home or home for the aged,
- A Rehabilitation Facility,
- A facility for the Treatment of alcoholism or drug addiction, or
- An assisted living facility.

Hospital Intensive Care Unit means a place that meets all of the following criteria:

- Is a specifically designated area of the Hospital called a Hospital Intensive Care Unit;
- Provides the highest level of medical care;
- Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
- Is separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement;
- Is permanently equipped with special life-saving equipment for the care of the critically ill or injured;
- Is under close observation by a specially trained nursing staff assigned exclusively to the Hospital Intensive Care Unit 24 hours a day; and
- Has a Doctor assigned to the Hospital Intensive Care Unit on a full-time basis.

The term *Hospital Intensive Care Unit* specifically excludes any type of facility not meeting the definition of Hospital Intensive Care Unit as defined in this Plan, including but not limited to private monitored rooms, surgical recovery rooms, observation units, and the following step-down units:

- A progressive care unit,
- A sub-acute intensive care unit, or
- An intermediate care unit.

Intermediate Intensive Care Step-Down Unit means any of the following:

- A progressive care unit,
- A sub-acute intensive care unit,
- An intermediate care unit, or
- A pre- or post-intensive care unit.

An Intermediate Intensive Care Step-Down Unit is **not** a Hospital Intensive Care Unit as defined in this Plan.

Life Event means an event that qualifies you to make changes to benefits at times other than your enrollment period. Events qualifying as Life Events are established solely by the Policyholder.

Rehabilitation Facility is a unit or facility providing coordinated multidisciplinary physical restorative services. These services must be provided to inpatients under a Doctor's direction. The Doctor must be knowledgeable and experienced in rehabilitative medicine. Beds must be set up in a unit or facility specifically designated and staffed for this service. This is not a facility for the Treatment of alcoholism or drug addiction.

Related – a Related Accidental Injury or Sickness is one that is in correlation to, or occurs as a result of, the initial Accidental Injury or Sickness, and would not otherwise have been sustained if that initial condition had not occurred.

Sickness means an illness, infection, disease, or any other abnormal physical condition or pregnancy that is not caused solely by, or the result of, any injury. A **Covered Sickness** is one that is not excluded by name, specific description, or any other provision in this Plan. For a benefit to be payable, loss arising from the Covered Sickness must occur while the applicable Insured's coverage is in force.

Spouse is your legal wife or husband.

Telemedicine Service means a medical inquiry with a Doctor via audio or video communication that assists with a patient's assessment, diagnosis, and consultation.

Treatment is the consultation, care, or services provided by a Doctor. This includes receiving any diagnostic measures and taking prescribed drugs and medicines. Treatment does **not** include Telemedicine Services.

SECTION IV – BENEFIT PROVISIONS

Hospitalization Benefits

Hospital Admission Benefit

We will pay this benefit when an Insured is admitted to a Hospital and confined as an inpatient because of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, an Insured must be admitted to a Hospital within six months of the date of the Covered Accident.

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

We will pay this benefit once per period of Hospital Confinement. This benefit is limited to the maximum shown in the Benefit Schedule. We will only pay this benefit once for each Covered Accident or Covered Sickness per Calendar Year. If an Insured is confined to the Hospital because of the same or Related Accidental Injury or Sickness, we will not pay this benefit again in the same Calendar Year.

Hospital Confinement Benefit

We will pay the amount shown in the Benefit Schedule for each day that an Insured is confined to a Hospital as an inpatient as the result of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, the Insured must be confined to a Hospital within six months of the date of the Covered Accident.

The length of time shown for Hospital Confinement in the Benefit Schedule is the maximum period for which an Insured can collect benefits for Hospital Confinements resulting from Covered Sickness or from Covered Accidental Injuries received in the same Covered Accident.

If we pay benefits for confinement and the Insured becomes confined again within six months because of the same or a Related condition, we will treat this confinement as the same period of confinement.

This benefit is payable for only one Hospital Confinement at a time, even if it is caused by more than one Covered Accidental Injury, more than one Covered Sickness, or a Covered Accidental Injury and a Covered Sickness.

Health Screening Benefit

We will pay the amount shown on the Benefit Schedule for Health Screening Tests performed while an Insured's coverage is in force. This benefit is limited to the Calendar Year Maximum shown in the Benefit Schedule. Benefits are payable for covered dependent children at 100% of the Employee benefit amount.

This benefit is only payable for Health Screening Tests performed as the result of preventive care, including tests and diagnostic procedures ordered in connection with routine examinations.

Health Screening Tests include, but are not limited to, the following:

- Blood test for triglycerides.
- Bone marrow testing.
- Breast ultrasound.
- CA 15-3 (blood test for breast cancer).
- CA 125 (blood test for ovarian cancer).
- CEA (blood test for colon cancer).
- Chest X-ray.
- Colonoscopy.
- Non-diagnostic vascular screening.
- DNA stool analysis.
- Fasting blood glucose test.
- Flexible sigmoidoscopy.
- Hemoccult stool analysis.
- Immunization.
- Mammography.
- Pap smear.
- PSA (blood test for prostate cancer).
- Serum cholesterol test to determine level of HDL and LDL.
- Serum protein electrophoresis (blood test for myeloma).
- Spiral CT screening for lung cancer.
- Stress test on a bicycle or treadmill.
- Thermography.
- Urinalysis.
- Vision screening.

Treatment Benefits

Major Diagnostic Exams Benefit

We will pay the daily benefit amount shown in the Benefit Schedule for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured requires one of the following exams:

- Computerized Tomography (CT/CAT scan).
- Magnetic Resonance Imaging (MRI).
- Electroencephalography (EEG).

This benefit is limited to one payment per Calendar Year for each Covered Accident or Covered Sickness. If an Insured has another covered major diagnostic exam because of the same or a Related Covered Accident or Covered Sickness, we will not pay this benefit again in the same Calendar Year.

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SECTION V – EXCLUSIONS

Exclusions

We will not pay for loss due to:

- War – voluntarily participating in war, any act of war, or military conflicts, declared or undeclared, or voluntarily participating or serving in the military, armed forces, or an auxiliary unit thereto, or contracting with any country or international authority. (We will return the prorated premium for any period not covered by the certificate when the Insured is in such service.) War also includes voluntary participation in an insurrection, riot, civil commotion or civil state of belligerence. War does not include acts of terrorism.
- Suicide – committing or attempting to commit suicide, while sane or insane.
- Self-Inflicted Injuries – injuring or attempting to injure oneself intentionally.
- Racing – riding in or driving any motor-driven vehicle in a race, stunt show or speed test in a professional or semi-professional capacity.
- Illegal Occupation – voluntarily participating in, committing, or attempting to commit a felony or illegal act or activity, or voluntarily working at, or being engaged in, an illegal occupation or job.
- Sports – participating in any organized sport in a professional or semi-professional capacity.
- Custodial Care – this is non-medical care that helps individuals with the basic tasks of everyday life, the preparation of special diets, and the self-administration of medication which does not require the constant attention of medical personnel.
- Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including any resulting complications.
- Services performed by a Family Member.
- Services related to sex or gender change, sterilization, in vitro fertilization, vasectomy or reversal of a vasectomy, or tubal ligation.
- Elective Abortion – an abortion for any reason other than to preserve the life of the person upon whom the abortion is performed.
- Dental Services or Treatment.
- Cosmetic surgery, except when due to:
 - Reconstructive surgery, when the service is related to or follows surgery resulting from a Covered Accidental Injury or a Covered Sickness, or is related to or results from a congenital disease or anomaly of a covered dependent child.
 - Congenital defects in newborns.

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SECTION VI - CLAIM PROVISIONS

Notice of Claim

Written Notice of Claim must be given to us:

- Within 20 days after the occurrence or commencement of any loss covered by the Certificate, or
- As soon as reasonably possible.

Notice must include the Employee's name and the Certificate number. Notice can be mailed to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

The notice may also be given to an authorized agent of the Company.

Claim Forms

When we receive written Notice of Claim, we will send a Claim Form. If the Claimant does not receive the Claim Form within 15 days after the notice is sent, written Proof of Loss can be sent to us without waiting for the form.

Proof of Loss

Proof of Loss refers to documentation that supports a claim. (This information is often found in standardized medical documents, such as Hospital bills and operative reports. It can include a statement by the treating Doctor.) Proof of Loss establishes the nature and extent of the loss, the Company's obligation to pay the claim, and the Claimant's right to receive payment.

The Claimant must provide Proof of Loss to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

Proof of Loss must be given to us within 180 days of the Covered Accidental Injury or Covered Sickness. Failure to give Proof of Loss within such time shall not invalidate or reduce any claim if such Proof of Loss is given as soon as reasonably possible. The Company will not accept Proof of Loss any later than one year and three months after the Covered Accidental Injury or Covered Sickness, except in the absence of your legal mental capacity.

The Claimant will be responsible for the cost of obtaining a completed claim form. We may request additional Proof of Loss, such as records from Hospitals or Doctors. We will be responsible for the cost of obtaining these records.

We may require authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

When we receive the claim and due Proof of Loss, we will review the Proof of Loss. If we approve the claim, we will pay the benefits subject to the terms of the Certificate.

Physical Examination and Autopsy

The Company may have an Insured examined as often as reasonably necessary while a claim is pending. In the case of death, the Company may also require an autopsy, unless prohibited by law. The Company will cover all costs for physical exams or autopsy.

Time of Payment of Claims

Benefits payable under the Certificate will be paid after we receive due Proof of Loss acceptable to us. We will pay, deny, or settle all clean claims* immediately after receiving the appropriate information.

**Clean claims contain all information and/or documentation needed for processing. These claims do not require further information from the provider, you, or your Employer.*

Payment of Claims

We will pay all benefits to you unless otherwise assigned. For any benefits that remain unpaid at the time of death, we will pay those benefits in the following order:

- To any approved assignee.
- To your beneficiary.
- To your surviving Spouse.
- To your estate.

If we can pay any benefits under this Plan to the Insured's estate or to an Insured or beneficiary who is a minor, or otherwise not competent to give a valid release, we may decide to pay those benefits to any relative by blood or connection by marriage of the Insured or beneficiary who we determine is rightfully allowed. The benefit amount will not exceed \$3,000.

Unpaid Premium

When a claim is paid, we may deduct any premium due and unpaid from the claim payment.

Changing of Beneficiary

A change in beneficiary must be submitted in writing to our Home Office in a form acceptable to us and signed by you. Unless otherwise specified by you, a change in beneficiary will take effect on the date the notice of change is signed. We will not be liable for any action taken before notice is received and recorded at the Home Office.

Claim Review

If a claim is denied, you will be given written notice of:

- The reason for the denial,
- The Plan provision that supports the denial, and
- Your right to ask for a review of the claim.

Appeals Procedure

Before filing any lawsuit—and no later than 60 days after notice of denial of a claim—you, the Claimant, or an authorized representative of either must appeal any denial of benefits under the Plan by sending a written request for review of the denial to our Home Office.

Legal Action

You may not take Legal Action against us for benefits under this Plan:

- Within 60 days after you have sent us written Proof of Loss, or
- More than 3 years from the time written proof is required to be given.

SECTION VII - GENERAL PROVISIONS

Entire Contract Changes

Your insurance is provided under a contract of Group Supplemental Hospital Indemnity insurance with the Policyholder. The Entire Contract of Insurance is made up of:

- The Policy;
- The Certificate of insurance;
- The Application of the Policyholder; and
- Any Riders, Endorsements, or Amendments to the Policy or Certificate.

All statements that the Policyholder or an Insured has made in the Application will be considered representations, not warranties. The Company will not void insurance or reduce benefits as a result of statements made on the Application without sending Application copies.

Changes to the Plan:

- Will not be valid unless approved in writing by an officer of the Company,
- Must be noted on or attached to the Contract, and
- May not be made by any insurance agent or producer (nor can an agent or producer waive any Plan provisions).

Misstatement of Age

If an age has been misstated on the Application, the benefits will be those that the paid premium would have purchased at the correct age.

Successor Insured

If you die while covered under this Certificate and your Spouse is also insured under this Plan at the time of your death, then your surviving Spouse may elect to become the primary Insured. This would include continuation of any Dependent Child Rider coverage that is in force at that time.

To become the primary Insured and keep coverage in force, your surviving Spouse must:

- Notify the Company in writing within 31 days after the date of your death; and
- Pay the required premium to the Company no later than 31 days after the date of your death, and on each premium due date thereafter.

If the Certificate does not cover a surviving Spouse, the Certificate will terminate on the next premium due date following your death.

Time Limit on Certain Defenses

After two years from your Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on your Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

Clerical Error

Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, the Company will make a premium adjustment.

Individual Certificates

The Company will give the Policyholder a Certificate for each Employee. The Certificate will set forth:

- The coverage,
- To whom benefits will be paid, and
- The rights and privileges under the Plan.

Required Information

The Policyholder will be responsible for furnishing all information and proofs that the Company may reasonably require with regard to the Plan.

Conformity with State Statutes

This Plan was issued on its Effective Date in the state noted on the Master Application. Any Plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina

800.433.3036

Please call the toll-free number above with any questions about this coverage.

Surgical Benefits Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

SURGICAL BENEFITS

We will pay the daily benefit amount shown in the Schedule of Operations for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured has surgery performed by a Doctor. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Doctor's office.

If an operation is not listed in the Schedule of Operations, we will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

Only one benefit is payable per 24-hour period for surgery, even though more than one surgical procedure may be performed. If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

ANESTHESIA BENEFITS

When a surgical procedure is performed that is covered under the Surgical Benefits, we will pay the daily benefit amount shown in the Schedule of Operations for each day that anesthesia is administered by a Doctor in connection with such procedure.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Policy after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

A notice of nonrenewal shall be given to the contract holder 45 days prior to termination.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

SECTION XI

SCHEDULE OF OPERATIONS

| INTEGUMENTARY SYSTEM | Maximum Surgical Benefit | JOINTS | Maximum Surgical Benefit |
|---|--------------------------------|---|--------------------------------|
| SKIN | | | |
| Incision and Drainage of Cyst | \$ 7.50 | Shoulder or Elbow Arthrotomy | \$ 187.50 |
| Acne Surgery | \$ 5.63 | Arthroplasty | \$ 300.00 |
| Biopsy | \$ 11.25 | Wrist Arthrotomy | \$ 150.00 |
| Excision of Benign Tumor | \$ 15.00 | Arthroplasty | \$ 300.00 |
| Excision of Malignant Tumor | \$ - | Hip Arthrotomy | \$ 262.50 |
| (Trunk, Arms or Legs) | \$ 22.50 | Arthroplasty | \$ 375.00 |
| Excision of Malignant Tumor | \$ - | Knee Arthrotomy | \$ 187.50 |
| (Face, Scalp, Ears, Neck, Hands | \$ - | Arthroplasty | \$ 375.00 |
| Feet, Genitalia) | \$ 37.50 | Ankle Arthrotomy | \$ 187.50 |
| Excision of Malignant Tumor | \$ - | Arthroplasty | \$ 281.25 |
| (Eyelids, Nose, Lips, Mucous | \$ - | Hammertoe | \$ 75.00 |
| Membrane) | \$ 56.25 | | \$ - |
| Excision of Nail | \$ 37.50 | DISLOCATIONS | |
| Repair – Simple Wounds | \$ 7.50 | Jaw | \$ 18.75 |
| Repair – Complex Wounds (Linear Repair) | \$ 26.25 | Collar Bone (requiring reduction) | \$ 37.50 |
| Repair – Skin Grafts (Single Stage) | \$ 18.75 | Shoulder (humerus with anesthesia) | \$ - |
| Repair – Skin Grafts (Multiple Stage) | \$ 56.25 | Or Elbow | \$ 18.75 |
| Electro – surgical destruction of | \$ - | Wrist | \$ 18.75 |
| Chemocautery | \$ 7.50 | Fingers or Toes | \$ 7.50 |
| Chemotherapy – malignancies of skin | \$ 75.00 | Hip or Knee | \$ 75.00 |
| | \$ - | Ankle | \$ 37.50 |
| | \$ - | | \$ - |
| BREAST | | TENDONS | |
| Biopsy | \$ 56.25 | Repair or Suture | \$ 45.00 |
| Excision of Cyst or Benign Tumor | \$ 56.25 | Lengthening or Shortening | \$ - |
| Excision of Chest Wall Tumor | \$ 262.50 | (e.g. Achilles tendon) | \$ 112.50 |
| Mastectomy, simple | \$ 112.50 | | \$ - |
| Mastectomy, radical | \$ 262.50 | AMPUTATIONS | |
| Mammoplasty, Reconstructive | \$ 562.50 | Arm at Shoulder Joint | \$ 281.25 |
| | \$ - | Arm below Shoulder Joint | \$ 131.25 |
| MUSCULOSKELETAL SYSTEM | | Finger | \$ 56.25 |
| | \$ - | Leg at Hip Joint | \$ 300.00 |
| BONE OR CARTILAGE GRAFT | | Leg at Knee | \$ 150.00 |
| Spinal Fusion | \$ 300.00 | Leg above or below knee | \$ 187.50 |
| Spinal Fusion with removal of | \$ - | Toe | \$ 37.50 |
| Intervertebral disc | \$ 300.00 | | \$ - |
| Spinal Fusion of Scoliosis | \$ 450.00 | | \$ - |
| | \$ - | RESPIRATORY SYSTEM | |
| | \$ - | | \$ - |
| FRACTURES (Requiring Reduction) | | | \$ - |
| Skull | \$ 281.25 | NOSE | |
| Nose | \$ 18.75 | Excision of Nasal Polyps | \$ 11.25 |
| Jaw | \$ 112.50 | Submucous resection, Classic Nasal Sept | \$ 112.50 |
| Vertabrae, one or more | \$ 112.50 | | \$ - |
| Collar Bone | \$ 56.25 | SINUSES | |
| Shoulder blade (Scapula) | \$ 206.25 | Frontal Sinusotomy – simple | \$ 75.00 |
| Upper Arm | \$ 93.75 | Frontal Sinusotomy – radical | \$ 225.00 |
| | \$ - | | \$ - |
| Lower Arm | \$ 56.25 | LARYNX | |
| Hand | \$ 37.50 | Laryngectomy | \$ 375.00 |
| Fingers or Toes | \$ 18.75 | Laryngoscopy | \$ 15.00 |
| Upper Leg | \$ 150.00 | | \$ - |
| Lower Leg | \$ 56.25 | | \$ - |
| Ankle | \$ 93.75 | | \$ - |
| Foot | \$ 37.50 | | \$ - |
| | \$ - | | \$ - |
| | \$ - | TRACHEA AND BRONCHI | |
| | \$ - | Tracheotomy | \$ 75.00 |
| LUNGS | | Bronchoscopy | \$ 56.25 |
| Thoracotomy | \$ 187.50 | Closure of Tracheotomy | \$ 93.75 |
| Pneumonotomy | \$ 225.00 | | \$ - |
| Pneumonocentesis | \$ 18.75 | | \$ - |
| Thoracentesis | \$ 11.25 | Fistulotomy | \$ 37.50 |
| Pneumonectomy, total | \$ 375.00 | Sphincterotomy | \$ 18.75 |
| Wedge Resection of Lung, | \$ - | Fissurectomy or Hemorrhoidectomy | \$ 75.00 |
| Single or Multiple | \$ 300.00 | Removal of External Hemorrhoids | \$ 11.25 |
| Thoracoscopy (including biopsy) | \$ 75.00 | | |
| | \$ - | | |

| | | | |
|---------------------------------------|-----------|--------------------------------------|-----------|
| CARDIOVASCULAR SYSTEM | \$ - | Aspiration biopsy of liver, pancreas | \$ - |
| | \$ - | Or bile duct | \$ 18.75 |
| HEART | \$ - | Cholecystotomy | \$ 187.50 |
| Heart Transplant | \$ 750.00 | Cholecystectomy | \$ 225.00 |
| Catheterization of Heart | \$ 56.25 | Pancreatectomy – partial | \$ 300.00 |
| Suture of Heart wound or injury | \$ 375.00 | Pancreatectomy – total | \$ 525.00 |
| Valvotomy, aortic and pulmonic valve | \$ 562.50 | Laparotomy | \$ 150.00 |
| Valvotomy, mitral valve | \$ 525.00 | Hemiotomy | \$ 131.25 |
| Valvutoplasty or Replacement | \$ - | | \$ - |
| Aortic and mitral valve | \$ 750.00 | URINARY SYSTEM | \$ - |
| Coronary Bypass, single or multiple | \$ 750.00 | Nephrolithotomy | \$ 300.00 |
| Repair of Myocardial Aneurysm | \$ 750.00 | Renal Biopsy | \$ 18.75 |
| Repair of Septal Defect | \$ 675.00 | Nephrectomy | \$ 300.00 |
| Angioplasty, percutaneous | \$ 375.00 | Lithotripsy | \$ 187.50 |
| Pervenous or Transvenous insertion of | \$ - | Kidney Transplant | \$ 468.75 |
| Pacemaker | \$ 187.50 | Cystotomy | \$ 187.50 |
| | \$ - | Cystectomy – partial | \$ 262.50 |
| ARTERIES | \$ - | Cystectomy – complete | \$ 375.00 |
| Arterlotomy, extramity | \$ 225.00 | Urethroscopy or Cystoscopy | \$ 18.75 |
| Thromboendarterectomy | \$ 450.00 | Cystoplasty | \$ 300.00 |
| Carotid endurterectomy | \$ 450.00 | Dilation of Urethra | \$ 7.50 |
| Excision and graft, Abdominal Aortic | \$ - | | \$ - |
| Aneurysm | \$ 562.50 | GENITAL SYSTEM | \$ - |
| Injection – Varicose Veins | \$ 3.75 | | \$ - |
| | \$ - | MALE | \$ - |
| HEMIC AND LYPHATIC SYSTEMS | \$ - | Circumcision | \$ 11.25 |
| Splenectomy | \$ 225.00 | Orchlectomy | \$ 75.00 |
| Biopsy of Lymph Node | \$ 18.75 | Reduction of Torsion of Testis | \$ 112.50 |
| Radical Lymphadenectomy | \$ 191.25 | Excision of Epididymis, Hydrocele, | \$ 37.50 |
| | \$ - | Varicocale | \$ 112.50 |
| DIGESTIVE SYSTEM | \$ - | Vasectomy | \$ 56.25 |
| Gastrotomy | \$ 187.50 | Biopsy, Prostate | \$ 62.50 |
| Gastrectomy, Total | \$ 375.00 | Prostatectomy – partial | \$ 300.00 |
| Gastrectomy, Partial | \$ 300.00 | Prostatectomy – radical | \$ 375.00 |
| Gastroscopy | \$ 56.25 | | \$ - |
| Gastro Gastrorrhaphy | \$ 187.50 | FEMALE | \$ - |
| Enterectathy | \$ 225.00 | Hysterectomy, Vaginal or Abdominal | \$ 225.00 |
| Enterectomy | \$ 262.50 | Hysterectomy, radical for cancer | \$ - |
| Colostomy | \$ 300.00 | Including lymph nodes | \$ 375.00 |
| Enterostomy | \$ 187.50 | Salpingo – oophorectomy | \$ 168.75 |
| Enterolysis | \$ 150.00 | Repair of cystocele or rectocele | \$ 131.25 |
| Diverticulectomy | \$ 187.50 | Repair of cystocele and rectocele | \$ 195.00 |
| Appendectomy | \$ 150.00 | Tubal Ligation | \$ 150.00 |
| Proctectomy | \$ 375.00 | Biopsy or removal of cervical lesion | \$ - |
| Protosigmoidoscopy | \$ 11.25 | or polyp | \$ 112.50 |
| Proctoplasty | \$ 150.00 | Dilation and curettage | \$ 56.25 |
| | \$ - | Myomectomy | \$ 187.50 |
| | \$ - | Repair of uterine suspension | \$ 150.00 |
| | \$ - | Cesarian Section | \$ 187.50 |
| | \$ - | Obstetrical Delivery | \$ 75.00 |
| | \$ - | Amniocentesis | \$ 18.75 |
| | \$ - | | |
| ENDOCRINE SYSTEM | \$ - | | |
| Incision and drainage of | \$ - | | |
| Thyroid Gland | \$ 11.25 | | |
| Local excision of thyroid cyst | \$ - | | |
| Or adenoma | \$ 150.00 | | |
| Thyroidectomy or parathyroidectomy | \$ 262.50 | | |
| Adrenalectomy | \$ 300.00 | | |
| | \$ - | | |
| NERVOUS SYSTEM | \$ - | | |
| Burr Holes | \$ 112.50 | | |
| Cranioplasty | \$ 375.00 | | |
| Craniotomy or Craniectomy | \$ 150.00 | | |
| Laminectomy | \$ 375.00 | | |
| Spinal Puncture | \$ 7.50 | | |
| Paravertebral block, lumbar, | \$ - | | |
| Or thoracic nerve | \$ 18.75 | | |
| Median nerve decompression | \$ - | | |
| (Carpal Tunnel) | \$ 112.50 | | |
| | \$ - | | |
| | \$ - | | |

EYE

| | | |
|--|----|--------|
| Removal of eye | \$ | 150.00 |
| Excision of pteryglum | \$ | 93.75 |
| Sclerotomy – anterior | \$ | 187.50 |
| Sclerotomy – posterior | \$ | 112.50 |
| Iridectomy | \$ | 187.50 |
| Extraction of lens (including | \$ | - |
| Cataract extraction) | \$ | 300.00 |
| Reattachment of retina | \$ | 375.00 |
| Muscle operation (one or more muscles) | \$ | 225.00 |
| Excision of lacrimal gland or sac | \$ | 187.50 |

EAR

| | | |
|-----------------------------------|----|--------|
| | \$ | - |
| Drainage of abscess | \$ | 7.50 |
| Otoscopy | \$ | 7.50 |
| Myringotomy | \$ | 11.25 |
| Tympanotomy (diagnostic) | \$ | 187.50 |
| Tympanotomy with insertion of | \$ | - |
| Collar Button Tube | \$ | 93.75 |
| Mastoidectomy – simple | \$ | 187.50 |
| Tympanoplasty | \$ | 375.00 |
| Labyrinthotomy or Labyrinthectomy | \$ | 375.00 |



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Waiver of Premium Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Total Disability or **Totally Disabled** means you are:

- Not working at any job for pay or benefits,
- Under the care of a Doctor for the Treatment of a Covered Sickness or a Covered Accidental Injury, and
- Unable to Work.

Unable to Work means either:

- You are unable to work at the occupation you were performing when your Total Disability began, which was during the first 365 days of Total Disability; or
- You are unable to work at any gainful occupation for which you are suited by education, training, or experience after the first 365 days of Total Disability.

WAIVER OF PREMIUM BENEFIT

If you, the Employee, become Totally Disabled as defined in this Plan due to a Covered Sickness or Covered Accidental Injury, we will waive premiums for you and for any currently covered Dependents. This includes waiving premiums for any Riders that are in force.

After 90 days of Total Disability, all Plan premiums will be waived if:

- Your Total Disability began before the age of 65;
- Your Total Disability has continued without interruption for at least 90 days, during which time you and/or the Policyholder have paid premiums; and
- You provide proof of Total Disability as required by us. Satisfactory Proof of Loss for Total Disability must be provided at least once every 12 months.

Pending our approval of a claim for the Waiver of Premium Benefit, premiums should be paid as they are due.

Premium will continue to be waived until the earliest of the following:

- The premium due date following your 65th birthday,
- The date the Company has waived premiums for a total of 24 months of Total Disability,
- The date you refuse to provide proof of continuing Total Disability,
- The date your Total Disability ends, or
- The date coverage ends according to the Termination provisions in **Section I** of your Certificate.

If you are still eligible for coverage when you return to Active Work, coverage for any Insured may be continued if premium payments are resumed.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Dependent Spouse Benefit Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date. Dependent Spouse coverage will become effective on the Effective Date of the Rider if the Dependent Spouse is Active on that date. Otherwise, the Effective Date will be deferred until the day following the date he becomes Active.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Active refers to a Dependent Spouse 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 gender.

Dependent Spouse is your legal wife or husband who is at least age 18 on the Effective Date of this Rider and is listed on your Application.

BENEFITS

If a Dependent Spouse qualifies for benefits under the Certificate to which this Rider is attached because of a Covered Accidental Injury or Covered Sickness, we will provide the benefits shown in the Certificate under the **Benefit Provisions** section.

GENERAL PROVISIONS

If your Dependent Spouse's coverage terminates, we will provide benefits for valid claims that arose while Dependent Spouse coverage was active.

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate:

- When the Certificate terminates,
- On the premium due date following the date the covered Spouse no longer qualifies as a Dependent,
- On the premium due date following the date we receive your written request to terminate coverage for your Spouse, or
- When premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

CONTINENTAL AMERICAN INSURANCE COMPANY

P.O. Box 427, Columbia, South Carolina 292052
800.433.3036

Portability Privilege Amendment

This Amendment is part of the form to which it is attached. Unless amended by this document, all definitions, exclusions, limitations, terms, and other provisions apply. For the purpose of this Amendment, “you” (including “your” and “yours”) refers to the Insured named in the Certificate Schedule.

Effective Date

This Amendment becomes effective on the Effective Date of the form to which it is attached.

Portability Privilege

The following language replaces the ELIGIBILITY provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance:

ELIGIBILITY — CLASSES OF COVERAGE

Class I

All full-time and part-time benefit-eligible Employees are eligible for Class I coverage. That eligibility extends to their spouses and children under age 26.

Class II

A Class I primary insured is eligible for Class II coverage if he:

- was previously insured under Class I; and
- is no longer employed by the Policyholder.

The Employee must elect Class II coverage under the Portability Privilege within 31 days after the date for which his class I eligibility would otherwise terminate.

Only Dependents covered under Class I coverage are eligible for continued coverage under Class II.

Class II insureds cannot continue coverage through the employer’s payroll deduction process. They must remit premiums directly to the Company.

The following language replaces the TERMINATION OF THE PLAN provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy.

TERMINATION OF THE PLAN

The Plan will cease if the premium is not paid before the end of the Grace Period.

After the end of the first Plan year, the Company has the right to cancel the Plan. To do so, the Company must give 45 days’ written notice that the plan will end on the date before the next premium due date.

The Policyholder has the right to cancel the Plan on the date before any premium due date by giving 45 days’ written notice.

Upon such termination, Class I and Class II coverage will be affected as follows:

Class I

If terminated, this Plan and all certificates issued under this class 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 Insured regarding any claim arising while the Plan is in force.

The Policyholder has the sole responsibility to notify Class I Employees of such termination. When notice of termination is received by the Company, the Portability Privilege under Class I coverage is no longer available.

Class II

The group policy will remain active, and coverage under Class II will continue as long as premiums are paid, subject to the premium grace period. Notification of any changes in the plan will be provided directly to each insured by the Company. The Policyholder will lose any rights and obligations under the Plan.

The following language replaces the TERMINATION OF AN EMPLOYEE'S INSURANCE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of the following:

1. the date the Plan is terminated, for Class I insureds;
2. the 31st day after the premium due date if the required premium has not been paid;
3. the date he ceases to meet the definition of an Employee as defined in the Plan, for Class I insureds; or
4. the date he is no longer a member of the Class eligible for coverage.

Insurance for Dependents will terminate on the earliest of the following:

1. the date the Plan is terminated, for Dependents of Class I insureds;
2. the 31st day after the premium due date, if the required premium has not been paid;
3. the date the Spouse or Dependent Child ceases to be a dependent; or
4. the premium due date following the date we receive the Employee's written request to terminate coverage for his Spouse and/or all Dependent Children.

Termination of the insurance on any Insured will not prejudice his rights regarding any claim arising prior to termination.

The following language replaces the PORTABILITY PRIVILEGE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

PORTABILITY PRIVILEGE

Under the Portability Privilege provision, when coverage would otherwise terminate because an Employee ends his employment, coverage may be continued. He may exercise the Portability Privilege when there is a change to his coverage class. The Employee — and any covered dependents — will continue the coverage that is in-force on the date employment ends. The continued coverage will be provided under Class II.

The premium rate for portability coverage may change for the class of covered persons on portability on any premium due date. Written notice will be given at least 45 days before any change is to take effect.

The Employee may continue the coverage until the earlier of:

- the date he fails to pay the required premium; or
- the date the class of coverage is terminated.

Coverage may not be continued:

- if the Employee fails to pay any required premium; or
- if the Company receives notice of Class I plan termination.

General Provisions

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Insured's Application. This does not apply to fraudulent misstatements.

Contract

This Amendment is part of the form to which it is attached. It will terminate when that form terminates.

This Amendment is subject to all of the terms of the form to which it is attached unless those terms are inconsistent with this Amendment.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

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 below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

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

**North Carolina Department of Insurance, Consumer Services Division
1201 Mail Service Center
Raleigh, NC 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 insurance guaranty association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

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

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contract holder;
- 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 contract holders, 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 or Part D or any regulations issued pursuant thereto.

LIMITS ON AMOUNT OF COVERAGE

(1) The guaranty association cannot pay out more than the insurance company would owe under the 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 basic hospital, medical and surgical insurance and major medical insurance.

(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.

NOTICE TO INSURANCE FIDUCIARY

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.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina
800.433.3036

Endorsement to Policy and Certificate of Insurance

This Endorsement alters the Policy and the Certificate to which it is attached. Unless specifically addressed by this Endorsement, all other Policy and Certificate provisions, definitions, and terms continue to apply.

Continental American Insurance Company's mailing addresses for claims and premium payments are changed as listed below.

Notice of Claim and **Proof of Loss** should be mailed to the Company at:

P.O. Box 84075, Columbus, Georgia, 31993-9103

Premium Payments should be mailed to the Company at:

P.O. Box 84069, Columbus, Georgia, 31908-4069

If applicable, references to 2801 Devine Street, Columbia, SC 29205 are deleted.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Certificate of Insurance For Group Supplemental Hospital Indemnity Policy

This limited Plan provides supplemental benefits only. It does not constitute comprehensive health insurance coverage and does not satisfy the requirement of Minimum Essential Coverage under the Affordable Care Act.

THIS PLAN IS A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE. LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES.

This Plan provides the benefits listed in the Benefit Schedule.

THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the Company.

THIS IS A LEGAL CONTRACT. PLEASE READ YOUR CERTIFICATE CAREFULLY.

Your Employer (the “Policyholder”) applied for coverage under this Group Supplemental Hospital Indemnity Insurance Policy (the “Plan”). This Plan is issued by Continental American Insurance Company (the “Company,” “CAIC,” “we,” “us,” or “our”). For the purposes of this Plan, “you” (including “your” and “yours”) refers to you. Based on the application process and the timely payment of premiums, the Company agrees to pay the benefits provided on the following pages. (Please note that male pronouns— such as “he,” “him,” and “his”—are used for both males and females, unless the context clearly shows otherwise.)

You will notice that certain words and phrases (including some medical terms and the names of Plan documents) in this document are capitalized. The capitalized words refer to terms with very specific definitions as they apply to this insurance Plan.

We certify that you are insured under the Group Supplemental Hospital Indemnity Policy (the “Plan”). The Plan was issued to the Policyholder. The Certificate is subject to the Definitions, Exclusions, and other provisions of the Plan.

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.

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

Important Cancellation Information-Please read the provision entitled “Plan Termination” found on page 4.

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SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION

Eligibility

You are eligible to be covered under this Plan if you are Actively at Work for the Policyholder and included in the class that is eligible for coverage, as shown on the Master Application.

Insureds are defined as those who might be eligible for coverage under this Plan in the following categories:

- **Employee Coverage** – We insure only the Employee.
- **Employee and Spouse Coverage** – We insure the Employee and spouse (as defined in the applicable rider).
- **Employee and Children Coverage** – We insure the Employee and any dependent children (as defined in the applicable rider).
- **Family Coverage** – We insure the Employee, spouse, and any dependent children (as defined in the applicable rider).

We will not insure anyone specifically excluded from coverage by Endorsement to the Certificate or by application, even if that person would otherwise be eligible for coverage.

Details for adding Insureds to your coverage are outlined in the Effective Date section.

Effective Date

Your Employee Effective Date is shown on the Certificate Schedule.

Your Employee Effective Date is the date your insurance takes effect. After we receive and approve the Application, that date is either:

- The date shown on the Certificate Schedule if you are Actively at Work on that date, or
- The date you return to an Actively-at-Work status if you were not Actively at Work on the date shown on the Certificate Schedule.

The Effective Date of coverage will be no later than your 91st day of employment.

If Employee and Spouse, Employee and Children, or Family Coverage is offered:

- A Dependent may be added to the Plan after the Employee's Effective Date within 31 days of a Life Event or during an approved enrollment period. The enrollment period is waived if a parent is required by court or administrative order to enroll a child.
- If Dependent Child Rider coverage **is already in force**, no additional notice or premium is required to add another dependent child.
- If Dependent Spouse Rider or Dependent Child Rider coverage is **not** in force, the Employee must complete an Application to add a Dependent to the Plan. The Company will assign a Dependent Rider Effective Date for a Dependent's coverage after approving the Application. For Dependent coverage to become effective, the premium for the Dependent must be included in the premium payment.
- If Dependent Child Rider coverage is not already in force, **newborn** children are automatically covered from the moment of birth for 60 days. **Newly adopted** children are automatically covered from the earlier of a) placement for adoption, b) the date of entry of an order granting custody of the child for the purposes of adoption, or c) the effective date of adoption, for 60 days. **Newly placed** foster children are automatically covered from placement in the foster home. To extend coverage beyond 60 days with no gap in coverage, the Employee must contact the Company within the 60-day time period following the child's birth, adoption, or placement. No premium is due for the first 60 days of newborn/newly adopted/newly placed coverage.

A day begins at 12:01 a.m. standard time at the Employee's place of residence.

Plan Termination

The **Company** has the right to cancel the Plan on any premium due date for the following reasons:

- The premium is not paid before the end of the Grace Period,
- The number of participating Employees is less than the number mutually agreed upon by the Company and the Policyholder,
- The number of participating Employees changes by 25% or more,
- The Policyholder fails to perform any of the obligations that relate to this policy or that are required by applicable law,
- The Policyholder no longer offers coverage to a particular class of Employees,
- The Policyholder no longer serves a class of Employees who reside in a particular geographical area, or
- The Policyholder does not provide timely information that is reasonably required.

The **Policyholder** has the right to cancel the Plan on any premium due date.

- To do this, the Policyholder must give the Company at least 45 days' written notice.
- The Plan will end on the date in the written notice or the date the Company receives the notice, whichever is later.

All outstanding premiums are due upon Plan termination. If the Company accepts premium payments after the Plan terminates, this will not reinstate the Plan; we will refund any excess premium.

The Policyholder has the sole responsibility of notifying Certificateholders in writing of the Plan's termination as soon as reasonably possible. If the Plan terminates, it—and all Certificates and Riders issued under the Plan—will terminate on the specified termination date. The termination occurs as of 12:01 a.m. at the Policyholder's address.

Termination of Your Insurance

Your insurance will terminate on whichever occurs first:

- The date the Company terminates the Plan.
- The 31st day after the premium due date (the last day of the Grace Period), if the premium has not been paid.
- The date you no longer belong to an eligible class.

If an Insured's coverage terminates, we will provide benefits for valid claims that arose while your coverage was active.

Portability Privilege

When you are no longer a member of an eligible class and your coverage would otherwise end, you may elect to continue your coverage under this Plan. You may continue the coverage you had on the date your Certificate would otherwise terminate, including any in-force Dependent Spouse Rider or Dependent Child Rider coverage, without any additional underwriting requirements.

To keep your coverage in force, you must:

- Notify the Company within 31 days after the date your coverage would otherwise terminate. You may notify us by sending written notice to P.O. Box 427, Columbia, South Carolina, 29202 or by calling the Customer Service number at 800.433.3036, and
- Pay the required premium directly to the Company no later than 31 days after the date your coverage would otherwise terminate and on each premium due date thereafter.

Your ported coverage will end on the earliest of the following dates:

- 31 days after the premium due date (the last day of the Grace Period), if the premium has not been paid, or
- The date the Group Plan is terminated.

If you qualify for this Portability Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate as shown in your previously-issued Certificate. Notification of any changes in the Plan will be provided directly by the Company.

Reinstatement

If any renewal premium is not paid on time (as outlined in the initial payment agreement) for the Plan, the Company (or an agent who is authorized by the Company) may accept the late premium and reinstate the Plan without requiring a new Application.

However, if the Company (or authorized agent) does require an Application for Reinstatement and issues a conditional receipt for the premium tendered, the Plan will be reinstated:

- Upon the Company's approval, or
- Lacking such approval, upon the 45th day following the date of the conditional receipt (unless the Company has previously notified the Policyholder in writing of its disapproval of such Application).

The reinstated Plan covers only loss resulting from such accidental injury as may be sustained after the date of Reinstatement and loss due to such sickness as may begin more than 10 days after such date. In all other respects, the Policyholder and the Company will have the same rights they had under the Plan immediately before the due date of the defaulted premium (subject to any provisions endorsed with or attached to the Reinstatement).

Any premium accepted with a Reinstatement will:

- Be applied to a period for which premium has not been previously paid, but
- Not to any period more than 60 days prior to the date of Reinstatement.

SECTION II – PREMIUM PROVISIONS

Premium Payments

Premiums should be paid to the Company at its Home Office in Columbia, South Carolina. The first premiums are due on the Plan's Effective Date. After that, premiums are due on the first day of each month that the Plan remains in effect.

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 provision.

Premium Changes

Unless we have agreed in writing not to increase premiums, the premium may change:

- On the Group Policy Anniversary Date based on renewal underwriting. (The Group Policy Anniversary Date is shown on the Policy Schedule and falls on the same date each year thereafter.)
- Whenever the terms or conditions of the Plan are modified. The new premium rates will apply only to premiums due on or after the rate change takes effect.

A change in premium rate will not take effect until at least one year after the Policy Effective Date. However, we may change premium rates at any time, though never more than every 6 months, thereafter based upon 12 months of experience.

We will provide the Policyholder a 45-day advance written notice of any change in premiums.

Grace Period

This Plan has a 31-day Grace Period. If a premium is not paid on or before its due date, the premium may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given the Company written notice of its intention to discontinue the Plan. If the Plan is discontinued, the Plan's termination date will be the latest date for which premium has been paid.

SECTION III – DEFINITIONS

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

Accidental Injury means accidental bodily damage to an Insured. This must be the direct result of an accident and not the result of disease or bodily infirmity. A **Covered Accidental Injury** is an Accidental Injury that occurs while coverage is in force. A **Covered Accident** is an accident that occurs on or after an Insured's Effective Date while coverage is in force, and that is not specifically excluded by the Plan.

Actively at Work refers to your ability to perform your regular employment duties for a full normal workday. You may perform these activities either at your Employer's regular place of business or at a location where you are required to travel to perform the regular duties of your employment.

Calendar Year means the period beginning on the policy Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Claimant means a person who is authorized to make a claim under the Certificate.

Dependent means your spouse or dependent children, as defined in the applicable rider, who have been accepted for coverage.

Doctor is a person who is duly qualified as a practitioner of the healing arts acting within the scope of his license, and:

- Is licensed to practice medicine; prescribe and administer drugs; or to perform surgery, or
- Is a duly qualified medical practitioner according to the laws and regulations in the state in which Treatment is made.

A Doctor **does not** include you or any of your Family Members.

For the purposes of this definition, **Family Member** includes your Spouse as well as the following members of your immediate family:

- Son.
- Daughter.
- Mother.
- Father.
- Sister.
- Brother.

This includes step-Family Members and Family-Members-in-law.

Employee is a person who meets Eligibility requirements under **Section I – Eligibility, Effective Date, and Termination**, and who is covered under this Plan. The Employee is the primary Insured under this Plan.

Hospital means a place that meets all of the following criteria:

- Is legally licensed and operated as a Hospital,
- Provides overnight care of injured and sick people,
- Is supervised by a Doctor,
- Has full-time nurses supervised by a registered nurse, and
- Has on-site use of X-ray equipment, laboratory, and surgical facilities. This requirement is not applicable to state tax supported institutions.

Hospital includes any duly licensed state tax supported institution, including those community health centers and other health clinics which are certified as Medicaid providers.

The term **Hospital** specifically excludes any facility not meeting the definition of Hospital as defined in this Plan, including:

- A nursing home,
- An extended care facility,
- A skilled nursing facility,
- A rest home or home for the aged,
- A Rehabilitation Facility,
- A facility for the Treatment of alcoholism or drug addiction, or
- An assisted living facility.

Hospital Intensive Care Unit means a place that meets all of the following criteria:

- Is a specifically designated area of the Hospital called a Hospital Intensive Care Unit;
- Provides the highest level of medical care;
- Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
- Is separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement;
- Is permanently equipped with special life-saving equipment for the care of the critically ill or injured;
- Is under close observation by a specially trained nursing staff assigned exclusively to the Hospital Intensive Care Unit 24 hours a day; and
- Has a Doctor assigned to the Hospital Intensive Care Unit on a full-time basis.

The term *Hospital Intensive Care Unit* specifically excludes any type of facility not meeting the definition of Hospital Intensive Care Unit as defined in this Plan, including but not limited to private monitored rooms, surgical recovery rooms, observation units, and the following step-down units:

- A progressive care unit,
- A sub-acute intensive care unit, or
- An intermediate care unit.

Intermediate Intensive Care Step-Down Unit means any of the following:

- A progressive care unit,
- A sub-acute intensive care unit,
- An intermediate care unit, or
- A pre- or post-intensive care unit.

An Intermediate Intensive Care Step-Down Unit is **not** a Hospital Intensive Care Unit as defined in this Plan.

Life Event means an event that qualifies you to make changes to benefits at times other than your enrollment period. Events qualifying as Life Events are established solely by the Policyholder.

Rehabilitation Facility is a unit or facility providing coordinated multidisciplinary physical restorative services. These services must be provided to inpatients under a Doctor's direction. The Doctor must be knowledgeable and experienced in rehabilitative medicine. Beds must be set up in a unit or facility specifically designated and staffed for this service. This is not a facility for the Treatment of alcoholism or drug addiction.

Related – a Related Accidental Injury or Sickness is one that is in correlation to, or occurs as a result of, the initial Accidental Injury or Sickness, and would not otherwise have been sustained if that initial condition had not occurred.

Sickness means an illness, infection, disease, or any other abnormal physical condition or pregnancy that is not caused solely by, or the result of, any injury. A **Covered Sickness** is one that is not excluded by name, specific description, or any other provision in this Plan. For a benefit to be payable, loss arising from the Covered Sickness must occur while the applicable Insured's coverage is in force.

Spouse is your legal wife or husband.

Telemedicine Service means a medical inquiry with a Doctor via audio or video communication that assists with a patient's assessment, diagnosis, and consultation.

Treatment is the consultation, care, or services provided by a Doctor. This includes receiving any diagnostic measures and taking prescribed drugs and medicines. Treatment does **not** include Telemedicine Services.

SECTION IV – BENEFIT PROVISIONS

Hospitalization Benefits

Hospital Admission Benefit

We will pay this benefit when an Insured is admitted to a Hospital and confined as an inpatient because of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, an Insured must be admitted to a Hospital within six months of the date of the Covered Accident.

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

We will pay this benefit once per period of Hospital Confinement. This benefit is limited to the maximum shown in the Benefit Schedule. We will only pay this benefit once for each Covered Accident or Covered Sickness per Calendar Year. If an Insured is confined to the Hospital because of the same or Related Accidental Injury or Sickness, we will not pay this benefit again in the same Calendar Year.

Hospital Confinement Benefit

We will pay the amount shown in the Benefit Schedule for each day that an Insured is confined to a Hospital as an inpatient as the result of a Covered Accidental Injury or Covered Sickness. To be eligible to receive this benefit for Accidental Injuries resulting from a Covered Accident, the Insured must be confined to a Hospital within six months of the date of the Covered Accident.

The length of time shown for Hospital Confinement in the Benefit Schedule is the maximum period for which an Insured can collect benefits for Hospital Confinements resulting from Covered Sickness or from Covered Accidental Injuries received in the same Covered Accident.

If we pay benefits for confinement and the Insured becomes confined again within six months because of the same or a Related condition, we will treat this confinement as the same period of confinement.

This benefit is payable for only one Hospital Confinement at a time, even if it is caused by more than one Covered Accidental Injury, more than one Covered Sickness, or a Covered Accidental Injury and a Covered Sickness.

Health Screening Benefit

We will pay the amount shown on the Benefit Schedule for Health Screening Tests performed while an Insured's coverage is in force. This benefit is limited to the Calendar Year Maximum shown in the Benefit Schedule. Benefits are payable for covered dependent children at 100% of the Employee benefit amount.

This benefit is only payable for Health Screening Tests performed as the result of preventive care, including tests and diagnostic procedures ordered in connection with routine examinations.

Health Screening Tests include, but are not limited to, the following:

- Blood test for triglycerides.
- Bone marrow testing.
- Breast ultrasound.
- CA 15-3 (blood test for breast cancer).
- CA 125 (blood test for ovarian cancer).
- CEA (blood test for colon cancer).
- Chest X-ray.
- Colonoscopy.
- Non-diagnostic vascular screening.
- DNA stool analysis.
- Fasting blood glucose test.
- Flexible sigmoidoscopy.
- Hemoccult stool analysis.
- Immunization.
- Mammography.
- Pap smear.
- PSA (blood test for prostate cancer).
- Serum cholesterol test to determine level of HDL and LDL.
- Serum protein electrophoresis (blood test for myeloma).
- Spiral CT screening for lung cancer.
- Stress test on a bicycle or treadmill.
- Thermography.
- Urinalysis.
- Vision screening.

Treatment Benefits

Major Diagnostic Exams Benefit

We will pay the daily benefit amount shown in the Benefit Schedule for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured requires one of the following exams:

- Computerized Tomography (CT/CAT scan).
- Magnetic Resonance Imaging (MRI).
- Electroencephalography (EEG).

This benefit is limited to one payment per Calendar Year for each Covered Accident or Covered Sickness. If an Insured has another covered major diagnostic exam because of the same or a Related Covered Accident or Covered Sickness, we will not pay this benefit again in the same Calendar Year.

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SECTION V – EXCLUSIONS

Exclusions

We will not pay for loss due to:

- War – voluntarily participating in war, any act of war, or military conflicts, declared or undeclared, or voluntarily participating or serving in the military, armed forces, or an auxiliary unit thereto, or contracting with any country or international authority. (We will return the prorated premium for any period not covered by the certificate when the Insured is in such service.) War also includes voluntary participation in an insurrection, riot, civil commotion or civil state of belligerence. War does not include acts of terrorism.
- Suicide – committing or attempting to commit suicide, while sane or insane.
- Self-Inflicted Injuries – injuring or attempting to injure oneself intentionally.
- Racing – riding in or driving any motor-driven vehicle in a race, stunt show or speed test in a professional or semi-professional capacity.
- Illegal Occupation – voluntarily participating in, committing, or attempting to commit a felony or illegal act or activity, or voluntarily working at, or being engaged in, an illegal occupation or job.
- Sports – participating in any organized sport in a professional or semi-professional capacity.
- Custodial Care – this is non-medical care that helps individuals with the basic tasks of everyday life, the preparation of special diets, and the self-administration of medication which does not require the constant attention of medical personnel.
- Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including any resulting complications.
- Services performed by a Family Member.
- Services related to sex or gender change, sterilization, in vitro fertilization, vasectomy or reversal of a vasectomy, or tubal ligation.
- Elective Abortion – an abortion for any reason other than to preserve the life of the person upon whom the abortion is performed.
- Dental Services or Treatment.
- Cosmetic surgery, except when due to:
 - Reconstructive surgery, when the service is related to or follows surgery resulting from a Covered Accidental Injury or a Covered Sickness, or is related to or results from a congenital disease or anomaly of a covered dependent child.
 - Congenital defects in newborns.

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SECTION VI - CLAIM PROVISIONS

Notice of Claim

Written Notice of Claim must be given to us:

- Within 20 days after the occurrence or commencement of any loss covered by the Certificate, or
- As soon as reasonably possible.

Notice must include the Employee's name and the Certificate number. Notice can be mailed to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

The notice may also be given to an authorized agent of the Company.

Claim Forms

When we receive written Notice of Claim, we will send a Claim Form. If the Claimant does not receive the Claim Form within 15 days after the notice is sent, written Proof of Loss can be sent to us without waiting for the form.

Proof of Loss

Proof of Loss refers to documentation that supports a claim. (This information is often found in standardized medical documents, such as Hospital bills and operative reports. It can include a statement by the treating Doctor.) Proof of Loss establishes the nature and extent of the loss, the Company's obligation to pay the claim, and the Claimant's right to receive payment.

The Claimant must provide Proof of Loss to the Company at the following address:

P.O. Box 427, Columbia, South Carolina, 29202.

Proof of Loss must be given to us within 180 days of the Covered Accidental Injury or Covered Sickness. Failure to give Proof of Loss within such time shall not invalidate or reduce any claim if such Proof of Loss is given as soon as reasonably possible. The Company will not accept Proof of Loss any later than one year and three months after the Covered Accidental Injury or Covered Sickness, except in the absence of your legal mental capacity.

The Claimant will be responsible for the cost of obtaining a completed claim form. We may request additional Proof of Loss, such as records from Hospitals or Doctors. We will be responsible for the cost of obtaining these records.

We may require authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

When we receive the claim and due Proof of Loss, we will review the Proof of Loss. If we approve the claim, we will pay the benefits subject to the terms of the Certificate.

Physical Examination and Autopsy

The Company may have an Insured examined as often as reasonably necessary while a claim is pending. In the case of death, the Company may also require an autopsy, unless prohibited by law. The Company will cover all costs for physical exams or autopsy.

Time of Payment of Claims

Benefits payable under the Certificate will be paid after we receive due Proof of Loss acceptable to us. We will pay, deny, or settle all clean claims* immediately after receiving the appropriate information.

**Clean claims contain all information and/or documentation needed for processing. These claims do not require further information from the provider, you, or your Employer.*

Payment of Claims

We will pay all benefits to you unless otherwise assigned. For any benefits that remain unpaid at the time of death, we will pay those benefits in the following order:

- To any approved assignee.
- To your beneficiary.
- To your surviving Spouse.
- To your estate.

If we can pay any benefits under this Plan to the Insured's estate or to an Insured or beneficiary who is a minor, or otherwise not competent to give a valid release, we may decide to pay those benefits to any relative by blood or connection by marriage of the Insured or beneficiary who we determine is rightfully allowed. The benefit amount will not exceed \$3,000.

Unpaid Premium

When a claim is paid, we may deduct any premium due and unpaid from the claim payment.

Changing of Beneficiary

A change in beneficiary must be submitted in writing to our Home Office in a form acceptable to us and signed by you. Unless otherwise specified by you, a change in beneficiary will take effect on the date the notice of change is signed. We will not be liable for any action taken before notice is received and recorded at the Home Office.

Claim Review

If a claim is denied, you will be given written notice of:

- The reason for the denial,
- The Plan provision that supports the denial, and
- Your right to ask for a review of the claim.

Appeals Procedure

Before filing any lawsuit—and no later than 60 days after notice of denial of a claim—you, the Claimant, or an authorized representative of either must appeal any denial of benefits under the Plan by sending a written request for review of the denial to our Home Office.

Legal Action

You may not take Legal Action against us for benefits under this Plan:

- Within 60 days after you have sent us written Proof of Loss, or
- More than 3 years from the time written proof is required to be given.

SECTION VII - GENERAL PROVISIONS

Entire Contract Changes

Your insurance is provided under a contract of Group Supplemental Hospital Indemnity insurance with the Policyholder. The Entire Contract of Insurance is made up of:

- The Policy;
- The Certificate of insurance;
- The Application of the Policyholder; and
- Any Riders, Endorsements, or Amendments to the Policy or Certificate.

All statements that the Policyholder or an Insured has made in the Application will be considered representations, not warranties. The Company will not void insurance or reduce benefits as a result of statements made on the Application without sending Application copies.

Changes to the Plan:

- Will not be valid unless approved in writing by an officer of the Company,
- Must be noted on or attached to the Contract, and
- May not be made by any insurance agent or producer (nor can an agent or producer waive any Plan provisions).

Misstatement of Age

If an age has been misstated on the Application, the benefits will be those that the paid premium would have purchased at the correct age.

Successor Insured

If you die while covered under this Certificate and your Spouse is also insured under this Plan at the time of your death, then your surviving Spouse may elect to become the primary Insured. This would include continuation of any Dependent Child Rider coverage that is in force at that time.

To become the primary Insured and keep coverage in force, your surviving Spouse must:

- Notify the Company in writing within 31 days after the date of your death; and
- Pay the required premium to the Company no later than 31 days after the date of your death, and on each premium due date thereafter.

If the Certificate does not cover a surviving Spouse, the Certificate will terminate on the next premium due date following your death.

Time Limit on Certain Defenses

After two years from your Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on your Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

Clerical Error

Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, the Company will make a premium adjustment.

Individual Certificates

The Company will give the Policyholder a Certificate for each Employee. The Certificate will set forth:

- The coverage,
- To whom benefits will be paid, and
- The rights and privileges under the Plan.

Required Information

The Policyholder will be responsible for furnishing all information and proofs that the Company may reasonably require with regard to the Plan.

Conformity with State Statutes

This Plan was issued on its Effective Date in the state noted on the Master Application. Any Plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina

800.433.3036

Please call the toll-free number above with any questions about this coverage.

Surgical Benefits Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

SURGICAL BENEFITS

We will pay the daily benefit amount shown in the Schedule of Operations for each day that, due to a Covered Accidental Injury or Covered Sickness, an Insured has surgery performed by a Doctor. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Doctor's office.

If an operation is not listed in the Schedule of Operations, we will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

Only one benefit is payable per 24-hour period for surgery, even though more than one surgical procedure may be performed. If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

ANESTHESIA BENEFITS

When a surgical procedure is performed that is covered under the Surgical Benefits, we will pay the daily benefit amount shown in the Schedule of Operations for each day that anesthesia is administered by a Doctor in connection with such procedure.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Policy after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

A notice of nonrenewal shall be given to the contract holder 45 days prior to termination.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

SECTION XI

SCHEDULE OF OPERATIONS

| INTEGUMENTARY SYSTEM | Maximum Surgical Benefit | | Maximum Surgical Benefit |
|---|--------------------------|---|--------------------------|
| SKIN | | JOINTS | |
| Incision and Drainage of Cyst | \$ 7.50 | Shoulder or Elbow Arthrotomy | \$ 187.50 |
| Acne Surgery | \$ 5.63 | Arthroplasty | \$ 300.00 |
| Biopsy | \$ 11.25 | Wrist Arthrotomy | \$ 150.00 |
| Excision of Benign Tumor | \$ 15.00 | Arthroplasty | \$ 300.00 |
| Excision of Malignant Tumor | \$ - | Hip Arthrotomy | \$ 262.50 |
| (Trunk, Arms or Legs) | \$ 22.50 | Arthroplasty | \$ 375.00 |
| Excision of Malignant Tumor | \$ - | Knee Arthrotomy | \$ 187.50 |
| (Face, Scalp, Ears, Neck, Hands | \$ - | Arthroplasty | \$ 375.00 |
| Feet, Genitalia) | \$ 37.50 | Ankle Arthrotomy | \$ 187.50 |
| Excision of Malignant Tumor | \$ - | Arthroplasty | \$ 281.25 |
| (Eyelids, Nose, Lips, Mucous | \$ - | Hammertoe | \$ 75.00 |
| Membrane) | \$ 56.25 | | \$ - |
| Excision of Nail | \$ 37.50 | DISLOCATIONS | |
| Repair – Simple Wounds | \$ 7.50 | Jaw | \$ 18.75 |
| Repair – Complex Wounds (Linear Repair) | \$ 26.25 | Collar Bone (requiring reduction) | \$ 37.50 |
| Repair – Skin Grafts (Single Stage) | \$ 18.75 | Shoulder (humerus with anesthesia) | \$ - |
| Repair – Skin Grafts (Multiple Stage) | \$ 56.25 | Or Elbow | \$ 18.75 |
| Electro – surgical destruction of | \$ - | Wrist | \$ 18.75 |
| Chemocautery | \$ 7.50 | Fingers or Toes | \$ 7.50 |
| Chemotherapy – malignancies of skin | \$ 75.00 | Hip or Knee | \$ 75.00 |
| | \$ - | Ankle | \$ 37.50 |
| | \$ - | | \$ - |
| BREAST | | TENDONS | |
| Biopsy | \$ 56.25 | Repair or Suture | \$ 45.00 |
| Excision of Cyst or Benign Tumor | \$ 56.25 | Lengthening or Shortening | \$ - |
| Excision of Chest Wall Tumor | \$ 262.50 | (e.g. Achilles tendon) | \$ 112.50 |
| Mastectomy, simple | \$ 112.50 | | \$ - |
| Mastectomy, radical | \$ 262.50 | AMPUTATIONS | |
| Mammoplasty, Reconstructive | \$ 562.50 | Arm at Shoulder Joint | \$ 281.25 |
| | \$ - | Arm below Shoulder Joint | \$ 131.25 |
| MUSCULOSKELETAL SYSTEM | | Finger | \$ 56.25 |
| | \$ - | Leg at Hip Joint | \$ 300.00 |
| BONE OR CARTILAGE GRAFT | | Leg at Knee | \$ 150.00 |
| Spinal Fusion | \$ 300.00 | Leg above or below knee | \$ 187.50 |
| Spinal Fusion with removal of | \$ - | Toe | \$ 37.50 |
| Intervertebral disc | \$ 300.00 | | \$ - |
| Spinal Fusion of Scoliosis | \$ 450.00 | | \$ - |
| | \$ - | RESPIRATORY SYSTEM | |
| | \$ - | | \$ - |
| FRACTURES (Requiring Reduction) | | | \$ - |
| Skull | \$ 281.25 | NOSE | |
| Nose | \$ 18.75 | Excision of Nasal Polyps | \$ 11.25 |
| Jaw | \$ 112.50 | Submucous resection, Classic Nasal Sept | \$ 112.50 |
| Vertabrae, one or more | \$ 112.50 | | \$ - |
| Collar Bone | \$ 56.25 | SINUSES | |
| Shoulder blade (Scapula) | \$ 206.25 | Frontal Sinusotomy – simple | \$ 75.00 |
| Upper Arm | \$ 93.75 | Frontal Sinusotomy – radical | \$ 225.00 |
| | \$ - | | \$ - |
| Lower Arm | \$ 56.25 | LARYNX | |
| Hand | \$ 37.50 | Laryngectomy | \$ 375.00 |
| Fingers or Toes | \$ 18.75 | Laryngoscopy | \$ 15.00 |
| Upper Leg | \$ 150.00 | | \$ - |
| Lower Leg | \$ 56.25 | | \$ - |
| Ankle | \$ 93.75 | | \$ - |
| Foot | \$ 37.50 | | \$ - |
| | \$ - | | \$ - |
| | \$ - | TRACHEA AND BRONCHI | |
| | \$ - | Tracheotomy | \$ 75.00 |
| LUNGS | | Bronchoscopy | \$ 56.25 |
| Thoracotomy | \$ 187.50 | Closure of Tracheotomy | \$ 93.75 |
| Pneumonotomy | \$ 225.00 | | \$ - |
| Pneumonocentesis | \$ 18.75 | | \$ - |
| Thoracentesis | \$ 11.25 | Fistulotomy | \$ 37.50 |
| Pneumonectomy, total | \$ 375.00 | Sphincterotomy | \$ 18.75 |
| Wedge Resection of Lung, | \$ - | Fissurectomy or Hemorrhoidectomy | \$ 75.00 |
| Single or Multiple | \$ 300.00 | Removal of External Hemorrhoids | \$ 11.25 |
| Thoracoscopy (including biopsy) | \$ 75.00 | | \$ - |
| | \$ - | | \$ - |

| | | | |
|---------------------------------------|-----------|--------------------------------------|-----------|
| CARDIOVASCULAR SYSTEM | \$ - | Aspiration biopsy of liver, pancreas | \$ - |
| | \$ - | Or bile duct | \$ 18.75 |
| HEART | \$ - | Cholecystotomy | \$ 187.50 |
| Heart Transplant | \$ 750.00 | Cholecystectomy | \$ 225.00 |
| Catheterization of Heart | \$ 56.25 | Pancreatectomy – partial | \$ 300.00 |
| Suture of Heart wound or injury | \$ 375.00 | Pancreatectomy – total | \$ 525.00 |
| Valvotomy, aortic and pulmonic valve | \$ 562.50 | Laparotomy | \$ 150.00 |
| Valvotomy, mitral valve | \$ 525.00 | Hemiotomy | \$ 131.25 |
| Valvutoplasty or Replacement | \$ - | | \$ - |
| Aortic and mitral valve | \$ 750.00 | URINARY SYSTEM | \$ - |
| Coronary Bypass, single or multiple | \$ 750.00 | Nephrolithotomy | \$ 300.00 |
| Repair of Myocardial Aneurysm | \$ 750.00 | Renal Biopsy | \$ 18.75 |
| Repair of Septal Defect | \$ 675.00 | Nephrectomy | \$ 300.00 |
| Angioplasty, percutaneous | \$ 375.00 | Lithotripsy | \$ 187.50 |
| Pervenous or Transvenous insertion of | \$ - | Kidney Transplant | \$ 468.75 |
| Pacemaker | \$ 187.50 | Cystotomy | \$ 187.50 |
| | \$ - | Cystectomy – partial | \$ 262.50 |
| ARTERIES | \$ - | Cystectomy – complete | \$ 375.00 |
| Arterlotomy, extramity | \$ 225.00 | Urethroscopy or Cystoscopy | \$ 18.75 |
| Thromboendarterectomy | \$ 450.00 | Cystoplasty | \$ 300.00 |
| Carotid endurterectomy | \$ 450.00 | Dilation of Urethra | \$ 7.50 |
| Excision and graft, Abdominal Aortic | \$ - | | \$ - |
| Aneurysm | \$ 562.50 | GENITAL SYSTEM | \$ - |
| Injection – Varicose Veins | \$ 3.75 | | \$ - |
| | \$ - | MALE | \$ - |
| HEMIC AND LYPHATIC SYSTEMS | \$ - | Circumcision | \$ 11.25 |
| Splenectomy | \$ 225.00 | Orchlectomy | \$ 75.00 |
| Biopsy of Lymph Node | \$ 18.75 | Reduction of Torsion of Testis | \$ 112.50 |
| Radical Lymphadenectomy | \$ 191.25 | Excision of Epididymis, Hydrocele, | \$ 37.50 |
| | \$ - | Varicocale | \$ 112.50 |
| DIGESTIVE SYSTEM | \$ - | Vasectomy | \$ 56.25 |
| Gastrotomy | \$ 187.50 | Biopsy, Prostate | \$ 62.50 |
| Gastrectomy, Total | \$ 375.00 | Prostatectomy – partial | \$ 300.00 |
| Gastrectomy, Partial | \$ 300.00 | Prostatectomy – radical | \$ 375.00 |
| Gastroscopy | \$ 56.25 | | \$ - |
| Gastro Gastrorrhaphy | \$ 187.50 | FEMALE | \$ - |
| Enterectathy | \$ 225.00 | Hysterectomy, Vaginal or Abdominal | \$ 225.00 |
| Enterectomy | \$ 262.50 | Hysterectomy, radical for cancer | \$ - |
| Colostomy | \$ 300.00 | Including lymph nodes | \$ 375.00 |
| Enterostomy | \$ 187.50 | Salpingo – oophorectomy | \$ 168.75 |
| Enterolysis | \$ 150.00 | Repair of cystocele or rectocele | \$ 131.25 |
| Diverticulectomy | \$ 187.50 | Repair of cystocele and rectocele | \$ 195.00 |
| Appendectomy | \$ 150.00 | Tubal Ligation | \$ 150.00 |
| Proctectomy | \$ 375.00 | Biopsy or removal of cervical lesion | \$ - |
| Protosigmoidoscopy | \$ 11.25 | or polyp | \$ 112.50 |
| Proctoplasty | \$ 150.00 | Dilation and curettage | \$ 56.25 |
| | \$ - | Myomectomy | \$ 187.50 |
| | \$ - | Repair of uterine suspension | \$ 150.00 |
| | \$ - | Cesarian Section | \$ 187.50 |
| | \$ - | Obstetrical Delivery | \$ 75.00 |
| | \$ - | Amniocentesis | \$ 18.75 |
| | \$ - | | |
| ENDOCRINE SYSTEM | \$ - | | |
| Incision and drainage of | \$ - | | |
| Thyroid Gland | \$ 11.25 | | |
| Local excision of thyroid cyst | \$ - | | |
| Or adenoma | \$ 150.00 | | |
| Thyroidectomy or parathyroidectomy | \$ 262.50 | | |
| Adrenalectomy | \$ 300.00 | | |
| | \$ - | | |
| NERVOUS SYSTEM | \$ - | | |
| Burr Holes | \$ 112.50 | | |
| Cranioplasty | \$ 375.00 | | |
| Craniotomy or Craniectomy | \$ 150.00 | | |
| Laminectomy | \$ 375.00 | | |
| Spinal Puncture | \$ 7.50 | | |
| Paravertebral block, lumbar, | \$ - | | |
| Or thoracic nerve | \$ 18.75 | | |
| Median nerve decompression | \$ - | | |
| (Carpal Tunnel) | \$ 112.50 | | |
| | \$ - | | |
| | \$ - | | |

EYE

| | | |
|--|----|--------|
| Removal of eye | \$ | 150.00 |
| Excision of pteryglum | \$ | 93.75 |
| Sclerotomy – anterior | \$ | 187.50 |
| Sclerotomy – posterior | \$ | 112.50 |
| Iridectomy | \$ | 187.50 |
| Extraction of lens (including | \$ | - |
| Cataract extraction) | \$ | 300.00 |
| Reattachment of retina | \$ | 375.00 |
| Muscle operation (one or more muscles) | \$ | 225.00 |
| Excision of lacrimal gland or sac | \$ | 187.50 |

EAR

| | | |
|-----------------------------------|----|--------|
| | \$ | - |
| Drainage of abscess | \$ | 7.50 |
| Otoscopy | \$ | 7.50 |
| Myringotomy | \$ | 11.25 |
| Tympanotomy (diagnostic) | \$ | 187.50 |
| Tympanotomy with insertion of | \$ | - |
| Collar Button Tube | \$ | 93.75 |
| Mastoidectomy – simple | \$ | 187.50 |
| Tympanoplasty | \$ | 375.00 |
| Labyrinthotomy or Labyrinthectomy | \$ | 375.00 |



CONTINENTAL AMERICAN INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205
800.433.3036

Please call the toll-free number above with any questions about this coverage.

Waiver of Premium Rider To Certificate of Insurance for Group Supplemental Hospital Indemnity Policy

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- We have accepted your Application, and
- You have paid the additional premium for this Rider.

This Rider is subject to all the definitions, exclusions, limitations, terms, and other provisions of the Certificate to which it is attached, unless those terms are inconsistent with 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, this Rider will have a later Effective Date.

DEFINITIONS

When the terms below are used in this Rider, the following definitions apply (other applicable terms and definitions are included in the **Definitions** section of your Certificate):

Total Disability or **Totally Disabled** means you are:

- Not working at any job for pay or benefits,
- Under the care of a Doctor for the Treatment of a Covered Sickness or a Covered Accidental Injury, and
- Unable to Work.

Unable to Work means either:

- You are unable to work at the occupation you were performing when your Total Disability began, which was during the first 365 days of Total Disability; or
- You are unable to work at any gainful occupation for which you are suited by education, training, or experience after the first 365 days of Total Disability.

WAIVER OF PREMIUM BENEFIT

If you, the Employee, become Totally Disabled as defined in this Plan due to a Covered Sickness or Covered Accidental Injury, we will waive premiums for you and for any currently covered Dependents. This includes waiving premiums for any Riders that are in force.

After 90 days of Total Disability, all Plan premiums will be waived if:

- Your Total Disability began before the age of 65;
- Your Total Disability has continued without interruption for at least 90 days, during which time you and/or the Policyholder have paid premiums; and
- You provide proof of Total Disability as required by us. Satisfactory Proof of Loss for Total Disability must be provided at least once every 12 months.

Pending our approval of a claim for the Waiver of Premium Benefit, premiums should be paid as they are due.

Premium will continue to be waived until the earliest of the following:

- The premium due date following your 65th birthday,
- The date the Company has waived premiums for a total of 24 months of Total Disability,
- The date you refuse to provide proof of continuing Total Disability,
- The date your Total Disability ends, or
- The date coverage ends according to the Termination provisions in **Section I** of your Certificate.

If you are still eligible for coverage when you return to Active Work, coverage for any Insured may be continued if premium payments are resumed.

GENERAL PROVISIONS

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Application. The Company will not use fraudulent misstatements as a basis for contesting the Certificate after coverage has been in force for more than two years.

CONTRACT

This Rider is part of the Group Supplemental Hospital Indemnity Certificate. It will terminate when:

- The Certificate terminates, or
- Premiums are no longer paid for this Rider.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary


CONTINENTAL AMERICAN INSURANCE COMPANY

P.O. Box 427, Columbia, South Carolina 292052
800.433.3036

Portability Privilege Amendment

This Amendment is part of the form to which it is attached. Unless amended by this document, all definitions, exclusions, limitations, terms, and other provisions apply. For the purpose of this Amendment, “you” (including “your” and “yours”) refers to the Insured named in the Certificate Schedule.

Effective Date

This Amendment becomes effective on the Effective Date of the form to which it is attached.

Portability Privilege

The following language replaces the ELIGIBILITY provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance:

ELIGIBILITY — CLASSES OF COVERAGE

Class I

All full-time and part-time benefit-eligible Employees are eligible for Class I coverage. That eligibility extends to their spouses and children under age 26.

Class II

A Class I primary insured is eligible for Class II coverage if he:

- was previously insured under Class I; and
- is no longer employed by the Policyholder.

The Employee must elect Class II coverage under the Portability Privilege within 31 days after the date for which his class I eligibility would otherwise terminate.

Only Dependents covered under Class I coverage are eligible for continued coverage under Class II.

Class II insureds cannot continue coverage through the employer’s payroll deduction process. They must remit premiums directly to the Company.

The following language replaces the TERMINATION OF THE PLAN provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy.

TERMINATION OF THE PLAN

The Plan will cease if the premium is not paid before the end of the Grace Period.

After the end of the first Plan year, the Company has the right to cancel the Plan. To do so, the Company must give 45 days’ written notice that the plan will end on the date before the next premium due date.

The Policyholder has the right to cancel the Plan on the date before any premium due date by giving 45 days’ written notice.

Upon such termination, Class I and Class II coverage will be affected as follows:

Class I

If terminated, this Plan and all certificates issued under this class 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 Insured regarding any claim arising while the Plan is in force.

The Policyholder has the sole responsibility to notify Class I Employees of such termination. When notice of termination is received by the Company, the Portability Privilege under Class I coverage is no longer available.

Class II

The group policy will remain active, and coverage under Class II will continue as long as premiums are paid, subject to the premium grace period. Notification of any changes in the plan will be provided directly to each insured by the Company. The Policyholder will lose any rights and obligations under the Plan.

The following language replaces the TERMINATION OF AN EMPLOYEE'S INSURANCE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of the following:

1. the date the Plan is terminated, for Class I insureds;
2. the 31st day after the premium due date if the required premium has not been paid;
3. the date he ceases to meet the definition of an Employee as defined in the Plan, for Class I insureds; or
4. the date he is no longer a member of the Class eligible for coverage.

Insurance for Dependents will terminate on the earliest of the following:

1. the date the Plan is terminated, for Dependents of Class I insureds;
2. the 31st day after the premium due date, if the required premium has not been paid;
3. the date the Spouse or Dependent Child ceases to be a dependent; or
4. the premium due date following the date we receive the Employee's written request to terminate coverage for his Spouse and/or all Dependent Children.

Termination of the insurance on any Insured will not prejudice his rights regarding any claim arising prior to termination.

The following language replaces the PORTABILITY PRIVILEGE provision found under SECTION I – ELIGIBILITY, EFFECTIVE DATE, AND TERMINATION of the Master Policy and the Certificate of Insurance.

PORTABILITY PRIVILEGE

Under the Portability Privilege provision, when coverage would otherwise terminate because an Employee ends his employment, coverage may be continued. He may exercise the Portability Privilege when there is a change to his coverage class. The Employee — and any covered dependents — will continue the coverage that is in-force on the date employment ends. The continued coverage will be provided under Class II.

The premium rate for portability coverage may change for the class of covered persons on portability on any premium due date. Written notice will be given at least 45 days before any change is to take effect.

The Employee may continue the coverage until the earlier of:

- the date he fails to pay the required premium; or
- the date the class of coverage is terminated.

Coverage may not be continued:

- if the Employee fails to pay any required premium; or
- if the Company receives notice of Class I plan termination.

General Provisions

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Insured's Application. This does not apply to fraudulent misstatements.

Contract

This Amendment is part of the form to which it is attached. It will terminate when that form terminates.

This Amendment is subject to all of the terms of the form to which it is attached unless those terms are inconsistent with this Amendment.

Signed for the Company at its Home Office,



Teresa White, President



J. Matthew Loudermilk, Secretary

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 below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

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

**North Carolina Department of Insurance, Consumer Services Division
1201 Mail Service Center
Raleigh, NC 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 insurance guaranty association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

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

The association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contract holder;
- 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 contract holders, 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 or Part D or any regulations issued pursuant thereto.

LIMITS ON AMOUNT OF COVERAGE

(1) The guaranty association cannot pay out more than the insurance company would owe under the 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 basic hospital, medical and surgical insurance and major medical insurance.

(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.

NOTICE TO INSURANCE FIDUCIARY

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.