

SERFF Tracking Number: CAIC-126019834 State: Arkansas
Filing Company: Continental American Insurance Company State Tracking Number: 41450
Company Tracking Number: 7106
TOI: H14G Group Health - Hospital Indemnity Sub-TOI: H14G.000 Health - Hospital Indemnity
Product Name: NCBA Filing AR
Project Name/Number: NCBA Filings/7106

Filing at a Glance

Company: Continental American Insurance Company

Product Name: NCBA Filing AR SERFF Tr Num: CAIC-126019834 State: ArkansasLH
TOI: H14G Group Health - Hospital Indemnity SERFF Status: Closed State Tr Num: 41450
Sub-TOI: H14G.000 Health - Hospital Indemnity Co Tr Num: 7106 State Status: Approved-Closed
Filing Type: Form Co Status: Reviewer(s): Rosalind Minor
Author: Ashley Gibson Disposition Date: 02/10/2009
Date Submitted: 02/03/2009 Disposition Status: Approved-Closed
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

General Information

Project Name: NCBA Filings Status of Filing in Domicile: Not Filed
Project Number: 7106 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Overall Rate Impact: Group Market Type: Association
Filing Status Changed: 02/10/2009 Explanation for Other Group Market Type:
State Status Changed: 02/10/2009 Corresponding Filing Tracking Number: 7106
Deemer Date:
Filing Description:
Please see attached cover letter.

Company and Contact

Filing Contact Information

Ashley Gibson, Compliance Analyst companycompliance@caicworksites.com
2801 Devine Street (888) 730-2244 [Phone]

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Columbia, SC 29205 (803) 929-4925[FAX]

Filing Company Information

Continental American Insurance Company CoCode: 71730 State of Domicile: South Carolina
2801 Devine Street Group Code: Company Type: LAH
Columbia, SC 29205 Group Name: Continental Amer Ins State ID Number:
Co
(803) 256-6265 ext. [Phone] FEIN Number: 57-0514130

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50.00 per form filing
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental American Insurance Company	\$50.00	02/03/2009	25461385

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	02/10/2009	02/10/2009

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	02/06/2009	02/06/2009	Ashley Gibson	02/09/2009	02/09/2009

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Amendatory Form Endorsement		Ashley Gibson	02/09/2009	02/10/2009

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Amendment	Note To Reviewer	Ashley Gibson	02/10/2009	02/10/2009
Attached endorsement	Note To Filer	Rosalind Minor	02/10/2009	02/10/2009

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Disposition

Disposition Date: 02/10/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Cover Letter	Approved-Closed	Yes
Supporting Document	Arkansas Association Checklist	Approved-Closed	Yes
Supporting Document	NCBA Articles of Incorporation and Bylaws	Approved-Closed	Yes
Form	Master Policy	Approved-Closed	Yes
Form	Certificate	Approved-Closed	Yes
Form	Dependent Rider	Approved-Closed	Yes
Form	Spouse Rider	Approved-Closed	Yes
Form	Critical Illness Rider	Approved-Closed	Yes
Form	Portability Rider	Approved-Closed	Yes
Form	Master Application	Approved-Closed	Yes
Form	Enrollment Application	Approved-Closed	Yes
Form	Amendatory Endorsement	Approved-Closed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/06/2009

Submitted Date 02/06/2009

Respond By Date

Dear Ashley Gibson,

This will acknowledge receipt of the captioned filing.

Objection 1

- Master Policy (Form)
- Certificate (Form)

Comment: The Time Payment of Claims provision is not in compliance with Rule 43, Section 12.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

Response Letter

Response Letter Status Submitted to State

Response Letter Date 02/09/2009

Submitted Date 02/09/2009

Dear Rosalind Minor,

Comments:

We have made an Arkansas amendatory endorsement that will be sent to certificate holders residing in Arkansas. Please see the attached endorsement for objection one for Time of Payment of Claims per Rule 43, section 12.

Thank you!

Ashley Gibson

Response 1

Comments: Please see the attached endorsement for compliance with Rule 43, section 12.

Related Objection 1

Applies To:

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Product Name: NCBA Filing AR
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- Master Policy (Form)
- Certificate (Form)

Comment:

The Time Payment of Claims provision is not in compliance with Rule 43, Section 12.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you!
Ashley Gibson

Sincerely,
Ashley Gibson

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Amendment Letter

Amendment Date:
 Submitted Date: 02/10/2009

Comments:

Dear Ms. Minor,
 I believe now you will be able to see the amendment.
 Thanks!
 ~Ashley Gibson

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
CA6500-Amd AR	Certificate Amendment, Endorsement	Amendatory Initial Insert Page, t Endorsement or Rider	Initial				44	1 HI Plus NCBA AR endorsement.pdf

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Note To Reviewer

Created By:

Ashley Gibson on 02/10/2009 01:55 PM

Last Edited By:

Rosalind Minor

Submitted On:

02/10/2009 03:08 PM

Subject:

Amendment

Comments:

Dear Ms. Minor,

I had attached it, but it is still saying that it is a "draft"? Since SERFF has updated, I'm going to see if it will send it with this response. Please let me know if you get it this time and that it is also attached under the forms tab!

Thanks!

~Ashley Gibson



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

AMENDATORY ENDORSEMENT

This amendatory endorsement is made a part of the Policy, Certificate and Riders to which it is attached and is subject to all terms and provisions of such Policy or Certificate not inconsistent herewith. This amendatory endorsement is applicable only to Insured Persons who are **residents** of the State of Arkansas on the Certificate Date and on the date the claim is incurred.

In Section VI - CLAIM PROVISIONS, the following is amended:

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. We shall pay the claim within 30 days after receipt if the claim was submitted electronically, or within 45 days after receipt if the claim was submitted by other means. Claims paid 60 days after we receive due written proof of loss will accrue interest at 12% per annum from the 60th day.

This endorsement takes effect and expires concurrently with the policy or certificate to which it is attached, and is subject to all of the terms and conditions of the policy not inconsistent therewith.

There are no other changes to the certificate.

In Witness Whereof, We have caused this Endorsement to be signed by

A handwritten signature in cursive script, appearing to read "Eugene C. Somers".

President

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Product Name: NCBA Filing AR
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Note To Filer

Created By:

Rosalind Minor on 02/10/2009 01:49 PM

Last Edited By:

Rosalind Minor

Submitted On:

02/10/2009 03:08 PM

Subject:

Attached endorsement

Comments:

There was no attached endorsement to your response to my objection.

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Form Schedule

Lead Form Number: CA6500-MP IL

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	CA6500-MP IL	Policy/Cont ract/Fraternal Certificate	Master Policy	Initial		44	1HI PLUS Master Policy 6500 IL.pdf
Approved-Closed	CA6500-CI IL	Certificate	Certificate	Initial		44	2 HI Plus Certificate 6500 IL NCBA plan 1 and 2.pdf
Approved-Closed	CA6500-DCR IL	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Dependent Rider	Initial		44	3 HI Plus Depenent Rider 6500 IL.pdf
Approved-Closed	CA6500-DSR IL	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Spouse Rider	Initial		44	4 HI Plus Spouse Rider 6500 IL.pdf
Approved-Closed	CIR06-REV	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Critical Illness Rider	Initial		44	5 CI Rider-rev.pdf
Approved-Closed	PR-06	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Portability Rider	Initial		44	6 Portability Privilege1.pdf

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 nt or Rider

Approved- Closed	HIP-6500 MA	Application/Master Application Enrollment Form	Initial	44	7 HI Plus Master App - 6500.pdf
Approved- Closed	CA6500-EA	Application/Enrollment Enrollment Application Form	Initial	44	8 HI Plus App.pdf
Approved- Closed	CA6500- Amd AR	Certificate Amendatory Amendmen Endorsement t, Insert Page, Endorseme nt or Rider	Initial	44	1 HI Plus NCBA AR endorsement. pdf



Continental AmericanTM

INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205

(herein called Continental American)

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

NATIONAL COMBINED BENEFITS ASSOCIATION

(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.

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 form a part of this Plan as if recited over the signature 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 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.

READ YOUR POLICY CAREFULLY.

Signed for the Company at its Home Office.

President

Group Policy Number - 6891
Effective Date - January 1, 2009
Anniversary Date - January 1, 2010
Jurisdiction - Illinois
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** - Schedule of Premiums

SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

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

1. a Member of the Policyholder, and has served 0 days continuous employment;
2. under age 64; and
3. engaged in full-time work; and
4. included in the class of Members 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 a Member is as follows:

1. A Member's insurance will be effective on the date shown on his or her Certificate Schedule provided the Member is then actively at work.
2. If a Member is not actively at work on the date coverage would otherwise become effective, the Effective Date of his coverage will be the date on which such Member 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 31 days written notice.

The Plan will terminate when the number of participating Members 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 Member as respects any claim arising during the period the Plan is in force.

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

TERMINATION OF A MEMBER'S INSURANCE

A Member'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 a Member ceases to meet the definition of a Member as defined in the Plan;
4. on the premium due date which falls on or first follows the Member's Member70th birthday; or
5. on the date he is no longer a member of an eligible class.

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

SECTION II

PREMIUM PROVISIONS

PREMIUM CALCULATIONS

Premiums payable on any premium due date for insurance 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 31 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

Whenever a male pronoun is used, it includes the female unless the context clearly shows otherwise.

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

We, Us, Our - means Continental American.

You and Your - refer to a Member as defined in this Plan.

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. 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 license; and
3. performs services for which benefits are provided by this Plan.

Family Member means a 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; 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 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 and is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
2. is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
3. is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
4. 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
5. 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. an observation unit; or
6. any facility not meeting the definition of a hospital intensive care unit as defined in this Plan.

Your Occupation - means the occupation 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 at your regular place of employment 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 20 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 Member 70th birthday; at that time all benefits cease regardless of the maximum benefit.

Hospital Admission - We will pay this benefit when you are admitted to a hospital and confined as a resident bed patient because of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, you 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, a recovery room, or for emergency room treatment or outpatient treatment.

We will pay this benefit once for a period of confinement. We will only pay this benefit once for each covered accident or covered sickness. If we pay benefits for hospital confinement and the insured becomes confined to a hospital again within 6 months because of the same or related condition, we will treat this confinement as the same confinement.

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the Elimination Period if any, when you are confined to a hospital as a resident bed patient as the result of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, 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 you can collect benefits for hospital confinements resulting from covered sickness or from injuries received in the same covered accident. If you are not confined to the hospital for a full month, we will pay benefits on a daily basis; daily benefits will be paid at the rate of 1/30th of the monthly amount.

This benefit is payable 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 we pay benefits for confinement in a hospital and you become confined to a hospital again within 6 months because of the same or related condition, we will treat this confinement as the same period of confinement.

Hospital Intensive Care - If you are confined in a hospital intensive care unit due to an injury received in a covered accident or because of a covered sickness, we will pay the daily benefit amount shown on the Benefit Schedule. In order to receive this benefit for a covered accident, you must be admitted to a hospital intensive care unit within 6 months of the date of the covered accident.

We will pay this amount for each day of such confinement, but not to exceed the maximum benefit period shown on the Benefit Schedule during any one period of confinement.

We will pay benefits for only one confinement in a hospital's intensive care unit at a time, even if it is caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

If we pay benefits for confinement in a hospital's intensive care unit and you become confined to a hospital's intensive care unit again within 6 months because of the same or related condition, we will treat this confinement as the same period of confinement.

Surgical Benefit - If surgery, due to an injury received in a covered accident 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 25% of the amount shown in the Schedule of Operations for anesthesia administered by a physician in connection with such procedure.

Hospital Emergency Room/Physician Benefit – If you have treatment as the result of a covered sickness, We will pay the benefit as shown in the Benefit Schedule for Physician's charges, Laboratory fees, X-rays and Injections/Medications while in the hospital. This benefit is subject to the calendar year maximum shown in the Benefit Schedule.

Wellness Benefit - We will pay the amount shown on the Benefit Schedule page per calendar year when you visit a doctor and you are neither injured nor sick.

SECTION V

LIMITATIONS AND EXCLUSIONS

Pregnancy will not be covered if conception was before an Insured's Effective Date. Pregnancy will be covered as any other sickness when the date of conception is after an Insured's Effective Date of coverage.

EXCLUSIONS

We will not pay benefits for loss resulting from:

1. Service in the military, naval or air service of any country, or international organization.
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** – while traveling outside the United States, Canada, Mexico, or any United States possessions, except for a Medical Emergency or a covered Accidental Death or Accidental Dismemberment.
5. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a Physician. Intoxication will be defined and determined by the laws of the state where the loss or cause of the loss was incurred.
6. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.

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 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 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 90 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 or sickness 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. Claims paid 30th days after we receive due written proof of loss will accrue interest at 9% per annum from the 30th day.

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 3 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:

1. the statement is in writing signed by the Policyholder or by you; and
2. 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 a Member, only fraudulent misstatements in the Application of that Member may be used to void his coverage or to deny any claim for loss incurred or disability that starts 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 Member. 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**

HOSPITAL CONFINEMENT	PLAN 1	PLAN 2
Maximum 30 days per confinement	\$600 per day	\$1,200 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>		
HOSPITAL ADMISSION	\$600	\$1,200
Payable once per admission		
HOSPITAL INTENSIVE CARE	\$600	\$1,200
Maximum 30 days per confinement	Per day	Per day
SURGICAL BENEFIT -see schedule	Up to \$1,200	Up to \$2,500
Maximum surgical procedure		
ANESTHESIA BENEFIT	25% of Surgical Benefit	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$50	\$75
Maximum visits per calendar year	6	6
WELLNESS BENEFIT -Max per calendar year	\$150	\$150

SECTION IX

SCHEDULE OF OPERATIONS

Plan 1

SECTION XI	SCHEDULE OF OPERATIONS		
INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 12.00	Shoulder or Elbow Arthroplasty	\$ 300.00
Acne Surgery	\$ 9.00	Arthroplasty	\$ 480.00
Biopsy	\$ 18.00	Wrist Arthroplasty	\$ 240.00
Excision of Benign Tumor	\$ 24.00	Arthroplasty	\$ 480.00
Excision of Malignant Tumor		Hip Arthroplasty	\$ 420.00
(Trunk, Arms or Legs)	\$ 36.00	Arthroplasty	\$ 600.00
Excision of Malignant Tumor		Knee Arthroplasty	\$ 300.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 600.00
Feet, Genitalia)	\$ 60.00	Ankle Arthroplasty	\$ 300.00
Excision of Malignant Tumor		Arthroplasty	\$ 450.00
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 120.00
Membrane)	\$ 90.00		
Excision of Nail	\$ 60.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 12.00	Jaw	\$ 30.00
Repair – Complex Wounds (Linear Repair)	\$ 42.00	Collar Bone (requiring reduction)	\$ 60.00
Repair – Skin Grafts (Single Stage)	\$ 30.00	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 90.00	Or Elbow	\$ 30.00
Electro – surgical destruction of		Wrist	\$ 30.00
Chemocautery	\$ 12.00	Fingers or Toes	\$ 12.00
Chemosurgery – malignancies of skin	\$ 120.00	Hip or Knee	\$ 120.00
		Ankle	\$ 60.00
BREAST		TENDONS	
Biopsy	\$ 90.00	Repair or Suture	\$ 72.00
Excision of Cyst or Benign Tumor	\$ 90.00	Lengthening or Shortening	
Excision of Chest Wall Tumor	\$ 420.00	(e.g. Achilles tendon)	\$ 180.00
Mastectomy, simple	\$ 180.00		
Mastectomy, radical	\$ 420.00	AMPUTATIONS	
Mammoplasty, Reconstructive	\$ 900.00	Arm at Shoulder Joint	\$ 450.00
		Arm below Shoulder Joint	\$ 210.00
MUSCULOSKELETAL SYSTEM		Finger	\$ 90.00
		Leg at Hip Joint	\$ 480.00
BONE OR CARTILAGE GRAFT		Leg at Knee	\$ 240.00
Spinal Fusion	\$ 480.00	Leg above or below knee	\$ 300.00
Spinal Fusion with removal of		Toe	\$ 60.00
Intervertebral disc	\$ 480.00		
Spinal Fusion of Scoliosis	\$ 720.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)		NOSE	
Skull	\$ 450.00	Excision of Nasal Polyps	\$ 18.00
Nose	\$ 30.00	Submucous resection, Classic Nasal Sept	\$ 180.00
Jaw	\$ 180.00		
Vertebrae, one or more	\$ 180.00	SINUSES	
Collar Bone	\$ 90.00	Frontal Sinusotomy – simple	\$ 120.00
Shoulder blade (Scapula)	\$ 330.00	Frontal Sinusotomy – radical	\$ 360.00
Upper Arm	\$ 150.00		

Lower Arm	\$ 90.00	LARYNX	
Hand	\$ 60.00	Laryngectomy	\$ 600.00
Fingers or Toes	\$ 30.00	Laryngoscopy	\$ 24.00
Upper Leg	\$ 240.00		
Lower Leg	\$ 90.00		
Ankle	\$ 150.00		
Foot	\$ 60.00		
LUNGS		TRACHEA AND BRONCHI	
Thoracotomy	\$ 300.00	Tracheotomy	\$ 120.00
Pneumonotomy	\$ 360.00	Bronchoscopy	\$ 90.00
Pneumonocentesis	\$ 30.00	Closure of Tracheotomy	\$ 150.00
Thoracentesis	\$ 18.00		
Pneumonectomy, total	\$ 600.00		
Wedge Resection of Lung, Single or Multiple	\$ 480.00	Fistulotomy	\$ 60.00
Thoracoscopy (including biopsy)	\$ 120.00	Sphincterotomy	\$ 30.00
		Fissurectomy or Hemorrhoidectomy	\$ 120.00
		Removal of External Hemorrhoids	\$ 18.00
CARDIOVASCULAR SYSTEM		Aspiration biopsy of liver, pancreas Or bile duct	\$ 30.00
HEART		Cholecystotomy	\$ 300.00
Heart Transplant	\$ 1,200.00	Cholecystectomy	\$ 360.00
Catheterization of Heart	\$ 90.00	Pancreatectomy – partial	\$ 480.00
Suture of Heart wound or injury	\$ 600.00	Pancreatectomy – total	\$ 840.00
Valvotomy, aortic and pulmonic valve	\$ 900.00	Laparotomy	\$ 240.00
Valvotomy, mitral valve	\$ 840.00	Hemiotomy	\$ 210.00
Valvutoplasty or Replacement Aortic and mitral valve	\$ 1,200.00	URINARY SYSTEM	\$ -
Coronary Bypass, single or multiple	\$ 1,200.00	Nephrolithotomy	\$ 480.00
Repair of Myocardial Aneurysm	\$ 1,200.00	Renal Biopsy	\$ 30.00
Repair of Septal Defect	\$ 1,080.00	Nephrectomy	\$ 480.00
Angioplasty, percutaneous	\$ 600.00	Lithotripsy	\$ 300.00
Peravenous or Transvenous insertion of Pacemaker	\$ 300.00	Kidney Transplant	\$ 750.00
		Cystotomy	\$ 300.00
		Cystectomy – partial	\$ 420.00
ARTERIES		Cystectomy – complete	\$ 600.00
Arteriotomy, extramity	\$ 360.00	Urethroscopy or Cystoscopy	\$ 30.00
Thromboendarterectomy	\$ 720.00	Cystoplasty	\$ 480.00
Carotid endarterectomy	\$ 720.00	Dilation of Urethra	\$ 12.00
Excision and graft, Abdominal Aortic Aneurysm	\$ 900.00	GENITAL SYSTEM	
Injection – Varicose Veins	\$ 6.00	MALE	
HEMIC AND LYPHATIC SYSTEMS		Circumcision	\$ 18.00
Splenectomy	\$ 360.00	Orchlectomy	\$ 120.00
Biopsy of Lymph Node	\$ 30.00	Reduction of Torsion of Testis	\$ 180.00
Radical Lymphadenectomy	\$ 306.00	Excision of Epididymis, Hydrocele, Varicocele	\$ 180.00
		Vasectomy	\$ 90.00
DIGESTIVE SYSTEM		Biopsy, Prostate	\$ 100.00
Gastrotomy	\$ 300.00	Prostatectomy – partial	\$ 480.00
Gastrectomy, Total	\$ 600.00	Prostatectomy – radical	\$ 600.00
Gastrectomy, Partial	\$ 480.00		
Gastroscopy	\$ 90.00		
Gastro Gastrorrhaphy	\$ 300.00	FEMALE	
Enterectathy	\$ 360.00	Hysterectomy, Vaginal or Abdominal	\$ 360.00

Enterectomy	\$ 420.00	Hysterectomy, radical for cancer	
Colostomy	\$ 480.00	Including lymph nodes	\$ 600.00
Enterostomy	\$ 300.00	Salpingo – oophorectomy	\$ 270.00
Enterolysis	\$ 240.00	Repair of cystocele or rectocele	\$ 210.00
Diverticulectomy	\$ 300.00	Repair of cystocele and rectocele	\$ 312.00
Appendectomy	\$ 240.00	Tubal Ligation	\$ 240.00
Proctectomy	\$ 600.00	Biopsy or removal of cervical lesion	
Protosigmoidoscopy	\$ 18.00	or polyp	\$ 180.00
Proctoplasty	\$ 240.00	Dilation and curettage	\$ 90.00
		Myomectomy	\$ 300.00
		Repair of uterine suspension	\$ 240.00
		Cesarian Section	\$ 300.00
		Obstetrical Delivery	\$ 120.00
		Amniocentesis	\$ 30.00
ENDOCRINE SYSTEM			
Incision and drainage of			
Thyroid Gland	\$ 18.00		
Local excision of thyroid cyst			
Or adenoma	\$ 240.00		
Thyroidectomy or parathyroidectomy	\$ 420.00		
Adrenalectomy	\$ 480.00		
NERVOUS SYSTEM			
Burr Holes	\$ 180.00		
Cranioplasty	\$ 600.00		
Craniotomy or Craniectomy	\$ 240.00		
Laminectomy	\$ 600.00		
Spinal Puncture	\$ 12.00		
Paravertebral block, lumbar,			
Or thoracic nerve	\$ 30.00		
Median nerve decompression			
(Carpal Tunnel)	\$ 180.00		
EYE			
Removal of eye	\$ 240.00		
Excision of pterygium	\$ 150.00		
Sclerotomy – anterior	\$ 300.00		
Sclerotomy – posterior	\$ 180.00		
Iridectomy	\$ 300.00		
Extraction of lens (including			
Cataract extraction)	\$ 480.00		
Reattachment of retina	\$ 600.00		
Muscle operation (one or more muscles)	\$ 360.00		
Excision of lacrimal gland or sac	\$ 300.00		
EAR			
Drainage of abscess	\$ 12.00		
Otoscopy	\$ 12.00		
Myringotomy	\$ 18.00		
Tympanotomy (diagnostic)	\$ 300.00		
Tympanotomy with insertion of			
Collar Button Tube	\$ 150.00		
Mastoidectomy – simple	\$ 300.00		
Tympanoplasty	\$ 600.00		
Labyrinthotomy or Labyrinthectomy	\$ 600.00		

Plan 2

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 25.00	Shoulder or Elbow Arthrotomy	\$ 625.00
Acne Surgery	\$ 187.50	Arthroplasty	\$ 1,000.00
Biopsy	\$ 37.50	Wrist Arthrotomy	\$ 500.00
Excision of Benign Tumor	\$ 50.00	Arthroplasty	\$ 1,000.00
Excision of Malignant Tumor		Hip Arthrotomy	\$ 875.00
(Trunk, Arms or Legs)	\$ 75.00	Arthroplasty	\$ 1,250.00
Excision of Malignant Tumor		Knee Arthrotomy	\$ 625.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 1,250.00
Feet, Genitalia)	\$ 125.00	Ankle Arthrotomy	\$ 625.00
Excision of Malignant Tumor		Arthroplasty	\$ 937.50
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 250.00
Membrane)	\$ 187.50		
Excision of Nail	\$ 125.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 25.00	Jaw	\$ 62.50
Repair – Complex Wounds (Linear Repair)	\$ 87.50	Collar Bone (requiring reduction)	\$ 125.00
Repair – Skin Grafts (Single Stage)	\$ 62.50	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 187.50	Or Elbow	\$ 62.50
Electro – surgical destruction of		Wrist	\$ 62.50
Chemocautery	\$ 25.00	Fingers or Toes	\$ 25.00
Chemosurgery – malignancies of skin	\$ 250.00	Hip or Knee	\$ 250.00
		Ankle	\$ 125.00
BREAST			
Biopsy	\$ 187.50	TENDONS	
Excision of Cyst or Benign Tumor	\$ 187.50	Repair or Suture	\$ 150.00
Excision of Chest Wall Tumor	\$ 875.00	Lengthening or Shortening	\$
Mastectomy, simple	\$ 375.00	(e.g. Achilles tendon)	\$ 375.00
Mastectomy, radical	\$ 875.00		
Mammoplasty, Reconstructive	\$ 1,875.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 937.50
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 437.50
		Finger	\$ 187.50
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 1,000.00
Spinal Fusion	\$ 1,000.00	Leg at Knee	\$ 500.00
Spinal Fusion with removal of		Leg above or below knee	\$ 625.00
Intervertebral disc	\$ 1,000.00	Toe	\$ 125.00
Spinal Fusion of Scoliosis	\$ 1,500.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 937.50	NOSE	
Nose	\$ 62.50	Excision of Nasal Polyps	\$ 37.50
Jaw	\$ 375.00	Submucous resection, Classic Nasal Sept	\$ 375.00
Vertebrae, one or more	\$ 375.00		
Collar Bone	\$ 187.50	SINUSES	
Shoulder blade (Scapula)	\$ 687.50	Frontal Sinusotomy – simple	\$ 250.00
Upper Arm	\$ 312.50	Frontal Sinusotomy – radical	\$ 750.00
Lower Arm	\$ 187.50		
Hand	\$ 125.00	LARYNX	
Fingers or Toes	\$ 62.50	Laryngectomy	\$ 1,250.00

Upper Leg	\$ 500.00	Laryngoscopy	\$ 50.00
Lower Leg	\$ 187.50		
Ankle	\$ 312.50	TRACHEA AND BRONCHI	
Foot	\$ 125.00	Tracheotomy	\$ 250.00
		Bronchoscopy	\$ 187.50
		Closure of Tracheotomy	\$ 312.50
LUNGS			
Thoracotomy	\$ 625.00	Fistulotomy	\$ 125.00
Pneumonotomy	\$ 750.00	Sphincterotomy	\$ 62.50
Pneumonocentesis	\$ 62.50	Fissurectomy or Hemorrhoidectomy	\$ 250.00
Thoracentesis	\$ 37.50	Removal of External Hemorrhoids	\$ 37.50
Pneumonectomy, total	\$ 1,250.00	Aspiration biopsy of liver, pancreas	
Wedge Resection of Lung,		Or bile duct	\$ 62.50
Single or Multiple	\$ 1,000.00	Cholecystotomy	\$ 625.00
Thoracoscopy (including biopsy)	\$ 250.00	Cholecystectomy	\$ 750.00
		Pancreatectomy – partial	\$ 1,000.00
CARDIOVASCULAR SYSTEM		Pancreatectomy – total	\$ 1,750.00
		Laparotomy	\$ 500.00
HEART		Hemiotomy	\$ 437.50
Heart Transplant	\$ 2,500.00		
Catheterization of Heart	\$ 187.50	URINARY SYSTEM	
Suture of Heart wound or injury	\$ 1,250.00	Nephrolithotomy	\$ 1,000.00
Valvotomy, aortic and pulmonic valve	\$ 1,875.00	Renal Biopsy	\$ 62.50
Valvotomy, mitral valve	\$ 1,750.00	Nephrectomy	\$ 1,000.00
Valvutoplasty or Replacement		Lithotripsy	\$ 625.00
Aortic and mitral valve	\$ 2,500.00	Kidney Transplant	\$ 1,562.50
Coronary Bypass, single or multiple	\$ 2,500.00	Cystotomy	\$ 625.00
Repair of Myocardial Aneurysm	\$ 2,500.00	Cystectomy – partial	\$ 875.00
Repair of Septal Defect	\$ 2,250.00	Cystectomy – complete	\$ 1,250.00
Angioplasty, percutaneous	\$ 1,250.00	Urethroscopy or Cystoscopy	\$ 62.50
Peravenous or Transvenous insertion of		Cystoplasty	\$ 1,000.00
Pacemaker	\$ 625.00	Dilation of Urethra	\$ 25.00
ARTERIES		GENITAL SYSTEM	
Arterlotomy, extramity	\$ 750.00		
Thromboendarterectomy	\$ 1,500.00	MALE	
Carotid endarterectomy	\$ 1,500.00	Circumcision	\$ 37.50
Excision and graft, Abdominal Aortic		Orchlectomy	\$ 250.00
Aneurysm	\$ 1,875.00	Reduction of Torsion of Testis	\$ 375.00
Injection – Varicose Veins	\$ 12.50	Excision of Epididymis, Hydrocele,	\$ 125.00
		Varicocoele	\$ 375.00
HEMIC AND LYPHATIC SYSTEMS		Vasectomy	\$ 187.50
Splenectomy	\$ 750.00	Biopsy, Prostate	\$ 208.33
Biopsy of Lymph Node	\$ 62.50	Prostatectomy – partial	\$ 1,000.00
Radical Lymphadenectomy	\$ 637.50	Prostatectomy – radical	\$ 1,250.00
DIGESTIVE SYSTEM		FEMALE	
Gastrostomy	\$ 625.00	Hysterectomy, Vaginal or Abdominal	\$ 750.00
Gastrectomy, Total	\$ 1,250.00	Hysterectomy, radical for cancer	
Gastrectomy, Partial	\$ 1,000.00	Including lymph nodes	\$ 1,250.00
Gastroscopy	\$ 187.50	Salpingo – oophorectomy	\$ 562.50
Gastro Gastrorrhaphy	\$ 625.00	Repair of cystocele or rectocele	\$ 437.50
Enterectathy	\$ 750.00	Repair of cystocele and rectocele	\$ 650.00

SECTION X**INCORPORATION OF RIDER PROVISIONS**

CA6500-DCR IL	Dependent Children Benefit Rider
CA6500-DSR IL	Dependent Spouse Benefit Rider
CIR06-REV	Critical Illness Rider
PR-06	Portability Rider

SECTION XI OCCUPATIONAL CLASSIFICATIONS AND SCHEDULE OF PREMIUMS

Monthly Premium Rates
Voluntary

	Plan 1	Plan 1 CI	Plan 2	Plan 2 CI
EE V	\$ 71.77	\$5.43	\$ 130.08	\$10.85
EE&SP V	\$ 144.65	\$8.13	\$ 263.34	\$16.25
EE&CH V	\$ 109.83	\$5.43	\$ 192.50	\$10.85
Family V	\$ 182.71	\$8.13	\$ 325.76	\$16.25



Continental American[™]

INSURANCE COMPANY

2801 Devine Street, Columbia, South Carolina 29205

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
Premiums and Individual Terminations	Section II
Benefit Provisions.....	Section III
Limitations and Exclusions.....	Section IV
Claim Provisions.....	Section V
General Provisions.....	Section VI
Benefit Schedule	Section VII
Schedule of Operations.....	Section VIII
Certificate Schedule.....	Section IX

We certify that you are insured under the Supplemental Hospital Indemnity Policy (herein called the Plan) issued to your 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 Member. 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.

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

SECTION I

DEFINITIONS

Whenever a male pronoun is used, it includes the female unless the context clearly shows otherwise.

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

We, Us, Our - means Continental American.

You and Your - refer to the person named in the Certificate Schedule.

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

If this certificate is issued as:

1. Member/Spouse coverage Insured means you and your legal spouse;
2. Single Parent Family coverage Insured means you and your covered dependent children as defined in the applicable rider, that have been accepted for coverage;
3. Family coverage Insured means you and 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 an Insured'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 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 policy is in force; and
2. 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, 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 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; 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 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 and is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
2. is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
3. is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
4. 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
5. 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. an observation unit; or
6. any facility not meeting the definition of a hospital intensive care unit as defined in this policy.

Your Occupation - means the occupation 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 at your regular place of employment 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 20 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 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 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.

INDIVIDUAL TERMINATIONS

Your insurance will terminate on the earliest of:

1. the date the Plan is terminated;
2. the period ends for which premium has been paid;
3. on the date you cease to meet the definition of a Member as defined in the Plan;
4. on the premium due date which falls on or first follows your 70th birthday; or
5. on the date you are no longer a member of an eligible class.

Termination of any Insured's coverage under this certificate shall be without prejudice to his 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 65th birthday; at that time all benefits cease regardless of the benefit maximum.

Hospital Admission - We will pay this benefit when you are admitted to a hospital and confined as a resident bed patient because of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, you 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, a recovery room, or for emergency room treatment or outpatient treatment.

We will pay this benefit once for a period of confinement. We will only pay this benefit once for each covered accident or covered sickness. If we pay benefits for hospital confinement and the insured becomes confined to a hospital again within 6 months because of the same or related condition, we will treat this confinement as the same confinement.

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the Elimination Period if any, when you are confined to a hospital as a resident bed patient as the result of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, 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

EXCLUSIONS

We will not pay benefits for loss resulting from:

1. Service in the military, naval or air service of any country, or international organization.
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** – while traveling outside the United States, Canada, Mexico, or any United States possessions, except for a Medical Emergency or a covered Accidental Death or Accidental Dismemberment.
5. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a Physician. Intoxication will be defined and determined by the laws of the state where the loss or cause of the loss was incurred.
6. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.

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 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 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 90 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 or sickness 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. Claims paid 30th days after we receive due written proof of loss will accrue interest at 9% per annum from the 30th day.

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 an Insured 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 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:

1. the statement is in writing signed by the policyholder or by you; and
2. 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 unless you fraudulently made them.

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**

HOSPITAL CONFINEMENT	PLAN 1
Maximum 30 days per confinement	\$600 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>	
HOSPITAL ADMISSION	\$600
Payable once per admission	
HOSPITAL INTENSIVE CARE	\$600
Maximum 30 days per confinement	Per day
SURGICAL BENEFIT -see schedule	Up to \$1,200
Maximum surgical procedure	
ANESTHESIA BENEFIT	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$50
Maximum visits per calendar year	6
WELLNESS BENEFIT -Max per calendar year	\$150

SECTION VIII

SCHEDULE OF OPERATIONS

Plan 1

SECTION XI	SCHEDULE OF OPERATIONS		
INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 12.00	Shoulder or Elbow Arthroto	\$ 300.00
Acne Surgery	\$ 9.00	Arthroplasty	\$ 480.00
Biopsy	\$ 18.00	Wrist Arthroto	\$ 240.00
Excision of Benign Tumor	\$ 24.00	Arthroplasty	\$ 480.00
Excision of Malignant Tumor		Hip Arthroto	\$ 420.00
(Trunk, Arms or Legs)	\$ 36.00	Arthroplasty	\$ 600.00
Excision of Malignant Tumor		Knee Arthroto	\$ 300.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 600.00
Feet, Genitalia)	\$ 60.00	Ankle Arthroto	\$ 300.00
Excision of Malignant Tumor		Arthroplasty	\$ 450.00
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 120.00
Membrane)	\$ 90.00		
Excision of Nail	\$ 60.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 12.00	Jaw	\$ 30.00
Repair – Complex Wounds (Linear Repair)	\$ 42.00	Collar Bone (requiring reduction)	\$ 60.00
Repair – Skin Grafts (Single Stage)	\$ 30.00	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 90.00	Or Elbow	\$ 30.00
Electro – surgical destruction of		Wrist	\$ 30.00
Chemocautery	\$ 12.00	Fingers or Toes	\$ 12.00
Chemosurgery – malignancies of skin	\$ 120.00	Hip or Knee	\$ 120.00
		Ankle	\$ 60.00
BREAST			
Biopsy	\$ 90.00	TENDONS	
Excision of Cyst or Benign Tumor	\$ 90.00	Repair or Suture	\$ 72.00
Excision of Chest Wall Tumor	\$ 420.00	Lengthening or Shortening	
Mastectomy, simple	\$ 180.00	(e.g. Achilles tendon)	\$ 180.00
Mastectomy, radical	\$ 420.00		
Mammoplasty, Reconstructive	\$ 900.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 450.00
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 210.00
		Finger	\$ 90.00
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 480.00
Spinal Fusion	\$ 480.00	Leg at Knee	\$ 240.00
Spinal Fusion with removal of		Leg above or below knee	\$ 300.00
Intervertebral disc	\$ 480.00	Toe	\$ 60.00
Spinal Fusion of Scoliosis	\$ 720.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 450.00	NOSE	
Nose	\$ 30.00	Excision of Nasal Polyps	\$ 18.00
Jaw	\$ 180.00	Submucous resection, Classic Nasal Sept	\$ 180.00
Vertabrae, one or more	\$ 180.00		
Collar Bone	\$ 90.00	SINUSES	
Shoulder blade (Scapula)	\$ 330.00	Frontal Sinusotomy – simple	\$ 120.00
Upper Arm	\$ 150.00	Frontal Sinusotomy – radical	\$ 360.00

Colostomy	\$ 480.00	Including lymph nodes	\$ 600.00
Enterostomy	\$ 300.00	Salpingo – oophorectomy	\$ 270.00
Enterolysis	\$ 240.00	Repair of cystocele or rectocele	\$ 210.00
Diverticulectomy	\$ 300.00	Repair of cystocele and rectocele	\$ 312.00
Appendectomy	\$ 240.00	Tubal Ligation	\$ 240.00
Proctectomy	\$ 600.00	Biopsy or removal of cervical lesion	
Protosigmoidoscopy	\$ 18.00	or polyp	\$ 180.00
Proctoplasty	\$ 240.00	Dilation and curettage	\$ 90.00
		Myomectomy	\$ 300.00
		Repair of uterine suspension	\$ 240.00
		Cesarian Section	\$ 300.00
		Obstetrical Delivery	\$ 120.00
		Amniocentesis	\$ 30.00
ENDOCRINE SYSTEM			
Incision and drainage of			
Thyroid Gland	\$ 18.00		
Local excision of thyroid cyst			
Or adenoma	\$ 240.00		
Thyroidectomy or parathyroidectomy	\$ 420.00		
Adrenalectomy	\$ 480.00		
NERVOUS SYSTEM			
Burr Holes	\$ 180.00		
Cranioplasty	\$ 600.00		
Craniotomy or Craniectomy	\$ 240.00		
Laminectomy	\$ 600.00		
Spinal Puncture	\$ 12.00		
Paravertebral block, lumbar,			
Or thoracic nerve	\$ 30.00		
Median nerve decompression			
(Carpal Tunnel)	\$ 180.00		
EYE			
Removal of eye	\$ 240.00		
Excision of pteryglum	\$ 150.00		
Sclerotomy – anterior	\$ 300.00		
Sclerotomy – posterior	\$ 180.00		
Iridectomy	\$ 300.00		
Extraction of lens (including			
Cataract extraction)	\$ 480.00		
Reattachment of retina	\$ 600.00		
Muscle operation (one or more muscles)	\$ 360.00		
Excision of lacrimal gland or sac	\$ 300.00		
EAR			
Drainage of abscess	\$ 12.00		
Otoscopy	\$ 12.00		
Myringotomy	\$ 18.00		
Tympanotomy (diagnostic)	\$ 300.00		
Tympanotomy with insertion of			
Collar Button Tube	\$ 150.00		
Mastoidectomy – simple	\$ 300.00		
Tympanoplasty	\$ 600.00		
Labyrinthotomy or Labyrinthectomy	\$ 600.00		

SECTION VII**BENEFIT SCHEDULE**

HOSPITAL CONFINEMENT	PLAN 2
Maximum 30 days per confinement	\$1,200 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>	
HOSPITAL ADMISSION	\$1,200
Payable once per admission	
HOSPITAL INTENSIVE CARE	\$1,200
Maximum 30 days per confinement	Per day
SURGICAL BENEFIT -see schedule	Up to \$2,500
Maximum surgical procedure	
ANESTHESIA BENEFIT	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$75
Maximum visits per calendar year	6
WELLNESS BENEFIT -Max per calendar year	\$150

SECTION VIII

SCHEDULE OF OPERATIONS

Plan 2

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 25.00	Shoulder or Elbow Arthrotomy	\$ 625.00
Acne Surgery	\$ 187.50	Arthroplasty	\$ 1,000.00
Biopsy	\$ 37.50	Wrist Arthrotomy	\$ 500.00
Excision of Benign Tumor	\$ 50.00	Arthroplasty	\$ 1,000.00
Excision of Malignant Tumor		Hip Arthrotomy	\$ 875.00
(Trunk, Arms or Legs)	\$ 75.00	Arthroplasty	\$ 1,250.00
Excision of Malignant Tumor		Knee Arthrotomy	\$ 625.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 1,250.00
Feet, Genitalia)	\$ 125.00	Ankle Arthrotomy	\$ 625.00
Excision of Malignant Tumor		Arthroplasty	\$ 937.50
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 250.00
Membrane)	\$ 187.50		
Excision of Nail	\$ 125.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 25.00	Jaw	\$ 62.50
Repair – Complex Wounds (Linear Repair)	\$ 87.50	Collar Bone (requiring reduction)	\$ 125.00
Repair – Skin Grafts (Single Stage)	\$ 62.50	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 187.50	Or Elbow	\$ 62.50
Electro – surgical destruction of		Wrist	\$ 62.50
Chemocautery	\$ 25.00	Fingers or Toes	\$ 25.00
Chemosurgery – malignancies of skin	\$ 250.00	Hip or Knee	\$ 250.00
		Ankle	\$ 125.00
BREAST			
Biopsy	\$ 187.50	TENDONS	
Excision of Cyst or Benign Tumor	\$ 187.50	Repair or Suture	\$ 150.00
Excision of Chest Wall Tumor	\$ 875.00	Lengthening or Shortening	\$
Mastectomy, simple	\$ 375.00	(e.g. Achilles tendon)	\$ 375.00
Mastectomy, radical	\$ 875.00		
Mammoplasty, Reconstructive	\$ 1,875.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 937.50
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 437.50
		Finger	\$ 187.50
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 1,000.00
Spinal Fusion	\$ 1,000.00	Leg at Knee	\$ 500.00
Spinal Fusion with removal of		Leg above or below knee	\$ 625.00
Intervertebral disc	\$ 1,000.00	Toe	\$ 125.00
Spinal Fusion of Scoliosis	\$ 1,500.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 937.50	NOSE	
Nose	\$ 62.50	Excision of Nasal Polyps	\$ 37.50
Jaw	\$ 375.00	Submucous resection, Classic Nasal Sept	\$ 375.00
Vertabrae, one or more	\$ 375.00		
Collar Bone	\$ 187.50	SINUSES	
Shoulder blade (Scapula)	\$ 687.50	Frontal Sinusotomy – simple	\$ 250.00
Upper Arm	\$ 312.50	Frontal Sinusotomy – radical	\$ 750.00
Lower Arm	\$ 187.50		
Hand	\$ 125.00	LARYNX	
Fingers or Toes	\$ 62.50	Laryngectomy	\$ 1,250.00
Upper Leg	\$ 500.00	Laryngoscopy	\$ 50.00

SECTION IX

CERTIFICATE SCHEDULE

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

Group Policy Number - 6891
Certificate Number -
First Renewal Date -



2801 Devine Street Columbia, South Carolina 29205

**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 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(ren), step-children, legally adopted child(ren) or child(ren) placed for adoption, who are:

1. unmarried;
2. chiefly dependent on you or your spouse for support;
3. living with you in a regular parent-child relationship; and
4. 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 child(ren), 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

Pregnancy will not be covered if conception was before a Dependent's Effective Date. Pregnancy will be covered as any other sickness when date of conception is after a Dependent's Effective Date of coverage.

EXCLUSIONS

We will not pay benefits for loss resulting from:

1. Service in the military, naval or air service of any country, or international organization.
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** – while traveling outside the United States, Canada, Mexico, or any United States possessions, except for a Medical Emergency or a covered Accidental Death or Accidental Dismemberment.
5. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a Physician. Intoxication will be defined and determined by the laws of the state where the loss or cause of the loss was incurred.
6. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.

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**

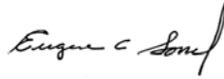
After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

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.

A handwritten signature in cursive script, appearing to read "Eugene C. Smith".

President

DEPENDENT RIDER SCHEDULE

**Insured -
Rider Effective Date -
First Renewal Date-
Initial Premium -**

**Group Policy Number -
Rider Number -
Certificate Number-**

BENEFIT SCHEDULE

HOSPITAL CONFINEMENT	PLAN 1
Maximum 30 days per confinement	\$600 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>	
HOSPITAL ADMISSION	\$600
Payable once per admission	
HOSPITAL INTENSIVE CARE	\$600
Maximum 30 days per confinement	Per day
SURGICAL BENEFIT -see schedule	Up to \$1,200
Maximum surgical procedure	
ANESTHESIA BENEFIT	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$50
Maximum visits per calendar year	6
WELLNESS BENEFIT -Max per calendar year	\$150

DEPENDENT RIDER SCHEDULE

**Insured -
Rider Effective Date -
First Renewal Date-
Initial Premium -**

**Group Policy Number -
Rider Number -
Certificate Number-**

BENEFIT SCHEDULE

HOSPITAL CONFINEMENT	PLAN 2
Maximum 30 days per confinement	\$1,200 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>	
HOSPITAL ADMISSION	\$1,200
Payable once per admission	
HOSPITAL INTENSIVE CARE	\$1,200
Maximum 30 days per confinement	Per day
SURGICAL BENEFIT -see schedule	Up to \$2,500
Maximum surgical procedure	
ANESTHESIA BENEFIT	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$75
Maximum visits per calendar year	6
WELLNESS BENEFIT -Max per calendar year	\$150



2801 Devine Street Columbia, South Carolina 29205

**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 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 your insured spouse are shown in the Benefit Schedule issued with this rider.

LIMITATIONS AND EXCLUSIONS

Pregnancy will not be covered if conception was before the Effective Date of this rider. Pregnancy will be covered as any other sickness when date of conception is after the Effective Date of this coverage.

EXCLUSIONS

We will not pay benefits for loss resulting from:

1. Service in the military, naval or air service of any country, or international organization.
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** – while traveling outside the United States, Canada, Mexico, or any United States possessions, except for a Medical Emergency or a covered Accidental Death or Accidental Dismemberment.
5. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a Physician. Intoxication will be defined and determined by the laws of the state where the loss or cause of the loss was incurred.
6. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.

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 was covered under this rider.

TIME LIMIT ON CERTAIN DEFENSES

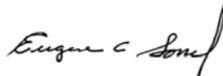
After this rider has been in force for a period of two years it shall become incontestable as to the statements contained in the application.

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.



President

RIDER SCHEDULE

**Insured -
Rider Effective Date -
First Renewal Date-
Initial Premium -**

**Group Policy Number -
Rider Number -
Certificate Number-**

BENEFIT SCHEDULE

HOSPITAL CONFINEMENT	PLAN 1
Maximum 30 days per confinement	\$600 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>	
HOSPITAL ADMISSION	\$600
Payable once per admission	
HOSPITAL INTENSIVE CARE	\$600
Maximum 30 days per confinement	Per day
SURGICAL BENEFIT -see schedule	Up to \$1,200
Maximum surgical procedure	
ANESTHESIA BENEFIT	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$50
Maximum visits per calendar year	6
WELLNESS BENEFIT -Max per calendar year	\$150

RIDER SCHEDULE

**Insured -
Rider Effective Date -
First Renewal Date-
Initial Premium -**

**Group Policy Number -
Rider Number -
Certificate Number-**

BENEFIT SCHEDULE

HOSPITAL CONFINEMENT	PLAN 2
Maximum 30 days per confinement	\$1,200 per day
<i>Mental or substance abuse limited to 30 days per calendar year</i>	
HOSPITAL ADMISSION	\$1,200
Payable once per admission	
HOSPITAL INTENSIVE CARE	\$1,200
Maximum 30 days per confinement	Per day
SURGICAL BENEFIT -see schedule	Up to \$2,500
Maximum surgical procedure	
ANESTHESIA BENEFIT	25% of Surgical Benefit
HOSPITAL EMERGENCY ROOM/ PHYSICIAN - per visit	\$75
Maximum visits per calendar year	6
WELLNESS BENEFIT -Max per calendar year	\$150



Continental American[™]

INSURANCE COMPANY

(800) 433-3036

CRITICAL ILLNESS RIDER TO CERTIFICATE OF INSURANCE FOR HOSPITAL INDEMNITY

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.

Termination – This rider terminates when your Certificate terminates or when premium for this rider is no longer paid.

DEFINITIONS

Pathologist means a doctor, other than yourself or a family member, who is licensed to practice medicine and who is also licensed to practice pathologic anatomy by the American Board of Pathology. A pathologist also means an osteopathic pathologist who is certified by the Osteopathic Board of Pathology.

Doctor or Physician means any licensed practitioner of the healing arts acting within the scope of his or her license in treating an injury or illness. It doesn't include you or a member of your family.

Illness means sickness or disease which first manifests itself while this rider is in force and after any applicable Waiting Period. Any loss due to illness must begin while this rider is in force.

Date of Diagnosis The date of diagnosis is:

For cancer and/or carcinoma in situ: The day the tissue specimen, blood samples and/or titer(s) are taken on which the first diagnosis of cancer or carcinoma in situ is based.

For heart attack: The date that the death (infarction) of a portion of the heart muscle occurred based on the criteria listed under the Heart Attack definition.

For stroke: The date a stroke occurred based on documented neurological deficits and neuroimaging studies.

For end stage renal failure: The date that a doctor or physician recommends that an Insured begin renal dialysis.

Major organ transplant surgery or coronary artery bypass surgery: The date the surgery occurs for covered transplants or covered coronary artery bypass surgery.

Medical Necessity and "Medically Necessary" means surgery when provided as needed by your medical condition and according to generally accepted medical practice standards. The fact that your physician may prescribe, order, recommend or approve a surgery doesn't, of itself, make it Medically Necessary.

Specified Critical Illness means such illness shown in the Schedule and as defined in this rider.

Waiting Period means the first thirty (30) days after the Covered Person's Effective Date. We won't pay benefits for a Specified Critical Illness that begins during the Waiting Period.

BENEFIT DEFINITIONS

Cancer means a malignant tumor characterized by the uncontrolled growth and spread of malignant cells and the invasion of distant tissue. Cancer includes leukemia. Excluded are Cancers such as:

1. Pre-malignant tumors or polyps;
2. Carcinoma in Situ (non-invasion);
3. Any skin cancers except melanomas;
4. Stage 1 Hodgkin's disease and Stage A Prostate Cancer;
5. Basal cell carcinoma and squamous cell carcinoma of the skin; and
6. Melanoma that is diagnosed as Clark's Level I or II or Breslow less than .77mm.

Cancer which meets the diagnosis criteria of malignancy established by The American Board of Pathology after a study of the histocytologic architecture or pattern of the suspect tumor, tissue or specimen.

Myocardial Infarction (Heart Attack) means the death of a portion of the heart muscle (myocardium) resulting from a blockage of one or more coronary arteries. Heart attack does not include any other disease or injury involving the cardiovascular system. Cardiac arrest not caused by a myocardial infarction is not a heart attack. The diagnosis must include all of the following criteria:

1. New and serial Electrocardiographic (EKG) findings consistent with Myocardial Infraction; and
2. Elevation of cardiac enzymes above generally accepted laboratory levels of normal in case of creatine phosphokinase (CPK), a CPK-MB measurement must be used.
3. Confirmatory imaging studies such as thallium scans, MUGA scans, or stress echocardiograms.
4. Chest Pain.

Stroke means Apoplexy (due to rupture or acute occlusion of a cerebral artery), or a cerebral vascular accident or incident, which is first manifested on or after the policy date. Stroke does not include Transient Ischemic Attacks and attacks of Vertebrobasilar Ischemia. We will pay a benefit for Stroke that produces permanent clinical neurological sequela persisting for at least 30 days following an initial diagnosis made after any applicable Waiting Period. We must receive evidence of the permanent neurological damage provided from Computed Axial Tomography (CAT scan) or magnetic Resonance Imaging (MRI). **Stroke does not mean head injury, transient ischemic attack or chronic cerebrovascular insufficiency.**

Renal Failure (Kidney Failure) means the end stage renal failure presenting as chronic, irreversible failure of both of your kidneys to function. The Kidney Failure must necessitate regular renal dialysis, hemo-dialysis or peritoneal dialysis (at least weekly); or which results in kidney transplantation. Renal failure is covered, provided it is not caused by a traumatic event, including surgical traumas.

Major Organ Transplant means having a major organ transplant means undergoing surgery as a recipient of a transplant of a human heart, lung, liver, kidney, or pancreas.

BENEFITS

Specified Critical Illness Benefit

We will pay this benefit if you are diagnosed with one of the specified critical illnesses shown on the Rider Schedule if:

1. The Date of Diagnosis is after the Waiting Period;
2. The Date of Diagnosis is while this rider is in force; and
3. It is not excluded by name or specific description in this rider.

The critical illness benefit is payable only once during the insured's lifetime.

We will pay this benefit if an Insured Person is diagnosed with one of the Specified Critical Illnesses shown on the Certificate Schedule if:

1. The date of diagnosis is after the Waiting Period;
2. The date of diagnosis is while this Certificate and is in force; and
3. It is not excluded by name or specific description in this Certificate.

If the date of diagnosis of a Specified Critical Illness occurs during the Waiting Period, the Certificate may be returned for a full refund of premium.

The Certificate's Initial Maximum Benefit amount is shown in the Schedule.

We will figure the benefits for each Specified Critical Illness by multiplying:

1. The Benefit Amount; LESS
2. Any partial benefits paid.

Payment of benefits is subject to the following:

1. We will pay benefits for a Specified Critical Illness in the order the events occur.
2. No benefits are payable for each Specified Critical Illness after the first unless its date of diagnosis is separated from the prior Specified Critical Illness by at least 180 days.
3. Once benefits have been paid for a Specified Critical Illness, no additional benefits are payable for that same Specified Critical Illness unless the dates of diagnosis are separated by at least 12 months (12 treatment free for cancer).

LIMITATIONS AND EXCLUSIONS

This rider contains a 30-day "waiting period". If a Covered Person is first diagnosed during the "waiting period", or, at your option, you may elect to void the Certificate from the beginning and receive a full refund of premium.

EXCLUSIONS

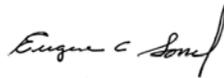
We won't pay for loss due to:

1. Intentionally self inflicted injury or action.
2. Suicide or attempted suicide while sane.
3. Illegal activities or participation in an illegal occupation.
4. War -declared or undeclared or military conflicts, participation in an insurrection or riot, civil commotion or state of belligerence.
5. Under the influence of any narcotic unless prescribed to you by a physician.

GENERAL PROVISIONS

1. This Rider is part of the Hospital Indemnity Certificate and will terminate when that Certificate terminates, or when premiums are no longer paid for this Rider.
2. The premium for this Rider is included in the premium shown in your certificate schedule.
3. This Rider is subject to all of the terms of the Hospital Indemnity Certificate to which it is attached unless any such items are inconsistent with the terms of this Rider.

Signed for the Company at its Home Office.



President

RIDER SCHEDULE

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

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

SECTION VIII - BENEFIT SCHEDULE

Maximum Benefit

Waiting Period: 30 days

SPECIFIED CRITICAL ILLNESS

Maximum Benefit

Stroke	100%
Cancer	100%
Kidney Failure	100%
Heart Attack	100%
Major Organ Transplant	100%

PARTIAL BENEFITS

CANCER

Carcinoma in situ	25%	25%
-------------------	-----	-----

When this Partial Benefit is paid, it will reduce the cancer benefit by 25%.

HEART ATTACK

Coronary Artery Bypass Surgery	25%	25%
--------------------------------	-----	-----

When this Partial benefit is paid, it will reduce the Heart Attack Benefit by 25%.



Continental American
INSURANCE COMPANY
2801 Devine Street, Columbia, South Carolina 29205
(800) 433-3036

This Rider is a part of the Policy/Certificate to which it is attached. Unless amended by this Rider, Policy/Certificate Definitions, other Provisions and terms 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 employee fails to pay any required premium;
 - b. the date the Group Policy is terminated.

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

Signed for the Company at its Home Office.

President



2801 Devine Street, Columbia, South Carolina 29205
Member: Continental American Insurance Group

GROUP MASTER APPLICATION

Application is hereby made to: Continental American Insurance Company
By:

EMPLOYER / UNION / ASSOCIATION NAME
HOME OFFICE LOCATION (City and State)

REPRESENTATIONS

<p>Class of Employees Eligible for Coverage: Regular _____ employees / members under age _____</p> <p>An eligible applicant is one who works _____ hours or more per week. An applicant must be Actively at Work on the date he/she applies and on the date his or her Certificate of Insurance is to become effective. An applicant must have completed _____ months of continuous service before being eligible.</p>
<p>The minimum number of enrolled employees necessary to keep the Group Policy in force is:</p>

COVERAGE REQUESTED

<input type="checkbox"/> Group Hospital Indemnity	Plan: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4
Optional Features: _____ The requested effective date: _____	
<i>Will this Group Hospital Indemnity Policy replace any existing Group Hospital Indemnity Policy?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No	

GENERAL AGREEMENT:

The applicant agrees to transmit the total premiums under the group policy to Continental American Insurance Company at its Home Office when due. No agent or other person except an officer can make or change any contract or agreement on behalf of Continental American Insurance Company.

Warning: Any person who, with the intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

By	Date
Title	



ENROLLMENT FORM

Post Office Box 427
Columbia, South Carolina 29202 (800) 433-3036

For Home Office Use Only	
ID#	
Plan Code:	
Effective Date	

Employee		Social Security Number / ID Number		Gender	Date of Birth
Street Address			City	State	Zip Code
Employer	Occupation		Location	Date of Hire	
Hours worked per week	Daytime Phone Number	Beneficiary Name & Relationship			
Are you actively at work? <input type="checkbox"/> YES <input type="checkbox"/> NO					

H.I. PLUS COVERAGE

<input type="checkbox"/> Plan # _____		Monthly Premium: \$ _____		Section 125: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Employee Only		<input type="checkbox"/> Employee + Spouse		<input type="checkbox"/> Employee + Children	
				<input type="checkbox"/> Family	
Please list all covered dependents (Spouse and/or Children) below:					
	Name	Date of Birth		Name	Date of Birth
Spouse			Child		
Child			Child		
Child			Child		

To the best of my knowledge and belief, the answers to the questions on this application are true and complete. They are offered to Continental American Insurance Company as the basis for any insurance issued.

CERTIFICATION: The undersigned applicant has read the completed application and realizes that any false statement or misrepresentation in the application may result in loss of coverage under the certificate. I understand that no insurance will be in effect until my application is approved and the necessary premium is paid.

I authorize my employer to deduct the appropriate dollar amount from my earnings and to deduct and pay Continental American Insurance Company the premium required thereafter each pay period for my insurance.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Deduction Start Date _____

Date _____ Signature of Applicant: _____

Date _____ Signature of Agent: _____ State of Enrollment _____

THIS IS NOT BASIC HEALTH INSURANCE OR MAJOR MEDICAL COVERAGE AND IS NOT DESIGNED AS A SUBSTITUTE FOR BASIC HEALTH INSURANCE OR MAJOR MEDICAL COVERAGE.



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

AMENDATORY ENDORSEMENT

This amendatory endorsement is made a part of the Policy, Certificate and Riders to which it is attached and is subject to all terms and provisions of such Policy or Certificate not inconsistent herewith. This amendatory endorsement is applicable only to Insured Persons who are **residents** of the State of Arkansas on the Certificate Date and on the date the claim is incurred.

In Section VI - CLAIM PROVISIONS, the following is amended:

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. We shall pay the claim within 30 days after receipt if the claim was submitted electronically, or within 45 days after receipt if the claim was submitted by other means. Claims paid 60 days after we receive due written proof of loss will accrue interest at 12% per annum from the 60th day.

This endorsement takes effect and expires concurrently with the policy or certificate to which it is attached, and is subject to all of the terms and conditions of the policy not inconsistent therewith.

There are no other changes to the certificate.

In Witness Whereof, We have caused this Endorsement to be signed by

President

SERFF Tracking Number: CAIC-126019834 *State:* Arkansas
Filing Company: Continental American Insurance Company *State Tracking Number:* 41450
Company Tracking Number: 7106
TOI: H14G Group Health - Hospital Indemnity *Sub-TOI:* H14G.000 Health - Hospital Indemnity
Product Name: NCBA Filing AR
Project Name/Number: NCBA Filings/7106

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: CAIC-126019834 State: Arkansas
 Filing Company: Continental American Insurance Company State Tracking Number: 41450
 Company Tracking Number: 7106
 TOI: H14G Group Health - Hospital Indemnity Sub-TOI: H14G.000 Health - Hospital Indemnity
 Product Name: NCBA Filing AR
 Project Name/Number: NCBA Filings/7106

Supporting Document Schedules

Satisfied -Name: Flesch Certification **Review Status:** Approved-Closed 02/10/2009
Comments:
Attachment:
 CAIC_HI PLUS_READ_CERT.pdf

Satisfied -Name: Application **Review Status:** Approved-Closed 02/10/2009
Comments:
 The application that will be used is attached under the forms tab for approval.

Satisfied -Name: Cover Letter **Review Status:** Approved-Closed 02/10/2009
Comments:
Attachment:
 0 Submission letter NCBA Arkansas.pdf

Satisfied -Name: Arkansas Association Checklist **Review Status:** Approved-Closed 02/10/2009
Comments:
Attachment:
 AR checklist.pdf

Satisfied -Name: NCBA Articles of Incorporation and Bylaws **Review Status:** Approved-Closed 02/10/2009
Comments:
Attachments:
 NCBA Articles.pdf
 NCBA Bylaws.pdf



READABILITY CERTIFICATION

I, James J. Hennessy, hereby certify that the following forms have the following readability score as calculated by the Flesch Reading Ease Test: **44.8**

	<u>Form</u>
Master Policy	CA6500-MP IL
Certificate	CA6500-CI IL
Dependent Rider	CA6500-DCR IL
Spouse Rider	CA6500-DSR IL
Critical Illness Rider	CIR06-REV
Portability Rider	PR-06
Enrollment Form	CA6500-EA
Master Application	HIP-6500 MA

February 3, 2009
Date

James J. Hennessy, AIRC
Vice President, Compliance



2801 Devine Street
Columbia, South Carolina 29205

February 3, 2009

Mr. Harris Shearer
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

Re: CONTINENTAL AMERICAN INSURANCE COMPANY NAIC 71730

**National Combined Benefits Association
Enclosed: Bylaws and Articles of Incorporation
and approved IL Association Hospital Indemnity forms**

Master Policy	CA6500-MP IL
Certificate	CA6500-CI IL
Dependent Rider	CA6500-DCR IL
Spouse Rider	CA6500-DSR IL
Critical Illness Rider	CIR06-REV
Portability Rider	PR-06
Enrollment Form	CA6500-EA
Master Application	HIP-6500 MA

Dear Ms. Shearer,

We have a sales opportunity through an association called National Combined Benefits Association domiciled out of Illinois. The master policy will be issued to this association in IL. We are submitting the bylaws, articles of incorporation, and approved Illinois association hospital indemnity forms approved by the IL department of insurance on December 18, 2006. We have researched this association and found it to be a valid, non-profit organization that is currently in good standing in Illinois.

Thank you for your consideration in this matter. If you have any questions please call Ashley Gibson at (888) 730-2244 extension 4362 or at companycompliance@caicworksites.com.

Sincerely,

James J. Hennessy, AIRC, ACP, CCP
Vice President, Compliance
/ahg

ARKANSAS
CHECKLIST FOR APPROVAL OF ASSOCIATION

1. Name and address of the group.

National Combined Benefits Association
307 N. Glenwood Blvd.
Tyler, TX 75702

2. Is this group incorporated? If so, give state of incorporation.

Yes – Illinois

3. Is there a current office in Arkansas?

No

4. Does the Arkansas part of the organization have any officers, committees, or chapters? If so, give details.

No

5. Are annual dues charged? If so, specify amount.

There are no annual dues. A monthly membership fee is charged based upon the particular membership plan that is purchased. These fees are identified in the attached brochure.

6. What are the specific activities of the organization?

The organization provides its prospective membership core benefits comprised of various discounted products and services such as vision/hearing/chiropractic care, vitamin supplements, fitness, travel assistance, flowers and gifts, legal and business services, online shopping and others. There is also a provision for a group supplemental hospital, critical illness, life insurance, and accident medical expense plan. All of these benefits are identified within the attached brochure.

7. What benefits are provided to the members in addition to insurance? PLEASE ATTACH BROCHURES ON THE BENEFITS.

Please see attached brochure for the listing of core benefits and descriptions of the group supplemental hospital offering with critical illness, life insurance and accident medical expense plan included.

8. What qualifies an individual for membership?

For the purchase of the core benefits of the plan, there is no qualification for membership. To qualify for membership within the group supplemental hospital plan offering, the primary member must be actively at work for at least 20 hours per week. There is an affirmation of this statement within the enrollment form which is part of the brochure.

9. How are members recruited? If by mailing list, advise the source of this list.

Members are recruited through licensed insurance agents within our various State networks.

10. Attach a copy of the organization by-laws.

Attached

11. Also, enclose a list of dues paying members residing in Arkansas with full addresses. If the organization considers this privileged information, we will treat it as such and once it has served our purpose, it will be destroyed.

Attached

12. Please attach a copy of the organization's most recent financial statement.

Attached

13. Does the organization receive any compensation of any kind from the insurer issuing contracts to its members?

No

Approval of the organization as a qualified group for insurance purposes will be determined upon receipt of your reply.

MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS AND MEMBERS
NATIONAL COMBINED BENEFITS ASSOCIATION

The Annual Meeting of the Members and Board of Directors of the National Combined Benefits Association, an Illinois not-for-profit corporation, was held at 307 N. Glenwood Blvd., Tyler, Smith County, Texas on the 19th day of August, 2008, at 10:00 a.m., pursuant to the provisions of the By-Laws of the corporation.

Present at the meeting were all of the Directors and Officers of the corporation: W.C. Hauk, J.D. Osborn, Candice Gast and other attending members. With the unanimous consent of the members, W.C. Hauk served as Chairman of the meeting and J.D. Osborn served as Secretary. The Chairman called the meeting to order. The first order of business was a motion, seconded and unanimously approved to accept the minutes for the 2007 annual meeting.

The Chairman reported that following evaluation of the Association, it is recommended that the purpose of the association and the classes of members be changed. After discussion, upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, the purpose of the corporation shall be changed to read: To provide members with access to goods, services, discount benefits and group insurance benefits by using the buying power of members; to enhance the quality of life for members; as well as any powers as are now or may hereafter be granted by the General Not-For-Profit Law of the State of Illinois.

FURTHER RESOLVED, the Classes of Members stated in Section 1. of ARTICLE III of the By-Laws shall be changed to read: The Association shall have five (5) classes of members. The designation of such classes and qualifications of the members of such classes shall be as follows:

1. Individual Membership: The individual is entitled to participate in all levels of all benefit programs offered by the Association.
2. Member and Spouse Membership: The member and the member's spouse are entitled to participate in all levels of all benefit programs offered by the Association.
3. Member and One Dependent Membership: The member and the member's spouse or the member and the member's eligible dependent child are entitled to participate in all levels of all benefit programs offered by the Association which include this class of membership.
4. Member and Children Membership: The member and the member's eligible dependent children are entitled to

participate in all levels of all benefit programs offered by the Association which include this class of membership.

5. Family Membership: The member and the member's spouse and the member's eligible dependent child(ren) are entitled to participate in all levels of all benefit programs offered by the Association.

6. Basic Membership: A member, and the member's eligible dependents if elected, are entitled to participate in any basic membership program offered by the Association which provides access to various discounted goods and services (core benefits) but which does not provide any insured benefits.

7. Enhanced Membership: A member, and the member's eligible dependents if elected, are entitled to participate in any level of membership programs offered through the Association which include the core benefits of a Basic Membership and which provide insured benefits in addition to the Basic Membership.

BE IT FURTHER RESOLVED, that the Voting Rights Stated in Section 2. of ARTICLE III of the By-Laws shall be amended to read: Each member of classes 1, 2, 3, 4, 5 6 and 7 shall be entitled to one vote on each matter submitted to a vote of the members by the Board of Directors.

The Directors and Officers were instructed to take the necessary actions to amend the Articles of Incorporation and By-Laws in accordance with the adopted resolution.

Next, the Chairman called for nominations of Directors and Officers of the Association, as provided by the By-Laws. Thereupon, the following persons were nominated as Directors and Officers, to serve a term on one (1) year, beginning August 19, 2008, or until such time as their successors are duly nominated and shall have qualified:

President/Director:	W.C. Hauk
Secretary/Treasurer/Director:	J.D. Osborn
Director:	Candice Gast

No further nominations being made, the nominations were closed and each member proceeded to vote on the nominees. After the vote had been counted, the Chairman announced that the above-named persons had been duly elected as Directors and Officers to serve for the above-stated term.

The next item of business concerned the financial report. J.D. Osborn presented this report. After discussion, there was a motion, seconded and unanimously approved to accept the report.

There being no further or other business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

APPROVED:



J.D. Osborn, SECRETARY

NCBA Members - Arkansas Residents
As of 12-1-2008

<u>Name</u>	<u>Address</u>	<u>City</u>	<u>ST</u>	<u>ZIP</u>
Drinkwine, Thomas	163 Carney Creek Rd	Conway	AR	72032
Clay, Jo Ann	120 Blue Bird Lane	Searcy	AR	72143
Rowton, Kelly	2290 US Hwy 71	Fouke	AR	71837

NCBA
Balance Sheet
December 31, 2007

	<u>12/31/07</u>	<u>12/31/06</u>
ASSETS		
Cash	271.03	20,312.53
Computer Equipment	<u>850.85</u>	<u>1,276.27</u>
Total Assets	<u><u>1,121.88</u></u>	<u><u>21,588.80</u></u>
LIABILITIES		
Total Liabilities	0.00	0.00
CAPITAL		
Paid in Capital	5,000.00	5,000.00
Net Worth	16,584.80	4,675.92
Net Income	<u>(20,462.92)</u>	<u>11,912.88</u>
Total Capital	<u>1,121.88</u>	<u>21,588.80</u>
TOTAL LIABILITIES AND CAPITAL	<u><u>1,121.88</u></u>	<u><u>21,588.80</u></u>

NCBA
INCOME STATEMENT
 For Twelve Months Ending 12-31-07

	<u>12-31-07</u>	<u>12-31-06</u>
INCOME		
Association Dues	256,809.48	226,320.21
Returns/Refunds	<u>(17,744.95)</u>	<u>(17,520.41)</u>
Total Income	239,064.53	208,799.80
EXPENSES		
Rent	13,000.00	6,000.00
Bank Service Charge	2,448.60	2,823.27
Fees Paid - CAI	131,396.79	97,636.61
Fees Paid - New Benefits/NACD	109,255.64	60,121.39
Fees Paid - Drug Card	87.91	0.00
Management/consulting Fees	100.00	16,533.83
Internet/Printing	932.59	13,013.62
Depreciation	425.42	0.00
Miscellaneous	<u>1,125.50</u>	<u>57.20</u>
Total Expenses	<u>258,772.45</u>	<u>196,185.92</u>
Net Income Before Tax	<u>(19,707.92)</u>	<u>12,613.88</u>
FIT	755.00	701.00
Net Income After Tax	<u><u>(20,462.92)</u></u>	<u><u>11,912.88</u></u>

4636 2767

2004R11073

STATE OF ILLINOIS
MADISON COUNTY
FILED FOR RECORD IN
THE RECORDERS OFFICE

03-02-2004 10:16:32 A

DANIEL R. DONOHOO
RECORDER

DOC. FEE: 20.00
PAGES: 6

File Number 6147-192-8

enw
Int: NAC

State of Illinois Office of The Secretary of State

Whereas,

ARTICLES OF INCORPORATION OF
WORLD WIDE WEB COALITION

INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE
GENERAL NOT FOR PROFIT CORPORATION ACT OF ILLINOIS, IN FORCE
JANUARY 1, A.D. 1987.

20th Jan #8607

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 26TH day of JANUARY A.D. 2001 and of the Independence of the United States the two hundred and 25TH



Jesse White

Secretary of State

NFP-102.10

(Rev. Jan. 1999)

http://www.sos.state.il.us

JAN 26 2001

JESSE WHITE
SECRETARY OF STATE

ARTICLES OF INCORPORATION

(Do Not Write In This Space)

SUBMIT IN DUPLICATE

Payment must be made by certified check, cashier's check, Illinois attorney's check, Illinois C.P.A.'s check or money order, payable to "Secretary of State."

DO NOT SEND CASH!

Date 1-26-01

Filing Fee \$50

Approved [Signature]

PAID

JAN 29 2001

TO: JESSE WHITE, Secretary of State

Pursuant to the provisions of "The General Not For Profit Corporation Act of 1986," the undersigned incorporator(s) hereby adopt the following Articles of Incorporation.

Article 1. The name of the corporation is: World Wide Web Coalition

Article 2. The name and address of the initial registered agent and registered office are:

Registered Agent: CT CORPORATION SYSTEM

Registered Office: 208 S. LA SALLE CHICAGO IL 60604 COOK

Number: 208 Street: S. LA SALLE City: CHICAGO State: IL ZIP Code: 60604 County: COOK

Article 3. The first Board of Directors shall be 3 in number, their names and residential addresses being as follows: (Not less than three)

Director's Name	Number	Street	Address City	State
Gary Johnston	2544	Christopher Oaks Ct.	St. Louis, MO	63129
Karen Becker	13	Bordeaux Place	Lake St. Louis, MO	63367
Tracy Macintosh	2720	Sunny Meadows Dr.	St. Charles, MO	63303

Article 4. The purposes for which the corporation is organized are:

Educational

Is this corporation a Condominium Association as established under the Condominium Property Act? Yes No (Check one)

Is this corporation a Cooperative Housing Corporation as defined in Section 218 of the Internal Revenue Code of 1954? Yes No (Check one)

Is this a Homeowner's Association which administers a common interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? Yes No

Article 5. Other provisions (please use separate page):

6147-1928

1-26-

4536 2768

Article 6.

NAMES & ADDRESSES OF INCORPORATORS

4636 2769

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated January 22, 2001
(Month & Day) (Year)

SIGNATURES AND NAMES

POST OFFICE ADDRESS

1. Signature <u>[Signature]</u> Name (please print) <u>Gary Johnston</u>	1. Street <u>2544 Christopher Oaks Ct.</u> City/Town <u>St. Louis, MO</u> State <u>MO</u> ZIP <u>63129</u>
2. Signature <u>[Signature]</u> Name (please print) <u>Karen Becker</u>	2. Street <u>13 Bordeaux Place</u> City/Town <u>Lake St. Louis, MO</u> State <u>MO</u> ZIP <u>63367</u>
3. Signature _____ Name (please print) _____	3. Street _____ City/Town _____ State _____ ZIP _____
4. Signature _____ Name (please print) _____	4. Street _____ City/Town _____ State _____ ZIP _____
5. Signature _____ Name (please print) _____	5. Street _____ City/Town _____ State _____ ZIP _____

(Signatures must be in BLACK INK on original document. Carbon copied, photocopied or rubber stamped signatures may only be used on the true copy.)

- If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its President or Vice-President and verified by him, and attested by its Secretary or an Assistant Secretary.
- The registered agent cannot be the corporation itself.
- The registered agent may be an individual, resident in this State, or a domestic or foreign corporation, authorized to act as a registered agent.
- The registered office may be, but need not be, the same as its principal office.
- A corporation which is to function as a club, as defined in Section 1-3.24 of the "Liquor Control Act" of 1994, must insert in its purpose clause a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors.

FOR INSERTS - USE WHITE PAPER - SIZE 8 1/2 x 11

File No.

FORM HFP-102.10
ARTICLES OF INCORPORATION
under the
GENERAL NOT FOR PROFIT
CORPORATION ACT
of

SECRETARY OF STATE
DEPARTMENT OF BUSINESS SERVICES
CORPORATION DIVISION
SPRINGFIELD, ILLINOIS 62766
TELEPHONE (217) 782-8222
782-1922
(These Articles Must Be Executed and Filed
in Duplicate)

Filing Fee \$50
C-157.11

2004R46835

FORM NFP 110.30 (rev. Dec. 2003)
ARTICLES OF AMENDMENT
General Not For Profit Corporation Act

STATE OF ILLINOIS
MADISON COUNTY
FILED FOR RECORD IN
THE RECORDERS OFFICE

Jesse White, Secretary of State
Department of Business Services
Springfield, IL 62758
Telephone (217) 782-1882
http://www.cyberdriveillinois.com

08/05/2004 03:21PM

FILED
JUL 22 2004
JESSE WHITE
SECRETARY OF STATE

DANIEL R. DONOHOO
RECORDER

DOC FEE: \$18.00
PAGES: 2

Remit payment in the form of a check or money order payable to the Secretary of State.

File # 10147-1928 Filing Fee: \$25.00 Approved: DB
Submit in duplicate Type or Print clearly in black ink Do not write above this line

1. Corporate name (Note 1): World Wide Web Coalition 1800 # 935

2. Manner of adoption of amendment:
The following amendment of Articles of Incorporation was adopted on 7-20-04 in the manner indicated below (Check one only):
(Month, Day & Year)

- By affirmative vote of a majority of the directors in office, at a meeting of the board of directors, in accordance with Section 110.15. (Note 2)
- By written consent, signed by all the directors in office, in compliance with Sections 110.15 and 108.45 (Note 3)
- By members at a meeting of members entitled to vote by the affirmative vote of the members having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the articles of incorporation or the bylaws, in accordance with Section 110.20. (Note 4)
- By written consent signed by members entitled to vote having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the articles of incorporation, or the bylaws, in compliance with Sections 107.10 and 110.20. (Note 5)

3. Text of amendment
(a.) When an amendment effects a name change, insert the new corporate name below. Use 3 (b) below for all other amendments. *Article 1: The name of the corporation is:
National Combined Benefits Association
(New Name)

(b) All amendments other than name change.
(If amendment affects the corporate purpose, the amended purpose is required to be set forth in its entirety.) If there is not sufficient space to add the full text of the amendment, add one or more sheets of this size.

(COMPLETE ITEM 4 OR, IF APPLICABLE, ITEM 5.) ALL SIGNATURES MUST BE IN BLACK INK.

4. The undersigned corporation has caused these articles to be signed by duly authorized officer, who affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**)

Dated 7-21 2004
(Month & Day) (Year)
Monica Roy
(Any Authorized Officer's Signature)
Monica Roy
(Print Name and Title)

World Wide Web Coalition
(Exact Name of Corporation)

5. If there are no duly authorized officers, then the persons designated under Section 101.10(b)(2) must sign below and print name and title. The undersigned affirms, under penalties of perjury, that the facts stated herein are true.

Dated _____ (Month, Day & Year)

Signature

Print Name and Title

NOTES

Note 1: State the true and exact corporate name as it appears on the records of the Secretary of State, BEFORE any amendment herein reported.

Note 2: Directors may adopt amendments without member approval only when the corporation has no members, or no members entitled to vote pursuant to §110.15

Note 3: Director approval may be (1) by vote at a director's meeting (either annual or special) or (2) by consent, in writing, without a meeting.

Note 4: All amendments not adopted under Sec. 110.15 require (1) that the board of directors adopt a resolution setting forth the proposed amendment and (2) that the members approve the amendment.

Member approval may be (1) by vote at a members meeting (either annual or special) or (2) by consent, in writing, without a meeting.

To be adopted, the amendment must receive the affirmative vote or consent of the holders of at least 2/3 of the outstanding members entitled to vote on the amendment, (but if class voting applies, then also at least a 2/3 vote within each class is required).

The articles of incorporation may supersede the 2/3 vote requirement by specifying any smaller or larger vote requirement not less than a majority of the outstanding votes of such members entitled to vote and not less than a majority within each when class voting applies. (Sec. 110.20)

Note 5: When member approval is by written consent, all members must be given notice of the proposed amendment at least 5 days before the consent is signed. If the amendment is adopted, members who have not signed the consent must be promptly notified of the passage of the amendment. (Sec. 107.10 & 110.20)

*and
ret*

*NAC, Inc.
1819 Clarkson #301
Chesterfield, MO*

End Of Document

63017

**BY-LAWS OF
"NATIONAL COMBINED BENEFITS ASSOCIATION"**

**ARTICLE I
PURPOSES**

The purpose of "National Combined Benefits Association" ("association") is: "Educational" as stated in the Certificate of Incorporation; as well as any powers as are now or may hereafter be granted by the General Not-For-Profit Law of the State of Illinois.

**ARTICLE II
OFFICES**

The Association shall have and continuously maintain in this state a registered office and a registered agent, and the registered office of the association shall be identical with that of its registered agent. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

**ARTICLE III
MEMBERS**

Section 1. Classes of Members. The Association shall have two (2) classes of members. The designation of such classes and qualifications of the members of such classes shall be as follows:

1. Individual membership: The individual is entitled to participate in all benefit programs offered by the Association.
2. Family membership: The member and his spouse are entitled to participate in all benefit programs offered by the Association.

Section 2. Voting Rights. Each member of classes 1 and 2 shall be entitled to one vote on each matter submitted to a vote of the members by the Board of Directors. Voting may be in person or by proxy; provided that no proxy may be used for voting purposes unless the original of the proxy is filed with the Secretary of the Association at least seven (7) days before the meeting at which it is to be used.

Section 3. Termination of Membership. Any member who shall be in default in the payment of dues for the period fixed in Article XI of the By-Laws is automatically ineligible for membership and loses all privileges and rights of the Association, subject to the discretion of the Board of Directors to extend such time period for the payment of dues.

Section 4. Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not entitle such member to any refund of dues and the member shall immediately lose all privileges and rights of the Association.

Section 5. Reinstatement. Upon written reapplication a former member may be reinstated to membership in the Association.

Section 6. Transfer of Membership. Membership in the Association is not transferable or assignable.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members of the Association shall be held for the purpose of electing Directors and the transaction of any other business as may come before the meeting. The date of the annual meeting shall be determined by the Board of Directors.

Section 2. Special Meeting. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by law, may be called by the President and shall be called by the Secretary at the direction of a majority of the Board of Directors, or at the request in writing of members representing at least one hundred (100) votes entitled to be cast at such meeting.

Section 3. Place of Meeting. The Board of Directors may designate any place, within or without the State of Illinois as the place of meeting for any annual meeting. The President or the Board of Directors may designate any place within or without the State of Illinois as the place of the meeting for any special meeting. If no designation is made, the place of meeting shall be the registered office of the Association.

Section 4. Notice of Meetings. Written or printed notice stating the place, day and hour of any regular or special meeting of the Association members shall be delivered, either personally, by mail or through the internet, to each member, not less than seven (7) or more than forty (40) days before the date of such meeting, by or at the direction of the President, or Secretary, or the Board of Directors or person calling the meeting. In the case of special meetings, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of meeting shall be deemed delivered when deposited in the United States mail addressed to the member at this address as it

appears on the records of the Association, with postage thereon paid. Notice of meetings may be included in any publication that is distributed to the member.

Section 5. Quorum. There shall be no minimum number of members necessary to be present at any regular meeting or special meeting, in order to constitute a quorum. Those members present shall therefore constitute a quorum.

Section 6. Manner of Acting. The act of a majority of the members present at any regular or special meeting shall constitute the act of the members.

Section 7. Informal Action by Members. Upon approval by the directors, any action required to be taken at a meeting of the members of the Association or any other action which may be taken at a meeting, may be taken without a meeting if consents in writing, setting forth the action so taken, shall be signed by a majority of the members with respect to the subject matter thereof.

Section 8. Parliamentary Procedures. Parliamentary Procedure for all meetings of members, directors, and committees shall be conducted in accordance with the latest revised edition of Robert's Rules of Order, unless otherwise inconsistent with these By-Laws.

Section 9. Voting. At all meetings of the members, each member of records shall be entitled to one (1) vote. A vote may be cast either orally or in writing in person or by proxy. A "member of record" is a person who is a member in good standing of the Association as of the close of business on a date, selected by the Board of Directors, not less than forty (40) days nor more than fifty (50) days before the date of the meeting (the "record date"). When a quorum is present at any meeting, the vote of the holders of a majority of members present shall decide any questions brought before such meeting, unless the questions are ones upon which, by express provision of law or of the Association's Articles of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. Matters Reserved to Membership Vote. The following matters shall be authorized only upon a vote "thereon" by the members at a meeting called to consider such matter:

1. An amendment to the Association's Articles of Incorporation;
2. The election of the Board of Directors; and

3. Any other matter which the Board of Directors, in their sole discretion, by resolution shall commit to a vote of the members.

ARTICLE V BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Association shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors shall be no fewer than three (3) and no more than twenty-five (25) and may be changed from time to time by resolution of the Board of Directors. The Board of Directors shall appoint a committee to nominate successor directors. The directors shall be elected at an annual meeting of the members, except as provided in Section 8 of this Article, and each director elected shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal. Directors shall be residents of the United States of America and be members of the Association.

Section 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held each year immediately after the annual meeting of the members of the Association for the purpose of electing officers and for the transaction of such other business as may come before the meeting. The regular annual meeting of directors shall be held without other notice than these By-Laws. The Board of Directors may provide by resolution the time and place, within or without the State of Illinois for the holding of additional regular meetings of the Board of Directors.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. All special meetings shall be held at the registered office of the Association unless otherwise agreed upon by a majority of the Board of Directors in attendance at the meeting.

Section 5. Notice. Notice of any special meeting of the Board of Directors and the business to be transacted shall be given at least five (5) days previously thereto by written notice delivered either personally, by mail or through the internet, to each director at his address shown on the records of the Association. If notice be given by mail, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such

meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The purpose of any special meeting of the Board of Directors shall be specified in the notice of such meeting.

Section 6. **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. **Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or these By-Laws.

Section 8. **Vacancies.** Vacancies created by the death, resignation, or removal of a director may be filled by a majority vote of the directors then in office though less than a quorum, and each director so chosen shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal. A director may be removed at any time, with or without cause, by a vote of a majority of the remaining directors. If there are not directors in office, then an election of directors may be held in the manner provided by law. Newly created directorships shall be filled by election at an annual meeting or special meeting called for that purpose.

Section 9. **Compensation.** Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefor upon approval by the Board.

Section 10. **Telephonic Participation in Meeting.** The members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

Section 11. **Action by Written Consent.** Any action which is required to be or may be taken at a meeting of the directors, or of any committee of the directors, may be taken without a meeting if consents in writing, setting forth the action so taken are signed by all of the members of the Board of Directors or of the committee as the case may be.

The consents shall have the same force and effect as a unanimous vote at a meeting duly held. The Secretary shall file the consents with the minutes of the meetings of the Board of Directors or of the committee as the case may be.

ARTICLE VI OFFICERS

Section 1. **Officers.** The Officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, a Secretary or combination thereof, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. **Election and Term of Office.** The Officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Vacancies may be filled or new officers created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. **Removal.** Any Officer or Agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.

Section 4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. **President.** The President of the Association shall be the principal executive officer of the Association. He shall supervise and conduct the affairs of the Association in such manner as will best accomplish the purposes set forth in the Articles of Incorporation of the Association. He shall preside at all meetings of the Association members and the Board of Directors. He shall countersign all checks together with the Treasurer.

Section 6. **Vice President.** In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President,

and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. **Treasurer.** The Treasurer or Assistant Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies received by the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VIII of these By-Laws.

Section 8. **Secretary.** The Secretary or Assistant Secretary of the Association shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records of the Association; see that the seal of the Association, if any, is affixed to all documents, the execution of which on behalf of the Association under its seal, if any, is duly authorized in accordance with the provisions of these By-Laws; keep a register of the post office address of each member which shall be furnished to the Secretary or Assistant Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary or Assistant Secretary by the President or by the Board of Directors.

ARTICLE VII COMMITTEES

Section 1. **Committees of Directors.** The Board of Directors, by resolution adopted by the majority of the directors in office, may designate one or more committees, each of which shall consist of two (2) or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law. The President shall be an ex-officio member of all committees of directors.

Section 2. **Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Association, and the President of the

Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association will be served by such removal. One member of each committee shall be a director.

Section 3 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

Section 4. Quorum. Unless provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 5. Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1. Contracts. The Board of Directors may authorize the officers or agents of the Association to enter into contracts or to execute and deliver documents in the name of and on behalf of the Association. Such authority shall be confined to specific instances. Such contracts may be for any purpose deemed by the Board of Directors to be appropriate, including the contracting with a third party for any or all administrative and other services and functions necessary for the Association to achieve its purpose.

Section 2. Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by the resolution of the board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or Vice President of the Association.

Section 3. Deposits. All funds coming into possession of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. **Gifts.** The Board of Directors may accept on behalf of the Association any contributions, gifts, bequests, or device for the general purpose or for any special purpose of the Association.

Section 5. **Loans.** The Association may, upon authorization of the Board of Directors, from time to time accept or negotiate loans of financial assistance to be repaid at such time as the Association is reasonably able to repay.

**ARTICLE IX
CERTIFICATES OF MEMBERSHIP**

Section 1. **Certificates of Membership.** The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or Vice President and shall be sealed with the seal of the Association, if any. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

Section 2. **Issuance of Certificates.** When a member has applied for and is eligible for membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued and delivered to him by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Section 1 of this article.

**ARTICLE X
BOOKS AND RECORDS**

The Association shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney for any purpose at any reasonable time.

**ARTICLE XI
DUES AND INITIATION FEE**

Section 1. *Annual Dues.* The Board of Directors may determine from time to time the amount of annual dues payable to the Association by members of each class.

Section 2. *Payment of Dues.* Dues shall be payable in advance.

Section 3. *Default and Termination of Membership.* When any member of any class shall be in default in the payment of dues for a period of one month from the beginning of the period from which such dues became payable, such member shall be automatically dropped from membership unless the Board of Directors, in its discretion, extends the time for payment of dues.

Section 4. *Initiation Fee.* Each member may be required to pay, in addition to applicable dues, the amount of any initiation fee designated by the Board of Directors as a prerequisite to membership. The Board of Directors may provide that the initiation fee is waived for members who are part of a group where the sponsor pays a stated initiation fee on behalf of all group members.

**ARTICLE XII
FISCAL YEAR**

The fiscal year of the Association shall begin the first day of January and end on the last day of December in each year.

**ARTICLE XIII
SEAL**

The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal".

**ARTICLE XIV
WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of the General Not-For-Profit Corporation Law of Illinois under the provisions of the Articles of

Incorporation or the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XV AMENDMENT OF BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a two-thirds (2/3) majority of the directors present at any regular meeting or any special meeting, provided that at least seven (7) days' written notice is given of intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

ARTICLE XVI INDEMNIFICATION

The Association shall provide for indemnification by the Association of any and all of its directors or officers or former directors or officers against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding, in which they or any of them are made parties, or a party, by reason of having been directors or officers of the Association, except in relation to matters as to which such director or officer or former director or officer shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for gross negligence or misconduct.

ARTICLE XVII DISSOLUTION

The Association shall use its funds only to accomplish the objectives and purposes specified in these By-Laws, and no part of said funds shall inure, or be distributed, to the members of the Association. On dissolution of the Association any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.