



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY POLICY

**THIS CERTIFICATE IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE
IT IS DESIGNED TO SUPPLEMENT A MAJOR MEDICAL PROGRAM.**

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We certify that you are insured under the Supplemental Hospital Indemnity Policy (herein called the Plan) issued to your employer, the policyholder, subject to the definitions, exclusions and other provisions of the Plan against loss resulting from Hospital Confinement.

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

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

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

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

IMPORTANT CANCELLATION INFORMATION - PLEASE READ THE PROVISION ENTITLED "INDIVIDUAL TERMINATIONS" ON PAGE 4.

NO RECOVERY FOR PRE-EXISTING CONDITIONS – READ CAREFULLY. No benefits will be provided during the first twelve months of this certificate for conditions for which medical advice or treatment was received or recommended during the twelve month period prior to the effective date shown in the Certificate Schedule.

SECTION I

DEFINITIONS

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

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

You and Your - means the person named in the Certificate Schedule.

Covered Person - means you if this certificate is issued as Individual coverage.

If this certificate is issued as:

1. Employee/Spouse coverage Covered Person means you and your legal spouse.
2. Single Parent Family coverage Covered Person means you and your covered dependent children as defined in the applicable rider, that have been accepted for coverage.
3. Family coverage Covered Person means you, your spouse and covered dependent children, as defined in the applicable rider, that have been accepted for coverage.

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

Covered Accident - means an accident, occurring on or after a covered person's Effective Date, while this certificate is in force, and which is not specifically excluded.

Sickness - means an illness, infection, disease or any other abnormal condition, which is not caused solely by or is not the result of an injury.

Covered Sickness - means an illness, infection, disease or any other abnormal physical condition which is not caused solely by or is not the result of any injury which:

1. Occurs while this certificate is in force; **and**
2. Was not treated or for which a covered person did not receive advice within 12 months before the effective date of his/her coverage; **and**
3. Is not excluded by name or specific description in this certificate.

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.

On-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under On-The-Job.

Off-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under Off-The-Job.

Monthly Benefit - means a specified amount paid for a period of one month. Periods of less than one month paid at the daily rate of 1/30th of the monthly amount.

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

1. Is licensed by the state to practice a healing art;
2. Performs services which are allowed by his or her license; **and**
3. Performs services for which benefits are provided by this certificate.

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

Hospital - means a place which:

1. Is legally licensed and operated as a hospital;
2. Provides overnight care of injured and sick people;
3. Is supervised by a doctor;
4. Has full-time nurses supervised by a registered nurse;
5. Has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities (this requirement is not applicable to state tax-supported institutions); **and**
6. Maintains permanent medical history records.

A hospital is not:

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

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

Hospital Intensive Care Unit - means a place which:

1. Is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care;
2. Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
3. Is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
4. Is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
5. Is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a twenty-four hour basis; **and**
6. Has a doctor assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit is not any of the following step-down units:

1. A progressive care unit;
2. A sub-acute intensive care unit;
3. An intermediate care unit;
4. A private monitored room;
5. A surgical recovery room;
6. An observation unit; **or**
7. Any facility not meeting the definition of a hospital intensive care unit as defined in this policy.

Your Occupation - means the job in which you are regularly engaged at the time you become insured.

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

Full-Time Work - means spending at least 40 hours per week performing your occupation.

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

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

SECTION II PREMIUMS AND INDIVIDUAL TERMINATIONS

PREMIUMS

The initial premium shown in the Certificate Schedule is the premium covering the period from the Effective Date to the next renewal date of this certificate. Renewal premiums will be in accordance with the schedule of premium rates in effect at the time of renewals as set forth in the Plan.

CERTIFICATE TERM

The first term of this certificate starts on the Effective Date shown in the Certificate Schedule. It ends on the first renewal date also shown. Later terms will be the periods for which renewal premiums are paid when due. All terms will begin and end at 12:01 A.M., Standard Time, at the policyholder's address. The renewal premium for each term will be due on the day preceding term end, subject to the grace period.

GRACE PERIOD

The Plan has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the next 31 days. During the grace period, coverage under the Plan will stay in force.

INDIVIDUAL TERMINATIONS

Your insurance will terminate on the earliest of the:

1. Date the Plan is terminated;
2. The 31st day after the premium due date if the required premium has not been paid;
3. The date you cease to meet the definition of an Employee as defined in the Plan;
4. The premium due date which falls on or first follows your 70th birthday; **or**
5. The date you are no longer a member of an eligible class.

Termination of any covered person's insurance under this certificate shall be without prejudice to his or her rights as regarding any claim arising prior thereto.

SECTION III BENEFIT PROVISIONS

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

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the elimination period if any, when a covered person is confined to a hospital as a resident bed patient as the result of an injury or because of a covered sickness. In order to receive this benefit for an injury, the covered person must be confined to a hospital within 6 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 a covered person can collect benefits for each hospital confinement. We will pay for only one hospital confinement at a time even if caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

If a covered person is not confined to the hospital for a full month, we will pay benefits on a daily basis. Daily benefits are paid at the rate of 1/30th of the monthly amount.

Hospital Admission - We will pay this benefit when a covered person is admitted to a hospital and confined as a resident bed patient because of an injury or a covered sickness. In order to receive this benefit for an injury, a covered person must be admitted to a hospital within 6 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 only pay this benefit once for each covered accident or covered sickness. If a covered person is confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Surgical Benefit - If surgery due to an injury or because of a covered sickness is performed by a physician, we will pay the amount for the Surgical Operation shown opposite the procedure listed in the Schedule of Operations up to the maximum shown on the Benefit Schedule per surgical procedure. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Physician'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.

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 Benefit, we will pay the amount shown in the Schedule of Operations for anesthesia administered by a physician in connection with such procedure. Benefits, however, will be 25% of the amount paid under Surgical Benefit.

ADDITIONAL BENEFITS

Wellness Benefit - We will pay the amount shown on the Benefit Schedule page per calendar year when a covered person visits a doctor and the covered person is neither injured nor sick.

SECTION IV

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - Pre-existing Condition means within the 12-month period prior to the Effective Date of this certificate those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss or injury which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of this certificate, or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

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

Pregnancy is a "pre-existing condition" if conception was before the effective date of this certificate.

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

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.

21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

SECTION V

CLAIM PROVISIONS

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

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

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

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

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

1. To any approved assignee.
2. Your beneficiary.
3. Your surviving spouse.
4. Your estate.

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

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

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

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

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

SECTION VI

GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. The Plan;
2. The application of the policyholder; **and**
3. Your application(s).

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

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

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

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

Time Limit On Certain Defenses - We rely of the statements you made in the application when issuing this certificate. After this certificate has been in force for two years, we cannot cancel it or refuse to pay benefits because of any misstatements in the application.

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

SECTION VII

**BENEFIT SCHEDULE
HIGH PLAN**

HOSPITAL CONFINEMENT Maximum 180 days per confinement	\$150 per day
HOSPITAL ADMISSION Payable once per admission	\$1,500 per admission
SURGICAL BENEFIT Maximum \$1,500 per surgical procedure	See Surgical Schedule
ANESTHESIA BENEFIT Maximum \$375 per surgical procedure	25% of the amount paid under Surgical Benefit
WELLNESS BENEFIT Maximum per calendar year	\$50

SECTION IX

SCHEDULE OF OPERATIONS

HIGH PLAN

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 15.00	Shoulder or Elbow Arthrotomy	\$ 375.00
Acne Surgery	\$ 11.25	Arthroplasty	\$ 600.00
Biopsy	\$ 22.50	Wrist Arthrotomy	\$ 300.00
Excision of Benign Tumor	\$ 30.00	Arthroplasty	\$ 600.00
Excision of Malignant Tumor		Hip Arthrotomy	\$ 525.00
(Trunk, Arms or Legs)	\$ 45.00	Arthroplasty	\$ 750.00
Excision of Malignant Tumor		Knee Arthrotomy	\$ 375.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 750.00
Feet, Genitalia)	\$ 75.00	Ankle Arthrotomy	\$ 375.00
Excision of Malignant Tumor		Arthroplasty	\$ 562.50
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 150.00
Membrane)	\$ 112.50		
Excision of Nail	\$ 75.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 15.00	Jaw	\$ 37.50
Repair – Complex Wounds (Linear Repair)	\$ 52.50	Collar Bone (requiring reduction)	\$ 75.00
Repair – Skin Grafts (Single Stage)	\$ 37.50	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 112.50	Or Elbow	\$ 37.50
Electro – surgical destruction of		Wrist	\$ 37.50
Chemocautery	\$ 15.00	Fingers or Toes	\$ 15.00
Chemosurgery – malignancies of skin	\$ 150.00	Hip or Knee	\$ 150.00
		Ankle	\$ 75.00
BREAST			
Biopsy	\$ 112.50	TENDONS	
Excision of Cyst or Benign Tumor	\$ 112.50	Repair or Suture	\$ 90.00
Excision of Chest Wall Tumor	\$ 525.00	Lengthening or Shortening	
Mastectomy, simple	\$ 225.00	(e.g. Achilles tendon)	\$ 225.00
Mastectomy, radical	\$ 525.00		
Mammoplasty, Reconstructive	\$ 1,125.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 562.50
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 262.50
		Finger	\$ 112.50
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 600.00
Spinal Fusion	\$ 600.00	Leg at Knee	\$ 300.00
Spinal Fusion with removal of		Leg above or below knee	\$ 375.00
Intervertebral disc	\$ 600.00	Toe	\$ 75.00
Spinal Fusion of Scoliosis	\$ 900.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 562.50	NOSE	
Nose	\$ 37.50	Excision of Nasal Polyps	\$ 22.50
Jaw	\$ 225.00	Submucous resection, Classic Nasal Sept	\$225.00
Vertabrae, one or more	\$ 225.00		
Collar Bone	\$ 112.50	SINUSES	
Shoulder blade (Scapula)	\$ 412.50	Frontal Sinusotomy – simple	\$ 150.00
Upper Arm	\$ 187.50	Frontal Sinusotomy – radical	\$ 450.00
Lower Arm	\$ 112.50	LARYNX	
Hand	\$ 75.00	Laryngectomy	\$ 750.00
Fingers or Toes	\$ 37.50	Laryngoscopy	\$ 30.00
Upper Leg	\$ 300.00		
Lower Leg	\$ 112.50	TRACHEA AND BRONCHI	
Ankle	\$ 187.50	Tracheotomy	\$ 150.00
Foot	\$ 75.00	Bronchoscopy	\$ 112.50
		Closure of Tracheotomy	\$ 187.50

LUNGS			
Thoracotomy	\$ 375.00	Fistulotomy	\$ 75.00
Pneumonotomy	\$ 450.00	Sphincterotomy	\$ 37.50
Pneumonocentesis	\$ 37.50	Fissurectomy or Hemorrhoidectomy	\$ 150.00
Thoracentesis	\$ 22.50	Removal of External Hemorrhoids	\$ 22.50
Pneumonectomy, total	\$ 750.00	Aspiration biopsy of liver, pancreas	
Wedge Resection of Lung,		Or bile duct	\$ 37.50
Single or Multiple	\$ 600.00	Cholecystotomy	\$ 375.00
Thoracoscopy (including biopsy)	\$ 150.00	Cholecystectomy	\$ 450.00
		Pancreatectomy – partial	\$ 600.00
CARDIOVASCULAR SYSTEM			
		Pancreatectomy – total	\$ 1,050.00
		Laparotomy	\$ 300.00
HEART			
		Hemiotomy	\$ 262.50
Heart Transplant	\$ 1,500.00		
Catheterization of Heart	\$ 112.50	URINARY SYSTEM	
Suture of Heart wound or injury	\$ 750.00	Nephrolithotomy	\$ 600.00
Valvotomy, aortic and pulmonic valve	\$ 1,125.00	Renal Biopsy	\$ 37.50
Valvotomy, mitral valve	\$ 1,050.00	Nephrectomy	\$ 600.00
Valvutoplasty or Replacement		Lithotripsy	\$ 375.00
Aortic and mitral valve	\$ 1,500.00	Kidney Transplant	\$ 937.50
Coronary Bypass, single or multiple	\$ 1,500.00	Cystotomy	\$ 375.00
Repair of Myocardial Aneurysm	\$ 1,500.00	Cystectomy – partial	\$ 525.00
Repair of Septal Defect	\$ 1,350.00	Cystectomy – complete	\$ 750.00
Angioplasty, percutaneous	\$ 750.00	Urethroscopy or Cystoscopy	\$ 37.50
Pervenous or Transvenous insertion of		Cystoplasty	\$ 600.00
Pacemaker	\$ 375.00	Dilation of Urethra	\$ 15.00
ARTERIES			
Arterlotomy, extramity	\$ 450.00	GENITAL SYSTEM	
Thromboendarterectomy	\$ 900.00	MALE	
Carotid endarterectomy	\$ 900.00	Circumcision	\$ 22.50
Excision and graft, Abdominal Aortic		Orchlectomy	\$ 150.00
Aneurysm	\$ 1,125.00	Reduction of Torsion of Testis	\$ 225.00
Injection – Varicose Veins	\$ 7.50	Excision of Epididymis, Hydrocele,	
		Varicocoele	\$ 225.00
HEMIC AND LYPHATIC SYSTEMS			
Splenectomy	\$ 450.00	Vasectomy	\$ 112.50
Biopsy of Lymph Node	\$ 37.50	Biopsy, Prostate	\$ 125.00
Radical Lymphadenectomy	\$ 382.50	Prostatectomy – partial	\$ 600.00
		Prostatectomy – radical	\$ 750.00
DIGESTIVE SYSTEM			
		FEMALE	
Gastrotomy	\$ 375.00	Hysterectomy, Vaginal or Abdominal	\$ 450.00
Gastrectomy, Total	\$ 750.00	Hysterectomy, radical for cancer	
Gastrectomy, Partial	\$ 600.00	Including lymph nodes	\$ 750.00
Gastrosocopy	\$ 112.50	Salpingo – oophorectomy	\$ 337.50
Gastro		Repair of cystocele or rectocele	\$ 262.50
Gastrorrhaphy	\$ 375.00	Repair of cystocele and rectocele	\$ 390.00
Enterectathy	\$ 450.00	Tubal Ligation	\$ 300.00
Enterectomy	\$ 525.00	Biopsy or removal of cervical lesion	
Colostomy	\$ 600.00	Or polyp	
Enterostomy	\$ 375.00	Dilation and curettage	\$ 112.50
Enterolysis	\$ 300.00	Myomectomy	\$ 375.00
Diverticulectomy	\$ 375.00	Repair of uterine suspension	\$ 300.00
Appendectomy	\$ 300.00	Cesarian Section	\$ 375.00
Proctectomy	\$ 750.00	Obstetrical Delivery	\$ 150.00
Protosigmoidoscopy	\$ 22.50	Amniocentesis	\$ 37.50
Proctoplasty	\$ 300.00		

ENDOCRINE SYSTEM			
Incision and drainage of			
Thyroid Gland	\$ 22.50		
Local excision of thyroid cyst			
Or adenoma	\$ 300.00		
Thyroidectomy or parathyroidectomy	\$ 525.00		
Adrenalectomy	\$ 600.00		
NERVOUS SYSTEM			
Burr Holes	\$ 225.00		
Cranioplasty	\$ 750.00		
Craniotomy or Craniectomy	\$ 300.00		
Laminectomy	\$ 750.00		
Spinal Puncture	\$ 15.00		
Paravertebral block, lumbar,			
Or thoracic nerve	\$ 37.50		
Median nerve decompression (Carpal Tunnel)	\$ 225.00		
EYE			
Removal of eye	\$ 300.00		
Excision of pteryglum	\$ 187.50		
Sclerotomy – anterior	\$ 375.00		
Sclerotomy – posterior	\$ 225.00		
Iridectomy	\$ 375.00		
Extraction of lens (including			
Cataract extraction)	\$ 600.00		
Reattachment of retina	\$ 750.00		
Muscle operation (one or more muscles)	\$ 450.00		
Excision of lacrimal gland or sac	\$ 375.00		
EAR			
Drainage of abscess	\$ 15.00		
Otoscopy	\$ 15.00		
Myringotomy	\$ 22.50		
Tympanotomy (diagnostic)	\$ 375.00		
Tympanotomy with insertion of			
Collar Button Tube	\$ 187.50		
Mastoidectomy – simple	\$ 375.00		
Tympanoplasty	\$ 750.00		
Labyrinthotomy or Labyrinthectomy	\$ 750.00		



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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,



Paul S. Amos II, 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.

IMPORTANT NOTICE

Under North Carolina General Statute Section 58-50-40, no person, employer, principal, agent, trustee, or third party administrator, who is responsible for the payment of group health or life insurance or group health plan premiums, shall: (1) cause the cancellation or non-renewal 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 written notice of the person's intention to stop payment of premiums.

Please note that persons insured under group health or life insurance or group health plans may be entitled to conversion of their coverage under Article 53 of Chapter 58 of the General Statutes or entitled to purchase individual policies under the Federal Health Insurance Portability and Accountability Act and Under Article 68 of Chapter 58 of the General Statutes. Check your Certificate for additional information on conversion.

Violation of this law is a felony. Any person violating this law is also subject to a court order requiring the person to compensate persons insured for expenses or losses incurred as a result of the termination of the insurance.

NOTICE OF PRIVACY PRACTICES – PROTECTED HEALTH INFORMATION

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. The terms of this Notice of Privacy Practices – Protected Health Information (“Notice”) apply to Protected Health Information (defined below) associated with Health Plans (defined below) issued by American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company (collectively, “we,” “our,” or “Aflac”). This Notice describes how CAIC may use and disclose Protected Health Information to carry out payment and health care operations, and for other purposes that are permitted or required by law.

We are required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) to maintain the privacy of Protected Health Information and to provide our policyholders and certificateholders with notice of our legal duties and privacy practices concerning Protected Health Information. In the event applicable law, other than HIPAA, prohibits or materially limits our uses and disclosures of Protected Health Information, as set forth below, we will restrict our uses or disclosure of your Protected Health Information in accordance with the more stringent standard. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all Protected Health Information maintained by us. If we make material changes to our privacy practices, we will mail copies of revised notices to all policyholders and certificateholders then covered by a Health Plan. Copies of our current Notice may be obtained by contacting CAIC at the telephone number or address below, or on our Web site at www.aflacgroupinsurance.com.

DEFINITIONS

Health Plan means, for purposes of this Notice, the following plans issued by CAIC: dental, specified disease (e.g., cancer), hospital indemnity and other coverages that meet the definition of Health Plan contained in HIPAA. The following products are not considered Health Plans: coverage only for accident, or disability income insurance, or any combination thereof, life insurance, and other coverages that do not meet the definition of Health Plan contained in HIPAA.

Protected Health Information (“PHI”) means individually identifiable health information, as defined by HIPAA, that is created or received by CAIC and that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes information of persons living or deceased, unless the person has been deceased more than 50 years.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

The following categories describe different ways that we use and disclose PHI. For each category of uses and disclosures we will explain what we mean and, where appropriate, provide examples for illustrative purposes. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted or required to use and disclose PHI will fall within one of the categories.

Uses and Disclosures for Payment – We may make requests, uses, and disclosures of your PHI as necessary for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims. We may also disclose your PHI for the payment purposes of a health care provider or another Health Plan.

Uses and Disclosures for Health Care Operations – We may use and disclose your PHI as necessary for our health care operations. Examples of health care operations include underwriting, premium rating, or other activities relating to the creation, renewal, or replacement of a Health Plan, reinsurance, compliance, auditing, rating, business management, quality improvement and assurance, and other functions related to your Health Plan. Although underwriting falls within the definition of health care operations, we will not use or disclose genetic information for purposes of underwriting. Genetic information is defined under the Genetic Information Nondiscrimination Act (GINA).

Family and Friends Involved in Your Care – If you are available and do not object, we may disclose your PHI to your family, friends, and others who are involved in your care or payment of a claim. If you are unavailable or incapacitated and we determine that a limited disclosure is in your best interest, we may share limited PHI with such individuals. For example, we may use our professional judgment to disclose PHI to your spouse concerning the processing of a claim. If you do not wish CAIC to share PHI with your spouse or others, you may exercise your right to request a restriction on CAIC’s disclosures of your PHI (see below).

Business Associates – Certain aspects and components of our services are performed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our duly-appointed insurance agents and vendors that help us process your claims. At times it may be necessary for us to provide certain of your PHI to one or more of these outside persons or organizations.

Other Products and Services – We may contact you to provide information about other health-related products and services that may be of interest to you. For example, we may use and disclose your PHI for the purpose of communicating to you about our health insurance products that could enhance or substitute for existing Health Plan coverage, and about health-related products and services that may add value to your Health Plan.

Other Uses and Disclosures – We may make certain other uses and disclosures of your PHI without your authorization:

- We may use or disclose your PHI for any purpose required by law. For example, CAIC may be required by law to use or disclose your PHI to respond to a court order.
- We may disclose your PHI for public health activities, such as reporting of disease, injury, birth and death, and for public health investigations.
- We may disclose your PHI to the proper authorities if we suspect child abuse or neglect; we may also disclose your PHI if we believe you to be a victim of abuse, neglect, or domestic violence.
- We may disclose your PHI if authorized by law to a government oversight agency (e.g., a state insurance department) conducting audits, investigations, or civil or criminal proceedings.
- We may disclose your PHI in the course of a judicial or administrative proceeding (e.g., to respond to a subpoena or discovery request).
- We may disclose your PHI to the proper authorities for law enforcement purposes.
- We may disclose your PHI to coroners, medical examiners, and/or funeral directors consistent with law.
- We may use or disclose your PHI for cadaveric organ, eye or tissue donation.
- We may use or disclose your PHI for research purposes, but only as permitted by law.
- We may use or disclose PHI to avert a serious threat to health or safety.
- We may use or disclose your PHI if you are a member of the military as required by armed forces services, and we may also disclose your PHI for other specialized government functions such as national security or intelligence activities.
- We may disclose your PHI to workers' compensation agencies for your workers' compensation benefit determination.
- We will, if required by law, release your PHI to the Secretary of the Department of Health and Human Services for enforcement of HIPAA.

Your Authorization – Except as outlined above, we will not use or disclose your PHI unless you have signed a form authorizing the use or disclosure. Specifically, most uses and disclosures of psychotherapy notes, uses or disclosures for marketing purposes and disclosures that constitute a sale of PHI require an authorization. You have the right to revoke that authorization in writing except to the extent that we have taken action in reliance upon the authorization or that the authorization was obtained as a condition of obtaining insurance, and we have the right, under other law, to contest a claim under the plan itself.

- The following are examples of when your authorization would be required prior to use and disclosure:
 - Most uses and disclosures of your psychotherapy notes.
 - Uses and disclosures of your PHI for marketing purposes.
 - Uses and disclosures that constitute a sale of PHI.

Breach of Unsecured PHI – If CAIC or a Business Associate of CAIC causes a breach to occur that involved your unsecured PHI, we are required by law to notify you of the incident.

RIGHTS THAT YOU HAVE

Access to Your PHI – You have the right to copy and/or inspect certain PHI that we maintain about you. Certain requests for access to your PHI must be in writing, must state that you want access to your PHI and must be signed by you or your representative (e.g., requests for medical records provided to us directly from your health care provider). We must provide you with access to your PHI in the form or format requested by you, if it is readily producible in such form or format, or, if not, in a form or format agreed upon by you and CAIC. Access request forms are available from CAIC at the address below. We may charge you a fee for copying and postage. We may deny your request for access in certain very limited circumstances, such as request to access psychotherapy notes.

Amendments to Your PHI – You have the right to request that PHI that we maintain about you be amended or corrected. We are not obligated to make all requested amendments but will give each request careful consideration. To be considered, your amendment request must be in writing, must be signed by you or your representative, and must state the reasons for the amendment/correction request. Amendment request forms are available from CAIC at the address below.

Accounting for Disclosures of Your PHI – You have the right to receive an accounting of certain disclosures made by us of your PHI. Examples of disclosures that we are required to account for include those to state insurance departments, pursuant to valid legal process, or for law enforcement purposes. To be considered, your accounting requests must be in writing and signed by you or your representative. Accounting request forms are available from CAIC at the address below. The first accounting in any 12-month period is free; however, we may charge you a fee for each subsequent accounting you request within the same 12-month period.

Restrictions on Use and Disclosure of Your PHI – You have the right to request restrictions on certain of our uses and disclosures of your PHI for insurance payment or health care operations, disclosures made to persons involved in your care, and disclosures for disaster relief purposes. For example, you may request that we not disclose your PHI to your spouse. Your request must describe in detail the restriction you are requesting. HIPAA does not require us to agree to your request but we will accommodate reasonable requests when appropriate. We retain the right to terminate an agreed-to restriction if we believe such termination is appropriate. In the event of a termination by us, we will notify you of such termination. You also have the right to terminate, in writing or orally, any agreed-to restriction. Requests for a restriction (or termination of an existing restriction) may be made by contacting CAIC at the telephone number or address below.

However, we are authorized by law to refuse to honor any request to restrict disclosures for treatment, payment or health care operations. Nonetheless, we will comply with a restriction request if (i) the disclosure is to the Health Plan for purposes of carrying out payment or healthcare operations, except as otherwise required by law, (ii) the PHI relates solely to a health care item or service for which the healthcare provider involved has been paid out-of-pocket in full.

Request for Confidential Communications – You have the right to request that communications regarding your PHI be made by alternative means or at alternative locations. For example, you may request that messages not be left on voice mail or sent to a particular address. We are required to accommodate reasonable requests if you inform us that disclosure of all or part of your information could place you in danger. Requests for confidential communications must be in writing, signed by you or your representative, and sent to CAIC at the address below.

Right to a Copy of the Notice – You have the right to a paper copy of this Notice upon request by contacting CAIC at the telephone number or address below.

Complaints – If you believe your privacy rights have been violated, you can file a complaint with CAIC in writing at the address below. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington, D.C., within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

FOR FURTHER INFORMATION

If you have questions or need further assistance regarding this Notice, you may contact CAIC's Privacy Office by writing to: CAIC, Attn: Privacy Office, P.O. Box 427, Columbia, SC 29202, or by calling 1-800-433-3036.

EFFECTIVE DATE

This Notice is effective August 16, 2013.

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. CAIC is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

PRIVACY PRACTICES

Protecting the privacy and confidentiality of information about our customers is very important to American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company collectively, "Aflac". Accordingly, we strive to comply with each of the following practices in everything we do:

- **We do not sell, rent, lease or otherwise disclose personal information of our customers for purposes unrelated to our products and services.** The personal information of our customers is of paramount importance to us. Therefore, we provide this information only to our employees, agents and third parties as required to allow them to help us develop and provide our insurance and employee benefit products and services.
- **We work to ensure information integrity and security.** We use technology tools and design our business practices to help ensure that the personal information of our customers is properly gathered, stored and processed. We also work to maintain the security of, and internal and external access to, the personal information of our customers through the use of technology and our business practices.
- **We expect our agents and employees to respect the personal information of our customers.** Aflac has business policies and practices in place to help ensure that our employees and agents carry out these practices and otherwise protect personal information about our customers. Both employees and agents are subject to censure, dismissal, or termination for violation of these policies.

These Privacy Practices apply to our U.S. customers. Due to legal and cultural differences, our practices may vary outside the United States.

PRIVACY NOTICE

Aflac and our agents provide this notice to let you know about the current privacy practices of Aflac and our agents. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

Collection of Information

As part of Aflac's normal underwriting and operating procedures, Aflac (and our agents acting on our behalf) needs to obtain information to determine an individual's eligibility for our products and services, and to perform our insurance functions. Aflac and our agents may collect nonpublic personal information (which includes both nonpublic personal financial information and nonpublic personal health information) about Aflac's customers, including:

- Information from our customers (including names, addresses, financial and health information).
- Information about the customers' transactions with Aflac or our agents (including claims and payment information).
- Information from consumer reporting agencies (including creditworthiness and credit history); motor vehicle records agencies (including accident reports and violations); investigators (including information regarding general character and participation in hazardous activities); insurance support organizations such as the Medical Information Bureau, Inc. (including claims, and health and insurance application histories); and the customers' health care providers (including health history), employers (including salary and benefits information), and family members.

Disclosure of Information

Aflac may disclose the nonpublic personal financial information we collect, as described above, as well as information about your transactions with us (such as your plan coverage, premiums, and payment history) to our agents or other third parties who perform services or functions on our behalf, including in some circumstances the marketing of Aflac products. We may also disclose the nonpublic personal financial information we collect to other third parties as authorized by you, or as required or permitted by law.

Our agents will make disclosures of our customers' nonpublic personal financial information only while acting on Aflac's behalf and, furthermore, will make such disclosures only as Aflac itself is permitted to make.

Neither Aflac nor our agents will use or share with other parties any nonpublic personal health information about Aflac customers for any purpose other than disclosures for the performance of insurance functions by Aflac or on our behalf, disclosures that are permitted or required by law, or disclosures that the customer has authorized.

Neither Aflac nor our agents will further disclose any nonpublic personal information about a former customer of Aflac other than as may be required or permitted by law.

Confidentiality and Security

Aflac and our agents will safeguard, according to strict standards of security and confidentiality, any information we collect, receive or maintain about Aflac's customers. Aflac maintains administrative, technical, and physical safeguards to ensure the security and confidentiality of our customer information and records, to protect against anticipated threats or hazards to such records, and to protect against unauthorized access to or use of such information or records.

Internally, Aflac limits access to our customers' information to only those employees who need access to the information to perform their job functions. Employees who misuse information are subject to disciplinary actions. Externally, we do not disclose customer information to any third parties unless we have previously informed the customer of the disclosure, have been authorized to do so by the customer, or are required or permitted to make the disclosure by law or our regulators.

NOTICE OF INFORMATION PRACTICES

Arizona, California, Connecticut, Georgia, Illinois, Maine, Massachusetts, Minnesota, Nevada, New Jersey, North Carolina, Ohio, Oregon, and Virginia require insurers and agents to describe their information practices in addition to providing a Privacy Notice. There is significant overlap between the two notices, but in general our Information Practices include the following: Aflac may obtain information about you and any other persons proposed for insurance. Some of this information will come from you and some may come from other sources. That information and any other subsequent information collected by Aflac may in some circumstances be disclosed to third parties without your specific consent. Residents of these states have the right to access and correct the information collected about them except information that relates to a claim or to a civil or criminal proceeding. They also have the right to receive the specific reason for an adverse underwriting decision in writing. If you wish to have a more detailed explanation of our information practices required by your state, please submit a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

NOTICE OF PRIVACY PRACTICES - PROTECTED HEALTH INFORMATION

If you would like a copy of Aflac's Notice of Privacy Practices - Protected Health Information, issued pursuant to the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), copies are available by sending a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

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. **Aflac** is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

Continental American Insurance Company • 2801 Devine Street • Columbia, South Carolina 29205 1-800-433-3036 toll-free



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

Based on the application for this Group Supplemental Hospital Indemnity Insurance Policy (herein called the Plan) made by

Pitt County Government
(herein called the Policyholder)

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

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

IMPORTANT CANCELLATION INFORMATION - PLEASE READ THE PROVISION ENTITLED "TERMINATION OF THE PLAN" FOUND ON PAGE 3.

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

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

THIS PLAN IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE; IT IS DESIGNED TO SUPPLEMENT A MAJOR MEDICAL PROGRAM.

This Plan is delivered in and is governed by the laws of North Carolina.

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

READ YOUR POLICY CAREFULLY.

Signed for the Company at its Home Office,

Paul S. Amos II, President

J. Matthew Loudermilk, Secretary

THERE MAYBE NO RECOVERY FOR PRE-EXISTING CONDITIONS FOR THE FRIST YEAR

Group Policy Number - 22856
Effective Date - 07/01/2016
Anniversary Date - 07/01/2017
Jurisdiction - North Carolina
Non-Participating

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
- SECTION II** - Premium Provisions
- SECTION III** - Definitions
- SECTION IV** - Benefit Provisions
- SECTION V** - Limitations and Exclusions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedule
- SECTION IX** - Schedule of Operations
- SECTION X** - Incorporation of Rider Provisions
- SECTION XI** - Occupational Classifications and Schedule of Premiums

SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

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

1. An Employee of the policyholder, and has served 90 days of continuous employment;
2. Under age 65; **and**
3. Engaged in full-time work; **and**
4. Included in the class of employees eligible for coverage as shown on the application.

EFFECTIVE DATE

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

The Effective Date for an Employee is as follows:

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

TERMINATION OF THE PLAN

The Plan will cease if the policyholder fails to pay the premium before the end of the grace period.

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

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

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

The policyholder has the sole responsibility to notify Employees of such termination.

TERMINATION OF AN EMPLOYEE'S INSURANCE

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

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

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

SECTION II

PREMIUM PROVISIONS

PREMIUM CALCULATIONS

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

PREMIUM PAYMENTS

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

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

GRACE PERIOD

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

SECTION III

DEFINITIONS

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

We, Us, or Our - means Continental American.

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

Covered Person - means you if the certificate is issued as Individual coverage.

If the certificate is issued as:

1. Employee/Spouse coverage Covered Person means you and your legal spouse.
2. Single Parent Family coverage Covered Person means you and your covered dependent children as defined in the applicable rider, that have been accepted for coverage.
3. Family coverage Covered Person means you, your spouse and covered dependent children, as defined in the applicable rider, that have been accepted for coverage.

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

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

Sickness - means an illness, infection, disease or any other abnormal condition, which is not caused solely by or the result of an injury.

Covered Sickness - means an illness, infection, disease or any other abnormal physical condition which is not caused solely by or the result of any injury which:

1. Occurs while this Plan is in force; **and**
2. Was not treated or for which you did not receive advice within 12 months before the effective date of this Plan; **and**
3. Is not excluded by name or specific description in this Plan.

Calendar Year – means the period beginning on the Plan 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.

On-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under On-The-Job.

Off-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under Off-The-Job.

Monthly Benefit - means a specified amount paid for a period of one month, with any periods of less than one month paid at the daily rate of 1/30th of the monthly amount.

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

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

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

Hospital - means a place which:

1. Is legally licensed and operated as a hospital;
2. Provides overnight care of injured and sick people;
3. Is supervised by a doctor;
4. Has full-time nurses supervised by a registered nurse;
5. Has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities (this requirement is not applicable to state tax-supported institutions); **and**
6. Maintains permanent medical history records.

A hospital is not:

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

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

Hospital Intensive Care Unit - means a place which:

1. Is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care;
2. Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
3. Is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
4. Is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
5. Is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a twenty four hour basis; **and**
6. Has a doctor assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit is not any of the following step-down units:

1. A progressive care unit;
2. A sub-acute intensive care unit;
3. An intermediate care unit;
4. A private monitored room;
5. A surgical recovery room;
6. An observation unit; **or**
7. Any facility not meeting the definition of a hospital intensive care unit as defined in this Plan.

Your Occupation - means the job in which you are regularly engaged at the time you become insured.

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

Full-Time Work - means spending at least 40 hours per week performing your occupational duties.

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

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

SECTION IV

BENEFIT PROVISIONS

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

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the elimination period if any, when a covered person is confined to a hospital as a resident bed patient as the result of an injury or because of a covered sickness. In order to receive this benefit for an injury, you must be confined to a hospital within 6 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 a covered person can collect benefits for each hospital confinement. We will pay for only one hospital confinement at a time even if caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

If a covered person is not confined to the hospital for a full month, we will pay benefits on a daily basis. Daily benefits are paid at the rate of 1/30th of the monthly amount.

Hospital Admission - We will pay this benefit when a covered person is admitted to a hospital and confined as a resident bed patient because of an injury or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, a covered person must be admitted to a hospital within 6 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 only pay this benefit once for each covered accident or covered sickness. If you are confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Surgical Benefit - If surgery due to an injury or because of a covered sickness is performed by a Physician, We will pay the amount for the Surgical Operation shown opposite the procedure listed in the Schedule of Operations up to the maximum shown on the Benefit Schedule per surgical procedure. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Physician'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.

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 Benefit, We will pay the amount shown in the Schedule of Operations for anesthesia administered by a Physician in connection with such procedure. Benefits, however, will be 25% of the amount paid under Surgical Benefit.

ADDITIONAL BENEFITS

Wellness Benefit - We will pay the amount shown on the Benefit Schedule page per calendar year when a covered person visits a doctor and the covered person is neither injured nor sick.

SECTION V

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

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

We will not pay benefits for any loss or injury which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of a Certificate and attached riders, as applicable, or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

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

Pregnancy is a "pre-existing condition" if conception was before the effective date of a certificate.

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

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.

21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

SECTION VI

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or covered sickness, or as soon as reasonably possible. The notice may be given to us our Home Office in Columbia, South Carolina or to any of our authorized agents. The notice should include the name of the covered person and the certificate number.

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

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

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

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

1. To any approved assignee.
2. Your beneficiary.
3. Your surviving spouse.
4. Your estate.

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

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

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

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

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

SECTION VII

GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. The Plan;
2. The application of the policyholder; **and**
3. Your application(s).

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

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

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

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

Time Limit On Certain Defenses - After this Plan has been in force for two years as respects an Employee, no misstatements in the application of that Employee may be used to void his or her coverage or to deny any claim for loss incurred after the two year period.

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

Individual Certificate - Continental American will give the policyholder a certificate for each Employee. The certificate will set forth:

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

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

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

SECTION VIII**BENEFIT SCHEDULE
HIGH PLAN**

HOSPITAL CONFINEMENT Maximum 180 days per confinement	\$150 per day
HOSPITAL ADMISSION Payable once per admission	\$1,500 per admission
SURGICAL BENEFIT Maximum \$1,500 per surgical procedure	See Surgical Schedule
ANESTHESIA BENEFIT Maximum \$375 per surgical procedure	25% of the amount paid under Surgical Benefit
WELLNESS BENEFIT Maximum per calendar year	\$50

SECTION IX

SCHEDULE OF OPERATIONS

HIGH PLAN

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 15.00	Shoulder or Elbow Arthrotomy	\$ 375.00
Acne Surgery	\$ 11.25	Arthroplasty	\$ 600.00
Biopsy	\$ 22.50	Wrist Arthrotomy	\$ 300.00
Excision of Benign Tumor	\$ 30.00	Arthroplasty	\$ 600.00
Excision of Malignant Tumor		Hip Arthrotomy	\$ 525.00
(Trunk, Arms or Legs)	\$ 45.00	Arthroplasty	\$ 750.00
Excision of Malignant Tumor		Knee Arthrotomy	\$ 375.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 750.00
Feet, Genitalia)	\$ 75.00	Ankle Arthrotomy	\$ 375.00
Excision of Malignant Tumor		Arthroplasty	\$ 562.50
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 150.00
Membrane)	\$ 112.50		
Excision of Nail	\$ 75.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 15.00	Jaw	\$ 37.50
Repair – Complex Wounds (Linear Repair)	\$ 52.50	Collar Bone (requiring reduction)	\$ 75.00
Repair – Skin Grafts (Single Stage)	\$ 37.50	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 112.50	Or Elbow	\$ 37.50
Electro – surgical destruction of		Wrist	\$ 37.50
Chemocautery	\$ 15.00	Fingers or Toes	\$ 15.00
Chemosurgery – malignancies of skin	\$ 150.00	Hip or Knee	\$ 150.00
		Ankle	\$ 75.00
BREAST			
Biopsy	\$ 112.50	TENDONS	
Excision of Cyst or Benign Tumor	\$ 112.50	Repair or Suture	\$ 90.00
Excision of Chest Wall Tumor	\$ 525.00	Lengthening or Shortening	
Mastectomy, simple	\$ 225.00	(e.g. Achilles tendon)	\$ 225.00
Mastectomy, radical	\$ 525.00		
Mammoplasty, Reconstructive	\$ 1,125.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 562.50
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 262.50
		Finger	\$ 112.50
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 600.00
Spinal Fusion	\$ 600.00	Leg at Knee	\$ 300.00
Spinal Fusion with removal of		Leg above or below knee	\$ 375.00
Intervertebral disc	\$ 600.00	Toe	\$ 75.00
Spinal Fusion of Scoliosis	\$ 900.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 562.50	NOSE	
Nose	\$ 37.50	Excision of Nasal Polyps	\$ 22.50
Jaw	\$ 225.00	Submucous resection, Classic Nasal Sept	\$225.00
Vertabrae, one or more	\$ 225.00		
Collar Bone	\$ 112.50	SINUSES	
Shoulder blade (Scapula)	\$ 412.50	Frontal Sinusotomy – simple	\$ 150.00
Upper Arm	\$ 187.50	Frontal Sinusotomy – radical	\$ 450.00
Lower Arm	\$ 112.50	LARYNX	
Hand	\$ 75.00	Laryngectomy	\$ 750.00
Fingers or Toes	\$ 37.50	Laryngoscopy	\$ 30.00
Upper Leg	\$ 300.00		
Lower Leg	\$ 112.50	TRACHEA AND BRONCHI	
Ankle	\$ 187.50	Tracheotomy	\$ 150.00
Foot	\$ 75.00	Bronchoscopy	\$ 112.50
		Closure of Tracheotomy	\$ 187.50

LUNGS			
Thoracotomy	\$ 375.00	Fistulotomy	\$ 75.00
Pneumonotomy	\$ 450.00	Sphincterotomy	\$ 37.50
Pneumonocentesis	\$ 37.50	Fissurectomy or Hemorrhoidectomy	\$ 150.00
Thoracentesis	\$ 22.50	Removal of External Hemorrhoids	\$ 22.50
Pneumonectomy, total	\$ 750.00	Aspiration biopsy of liver, pancreas	
Wedge Resection of Lung,		Or bile duct	\$ 37.50
Single or Multiple	\$ 600.00	Cholecystotomy	\$ 375.00
Thoracoscopy (including biopsy)	\$ 150.00	Cholecystectomy	\$ 450.00
		Pancreatectomy – partial	\$ 600.00
CARDIOVASCULAR SYSTEM		Pancreatectomy – total	\$ 1,050.00
		Laparotomy	\$ 300.00
HEART		Hemiotomy	\$ 262.50
Heart Transplant	\$ 1,500.00		
Catheterization of Heart	\$ 112.50	URINARY SYSTEM	
Suture of Heart wound or injury	\$ 750.00	Nephrolithotomy	\$ 600.00
Valvotomy, aortic and pulmonic valve	\$ 1,125.00	Renal Biopsy	\$ 37.50
Valvotomy, mitral valve	\$ 1,050.00	Nephrectomy	\$ 600.00
Valvutoplasty or Replacement		Lithotripsy	\$ 375.00
Aortic and mitral valve	\$ 1,500.00	Kidney Transplant	\$ 937.50
Coronary Bypass, single or multiple	\$ 1,500.00	Cystotomy	\$ 375.00
Repair of Myocardial Aneurysm	\$ 1,500.00	Cystectomy – partial	\$ 525.00
Repair of Septal Defect	\$ 1,350.00	Cystectomy – complete	\$ 750.00
Angioplasty, percutaneous	\$ 750.00	Urethroscopy or Cystoscopy	\$ 37.50
Pervenous or Transvenous insertion of		Cystoplasty	\$ 600.00
Pacemaker	\$ 375.00	Dilation of Urethra	\$ 15.00
ARTERIES		GENITAL SYSTEM	
Arterlotomy, extramity	\$ 450.00	MALE	
Thromboendarterectomy	\$ 900.00	Circumcision	\$ 22.50
Carotid endurterectomy	\$ 900.00	Orchlectomy	\$ 150.00
Excision and graft, Abdominal Aortic		Reduction of Torsion of Testis	\$ 225.00
Aneurysm	\$ 1,125.00	Excision of Epididymis, Hydrocele,	
Injection – Varicose Veins	\$ 7.50	Varicocale	\$ 225.00
HEMIC AND LYPHATIC SYSTEMS		Vasectomy	\$ 112.50
Splenectomy	\$ 450.00	Biopsy, Prostate	\$ 125.00
Biopsy of Lymph Node	\$ 37.50	Prostatectomy – partial	\$ 600.00
Radical Lymphadenectomy	\$ 382.50	Prostatectomy – radical	\$ 750.00
DIGESTIVE SYSTEM		FEMALE	
Gastrotomy	\$ 375.00	Hysterectomy, Vaginal or Abdominal	\$ 450.00
Gastrectomy, Total	\$ 750.00	Hysterectomy, radical for cancer	
Gastrectomy, Partial	\$ 600.00	Including lymph nodes	\$ 750.00
Gastrosocopy	\$ 112.50	Salpingo – oophorectomy	\$ 337.50
Gastro		Repair of cystocele or rectocele	\$ 262.50
Gastrorrhaphy	\$ 375.00	Repair of cystocele and rectocele	\$ 390.00
Enterectathy	\$ 450.00	Tubal Ligation	\$ 300.00
Enterectomy	\$ 525.00	Biopsy or removal of cervical lesion	
Colostomy	\$ 600.00	Or polyp	
Enterostomy	\$ 375.00	Dilation and curettage	\$ 112.50
Enterolysis	\$ 300.00	Myomectomy	\$ 375.00
Diverticulectomy	\$ 375.00	Repair of uterine suspension	\$ 300.00
Appendectomy	\$ 300.00	Cesarian Section	\$ 375.00
Proctectomy	\$ 750.00	Obstetrical Delivery	\$ 150.00
Protosigmoidoscopy	\$ 22.50	Amniocentesis	\$ 37.50
Proctoplasty	\$ 300.00		

ENDOCRINE SYSTEM			
Incision and drainage of			
Thyroid Gland	\$ 22.50		
Local excision of thyroid cyst			
Or adenoma	\$ 300.00		
Thyroidectomy or parathyroidectomy	\$ 525.00		
Adrenalectomy	\$ 600.00		
NERVOUS SYSTEM			
Burr Holes	\$ 225.00		
Cranioplasty	\$ 750.00		
Craniotomy or Craniectomy	\$ 300.00		
Laminectomy	\$ 750.00		
Spinal Puncture	\$ 15.00		
Paravertebral block, lumbar,			
Or thoracic nerve	\$ 37.50		
Median nerve decompression (Carpal Tunnel)	\$ 225.00		
EYE			
Removal of eye	\$ 300.00		
Excision of pteryglum	\$ 187.50		
Sclerotomy – anterior	\$ 375.00		
Sclerotomy – posterior	\$ 225.00		
Iridectomy	\$ 375.00		
Extraction of lens (including			
Cataract extraction)	\$ 600.00		
Reattachment of retina	\$ 750.00		
Muscle operation (one or more muscles)	\$ 450.00		
Excision of lacrimal gland or sac	\$ 375.00		
EAR			
Drainage of abscess	\$ 15.00		
Otoscopy	\$ 15.00		
Myringotomy	\$ 22.50		
Tympanotomy (diagnostic)	\$ 375.00		
Tympanotomy with insertion of			
Collar Button Tube	\$ 187.50		
Mastoidectomy – simple	\$ 375.00		
Tympanoplasty	\$ 750.00		
Labyrinthotomy or Labyrinthectomy	\$ 750.00		

SECTION X

INCORPORATION OF RIDER PROVISIONS

The attached listed Certificate Riders are made a part of this policy:

Dependent Spouse Rider	CA8500-DSR (NC)
Dependent Children Rider	CA8500-DCR (NC)
Children Definition Rider	CAI0040NC
Portability Privilege Amendment	CAICCLASSPORTNC

SECTION XI 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 40 hours per week.**

GROUP HOSPITAL INDEMNITY



Mark III Accounts - Semimonthly (24pp/yr)		
Plan II	Employee	\$ 15.48
	Employee & Spouse	\$ 30.59
	Employee & Dependent Children	\$ 21.46
	Family	\$ 36.57

Benefit Summary	
Hospital Confinement (Per Day)	\$ 150
Hospital Admission (Per Confinement)	\$ 1,500
Surgical Benefit (up to amount)	\$ 1,500
Wellness	\$ 50

Residents of Massachusetts are not eligible for Hospital Admission Benefit amounts in excess of \$500.

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



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CONTINENTAL AMERICAN INSURANCE COMPANY

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



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT CHILDREN BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR Means the insured named in the Dependent Rider Schedule.

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

1. Unmarried;
2. Chiefly dependent on you or your spouse for support; **and**
3. Younger than age 19, or younger than age 25, if they are full-time students. The definition of "full-time student" will be based on the criteria of the learning institution at which the student is enrolled.

"Child or Children" also includes children, regardless of age, who:

1. Are mentally or physically handicapped;
2. Became or become handicapped prior to age 19; **and**
3. Cannot support themselves because of their handicap.

A child born after the Effective Date of this rider will also be covered from the moment of live birth. No notice or additional premium is required.

DEPENDENT Means your child or children covered under this rider.

ACTIVE

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

TREATMENT

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

BENEFITS

If a dependent qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for the dependent are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

**PRE-EXISTING
CONDITION**

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of this rider.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of this rider. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

Children added after the effective date of this rider will be covered from the moment of birth or placement as applicable.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.

7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

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

TIME LIMIT ON CERTAIN DEFENSES

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

Child or Children Definition Rider

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

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

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

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

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT SPOUSE BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR	Means the insured named in the Rider Schedule.
SPOUSE	Means your legal spouse who is between the ages of 18 and 64.
ACTIVE	"Active" as used refers a dependent who is not confined in a hospital and who is able to carry on regular activities customary of a person in good health of the same age and sex.
TREATMENT	Means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

BENEFITS

If your insured spouse qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for you insured spouse are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of your spouse's coverage.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of your spouse's coverage. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.

13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

If your spouse's coverage is terminated because of attainment of the limiting age, we will still pay benefits for any covered accident or sickness which occurred while he/she was covered under this rider.

**TIME LIMIT
ON CERTAIN
DEFENSES**

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT SPOUSE RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

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

Paul S. Amos II, 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.

IMPORTANT NOTICE

Under North Carolina General Statute Section 58-50-40, no person, employer, principal, agent, trustee, or third party administrator, who is responsible for the payment of group health or life insurance or group health plan premiums, shall: (1) cause the cancellation or non-renewal 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 written notice of the person's intention to stop payment of premiums.

Please note that persons insured under group health or life insurance or group health plans may be entitled to conversion of their coverage under Article 53 of Chapter 58 of the General Statutes or entitled to purchase individual policies under the Federal Health Insurance Portability and Accountability Act and Under Article 68 of Chapter 58 of the General Statutes. Check your Certificate for additional information on conversion.

Violation of this law is a felony. Any person violating this law is also subject to a court order requiring the person to compensate persons insured for expenses or losses incurred as a result of the termination of the insurance.

NOTICE OF PRIVACY PRACTICES – PROTECTED HEALTH INFORMATION

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. The terms of this Notice of Privacy Practices – Protected Health Information (“Notice”) apply to Protected Health Information (defined below) associated with Health Plans (defined below) issued by American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company (collectively, “we,” “our,” or “Aflac”). This Notice describes how CAIC may use and disclose Protected Health Information to carry out payment and health care operations, and for other purposes that are permitted or required by law.

We are required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) to maintain the privacy of Protected Health Information and to provide our policyholders and certificateholders with notice of our legal duties and privacy practices concerning Protected Health Information. In the event applicable law, other than HIPAA, prohibits or materially limits our uses and disclosures of Protected Health Information, as set forth below, we will restrict our uses or disclosure of your Protected Health Information in accordance with the more stringent standard. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all Protected Health Information maintained by us. If we make material changes to our privacy practices, we will mail copies of revised notices to all policyholders and certificateholders then covered by a Health Plan. Copies of our current Notice may be obtained by contacting CAIC at the telephone number or address below, or on our Web site at www.aflacgroupinsurance.com.

DEFINITIONS

Health Plan means, for purposes of this Notice, the following plans issued by CAIC: dental, specified disease (e.g., cancer), hospital indemnity and other coverages that meet the definition of Health Plan contained in HIPAA. The following products are not considered Health Plans: coverage only for accident, or disability income insurance, or any combination thereof, life insurance, and other coverages that do not meet the definition of Health Plan contained in HIPAA.

Protected Health Information (“PHI”) means individually identifiable health information, as defined by HIPAA, that is created or received by CAIC and that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes information of persons living or deceased, unless the person has been deceased more than 50 years.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

The following categories describe different ways that we use and disclose PHI. For each category of uses and disclosures we will explain what we mean and, where appropriate, provide examples for illustrative purposes. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted or required to use and disclose PHI will fall within one of the categories.

Uses and Disclosures for Payment – We may make requests, uses, and disclosures of your PHI as necessary for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims. We may also disclose your PHI for the payment purposes of a health care provider or another Health Plan.

Uses and Disclosures for Health Care Operations – We may use and disclose your PHI as necessary for our health care operations. Examples of health care operations include underwriting, premium rating, or other activities relating to the creation, renewal, or replacement of a Health Plan, reinsurance, compliance, auditing, rating, business management, quality improvement and assurance, and other functions related to your Health Plan. Although underwriting falls within the definition of health care operations, we will not use or disclose genetic information for purposes of underwriting. Genetic information is defined under the Genetic Information Nondiscrimination Act (GINA).

Family and Friends Involved in Your Care – If you are available and do not object, we may disclose your PHI to your family, friends, and others who are involved in your care or payment of a claim. If you are unavailable or incapacitated and we determine that a limited disclosure is in your best interest, we may share limited PHI with such individuals. For example, we may use our professional judgment to disclose PHI to your spouse concerning the processing of a claim. If you do not wish CAIC to share PHI with your spouse or others, you may exercise your right to request a restriction on CAIC’s disclosures of your PHI (see below).

Business Associates – Certain aspects and components of our services are performed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our duly-appointed insurance agents and vendors that help us process your claims. At times it may be necessary for us to provide certain of your PHI to one or more of these outside persons or organizations.

Other Products and Services – We may contact you to provide information about other health-related products and services that may be of interest to you. For example, we may use and disclose your PHI for the purpose of communicating to you about our health insurance products that could enhance or substitute for existing Health Plan coverage, and about health-related products and services that may add value to your Health Plan.

Other Uses and Disclosures – We may make certain other uses and disclosures of your PHI without your authorization:

- We may use or disclose your PHI for any purpose required by law. For example, CAIC may be required by law to use or disclose your PHI to respond to a court order.
- We may disclose your PHI for public health activities, such as reporting of disease, injury, birth and death, and for public health investigations.
- We may disclose your PHI to the proper authorities if we suspect child abuse or neglect; we may also disclose your PHI if we believe you to be a victim of abuse, neglect, or domestic violence.
- We may disclose your PHI if authorized by law to a government oversight agency (e.g., a state insurance department) conducting audits, investigations, or civil or criminal proceedings.
- We may disclose your PHI in the course of a judicial or administrative proceeding (e.g., to respond to a subpoena or discovery request).
- We may disclose your PHI to the proper authorities for law enforcement purposes.
- We may disclose your PHI to coroners, medical examiners, and/or funeral directors consistent with law.
- We may use or disclose your PHI for cadaveric organ, eye or tissue donation.
- We may use or disclose your PHI for research purposes, but only as permitted by law.
- We may use or disclose PHI to avert a serious threat to health or safety.
- We may use or disclose your PHI if you are a member of the military as required by armed forces services, and we may also disclose your PHI for other specialized government functions such as national security or intelligence activities.
- We may disclose your PHI to workers' compensation agencies for your workers' compensation benefit determination.
- We will, if required by law, release your PHI to the Secretary of the Department of Health and Human Services for enforcement of HIPAA.

Your Authorization – Except as outlined above, we will not use or disclose your PHI unless you have signed a form authorizing the use or disclosure. Specifically, most uses and disclosures of psychotherapy notes, uses or disclosures for marketing purposes and disclosures that constitute a sale of PHI require an authorization. You have the right to revoke that authorization in writing except to the extent that we have taken action in reliance upon the authorization or that the authorization was obtained as a condition of obtaining insurance, and we have the right, under other law, to contest a claim under the plan itself.

- The following are examples of when your authorization would be required prior to use and disclosure:
 - Most uses and disclosures of your psychotherapy notes.
 - Uses and disclosures of your PHI for marketing purposes.
 - Uses and disclosures that constitute a sale of PHI.

Breach of Unsecured PHI – If CAIC or a Business Associate of CAIC causes a breach to occur that involved your unsecured PHI, we are required by law to notify you of the incident.

RIGHTS THAT YOU HAVE

Access to Your PHI – You have the right to copy and/or inspect certain PHI that we maintain about you. Certain requests for access to your PHI must be in writing, must state that you want access to your PHI and must be signed by you or your representative (e.g., requests for medical records provided to us directly from your health care provider). We must provide you with access to your PHI in the form or format requested by you, if it is readily producible in such form or format, or, if not, in a form or format agreed upon by you and CAIC. Access request forms are available from CAIC at the address below. We may charge you a fee for copying and postage. We may deny your request for access in certain very limited circumstances, such as request to access psychotherapy notes.

Amendments to Your PHI – You have the right to request that PHI that we maintain about you be amended or corrected. We are not obligated to make all requested amendments but will give each request careful consideration. To be considered, your amendment request must be in writing, must be signed by you or your representative, and must state the reasons for the amendment/correction request. Amendment request forms are available from CAIC at the address below.

Accounting for Disclosures of Your PHI – You have the right to receive an accounting of certain disclosures made by us of your PHI. Examples of disclosures that we are required to account for include those to state insurance departments, pursuant to valid legal process, or for law enforcement purposes. To be considered, your accounting requests must be in writing and signed by you or your representative. Accounting request forms are available from CAIC at the address below. The first accounting in any 12-month period is free; however, we may charge you a fee for each subsequent accounting you request within the same 12-month period.

Restrictions on Use and Disclosure of Your PHI – You have the right to request restrictions on certain of our uses and disclosures of your PHI for insurance payment or health care operations, disclosures made to persons involved in your care, and disclosures for disaster relief purposes. For example, you may request that we not disclose your PHI to your spouse. Your request must describe in detail the restriction you are requesting. HIPAA does not require us to agree to your request but we will accommodate reasonable requests when appropriate. We retain the right to terminate an agreed-to restriction if we believe such termination is appropriate. In the event of a termination by us, we will notify you of such termination. You also have the right to terminate, in writing or orally, any agreed-to restriction. Requests for a restriction (or termination of an existing restriction) may be made by contacting CAIC at the telephone number or address below.

However, we are authorized by law to refuse to honor any request to restrict disclosures for treatment, payment or health care operations. Nonetheless, we will comply with a restriction request if (i) the disclosure is to the Health Plan for purposes of carrying out payment or healthcare operations, except as otherwise required by law, (ii) the PHI relates solely to a health care item or service for which the healthcare provider involved has been paid out-of-pocket in full.

Request for Confidential Communications – You have the right to request that communications regarding your PHI be made by alternative means or at alternative locations. For example, you may request that messages not be left on voice mail or sent to a particular address. We are required to accommodate reasonable requests if you inform us that disclosure of all or part of your information could place you in danger. Requests for confidential communications must be in writing, signed by you or your representative, and sent to CAIC at the address below.

Right to a Copy of the Notice – You have the right to a paper copy of this Notice upon request by contacting CAIC at the telephone number or address below.

Complaints – If you believe your privacy rights have been violated, you can file a complaint with CAIC in writing at the address below. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington, D.C., within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

FOR FURTHER INFORMATION

If you have questions or need further assistance regarding this Notice, you may contact CAIC's Privacy Office by writing to: CAIC, Attn: Privacy Office, P.O. Box 427, Columbia, SC 29202, or by calling 1-800-433-3036.

EFFECTIVE DATE

This Notice is effective August 16, 2013.

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. CAIC is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

PRIVACY PRACTICES

Protecting the privacy and confidentiality of information about our customers is very important to American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company collectively, "Aflac". Accordingly, we strive to comply with each of the following practices in everything we do:

- **We do not sell, rent, lease or otherwise disclose personal information of our customers for purposes unrelated to our products and services.** The personal information of our customers is of paramount importance to us. Therefore, we provide this information only to our employees, agents and third parties as required to allow them to help us develop and provide our insurance and employee benefit products and services.
- **We work to ensure information integrity and security.** We use technology tools and design our business practices to help ensure that the personal information of our customers is properly gathered, stored and processed. We also work to maintain the security of, and internal and external access to, the personal information of our customers through the use of technology and our business practices.
- **We expect our agents and employees to respect the personal information of our customers.** Aflac has business policies and practices in place to help ensure that our employees and agents carry out these practices and otherwise protect personal information about our customers. Both employees and agents are subject to censure, dismissal, or termination for violation of these policies.

These Privacy Practices apply to our U.S. customers. Due to legal and cultural differences, our practices may vary outside the United States.

PRIVACY NOTICE

Aflac and our agents provide this notice to let you know about the current privacy practices of Aflac and our agents. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

Collection of Information

As part of Aflac's normal underwriting and operating procedures, Aflac (and our agents acting on our behalf) needs to obtain information to determine an individual's eligibility for our products and services, and to perform our insurance functions. Aflac and our agents may collect nonpublic personal information (which includes both nonpublic personal financial information and nonpublic personal health information) about Aflac's customers, including:

- Information from our customers (including names, addresses, financial and health information).
- Information about the customers' transactions with Aflac or our agents (including claims and payment information).
- Information from consumer reporting agencies (including creditworthiness and credit history); motor vehicle records agencies (including accident reports and violations); investigators (including information regarding general character and participation in hazardous activities); insurance support organizations such as the Medical Information Bureau, Inc. (including claims, and health and insurance application histories); and the customers' health care providers (including health history), employers (including salary and benefits information), and family members.

Disclosure of Information

Aflac may disclose the nonpublic personal financial information we collect, as described above, as well as information about your transactions with us (such as your plan coverage, premiums, and payment history) to our agents or other third parties who perform services or functions on our behalf, including in some circumstances the marketing of Aflac products. We may also disclose the nonpublic personal financial information we collect to other third parties as authorized by you, or as required or permitted by law.

Our agents will make disclosures of our customers' nonpublic personal financial information only while acting on Aflac's behalf and, furthermore, will make such disclosures only as Aflac itself is permitted to make.

Neither Aflac nor our agents will use or share with other parties any nonpublic personal health information about Aflac customers for any purpose other than disclosures for the performance of insurance functions by Aflac or on our behalf, disclosures that are permitted or required by law, or disclosures that the customer has authorized.

Neither Aflac nor our agents will further disclose any nonpublic personal information about a former customer of Aflac other than as may be required or permitted by law.

Confidentiality and Security

Aflac and our agents will safeguard, according to strict standards of security and confidentiality, any information we collect, receive or maintain about Aflac's customers. Aflac maintains administrative, technical, and physical safeguards to ensure the security and confidentiality of our customer information and records, to protect against anticipated threats or hazards to such records, and to protect against unauthorized access to or use of such information or records.

Internally, Aflac limits access to our customers' information to only those employees who need access to the information to perform their job functions. Employees who misuse information are subject to disciplinary actions. Externally, we do not disclose customer information to any third parties unless we have previously informed the customer of the disclosure, have been authorized to do so by the customer, or are required or permitted to make the disclosure by law or our regulators.

NOTICE OF INFORMATION PRACTICES

Arizona, California, Connecticut, Georgia, Illinois, Maine, Massachusetts, Minnesota, Nevada, New Jersey, North Carolina, Ohio, Oregon, and Virginia require insurers and agents to describe their information practices in addition to providing a Privacy Notice. There is significant overlap between the two notices, but in general our Information Practices include the following: Aflac may obtain information about you and any other persons proposed for insurance. Some of this information will come from you and some may come from other sources. That information and any other subsequent information collected by Aflac may in some circumstances be disclosed to third parties without your specific consent. Residents of these states have the right to access and correct the information collected about them except information that relates to a claim or to a civil or criminal proceeding. They also have the right to receive the specific reason for an adverse underwriting decision in writing. If you wish to have a more detailed explanation of our information practices required by your state, please submit a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

NOTICE OF PRIVACY PRACTICES - PROTECTED HEALTH INFORMATION

If you would like a copy of Aflac's Notice of Privacy Practices - Protected Health Information, issued pursuant to the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), copies are available by sending a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

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. **Aflac** is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

Continental American Insurance Company • 2801 Devine Street • Columbia, South Carolina 29205 1-800-433-3036 toll-free



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT CHILDREN BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR Means the insured named in the Dependent Rider Schedule.

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

1. Unmarried;
2. Chiefly dependent on you or your spouse for support; **and**
3. Younger than age 19, or younger than age 25, if they are full-time students. The definition of "full-time student" will be based on the criteria of the learning institution at which the student is enrolled.

"Child or Children" also includes children, regardless of age, who:

1. Are mentally or physically handicapped;
2. Became or become handicapped prior to age 19; **and**
3. Cannot support themselves because of their handicap.

A child born after the Effective Date of this rider will also be covered from the moment of live birth. No notice or additional premium is required.

DEPENDENT Means your child or children covered under this rider.

ACTIVE

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

TREATMENT

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

BENEFITS

If a dependent qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for the dependent are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

**PRE-EXISTING
CONDITION**

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of this rider.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of this rider. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

Children added after the effective date of this rider will be covered from the moment of birth or placement as applicable.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.

7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

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

TIME LIMIT ON CERTAIN DEFENSES

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

Child or Children Definition Rider

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

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

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

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

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT SPOUSE BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR	Means the insured named in the Rider Schedule.
SPOUSE	Means your legal spouse who is between the ages of 18 and 64.
ACTIVE	"Active" as used refers a dependent who is not confined in a hospital and who is able to carry on regular activities customary of a person in good health of the same age and sex.
TREATMENT	Means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

BENEFITS

If your insured spouse qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for you insured spouse are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of your spouse's coverage.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of your spouse's coverage. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.

13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

If your spouse's coverage is terminated because of attainment of the limiting age, we will still pay benefits for any covered accident or sickness which occurred while he/she was covered under this rider.

**TIME LIMIT
ON CERTAIN
DEFENSES**

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT SPOUSE RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY POLICY

**THIS CERTIFICATE IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE
IT IS DESIGNED TO SUPPLEMENT A MAJOR MEDICAL PROGRAM.**

CERTIFICATE INDEX

Definitions	Section I
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Benefit Provisions.....	Section III
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We certify that you are insured under the Supplemental Hospital Indemnity Policy (herein called the Plan) issued to your employer, the policyholder, subject to the definitions, exclusions and other provisions of the Plan against loss resulting from Hospital Confinement.

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

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

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

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

IMPORTANT CANCELLATION INFORMATION - PLEASE READ THE PROVISION ENTITLED "INDIVIDUAL TERMINATIONS" ON PAGE 4.

NO RECOVERY FOR PRE-EXISTING CONDITIONS – READ CAREFULLY. No benefits will be provided during the first twelve months of this certificate for conditions for which medical advice or treatment was received or recommended during the twelve month period prior to the effective date shown in the Certificate Schedule.

SECTION I

DEFINITIONS

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

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

You and Your - means the person named in the Certificate Schedule.

Covered Person - means you if this certificate is issued as Individual coverage.

If this certificate is issued as:

1. Employee/Spouse coverage Covered Person means you and your legal spouse.
2. Single Parent Family coverage Covered Person means you and your covered dependent children as defined in the applicable rider, that have been accepted for coverage.
3. Family coverage Covered Person means you, your spouse and covered dependent children, as defined in the applicable rider, that have been accepted for coverage.

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

Covered Accident - means an accident, occurring on or after a covered person's Effective Date, while this certificate is in force, and which is not specifically excluded.

Sickness - means an illness, infection, disease or any other abnormal condition, which is not caused solely by or is not the result of an injury.

Covered Sickness - means an illness, infection, disease or any other abnormal physical condition which is not caused solely by or is not the result of any injury which:

1. Occurs while this certificate is in force; **and**
2. Was not treated or for which a covered person did not receive advice within 12 months before the effective date of his/her coverage; **and**
3. Is not excluded by name or specific description in this certificate.

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.

On-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under On-The-Job.

Off-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under Off-The-Job.

Monthly Benefit - means a specified amount paid for a period of one month. Periods of less than one month paid at the daily rate of 1/30th of the monthly amount.

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

1. Is licensed by the state to practice a healing art;
2. Performs services which are allowed by his or her license; **and**
3. Performs services for which benefits are provided by this certificate.

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

Hospital - means a place which:

1. Is legally licensed and operated as a hospital;
2. Provides overnight care of injured and sick people;
3. Is supervised by a doctor;
4. Has full-time nurses supervised by a registered nurse;
5. Has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities (this requirement is not applicable to state tax-supported institutions); **and**
6. Maintains permanent medical history records.

A hospital is not:

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

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

Hospital Intensive Care Unit - means a place which:

1. Is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care;
2. Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
3. Is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
4. Is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
5. Is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a twenty-four hour basis; **and**
6. Has a doctor assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit is not any of the following step-down units:

1. A progressive care unit;
2. A sub-acute intensive care unit;
3. An intermediate care unit;
4. A private monitored room;
5. A surgical recovery room;
6. An observation unit; **or**
7. Any facility not meeting the definition of a hospital intensive care unit as defined in this policy.

Your Occupation - means the job in which you are regularly engaged at the time you become insured.

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

Full-Time Work - means spending at least 40 hours per week performing your occupation.

If a covered person is not confined to the hospital for a full month, we will pay benefits on a daily basis. Daily benefits are paid at the rate of 1/30th of the monthly amount.

Hospital Admission - We will pay this benefit when a covered person is admitted to a hospital and confined as a resident bed patient because of an injury or a covered sickness. In order to receive this benefit for an injury, a covered person must be admitted to a hospital within 6 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 only pay this benefit once for each covered accident or covered sickness. If a covered person is confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Surgical Benefit - If surgery due to an injury or because of a covered sickness is performed by a physician, we will pay the amount for the Surgical Operation shown opposite the procedure listed in the Schedule of Operations up to the maximum shown on the Benefit Schedule per surgical procedure. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Physician'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.

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 Benefit, we will pay the amount shown in the Schedule of Operations for anesthesia administered by a physician in connection with such procedure. Benefits, however, will be 25% of the amount paid under Surgical Benefit.

ADDITIONAL BENEFITS

Wellness Benefit - We will pay the amount shown on the Benefit Schedule page per calendar year when a covered person visits a doctor and the covered person is neither injured nor sick.

SECTION IV

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - Pre-existing Condition means within the 12-month period prior to the Effective Date of this certificate those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss or injury which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of this certificate, or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

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

Pregnancy is a "pre-existing condition" if conception was before the effective date of this certificate.

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

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.

21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

SECTION V

CLAIM PROVISIONS

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

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

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

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

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

1. To any approved assignee.
2. Your beneficiary.
3. Your surviving spouse.
4. Your estate.

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

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

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

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

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

SECTION VI

GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. The Plan;
2. The application of the policyholder; **and**
3. Your application(s).

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

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

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

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

Time Limit On Certain Defenses - We rely of the statements you made in the application when issuing this certificate. After this certificate has been in force for two years, we cannot cancel it or refuse to pay benefits because of any misstatements in the application.

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

SECTION VII

**BENEFIT SCHEDULE
LOW PLAN**

HOSPITAL CONFINEMENT Maximum 180 days per confinement	\$100	per day
HOSPITAL ADMISSION Payable once per admission	\$500	per admission
SURGICAL BENEFIT Maximum \$750 per surgical procedure	See Surgical Schedule	
ANESTHESIA BENEFIT Maximum \$187.50 per surgical procedure	25% of the amount paid under Surgical Benefit	
WELLNESS BENEFIT Maximum per calendar year	\$50	

SECTION VIII

SCHEDULE OF OPERATIONS

LOW PLAN

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		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
Chemosurgery – 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		\$ -
	\$ -		\$ -

	\$ -			\$ -
LUNGS	\$ -		TRACHEA AND BRONCH	\$ -
Thoracotomy	\$ 187.50		Tracheotomy	\$ 75.00
Pneumonotomy	\$ 225.00		Bronchoscopy	\$ 56.25
Pneumonocentesis	\$ 18.75		Closure of Tracheotomy	\$ 93.75
Thoracentesis	\$ 11.25			\$ -
Pneumonectomy, total	\$ 375.00			\$ -
Wedge Resection of Lung, Single or Multiple	\$ - \$ 300.00		Fistulotomy	\$ 37.50
Thoracoscopy (including biopsy)	\$ 75.00		Sphincterotomy	\$ 18.75
	\$ -		Fissurectomy or Hemorrhoidectomy	\$ 75.00
CARDIOVASCULAR SYSTEM	\$ -		Removal of External Hemorrhoids	\$ 11.25
	\$ -		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			\$ -
Coronary Bypass, single or multiple	\$ 750.00		URINARY SYSTEM	\$ -
Repair of Myocardial Aneurysm	\$ 750.00		Nephrolithotomy	\$ 300.00
Repair of Septal Defect	\$ 675.00		Renal Biopsy	\$ 18.75
Angioplasty, percutaneous	\$ 375.00		Nephrectomy	\$ 300.00
Pervenous or Transvenous insertion of Pacemaker	\$ - \$ 187.50		Lithotripsy	\$ 187.50
	\$ -		Kidney Transplant	\$ 468.75
ARTERIES	\$ -		Cystotomy	\$ 187.50
Arteriotomy, extramity	\$ 225.00		Cystectomy – partial	\$ 262.50
Thromboendarterectomy	\$ 450.00		Cystectomy – complete	\$ 375.00
Carotid endarterectomy	\$ 450.00		Urethroscopy or Cystoscopy	\$ 18.75
Excision and graft, Abdominal Aortic Aneurysm	\$ - \$ 562.50		Cystoplasty	\$ 300.00
Injection – Varicose Veins	\$ 3.75		Dilation of Urethra	\$ 7.50
	\$ -			\$ -
HEMIC AND LYPHATIC SYSTEMS	\$ -		GENITAL SYSTEM	\$ -
Splenectomy	\$ 225.00			\$ -
Biopsy of Lymph Node	\$ 18.75		MALE	\$ -
Radical Lymphadenectomy	\$ 191.25		Circumcision	\$ 11.25
	\$ -		Orchlectomy	\$ 75.00
DIGESTIVE SYSTEM	\$ -		Reduction of Torsion of Testis	\$ 112.50
Gastrotomy	\$ 187.50		Excision of Epididymis, Hydrocele, Varicocele	\$ 37.50 \$ 112.50
Gastrectomy, Total	\$ 375.00		Vasectomy	\$ 56.25
Gastrectomy, Partial	\$ 300.00		Biopsy, Prostate	\$ 62.50
Gastroscopy	\$ 56.25		Prostatectomy – partial	\$ 300.00
Gastro Gastrorrhaphy	\$ 187.50		Prostatectomy – radical	\$ 375.00
Enterectathy	\$ 225.00			\$ -
Enterectomy	\$ 262.50		FEMALE	\$ -
Colostomy	\$ 300.00		Hysterectomy, Vaginal or Abdominal	\$ 225.00
Enterostomy	\$ 187.50		Hysterectomy, radical for cancer Including lymph nodes	\$ - \$ 375.00
Enterolysis	\$ 150.00		Salpingo – oophorectomy	\$ 168.75
Diverticulectomy	\$ 187.50		Repair of cystocele or rectocele	\$ 131.25
Appendectomy	\$ 150.00		Repair of cystocele and rectocele	\$ 195.00
Proctectomy	\$ 375.00		Tubal Ligation	\$ 150.00
Protosigmoidoscopy	\$ 11.25		Biopsy or removal of cervical lesion 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 pterygium	\$	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		
Otосcopy	\$	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 29202
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,



Paul S. Amos II, 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.

IMPORTANT NOTICE

Under North Carolina General Statute Section 58-50-40, no person, employer, principal, agent, trustee, or third party administrator, who is responsible for the payment of group health or life insurance or group health plan premiums, shall: (1) cause the cancellation or non-renewal 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 written notice of the person's intention to stop payment of premiums.

Please note that persons insured under group health or life insurance or group health plans may be entitled to conversion of their coverage under Article 53 of Chapter 58 of the General Statutes or entitled to purchase individual policies under the Federal Health Insurance Portability and Accountability Act and Under Article 68 of Chapter 58 of the General Statutes. Check your Certificate for additional information on conversion.

Violation of this law is a felony. Any person violating this law is also subject to a court order requiring the person to compensate persons insured for expenses or losses incurred as a result of the termination of the insurance.

NOTICE OF PRIVACY PRACTICES – PROTECTED HEALTH INFORMATION

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. The terms of this Notice of Privacy Practices – Protected Health Information (“Notice”) apply to Protected Health Information (defined below) associated with Health Plans (defined below) issued by American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company (collectively, “we,” “our,” or “Aflac”). This Notice describes how CAIC may use and disclose Protected Health Information to carry out payment and health care operations, and for other purposes that are permitted or required by law.

We are required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) to maintain the privacy of Protected Health Information and to provide our policyholders and certificateholders with notice of our legal duties and privacy practices concerning Protected Health Information. In the event applicable law, other than HIPAA, prohibits or materially limits our uses and disclosures of Protected Health Information, as set forth below, we will restrict our uses or disclosure of your Protected Health Information in accordance with the more stringent standard. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all Protected Health Information maintained by us. If we make material changes to our privacy practices, we will mail copies of revised notices to all policyholders and certificateholders then covered by a Health Plan. Copies of our current Notice may be obtained by contacting CAIC at the telephone number or address below, or on our Web site at www.aflacgroupinsurance.com.

DEFINITIONS

Health Plan means, for purposes of this Notice, the following plans issued by CAIC: dental, specified disease (e.g., cancer), hospital indemnity and other coverages that meet the definition of Health Plan contained in HIPAA. The following products are not considered Health Plans: coverage only for accident, or disability income insurance, or any combination thereof, life insurance, and other coverages that do not meet the definition of Health Plan contained in HIPAA.

Protected Health Information (“PHI”) means individually identifiable health information, as defined by HIPAA, that is created or received by CAIC and that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes information of persons living or deceased, unless the person has been deceased more than 50 years.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

The following categories describe different ways that we use and disclose PHI. For each category of uses and disclosures we will explain what we mean and, where appropriate, provide examples for illustrative purposes. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted or required to use and disclose PHI will fall within one of the categories.

Uses and Disclosures for Payment – We may make requests, uses, and disclosures of your PHI as necessary for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims. We may also disclose your PHI for the payment purposes of a health care provider or another Health Plan.

Uses and Disclosures for Health Care Operations – We may use and disclose your PHI as necessary for our health care operations. Examples of health care operations include underwriting, premium rating, or other activities relating to the creation, renewal, or replacement of a Health Plan, reinsurance, compliance, auditing, rating, business management, quality improvement and assurance, and other functions related to your Health Plan. Although underwriting falls within the definition of health care operations, we will not use or disclose genetic information for purposes of underwriting. Genetic information is defined under the Genetic Information Nondiscrimination Act (GINA).

Family and Friends Involved in Your Care – If you are available and do not object, we may disclose your PHI to your family, friends, and others who are involved in your care or payment of a claim. If you are unavailable or incapacitated and we determine that a limited disclosure is in your best interest, we may share limited PHI with such individuals. For example, we may use our professional judgment to disclose PHI to your spouse concerning the processing of a claim. If you do not wish CAIC to share PHI with your spouse or others, you may exercise your right to request a restriction on CAIC’s disclosures of your PHI (see below).

Business Associates – Certain aspects and components of our services are performed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our duly-appointed insurance agents and vendors that help us process your claims. At times it may be necessary for us to provide certain of your PHI to one or more of these outside persons or organizations.

Other Products and Services – We may contact you to provide information about other health-related products and services that may be of interest to you. For example, we may use and disclose your PHI for the purpose of communicating to you about our health insurance products that could enhance or substitute for existing Health Plan coverage, and about health-related products and services that may add value to your Health Plan.

Other Uses and Disclosures – We may make certain other uses and disclosures of your PHI without your authorization:

- We may use or disclose your PHI for any purpose required by law. For example, CAIC may be required by law to use or disclose your PHI to respond to a court order.
- We may disclose your PHI for public health activities, such as reporting of disease, injury, birth and death, and for public health investigations.
- We may disclose your PHI to the proper authorities if we suspect child abuse or neglect; we may also disclose your PHI if we believe you to be a victim of abuse, neglect, or domestic violence.
- We may disclose your PHI if authorized by law to a government oversight agency (e.g., a state insurance department) conducting audits, investigations, or civil or criminal proceedings.
- We may disclose your PHI in the course of a judicial or administrative proceeding (e.g., to respond to a subpoena or discovery request).
- We may disclose your PHI to the proper authorities for law enforcement purposes.
- We may disclose your PHI to coroners, medical examiners, and/or funeral directors consistent with law.
- We may use or disclose your PHI for cadaveric organ, eye or tissue donation.
- We may use or disclose your PHI for research purposes, but only as permitted by law.
- We may use or disclose PHI to avert a serious threat to health or safety.
- We may use or disclose your PHI if you are a member of the military as required by armed forces services, and we may also disclose your PHI for other specialized government functions such as national security or intelligence activities.
- We may disclose your PHI to workers' compensation agencies for your workers' compensation benefit determination.
- We will, if required by law, release your PHI to the Secretary of the Department of Health and Human Services for enforcement of HIPAA.

Your Authorization – Except as outlined above, we will not use or disclose your PHI unless you have signed a form authorizing the use or disclosure. Specifically, most uses and disclosures of psychotherapy notes, uses or disclosures for marketing purposes and disclosures that constitute a sale of PHI require an authorization. You have the right to revoke that authorization in writing except to the extent that we have taken action in reliance upon the authorization or that the authorization was obtained as a condition of obtaining insurance, and we have the right, under other law, to contest a claim under the plan itself.

- The following are examples of when your authorization would be required prior to use and disclosure:
 - Most uses and disclosures of your psychotherapy notes.
 - Uses and disclosures of your PHI for marketing purposes.
 - Uses and disclosures that constitute a sale of PHI.

Breach of Unsecured PHI – If CAIC or a Business Associate of CAIC causes a breach to occur that involved your unsecured PHI, we are required by law to notify you of the incident.

RIGHTS THAT YOU HAVE

Access to Your PHI – You have the right to copy and/or inspect certain PHI that we maintain about you. Certain requests for access to your PHI must be in writing, must state that you want access to your PHI and must be signed by you or your representative (e.g., requests for medical records provided to us directly from your health care provider). We must provide you with access to your PHI in the form or format requested by you, if it is readily producible in such form or format, or, if not, in a form or format agreed upon by you and CAIC. Access request forms are available from CAIC at the address below. We may charge you a fee for copying and postage. We may deny your request for access in certain very limited circumstances, such as request to access psychotherapy notes.

Amendments to Your PHI – You have the right to request that PHI that we maintain about you be amended or corrected. We are not obligated to make all requested amendments but will give each request careful consideration. To be considered, your amendment request must be in writing, must be signed by you or your representative, and must state the reasons for the amendment/correction request. Amendment request forms are available from CAIC at the address below.

Accounting for Disclosures of Your PHI – You have the right to receive an accounting of certain disclosures made by us of your PHI. Examples of disclosures that we are required to account for include those to state insurance departments, pursuant to valid legal process, or for law enforcement purposes. To be considered, your accounting requests must be in writing and signed by you or your representative. Accounting request forms are available from CAIC at the address below. The first accounting in any 12-month period is free; however, we may charge you a fee for each subsequent accounting you request within the same 12-month period.

Restrictions on Use and Disclosure of Your PHI – You have the right to request restrictions on certain of our uses and disclosures of your PHI for insurance payment or health care operations, disclosures made to persons involved in your care, and disclosures for disaster relief purposes. For example, you may request that we not disclose your PHI to your spouse. Your request must describe in detail the restriction you are requesting. HIPAA does not require us to agree to your request but we will accommodate reasonable requests when appropriate. We retain the right to terminate an agreed-to restriction if we believe such termination is appropriate. In the event of a termination by us, we will notify you of such termination. You also have the right to terminate, in writing or orally, any agreed-to restriction. Requests for a restriction (or termination of an existing restriction) may be made by contacting CAIC at the telephone number or address below.

However, we are authorized by law to refuse to honor any request to restrict disclosures for treatment, payment or health care operations. Nonetheless, we will comply with a restriction request if (i) the disclosure is to the Health Plan for purposes of carrying out payment or healthcare operations, except as otherwise required by law, (ii) the PHI relates solely to a health care item or service for which the healthcare provider involved has been paid out-of-pocket in full.

Request for Confidential Communications – You have the right to request that communications regarding your PHI be made by alternative means or at alternative locations. For example, you may request that messages not be left on voice mail or sent to a particular address. We are required to accommodate reasonable requests if you inform us that disclosure of all or part of your information could place you in danger. Requests for confidential communications must be in writing, signed by you or your representative, and sent to CAIC at the address below.

Right to a Copy of the Notice – You have the right to a paper copy of this Notice upon request by contacting CAIC at the telephone number or address below.

Complaints – If you believe your privacy rights have been violated, you can file a complaint with CAIC in writing at the address below. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington, D.C., within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

FOR FURTHER INFORMATION

If you have questions or need further assistance regarding this Notice, you may contact CAIC's Privacy Office by writing to: CAIC, Attn: Privacy Office, P.O. Box 427, Columbia, SC 29202, or by calling 1-800-433-3036.

EFFECTIVE DATE

This Notice is effective August 16, 2013.

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. CAIC is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

PRIVACY PRACTICES

Protecting the privacy and confidentiality of information about our customers is very important to American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company collectively, "Aflac". Accordingly, we strive to comply with each of the following practices in everything we do:

- **We do not sell, rent, lease or otherwise disclose personal information of our customers for purposes unrelated to our products and services.** The personal information of our customers is of paramount importance to us. Therefore, we provide this information only to our employees, agents and third parties as required to allow them to help us develop and provide our insurance and employee benefit products and services.
- **We work to ensure information integrity and security.** We use technology tools and design our business practices to help ensure that the personal information of our customers is properly gathered, stored and processed. We also work to maintain the security of, and internal and external access to, the personal information of our customers through the use of technology and our business practices.
- **We expect our agents and employees to respect the personal information of our customers.** Aflac has business policies and practices in place to help ensure that our employees and agents carry out these practices and otherwise protect personal information about our customers. Both employees and agents are subject to censure, dismissal, or termination for violation of these policies.

These Privacy Practices apply to our U.S. customers. Due to legal and cultural differences, our practices may vary outside the United States.

PRIVACY NOTICE

Aflac and our agents provide this notice to let you know about the current privacy practices of Aflac and our agents. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

Collection of Information

As part of Aflac's normal underwriting and operating procedures, Aflac (and our agents acting on our behalf) needs to obtain information to determine an individual's eligibility for our products and services, and to perform our insurance functions. Aflac and our agents may collect nonpublic personal information (which includes both nonpublic personal financial information and nonpublic personal health information) about Aflac's customers, including:

- Information from our customers (including names, addresses, financial and health information).
- Information about the customers' transactions with Aflac or our agents (including claims and payment information).
- Information from consumer reporting agencies (including creditworthiness and credit history); motor vehicle records agencies (including accident reports and violations); investigators (including information regarding general character and participation in hazardous activities); insurance support organizations such as the Medical Information Bureau, Inc. (including claims, and health and insurance application histories); and the customers' health care providers (including health history), employers (including salary and benefits information), and family members.

Disclosure of Information

Aflac may disclose the nonpublic personal financial information we collect, as described above, as well as information about your transactions with us (such as your plan coverage, premiums, and payment history) to our agents or other third parties who perform services or functions on our behalf, including in some circumstances the marketing of Aflac products. We may also disclose the nonpublic personal financial information we collect to other third parties as authorized by you, or as required or permitted by law.

Our agents will make disclosures of our customers' nonpublic personal financial information only while acting on Aflac's behalf and, furthermore, will make such disclosures only as Aflac itself is permitted to make.

Neither Aflac nor our agents will use or share with other parties any nonpublic personal health information about Aflac customers for any purpose other than disclosures for the performance of insurance functions by Aflac or on our behalf, disclosures that are permitted or required by law, or disclosures that the customer has authorized.

Neither Aflac nor our agents will further disclose any nonpublic personal information about a former customer of Aflac other than as may be required or permitted by law.

Confidentiality and Security

Aflac and our agents will safeguard, according to strict standards of security and confidentiality, any information we collect, receive or maintain about Aflac's customers. Aflac maintains administrative, technical, and physical safeguards to ensure the security and confidentiality of our customer information and records, to protect against anticipated threats or hazards to such records, and to protect against unauthorized access to or use of such information or records.

Internally, Aflac limits access to our customers' information to only those employees who need access to the information to perform their job functions. Employees who misuse information are subject to disciplinary actions. Externally, we do not disclose customer information to any third parties unless we have previously informed the customer of the disclosure, have been authorized to do so by the customer, or are required or permitted to make the disclosure by law or our regulators.

NOTICE OF INFORMATION PRACTICES

Arizona, California, Connecticut, Georgia, Illinois, Maine, Massachusetts, Minnesota, Nevada, New Jersey, North Carolina, Ohio, Oregon, and Virginia require insurers and agents to describe their information practices in addition to providing a Privacy Notice. There is significant overlap between the two notices, but in general our Information Practices include the following: Aflac may obtain information about you and any other persons proposed for insurance. Some of this information will come from you and some may come from other sources. That information and any other subsequent information collected by Aflac may in some circumstances be disclosed to third parties without your specific consent. Residents of these states have the right to access and correct the information collected about them except information that relates to a claim or to a civil or criminal proceeding. They also have the right to receive the specific reason for an adverse underwriting decision in writing. If you wish to have a more detailed explanation of our information practices required by your state, please submit a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

NOTICE OF PRIVACY PRACTICES - PROTECTED HEALTH INFORMATION

If you would like a copy of Aflac's Notice of Privacy Practices - Protected Health Information, issued pursuant to the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), copies are available by sending a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

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. **Aflac** is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

Continental American Insurance Company • 2801 Devine Street • Columbia, South Carolina 29205 1-800-433-3036 toll-free



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

Based on the application for this Group Supplemental Hospital Indemnity Insurance Policy (herein called the Plan) made by

Pitt County Government
(herein called the Policyholder)

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

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

IMPORTANT CANCELLATION INFORMATION - PLEASE READ THE PROVISION ENTITLED "TERMINATION OF THE PLAN" FOUND ON PAGE 3.

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

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

THIS PLAN IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE; IT IS DESIGNED TO SUPPLEMENT A MAJOR MEDICAL PROGRAM.

This Plan is delivered in and is governed by the laws of North Carolina.

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

READ YOUR POLICY CAREFULLY.

Signed for the Company at its Home Office,

Paul S. Amos II, President

J. Matthew Loudermilk, Secretary

THERE MAYBE NO RECOVERY FOR PRE-EXISTING CONDITIONS FOR THE FRIST YEAR

Group Policy Number - 22856
Effective Date - 07/01/2016
Anniversary Date - 07/01/2017
Jurisdiction - North Carolina
Non-Participating

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
- SECTION II** - Premium Provisions
- SECTION III** - Definitions
- SECTION IV** - Benefit Provisions
- SECTION V** - Limitations and Exclusions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedule
- SECTION IX** - Schedule of Operations
- SECTION X** - Incorporation of Rider Provisions
- SECTION XI** - Occupational Classifications and Schedule of Premiums

SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

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

1. An Employee of the policyholder, and has served 90 days of continuous employment;
2. Under age 65; **and**
3. Engaged in full-time work; **and**
4. Included in the class of employees eligible for coverage as shown on the application.

EFFECTIVE DATE

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

The Effective Date for an Employee is as follows:

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

TERMINATION OF THE PLAN

The Plan will cease if the policyholder fails to pay the premium before the end of the grace period.

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

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

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

The policyholder has the sole responsibility to notify Employees of such termination.

TERMINATION OF AN EMPLOYEE'S INSURANCE

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

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

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

SECTION II

PREMIUM PROVISIONS

PREMIUM CALCULATIONS

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

PREMIUM PAYMENTS

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

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

GRACE PERIOD

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

SECTION III

DEFINITIONS

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

We, Us, or Our - means Continental American.

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

Covered Person - means you if the certificate is issued as Individual coverage.

If the certificate is issued as:

1. Employee/Spouse coverage Covered Person means you and your legal spouse.
2. Single Parent Family coverage Covered Person means you and your covered dependent children as defined in the applicable rider, that have been accepted for coverage.
3. Family coverage Covered Person means you, your spouse and covered dependent children, as defined in the applicable rider, that have been accepted for coverage.

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

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

Sickness - means an illness, infection, disease or any other abnormal condition, which is not caused solely by or the result of an injury.

Covered Sickness - means an illness, infection, disease or any other abnormal physical condition which is not caused solely by or the result of any injury which:

1. Occurs while this Plan is in force; **and**
2. Was not treated or for which you did not receive advice within 12 months before the effective date of this Plan; **and**
3. Is not excluded by name or specific description in this Plan.

Calendar Year – means the period beginning on the Plan 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.

On-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under On-The-Job.

Off-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under Off-The-Job.

Monthly Benefit - means a specified amount paid for a period of one month, with any periods of less than one month paid at the daily rate of 1/30th of the monthly amount.

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

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

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

Hospital - means a place which:

1. Is legally licensed and operated as a hospital;
2. Provides overnight care of injured and sick people;
3. Is supervised by a doctor;
4. Has full-time nurses supervised by a registered nurse;
5. Has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities (this requirement is not applicable to state tax-supported institutions); **and**
6. Maintains permanent medical history records.

A hospital is not:

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

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

Hospital Intensive Care Unit - means a place which:

1. Is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care;
2. Is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
3. Is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
4. Is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
5. Is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a twenty four hour basis; **and**
6. Has a doctor assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit is not any of the following step-down units:

1. A progressive care unit;
2. A sub-acute intensive care unit;
3. An intermediate care unit;
4. A private monitored room;
5. A surgical recovery room;
6. An observation unit; **or**
7. Any facility not meeting the definition of a hospital intensive care unit as defined in this Plan.

Your Occupation - means the job in which you are regularly engaged at the time you become insured.

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

Full-Time Work - means spending at least 40 hours per week performing your occupational duties.

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

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

SECTION IV

BENEFIT PROVISIONS

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

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the elimination period if any, when a covered person is confined to a hospital as a resident bed patient as the result of an injury or because of a covered sickness. In order to receive this benefit for an injury, you must be confined to a hospital within 6 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 a covered person can collect benefits for each hospital confinement. We will pay for only one hospital confinement at a time even if caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

If a covered person is not confined to the hospital for a full month, we will pay benefits on a daily basis. Daily benefits are paid at the rate of 1/30th of the monthly amount.

Hospital Admission - We will pay this benefit when a covered person is admitted to a hospital and confined as a resident bed patient because of an injury or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, a covered person must be admitted to a hospital within 6 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 only pay this benefit once for each covered accident or covered sickness. If you are confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Surgical Benefit - If surgery due to an injury or because of a covered sickness is performed by a Physician, We will pay the amount for the Surgical Operation shown opposite the procedure listed in the Schedule of Operations up to the maximum shown on the Benefit Schedule per surgical procedure. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Physician'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.

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 Benefit, We will pay the amount shown in the Schedule of Operations for anesthesia administered by a Physician in connection with such procedure. Benefits, however, will be 25% of the amount paid under Surgical Benefit.

ADDITIONAL BENEFITS

Wellness Benefit - We will pay the amount shown on the Benefit Schedule page per calendar year when a covered person visits a doctor and the covered person is neither injured nor sick.

SECTION V

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

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

We will not pay benefits for any loss or injury which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of a Certificate and attached riders, as applicable, or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

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

Pregnancy is a "pre-existing condition" if conception was before the effective date of a certificate.

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

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.

21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

SECTION VI

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or covered sickness, or as soon as reasonably possible. The notice may be given to us our Home Office in Columbia, South Carolina or to any of our authorized agents. The notice should include the name of the covered person and the certificate number.

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

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

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

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

1. To any approved assignee.
2. Your beneficiary.
3. Your surviving spouse.
4. Your estate.

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

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

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

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

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

SECTION VII

GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. The Plan;
2. The application of the policyholder; **and**
3. Your application(s).

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

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

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

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

Time Limit On Certain Defenses - After this Plan has been in force for two years as respects an Employee, no misstatements in the application of that Employee may be used to void his or her coverage or to deny any claim for loss incurred after the two year period.

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

Individual Certificate - Continental American will give the policyholder a certificate for each Employee. The certificate will set forth:

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

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

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

SECTION VIII**BENEFIT SCHEDULE
LOW PLAN**

HOSPITAL CONFINEMENT Maximum 180 days per confinement	\$100	per day
HOSPITAL ADMISSION Payable once per admission	\$500	per admission
SURGICAL BENEFIT Maximum \$750 per surgical procedure	See Surgical Schedule	
ANESTHESIA BENEFIT Maximum \$187.50 per surgical procedure	25% of the amount paid under Surgical Benefit	
WELLNESS BENEFIT Maximum per calendar year	\$50	

SECTION IX

SCHEDULE OF OPERATIONS

LOW PLAN

INTEGUMENTARY SYSTEM	Maximum			Maximum
	Surgical			Surgical
	Benefit			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
Chemosurgery – 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			\$ -
	\$ -			\$ -

	\$ -			\$ -
LUNGS	\$ -		TRACHEA AND BRONCH	\$ -
Thoracotomy	\$ 187.50		Tracheotomy	\$ 75.00
Pneumonotomy	\$ 225.00		Bronchoscopy	\$ 56.25
Pneumonocentesis	\$ 18.75		Closure of Tracheotomy	\$ 93.75
Thoracentesis	\$ 11.25			\$ -
Pneumonectomy, total	\$ 375.00			\$ -
Wedge Resection of Lung, Single or Multiple	\$ 300.00		Fistulotomy	\$ 37.50
Thoracoscopy (including biopsy)	\$ 75.00		Sphincterotomy	\$ 18.75
	\$ -		Fissurectomy or Hemorrhoidectomy	\$ 75.00
CARDIOVASCULAR SYSTEM	\$ -		Removal of External Hemorrhoids	\$ 11.25
	\$ -		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			\$ -
Coronary Bypass, single or multiple	\$ 750.00		URINARY SYSTEM	\$ -
Repair of Myocardial Aneurysm	\$ 750.00		Nephrolithotomy	\$ 300.00
Repair of Septal Defect	\$ 675.00		Renal Biopsy	\$ 18.75
Angioplasty, percutaneous	\$ 375.00		Nephrectomy	\$ 300.00
Pervenous or Transvenous insertion of Pacemaker	\$ - \$ 187.50		Lithotripsy	\$ 187.50
	\$ -		Kidney Transplant	\$ 468.75
ARTERIES	\$ -		Cystotomy	\$ 187.50
Arteriotomy, extramity	\$ 225.00		Cystectomy – partial	\$ 262.50
Thromboendarterectomy	\$ 450.00		Cystectomy – complete	\$ 375.00
Carotid endarterectomy	\$ 450.00		Urethroscopy or Cystoscopy	\$ 18.75
Excision and graft, Abdominal Aortic Aneurysm	\$ - \$ 562.50		Cystoplasty	\$ 300.00
Injection – Varicose Veins	\$ 3.75		Dilation of Urethra	\$ 7.50
	\$ -			\$ -
HEMIC AND LYPHATIC SYSTEMS	\$ -		GENITAL SYSTEM	\$ -
Splenectomy	\$ 225.00			\$ -
Biopsy of Lymph Node	\$ 18.75		MALE	\$ -
Radical Lymphadenectomy	\$ 191.25		Circumcision	\$ 11.25
	\$ -		Orchlectomy	\$ 75.00
DIGESTIVE SYSTEM	\$ -		Reduction of Torsion of Testis	\$ 112.50
Gastrotomy	\$ 187.50		Excision of Epididymis, Hydrocele, Varicocele	\$ 37.50 \$ 112.50
Gastrectomy, Total	\$ 375.00		Vasectomy	\$ 56.25
Gastrectomy, Partial	\$ 300.00		Biopsy, Prostate	\$ 62.50
Gastroscopy	\$ 56.25		Prostatectomy – partial	\$ 300.00
Gastro Gastrorrhaphy	\$ 187.50		Prostatectomy – radical	\$ 375.00
Enterectathy	\$ 225.00			\$ -
Enterectomy	\$ 262.50		FEMALE	\$ -
Colostomy	\$ 300.00		Hysterectomy, Vaginal or Abdominal	\$ 225.00
Enterostomy	\$ 187.50		Hysterectomy, radical for cancer Including lymph nodes	\$ - \$ 375.00
Enterolysis	\$ 150.00		Salpingo – oophorectomy	\$ 168.75
Diverticulectomy	\$ 187.50		Repair of cystocele or rectocele	\$ 131.25
Appendectomy	\$ 150.00		Repair of cystocele and rectocele	\$ 195.00
Proctectomy	\$ 375.00		Tubal Ligation	\$ 150.00
Protosigmoidoscopy	\$ 11.25		Biopsy or removal of cervical lesion 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 pterygium	\$	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		
Otосcopy	\$	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		

SECTION X

INCORPORATION OF RIDER PROVISIONS

The attached listed Certificate Riders are made a part of this policy:

Dependent Spouse Rider	CA8500-DSR (NC)
Dependent Children Rider	CA8500-DCR (NC)
Children Definition Rider	CAI0040NC
Portability Privilege Amendment	CAICCLASSPORTNC

SECTION XI 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 40 hours per week.**

GROUP HOSPITAL INDEMNITY

HI^G

Mark III Accounts - Semimonthly (24pp/yr)

Plan I	Employee	\$	7.85
	Employee & Spouse	\$	15.52
	Employee & Dependent Children	\$	10.76
	Family	\$	18.43

Benefit Summary

Hospital Confinement (Per Day)	\$	100
Hospital Admission (Per Confinement)	\$	500
Surgical Benefit (up to amount)	\$	750
Wellness	\$	50

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



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Underwritten by:
Continental American Insurance Company
1000 Capital Square, Columbus, Georgia 31902



CONTINENTAL AMERICAN INSURANCE COMPANY

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



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT CHILDREN BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR Means the insured named in the Dependent Rider Schedule.

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

1. Unmarried;
2. Chiefly dependent on you or your spouse for support; **and**
3. Younger than age 19, or younger than age 25, if they are full-time students. The definition of "full-time student" will be based on the criteria of the learning institution at which the student is enrolled.

"Child or Children" also includes children, regardless of age, who:

1. Are mentally or physically handicapped;
2. Became or become handicapped prior to age 19; **and**
3. Cannot support themselves because of their handicap.

A child born after the Effective Date of this rider will also be covered from the moment of live birth. No notice or additional premium is required.

DEPENDENT Means your child or children covered under this rider.

ACTIVE

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

TREATMENT

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

BENEFITS

If a dependent qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for the dependent are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS**PRE-EXISTING
CONDITION**

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of this rider.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of this rider. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

Children added after the effective date of this rider will be covered from the moment of birth or placement as applicable.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.

7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

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

TIME LIMIT ON CERTAIN DEFENSES

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

Child or Children Definition Rider

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

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

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

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

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT SPOUSE BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR	Means the insured named in the Rider Schedule.
SPOUSE	Means your legal spouse who is between the ages of 18 and 64.
ACTIVE	"Active" as used refers a dependent who is not confined in a hospital and who is able to carry on regular activities customary of a person in good health of the same age and sex.
TREATMENT	Means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

BENEFITS

If your insured spouse qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for you insured spouse are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of your spouse's coverage.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of your spouse's coverage. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.

13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

If your spouse's coverage is terminated because of attainment of the limiting age, we will still pay benefits for any covered accident or sickness which occurred while he/she was covered under this rider.

**TIME LIMIT
ON CERTAIN
DEFENSES**

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT SPOUSE RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

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

Paul S. Amos II, 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.

IMPORTANT NOTICE

Under North Carolina General Statute Section 58-50-40, no person, employer, principal, agent, trustee, or third party administrator, who is responsible for the payment of group health or life insurance or group health plan premiums, shall: (1) cause the cancellation or non-renewal 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 written notice of the person's intention to stop payment of premiums.

Please note that persons insured under group health or life insurance or group health plans may be entitled to conversion of their coverage under Article 53 of Chapter 58 of the General Statutes or entitled to purchase individual policies under the Federal Health Insurance Portability and Accountability Act and Under Article 68 of Chapter 58 of the General Statutes. Check your Certificate for additional information on conversion.

Violation of this law is a felony. Any person violating this law is also subject to a court order requiring the person to compensate persons insured for expenses or losses incurred as a result of the termination of the insurance.

NOTICE OF PRIVACY PRACTICES – PROTECTED HEALTH INFORMATION

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. The terms of this Notice of Privacy Practices – Protected Health Information (“Notice”) apply to Protected Health Information (defined below) associated with Health Plans (defined below) issued by American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company (collectively, “we,” “our,” or “Aflac”). This Notice describes how CAIC may use and disclose Protected Health Information to carry out payment and health care operations, and for other purposes that are permitted or required by law.

We are required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) to maintain the privacy of Protected Health Information and to provide our policyholders and certificateholders with notice of our legal duties and privacy practices concerning Protected Health Information. In the event applicable law, other than HIPAA, prohibits or materially limits our uses and disclosures of Protected Health Information, as set forth below, we will restrict our uses or disclosure of your Protected Health Information in accordance with the more stringent standard. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all Protected Health Information maintained by us. If we make material changes to our privacy practices, we will mail copies of revised notices to all policyholders and certificateholders then covered by a Health Plan. Copies of our current Notice may be obtained by contacting CAIC at the telephone number or address below, or on our Web site at www.aflacgroupinsurance.com.

DEFINITIONS

Health Plan means, for purposes of this Notice, the following plans issued by CAIC: dental, specified disease (e.g., cancer), hospital indemnity and other coverages that meet the definition of Health Plan contained in HIPAA. The following products are not considered Health Plans: coverage only for accident, or disability income insurance, or any combination thereof, life insurance, and other coverages that do not meet the definition of Health Plan contained in HIPAA.

Protected Health Information (“PHI”) means individually identifiable health information, as defined by HIPAA, that is created or received by CAIC and that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes information of persons living or deceased, unless the person has been deceased more than 50 years.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

The following categories describe different ways that we use and disclose PHI. For each category of uses and disclosures we will explain what we mean and, where appropriate, provide examples for illustrative purposes. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted or required to use and disclose PHI will fall within one of the categories.

Uses and Disclosures for Payment – We may make requests, uses, and disclosures of your PHI as necessary for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims. We may also disclose your PHI for the payment purposes of a health care provider or another Health Plan.

Uses and Disclosures for Health Care Operations – We may use and disclose your PHI as necessary for our health care operations. Examples of health care operations include underwriting, premium rating, or other activities relating to the creation, renewal, or replacement of a Health Plan, reinsurance, compliance, auditing, rating, business management, quality improvement and assurance, and other functions related to your Health Plan. Although underwriting falls within the definition of health care operations, we will not use or disclose genetic information for purposes of underwriting. Genetic information is defined under the Genetic Information Nondiscrimination Act (GINA).

Family and Friends Involved in Your Care – If you are available and do not object, we may disclose your PHI to your family, friends, and others who are involved in your care or payment of a claim. If you are unavailable or incapacitated and we determine that a limited disclosure is in your best interest, we may share limited PHI with such individuals. For example, we may use our professional judgment to disclose PHI to your spouse concerning the processing of a claim. If you do not wish CAIC to share PHI with your spouse or others, you may exercise your right to request a restriction on CAIC’s disclosures of your PHI (see below).

Business Associates – Certain aspects and components of our services are performed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our duly-appointed insurance agents and vendors that help us process your claims. At times it may be necessary for us to provide certain of your PHI to one or more of these outside persons or organizations.

Other Products and Services – We may contact you to provide information about other health-related products and services that may be of interest to you. For example, we may use and disclose your PHI for the purpose of communicating to you about our health insurance products that could enhance or substitute for existing Health Plan coverage, and about health-related products and services that may add value to your Health Plan.

Other Uses and Disclosures – We may make certain other uses and disclosures of your PHI without your authorization:

- We may use or disclose your PHI for any purpose required by law. For example, CAIC may be required by law to use or disclose your PHI to respond to a court order.
- We may disclose your PHI for public health activities, such as reporting of disease, injury, birth and death, and for public health investigations.
- We may disclose your PHI to the proper authorities if we suspect child abuse or neglect; we may also disclose your PHI if we believe you to be a victim of abuse, neglect, or domestic violence.
- We may disclose your PHI if authorized by law to a government oversight agency (e.g., a state insurance department) conducting audits, investigations, or civil or criminal proceedings.
- We may disclose your PHI in the course of a judicial or administrative proceeding (e.g., to respond to a subpoena or discovery request).
- We may disclose your PHI to the proper authorities for law enforcement purposes.
- We may disclose your PHI to coroners, medical examiners, and/or funeral directors consistent with law.
- We may use or disclose your PHI for cadaveric organ, eye or tissue donation.
- We may use or disclose your PHI for research purposes, but only as permitted by law.
- We may use or disclose PHI to avert a serious threat to health or safety.
- We may use or disclose your PHI if you are a member of the military as required by armed forces services, and we may also disclose your PHI for other specialized government functions such as national security or intelligence activities.
- We may disclose your PHI to workers' compensation agencies for your workers' compensation benefit determination.
- We will, if required by law, release your PHI to the Secretary of the Department of Health and Human Services for enforcement of HIPAA.

Your Authorization – Except as outlined above, we will not use or disclose your PHI unless you have signed a form authorizing the use or disclosure. Specifically, most uses and disclosures of psychotherapy notes, uses or disclosures for marketing purposes and disclosures that constitute a sale of PHI require an authorization. You have the right to revoke that authorization in writing except to the extent that we have taken action in reliance upon the authorization or that the authorization was obtained as a condition of obtaining insurance, and we have the right, under other law, to contest a claim under the plan itself.

- The following are examples of when your authorization would be required prior to use and disclosure:
 - Most uses and disclosures of your psychotherapy notes.
 - Uses and disclosures of your PHI for marketing purposes.
 - Uses and disclosures that constitute a sale of PHI.

Breach of Unsecured PHI – If CAIC or a Business Associate of CAIC causes a breach to occur that involved your unsecured PHI, we are required by law to notify you of the incident.

RIGHTS THAT YOU HAVE

Access to Your PHI – You have the right to copy and/or inspect certain PHI that we maintain about you. Certain requests for access to your PHI must be in writing, must state that you want access to your PHI and must be signed by you or your representative (e.g., requests for medical records provided to us directly from your health care provider). We must provide you with access to your PHI in the form or format requested by you, if it is readily producible in such form or format, or, if not, in a form or format agreed upon by you and CAIC. Access request forms are available from CAIC at the address below. We may charge you a fee for copying and postage. We may deny your request for access in certain very limited circumstances, such as request to access psychotherapy notes.

Amendments to Your PHI – You have the right to request that PHI that we maintain about you be amended or corrected. We are not obligated to make all requested amendments but will give each request careful consideration. To be considered, your amendment request must be in writing, must be signed by you or your representative, and must state the reasons for the amendment/correction request. Amendment request forms are available from CAIC at the address below.

Accounting for Disclosures of Your PHI – You have the right to receive an accounting of certain disclosures made by us of your PHI. Examples of disclosures that we are required to account for include those to state insurance departments, pursuant to valid legal process, or for law enforcement purposes. To be considered, your accounting requests must be in writing and signed by you or your representative. Accounting request forms are available from CAIC at the address below. The first accounting in any 12-month period is free; however, we may charge you a fee for each subsequent accounting you request within the same 12-month period.

Restrictions on Use and Disclosure of Your PHI – You have the right to request restrictions on certain of our uses and disclosures of your PHI for insurance payment or health care operations, disclosures made to persons involved in your care, and disclosures for disaster relief purposes. For example, you may request that we not disclose your PHI to your spouse. Your request must describe in detail the restriction you are requesting. HIPAA does not require us to agree to your request but we will accommodate reasonable requests when appropriate. We retain the right to terminate an agreed-to restriction if we believe such termination is appropriate. In the event of a termination by us, we will notify you of such termination. You also have the right to terminate, in writing or orally, any agreed-to restriction. Requests for a restriction (or termination of an existing restriction) may be made by contacting CAIC at the telephone number or address below.

However, we are authorized by law to refuse to honor any request to restrict disclosures for treatment, payment or health care operations. Nonetheless, we will comply with a restriction request if (i) the disclosure is to the Health Plan for purposes of carrying out payment or healthcare operations, except as otherwise required by law, (ii) the PHI relates solely to a health care item or service for which the healthcare provider involved has been paid out-of-pocket in full.

Request for Confidential Communications – You have the right to request that communications regarding your PHI be made by alternative means or at alternative locations. For example, you may request that messages not be left on voice mail or sent to a particular address. We are required to accommodate reasonable requests if you inform us that disclosure of all or part of your information could place you in danger. Requests for confidential communications must be in writing, signed by you or your representative, and sent to CAIC at the address below.

Right to a Copy of the Notice – You have the right to a paper copy of this Notice upon request by contacting CAIC at the telephone number or address below.

Complaints – If you believe your privacy rights have been violated, you can file a complaint with CAIC in writing at the address below. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington, D.C., within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

FOR FURTHER INFORMATION

If you have questions or need further assistance regarding this Notice, you may contact CAIC's Privacy Office by writing to: CAIC, Attn: Privacy Office, P.O. Box 427, Columbia, SC 29202, or by calling 1-800-433-3036.

EFFECTIVE DATE

This Notice is effective August 16, 2013.

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. CAIC is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

PRIVACY PRACTICES

Protecting the privacy and confidentiality of information about our customers is very important to American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company collectively, "Aflac". Accordingly, we strive to comply with each of the following practices in everything we do:

- **We do not sell, rent, lease or otherwise disclose personal information of our customers for purposes unrelated to our products and services.** The personal information of our customers is of paramount importance to us. Therefore, we provide this information only to our employees, agents and third parties as required to allow them to help us develop and provide our insurance and employee benefit products and services.
- **We work to ensure information integrity and security.** We use technology tools and design our business practices to help ensure that the personal information of our customers is properly gathered, stored and processed. We also work to maintain the security of, and internal and external access to, the personal information of our customers through the use of technology and our business practices.
- **We expect our agents and employees to respect the personal information of our customers.** Aflac has business policies and practices in place to help ensure that our employees and agents carry out these practices and otherwise protect personal information about our customers. Both employees and agents are subject to censure, dismissal, or termination for violation of these policies.

These Privacy Practices apply to our U.S. customers. Due to legal and cultural differences, our practices may vary outside the United States.

PRIVACY NOTICE

Aflac and our agents provide this notice to let you know about the current privacy practices of Aflac and our agents. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

Collection of Information

As part of Aflac's normal underwriting and operating procedures, Aflac (and our agents acting on our behalf) needs to obtain information to determine an individual's eligibility for our products and services, and to perform our insurance functions. Aflac and our agents may collect nonpublic personal information (which includes both nonpublic personal financial information and nonpublic personal health information) about Aflac's customers, including:

- Information from our customers (including names, addresses, financial and health information).
- Information about the customers' transactions with Aflac or our agents (including claims and payment information).
- Information from consumer reporting agencies (including creditworthiness and credit history); motor vehicle records agencies (including accident reports and violations); investigators (including information regarding general character and participation in hazardous activities); insurance support organizations such as the Medical Information Bureau, Inc. (including claims, and health and insurance application histories); and the customers' health care providers (including health history), employers (including salary and benefits information), and family members.

Disclosure of Information

Aflac may disclose the nonpublic personal financial information we collect, as described above, as well as information about your transactions with us (such as your plan coverage, premiums, and payment history) to our agents or other third parties who perform services or functions on our behalf, including in some circumstances the marketing of Aflac products. We may also disclose the nonpublic personal financial information we collect to other third parties as authorized by you, or as required or permitted by law.

Our agents will make disclosures of our customers' nonpublic personal financial information only while acting on Aflac's behalf and, furthermore, will make such disclosures only as Aflac itself is permitted to make.

Neither Aflac nor our agents will use or share with other parties any nonpublic personal health information about Aflac customers for any purpose other than disclosures for the performance of insurance functions by Aflac or on our behalf, disclosures that are permitted or required by law, or disclosures that the customer has authorized.

Neither Aflac nor our agents will further disclose any nonpublic personal information about a former customer of Aflac other than as may be required or permitted by law.

Confidentiality and Security

Aflac and our agents will safeguard, according to strict standards of security and confidentiality, any information we collect, receive or maintain about Aflac's customers. Aflac maintains administrative, technical, and physical safeguards to ensure the security and confidentiality of our customer information and records, to protect against anticipated threats or hazards to such records, and to protect against unauthorized access to or use of such information or records.

Internally, Aflac limits access to our customers' information to only those employees who need access to the information to perform their job functions. Employees who misuse information are subject to disciplinary actions. Externally, we do not disclose customer information to any third parties unless we have previously informed the customer of the disclosure, have been authorized to do so by the customer, or are required or permitted to make the disclosure by law or our regulators.

NOTICE OF INFORMATION PRACTICES

Arizona, California, Connecticut, Georgia, Illinois, Maine, Massachusetts, Minnesota, Nevada, New Jersey, North Carolina, Ohio, Oregon, and Virginia require insurers and agents to describe their information practices in addition to providing a Privacy Notice. There is significant overlap between the two notices, but in general our Information Practices include the following: Aflac may obtain information about you and any other persons proposed for insurance. Some of this information will come from you and some may come from other sources. That information and any other subsequent information collected by Aflac may in some circumstances be disclosed to third parties without your specific consent. Residents of these states have the right to access and correct the information collected about them except information that relates to a claim or to a civil or criminal proceeding. They also have the right to receive the specific reason for an adverse underwriting decision in writing. If you wish to have a more detailed explanation of our information practices required by your state, please submit a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

NOTICE OF PRIVACY PRACTICES - PROTECTED HEALTH INFORMATION

If you would like a copy of Aflac's Notice of Privacy Practices - Protected Health Information, issued pursuant to the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), copies are available by sending a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

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. **Aflac** is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups situated in California, coverage is underwritten by Continental American Life Insurance Company. For groups situated in New York, coverage is underwritten by American Family Life Assurance Company of New York.

Continental American Insurance Company • 2801 Devine Street • Columbia, South Carolina 29205 1-800-433-3036 toll-free



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT CHILDREN BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR Means the insured named in the Dependent Rider Schedule.

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

1. Unmarried;
2. Chiefly dependent on you or your spouse for support; **and**
3. Younger than age 19, or younger than age 25, if they are full-time students. The definition of "full-time student" will be based on the criteria of the learning institution at which the student is enrolled.

"Child or Children" also includes children, regardless of age, who:

1. Are mentally or physically handicapped;
2. Became or become handicapped prior to age 19; **and**
3. Cannot support themselves because of their handicap.

A child born after the Effective Date of this rider will also be covered from the moment of live birth. No notice or additional premium is required.

DEPENDENT Means your child or children covered under this rider.

ACTIVE

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

TREATMENT

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

BENEFITS

If a dependent qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for the dependent are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

**PRE-EXISTING
CONDITION**

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of this rider.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of this rider. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

Children added after the effective date of this rider will be covered from the moment of birth or placement as applicable.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.

7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

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

TIME LIMIT ON CERTAIN DEFENSES

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

Child or Children Definition Rider

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

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

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

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

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary



CONTINENTAL AMERICAN INSURANCE COMPANY

P.O Box 427, Columbia, South Carolina 29202
800.433.3036

DEPENDENT SPOUSE BENEFIT RIDER TO CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

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

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

DEFINITIONS

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

YOU, YOUR	Means the insured named in the Rider Schedule.
SPOUSE	Means your legal spouse who is between the ages of 18 and 64.
ACTIVE	"Active" as used refers a dependent who is not confined in a hospital and who is able to carry on regular activities customary of a person in good health of the same age and sex.
TREATMENT	Means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

BENEFITS

If your insured spouse qualifies for benefits under the certificate to which this rider is attached because of a covered accident or a covered sickness, we will provide the benefits contained in the certificate under the Benefit Provisions. The appropriate benefit amounts payable for you insured spouse are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION

A pre-existing condition means those conditions for which medical advice or treatment was received or recommended during the 12-month period prior to the effective date of your spouse's coverage.

Pre-existing conditions aren't covered unless the loss for such conditions begins more than 12 months after the effective date of your spouse's coverage. Also, those medical conditions excluded from coverage by name or specific description when the loss begins, aren't covered.

EXCLUSIONS

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

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

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.
12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.

13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness for which benefits are paid or payable by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

GENERAL PROVISIONS

If your spouse's coverage is terminated because of attainment of the limiting age, we will still pay benefits for any covered accident or sickness which occurred while he/she was covered under this rider.

**TIME LIMIT
ON CERTAIN
DEFENSES**

After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

CONTRACT

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

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

Signed by the Company at its Home Office,



Paul S. Amos II, President



J. Matthew Loudermilk, Secretary

DEPENDENT SPOUSE RIDER BENEFIT SCHEDULE

PLEASE SEE THE CERTIFICATE SCHEDULE