

# CONTINENTAL AMERICAN INSURANCE COMPANY

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

Based on the application for this Group Accidental Injury Insurance Policy (herein called the Plan) made by  
**ROWAN COUNTY GOVERNMENT**  
(herein called the Policyholder)

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

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

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

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

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

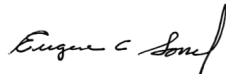
This Plan is delivered in and is governed by the laws of the jurisdiction shown below.

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

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

**PLEASE READ YOUR POLICY CAREFULLY.**

Signed for the Company at its Home Office.



**President**

Countersigned By \_\_\_\_\_

Group Policy Number - 6751

Effective Date - July 1, 2010

Anniversary Date - July 1, 2011

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** - Exception and Reductions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedule
- SECTION IX** - Occupational Classifications and Schedule of Premiums
- SECTION X** - Incorporation of Rider Provisions



## **SECTION I            ELIGIBILITY, EFFECTIVE DATE AND TERMINATION**

### **ELIGIBILITY**

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

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

### **EFFECTIVE DATE**

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

The Effective Date for an employee is as follows:

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

### **TERMINATION OF THE PLAN**

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

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

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

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

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

### **TERMINATION OF AN EMPLOYEE'S INSURANCE**

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

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

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

## SECTION II

## PREMIUM PROVISIONS

### PREMIUM CALCULATIONS

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

### PREMIUM PAYMENTS

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

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

### GRACE PERIOD

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

## SECTION III

## DEFINITIONS

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

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

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

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

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

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

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

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

**Hospital** - means a place which:

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

**A Hospital is not:**

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

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

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

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

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

**Full-Time Work** - means spending at least 16 hours per week performing your occupational duties.

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

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

## SECTION IV

## BENEFIT PROVISIONS

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

### FRACTURES

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

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

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

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

### DISLOCATIONS

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

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

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

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

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

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



## LACERATIONS

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

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

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

## CONCUSSIONS

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

## COMA

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

## EMERGENCY DENTAL WORK

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

## INJURIES REQUIRING SURGERY

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

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

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

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

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

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

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

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

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

## **PARALYSIS**

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

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

## **BURNS**

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

First degree burns are not covered.

## **SERVICES**

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

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

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

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

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

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

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

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

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

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

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

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

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

This benefit is payable once each 12-month period.

## **HOSPITAL BENEFITS**

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

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

We will pay this benefit once per calendar year.

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

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

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

## **DISMEMBERMENT**

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

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

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

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

Dismemberment means:

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

If you do not qualify for the Dismemberment Benefit but loose at least one joint of a finger or toe, we will pay the Partial Dismemberment shown in the Benefit Schedule. If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate death benefit, less any amounts paid under this benefit.

## **ACCIDENTAL DEATH**

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

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

Common Carrier means:

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

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

## SECTION V

### EXCEPTION AND REDUCTIONS

#### PRE-EXISTING CONDITION LIMITATION

**PRE-EXISTING CONDITION** - Pre-existing Condition means within the 12-month period prior to the Effective Date of the Certificate and attached Riders, as applicable.

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

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

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

#### EXCLUSIONS

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

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

1. **War** - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. **Suicide** - committing or attempting to commit suicide, while sane or insane.
3. **Sickness** - having any disease or bodily/mental illness or degenerative process. We also will not pay benefits for any related medical/surgical treatment or diagnostic procedures for such illness.

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

## SECTION VI

## CLAIM PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

## **SECTION VII GENERAL PROVISIONS**

**Entire Contract** - The entire contract consists of:

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

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

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

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

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

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

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

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

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

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

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



**SECTION VIII****BENEFIT SCHEDULE****Low Option 24-Hour Coverage****FRACTURES**

Hip/thigh	\$2,000
Vertebrae	1,800
Pelvis	1,600
Skull (depressed)	1,500
Skull (simple)	700
Leg	1,200
Foot/ankle/knee cap	1,000
Forearm/hand	1,000
Lower jaw	800
Shoulder blade/collar bone	800
Upper arm/upper jaw	700
Facial bones (except teeth)	600
Vertebral processes	400
Coccyx/rib/finger/toe	160

**DISLOCATIONS**

Hip	1,350
Knee (not knee cap)	975
Shoulder	750
Foot/ankle	600
Hand	525
Lower jaw	450
Wrist	375
Elbow	300
Finger/toe	120

**LACERATIONS**

Over 6"	200
2" to 6"	100
Under 2"	25
Lacerations not requiring stitches	25

**CONCUSSIONS** 100**COMA** 5,000**EMERGENCY DENTAL WORK**

Repair with crown	75
Extraction	25

**INJURIES REQUIRING SURGERY****Eye injuries**

Requiring surgical repair	125
Removal of foreign body	25

<b>Tendons/ligaments</b>	
Single	200
Multiple	300
<b>Ruptured disc</b>	
Date of injury occurs during first certificate year	50
Date of injury occurs after first certificate year	200
<b>Torn knee cartilage</b>	
Date of injury occurs during first certificate year	50
Date of injury occurs after first certificate year	200
<b>Internal Injuries</b>	500
<b>Exploratory Surgery (without repair)</b>	125
<b>PARALYSIS</b>	
Four limbs (quadriplegia)	5,000
Two limbs (paraplegia)	2,500
<b>BURNS</b>	
Second Degree	
Less than 10%	100
At least 10% but less than 25%	200
At least 25% but less than 35%	500
35% or more	1,000
Third Degree	
Less than 10%	500
At least 10% but less than 25%	3,000
At least 25% but less than 35%	7,000
35% or more	10,000
<b>SERVICES</b>	
<b>Blood/plasma</b>	100
<b>Ambulance</b>	50
<b>Air ambulance</b>	250
<b>Transportation</b>	
Train or Plane	150
Bus	75

<b>Family Member Lodging</b>	\$50/per night
Maximum Benefit - 30 days	
<b>Medical fees</b>	
Maximum per accident	62.50
<b>Prosthesis</b>	250
<b>Appliances</b>	50
<b>Accident Follow-up Treatment</b>	12.50
Maximum of 6 treatments per covered accident	
<b>Physical Therapy</b>	12.50
Maximum of 6 treatments per covered accident	
<b>Wellness</b>	30
Once per 12-month period	
<b>HOSPITAL ADMISSION</b>	\$500
Payable once per calendar year	
<b>HOSPITAL CONFINEMENT</b>	\$100/day
Maximum Benefit - 365 days	
0 Day elimination Period	
<b>HOSPITAL INTENSIVE CARE</b>	\$200/day
Maximum Benefit - 30 days	
0 Day elimination Period	
<b>ACCIDENTAL DISMEMBERMENT</b>	
Loss of hand, foot or sight	
Single loss	3,125
Double loss	12,500
Loss of one or more finger or toe	625
Partial Amputation of finger or toe	100
<b>ACCIDENTAL DEATH</b>	25,000
<b>ACCIDENTAL COMMON CARRIER DEATH</b>	50,000

**SECTION IX**

**OCCUPATIONAL CLASSIFICATIONS AND SCHEDULE OF PREMIUMS**

All Full-Time employees, who are actively at work, working 16 hours or more weekly, and have completed at least 30 days of continuous employment with the Policyholder.

**SCHEDULE OF PREMIUMS**

**Weekly Premium Rates**

	<b>Weekly Premium</b>
<b>Employee</b>	\$1.90
<b>Employee and Spouse</b>	\$2.72
<b>Employee and Dependent Child(ren)</b>	\$3.57
<b>Employee, Spouse, and Dependent Child(ren)</b>	\$4.39

**SECTION X                      INCORPORATION OF RIDER PROVISIONS**

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

**INCORPORATED RIDERS**

<b>RIDER NAME</b>	<b>FORM NUMBER</b>
Dependent Accident Rider	CA 7700-DAR(NC)
Portability Rider	CAI-PR-09



# CONTINENTAL AMERICAN INSURANCE COMPANY

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

## DEPENDENT ACCIDENT RIDER TO CERTIFICATE OF INSURANCE FOR ACCIDENTAL INJURY PLEASE READ THIS RIDER CAREFULLY.

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

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

### DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

**PRE-EXISTING CONDITION** Pre-existing condition means within the 12 month period prior to the Effective Date of this Rider an injury, sickness, or physical condition.

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

### **BENEFITS**

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

### **EXCEPTIONS AND REDUCTIONS**

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

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



## GENERAL PROVISIONS

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

### TIME LIMIT ON CERTAIN DEFENSES

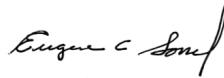
(1) After two years from the effective date of coverage, no misstatements, made by the applicant in the application shall be used to void the coverage or to deny a claim for loss incurred commencing after the expiration of such two-year period.  
(2) No claim for loss incurred commencing after two years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

### CONTRACT

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

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

Signed by the Company at its Home Office.



**President**

**DEPENDENT  
BENEFIT SCHEDULE**

**SPOUSE AND CHILD**

**FRACTURES**

Hip/thigh	\$2,000
Vertebrae	1,800
Pelvis	1,600
Skull (depressed)	1,500
Skull (simple)	700
Leg	1,200
Foot/ankle/knee cap	1,000
Forearm/hand	1,000
Lower jaw	800
Shoulder blade/collar bone	800
Upper arm/upper jaw	700
Facial bones (except teeth)	600
Vertebral processes	400
Coccyx/rib/finger/toe	160

**DISLOCATIONS**

Hip	1,350
Knee (not knee cap)	975
Shoulder	750
Foot/ankle	600
Hand	525
Lower jaw	450
Wrist	375
Elbow	300
Finger/toe	120

**LACERATIONS**

Over 6"	200
2" to 6"	100
Under 2"	25
Lacerations not requiring stitches	25

**CONCUSSIONS**

100

**COMA**

5,000

**EMERGENCY DENTAL WORK**

Repair with crown	75
Extraction	25

**INJURIES REQUIRING SURGERY**

**Eye injuries**

Requiring surgical repair	125
Removal of foreign body	25

<b>Tendons/ligaments</b>	
Single	200
Multiple	300
<b>Ruptured disc</b>	
Date of injury occurs during first certificate year	50
Date of injury occurs after first certificate year	200
<b>Torn knee cartilage</b>	
Date of injury occurs during first certificate year	50
Date of injury occurs after first certificate year	200
<b>Internal Injuries</b>	500
<b>Exploratory Surgery (without repair)</b>	125
<b>BURNS</b>	
Second Degree	
Less than 10%	100
At least 10% but less than 25%	200
At least 25% but less than 35%	500
35% or more	1,000
Third Degree	
Less than 10%	500
At least 10% but less than 25%	3,000
At least 25% but less than 35%	7,000
35% or more	10,000
<b>SERVICES</b>	
<b>Blood/plasma</b>	100
<b>Ambulance</b>	50
<b>Air ambulance</b>	250
<b>Transportation</b>	
Train or Plane	150
Bus	75
<b>Family Member Lodging</b>	50/per night
Maximum Benefit - 30 days	
<b>Prosthesis</b>	250

<b>Appliances</b>	50	
<b>Accident Follow-up Treatment</b>	12.50	
Maximum of 6 treatments per covered accident		
<b>Physician Therapy</b>	12.50	
Maximum of 6 treatments per covered accident		
<b>Wellness</b>	30	
Once per 12-month period		
<b>HOSPITAL ADMISSION</b>	500	
Payable once per calendar year		
<b>HOSPITAL CONFINEMENT</b>	\$100/day	
Maximum Benefit - 365 days		
0 Day elimination Period		
<b>HOSPITAL INTENSIVE CARE</b>	\$200/day	
Maximum Benefit - 30 days		
0 Day elimination Period		
	<b>SPOUSE</b>	<b>CHILD</b>
<b>Medical fees</b>		
Maximum per accident	62.50	37.50
<b>PARALYSIS</b>		
Four limbs (quadriplegia)	5,000	2,500
Two limbs (paraplegia)	2,500	1,250
<b>ACCIDENTAL DISMEMBERMENT</b>		
Loss of hand, foot or sight		
Single loss	1,250	625
Double loss	5,000	2,500
Loss of one or more finger or toe	250	125
Partial Amputation of finger or toe	100	100
<b>ACCIDENTAL DEATH</b>	5,000	2,500
<b>ACCIDENTAL COMMON CARRIER DEATH</b>	25,000	7,500

# CONTINENTAL AMERICAN INSURANCE COMPANY

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

This Rider is a part of the Group Policy/Certificate to which it is attached. Unless amended by this Rider, Group Policy/Certificate Definitions, terms and other Provisions apply to this Rider.

## Portability Privilege

When coverage would otherwise terminate under the Plan because you end employment with the Employer, you may elect to continue your coverage. The coverage you may continue is that which you had on the date your employment terminated, including dependent coverage then in effect.

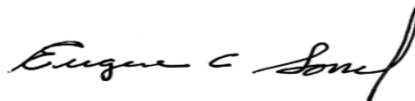
1. Coverage may not be continued for any of the following reasons:
  - a. the insured failed to pay any required premium;
  - b. the insured having attained age 70;
  - c. the Group Policy terminates.
2. To keep your insurance in force the insured must:
  - a. make written application to the Company within 31 days after the date insurance would otherwise terminate; and
  - b. pay the required premium to the Company no later than 31 days after the date insurance would otherwise terminate.
3. Insurance will cease on the earliest of these dates:
  - a. ]the date the you fail to pay any required premium;
  - b. the date the Group Policy is terminated.

In the event the Policyholder's cancels coverage or the Plan is closed for new enrollments, the Policy will remain in effect for the benefit of those who have continued their coverage under the portability provision prior to the policy cancellation date.

Portability will remain available during the notification period prior to the cancellation date of the coverage.

If you qualify for this Portability Privilege as described, then the same benefits, Plan provisions, and premium rate as shown in the Group Policy/certificate as previously issued will apply.

Signed for the Company at its Home Office.



President



## **IMPORTANT NOTICE**

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS, SHALL: (1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP HEALTH OR LIFE INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT, AND (2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY A WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.





# CONTINENTAL AMERICAN INSURANCE COMPANY

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

## ADVERSE UNDERWRITING DECISIONS

In the event of an adverse underwriting decision, we shall give a written notice to the Insured that:

- 1) Provides the Insured with the specific reason or reasons for the adverse underwriting decision; and
- 2) Provides the Insured with a summary of the rights established under North Carolina subsection (b) 58-35-55 and G.S. 58-39-45 and 58-39-50.

Upon receipt of a written request received within 90 business days from the of the mailing of the adverse underwriting decision to the insured proposed for coverage, we will furnish within 21 business days from the date of receipt of such written request:

- 1) The specific reason or reasons for the adverse underwriting decision, if such information was not initially furnished in writing.
- 2) The specific items of personal and privileged information that support those reasons: Provided, however:
  - a) We shall not be required to furnish specific items of privileged information if it has a reasonable suspicion, that the Insured has engaged in criminal activity, fraud, material misrepresentation, or material nondisclosure, and
  - b) Specific items of medical-record information supplied by a medical-care institution or medical professional shall be disclosed either directly to the Insured about whom the information relates; and
- 3) The names and address of the institutional sources that supplied the specific items of information.
  - c) The obligations imposed by this section upon an insurance institution or agent may be satisfied by another insurance institution or agent authorized to act on its behalf.

**When an adverse underwriting decision results solely from an oral request or inquiry, the explanation of reasons and summary of rights required by this section may be given orally.**

