

SERFF Tracking Number: CAIC-126093546 State: Arkansas  
Filing Company: Continental American Insurance Company State Tracking Number: 41997  
Company Tracking Number: 135  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: Gap Plan  
Project Name/Number: /

## Filing at a Glance

Company: Continental American Insurance Company

Product Name: Gap Plan	SERFF Tr Num: CAIC-126093546	State: ArkansasLH
TOI: H21 Health - Other	SERFF Status: Closed	State Tr Num: 41997
Sub-TOI: H21.000 Health - Other	Co Tr Num: 135	State Status: Approved-Closed
Filing Type: Form	Co Status:	Reviewer(s): Rosalind Minor
	Author: Kathy Peterson	Disposition Date: 03/30/2009
	Date Submitted: 03/30/2009	Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:	Status of Filing in Domicile: Pending
Project Number:	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: Large
Overall Rate Impact:	Group Market Type: Employer
Filing Status Changed: 03/30/2009	Explanation for Other Group Market Type:
	State Status Changed: 03/30/2009
Deemer Date:	Corresponding Filing Tracking Number: 135

Filing Description:

Please see cover letter.

Thank you,

Kathy Peterson

## Company and Contact

### Filing Contact Information

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Kathy Peterson, Senior Compliance Analyst companycompliance@caicworksite.com  
2801 Devine Street (888) 730-2244 [Phone]  
Columbia, SC 29205 (803) 929-4947[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: 1 filing=\$50.00  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental American Insurance Company	\$50.00	03/30/2009	26781666

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	03/30/2009	03/30/2009

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## Disposition

Disposition Date: 03/30/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Flesch Certification	Approved-Closed	Yes
<b>Supporting Document</b>	Application	Approved-Closed	Yes
<b>Supporting Document</b>	Health - Actuarial Justification	Approved-Closed	Yes
<b>Supporting Document</b>	Outline of Coverage	Approved-Closed	Yes
<b>Supporting Document</b>	Cover Letter	Approved-Closed	Yes
<b>Supporting Document</b>	Certificate of Compliance	Approved-Closed	Yes
<b>Form</b>	Medical Expense Policy	Approved-Closed	Yes
<b>Form</b>	Medical Expense Certificate	Approved-Closed	Yes
<b>Form</b>	Admendment Rider	Approved-Closed	Yes
<b>Form</b>	Employer Application	Approved-Closed	Yes
<b>Form</b>	Employee Enrollment Form	Approved-Closed	Yes

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## Form Schedule

**Lead Form Number:** CAI1500

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	CAI1500	Policy/Cont ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Medical Expense	Initial		50	CAI1500.pdf
Approved-Closed	CAI1501	Certificate	Medical Expense Certificate	Initial		50	CAI1501.pdf
Approved-Closed	CAI1538AR	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Admendment Rider	Initial		50	CAI1538AR.pdf
Approved-Closed	CAI1510	Application/ Enrollment Form	Employer Application	Initial		50	CAI1510.pdf
Approved-Closed	CAI1511	Application/ Enrollment Form	Employee Enrollment Form	Initial		50	CAI1511.pdf



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

**POLICY NUMBER:** {MG-101}  
**POLICYHOLDER:** { }  
**STATE OF ISSUE:** Alaska  
**POLICY EFFECTIVE DATE:** {Month Day, Year}  
**POLICY ANNIVERSARY DATE:** {Month Day, Year and each Month Day thereafter}

Continental American Insurance Company (“the Company”) agrees to pay benefits provided by the Policy in accordance with its terms and conditions.

The Policy is issued by acceptance of the application of the Policyholder (a copy of which is attached) and receipt by the Company of the premiums.

All periods of time under the Policy begin and end at 12:01 a.m. Local Time at the Policyholder's business address.

The Policyholder or the Company may terminate the Policy on any premium due date on or after the first Policy Anniversary Date. Written notice must be provided to the other party at least 31 days prior to termination.

The Policy is issued by Continental American Insurance Company at Columbia, South Carolina on the Policy Effective Date.

CONTINENTAL AMERICAN INSURANCE COMPANY

President

**GROUP SUPPLEMENTAL MEDICAL EXPENSE INSURANCE POLICY**  
**THIS IS A LIMITED BENEFIT POLICY**  
*Please read the Policy carefully.*

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## SCHEDULE OF BENEFITS

Insurance benefits are determined by this Schedule of Benefits and the terms of the Policy.

<b><u>Benefit</u></b>	<b><u>Benefit Amount</u></b>
<b>Inpatient Hospital Benefit</b> Inpatient Hospital Benefit Year Maximum per Insured Person per family	{ \$500 – \$5,000 } 3 times the Inpatient Hospital Benefit Year Maximum per Insured Person
<b>Outpatient Hospital Benefit</b> Outpatient Hospital Benefit Year Maximum per Insured Person per family	50% of the Inpatient Hospital Benefit Year Maximum 3 times the Outpatient Hospital Benefit Year Maximum per Insured Person
<b>Ambulance Benefit</b> (Accident Only) Ambulance Benefit Year Maximum per Insured Person per family	\$350 3 times the Ambulance Benefit Year Maximum per Insured Person
<b>{Physician Office Visit Benefit</b> per visit per Insured Person	{ \$5 - \$50 } per visit }

## DEFINITIONS

When used in the Policy the following words and phrases have the meaning given.

**Accident** means an external event occurring by chance or unintentionally after the Insured Person's Effective Date of coverage. An Accident must be independent of any Sickness.

**Actively at Work/Active Employment** means the Insured Person is performing the material and substantial duties of the Insured Person's regular occupation on a full-time basis at the Insured Person's regular place of employment or at any business location to which the Insured Person is required to travel.

For the purposes of this definition, a vacation day, holiday or an authorized leave of absence not due to an Injury or Sickness is considered a regular work day.

**Benefit Year** means a period of one year which starts and ends at midnight on the dates shown in the employer's application.

**Benefit Year Deductible** means the amount of expenses, as shown in the Schedule of Benefits, incurred each Benefit Year for Covered Charges that an Insured Person must pay before benefits will be payable under the Policy.

**Benefit Year Maximum** means the amounts shown in the Schedule of Benefits.

**Coinsurance/Copayment** means the expenses covered and specified by the Insured Person's Major Medical Plan as being the amount, other than deductibles, to be paid by the Insured Person.

**Company** means Continental American Insurance Company, Columbia, South Carolina.

**Complications of Pregnancy** means any of the following: 1) a condition that, while affected by pregnancy, is still classified by accepted medical standards as a Sickness apart from the normal bodily changes that accompany pregnancy; 2) a non-elective cesarean section; 3) an extra-uterine or ectopic pregnancy; or 4) a spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy do not include: false labor, premature labor, high risk pregnancy or delivery, occasional spotting, Physician-prescribed rest, morning sickness, pre-eclampsia or placenta previa or similar conditions that occur in a difficult pregnancy.

**Covered Charge** means those expenses described in the Policy that are payable under both the Policy and the Insured Person's Major Medical Plan. Expenses that are excluded under either the Policy or the Insured Person's Major Medical Plan are not Covered Charges.

**Dependent** means any of the following whose coverage under the Policy has become effective and has not ended:

1. the Insured's lawful spouse;
2. the unmarried Dependent child or children of the Insured or of the Insured's spouse who are under 19 years of age (23 years of age if a full-time student); and
3. the unmarried handicapped Dependent child of the Insured or of the Insured's spouse who has attained age 19, provided such child was an Insured Person on the day immediately prior to attaining age 19, is mentally handicapped or physically incapable of earning his or her own living. Proof of incapacity must be furnished to the Company, but not more than once in any 12-month period.

Dependent includes a step-child, foster child, legally adopted child, child for whom the Insured is a party to a suit for adoption, child who has been placed in the Insured's home for adoption and child under the Insured's legal guardianship, if such child depends primarily on the Insured for support. Dependent will also include a child for whom the Insured is legally required to support due to court order or divorce decree. Full-time, as used in this definition, means actively attending at least the minimum number of hours of class a week the school considers as full-time status.

A spouse or child covered under the Policy as an Insured will not be eligible as a Dependent. If a husband and wife are both covered as Insureds, a child will be the Dependent of only one parent.

**Effective Date** means, for the Policy, the date shown in the Policy face page. Effective Date means, for an Insured Person, the date the Insured Person becomes covered under the Policy as shown in the Insured's Certificate. The Effective Date will begin at 12:01 a.m. Local Time at the Policyholder's business address.

**Hospital** means an institution that meets all the following requirements:

1. it must be operated according to law;
2. it must give 24-hour medical care, diagnosis and treatment to the sick or injured on an inpatient basis;
3. it must provide diagnostic and surgical facilities supervised by Physicians;
4. Registered Nurses must be on 24-hour call or duty; and
5. the care must be given either on the Hospital's premises or in facilities available to the Hospital on a pre-arranged basis.

Hospital does not mean a convalescent, nursing, rest or extended care facility or a facility operated exclusively for treatment of the aged, drug addict or alcoholic, even though such facility is operated as a separate institution by a Hospital.

**Immediate Family** means the Insured or the Insured Person's spouse, parent, child, grandparent, brother, sister, in-law or any person residing with that Insured Person.

**Injury** means bodily injury sustained directly and independently of all other causes, which results in loss covered by the Policy. The Injury must occur and the loss must begin while the coverage for the Insured Person is in force under the Policy.

**Inpatient** means that the Insured Person is a registered bed patient in a Hospital for more than 23 continuous hours and is charged room and board by the facility. The Insured Person must be in the facility on the advice of a Physician and under the regular care and treatment of a Physician.

**Insured** means an employee of the Policyholder whose coverage under the Policy has become effective and has not ended. The Insured must be Actively at Work with the Policyholder.

**Insured Person** means either an Insured or Dependent.

**Late Entrant** means a person who applies for coverage under the Policy more than 31 days after he or she initially becomes eligible.

**Major Medical Plan** means any major medical or comprehensive medical plan through which an Insured Person has coverage. Major Medical Plan does not include any limited medical program, Medicare, Medicaid, CHAMPUS, or TRICARE.

**Outpatient** means the Insured Person is not an Inpatient when covered services are received.

**Physician** means a person licensed by the state in which he or she is a resident to practice the healing arts. He or she must be practicing within the scope of his or her license for the service or treatment given. He or she may not be the Insured Person or a member of the Insured Person's Immediate Family.

**Policy** means the contract issued to the Policyholder providing the benefits described.

**Policyholder** means the employer to whom the Policy is issued as shown in the Policy.

**Regular and Customary Activities** means: 1) for the Insured or a working Dependent, he or she is actively performing all the duties of his or her regular occupation; and 2) for a non-working Dependent, he or she is regularly performing the normal activities of a person of like age and good health.

**Schedule of Benefits** means the schedule in the Policy or Certificate which contains the benefits provided by the Policy.

**Sickness** means a bodily disorder, disease or illness that begins while the Insured Person's coverage is in force, including Complications of Pregnancy.

**Total Disability/Totally Disabled** means that because of Injury or Sickness, the Insured Person cannot perform the Insured Person's Regular and Customary Activities. The loss of a professional or occupational license for any reason does not, in itself, constitute Total Disability.

## **ELIGIBILITY AND EFFECTIVE DATE**

New eligible persons will be added from time to time. In no event will coverage for any person become effective before the Policy Effective Date.

**Insured Eligibility and Effective Date.** Eligibility requirements are defined in the Policyholder's application. To be eligible, the Insured must be covered under a Major Medical Plan. Coverage will be effective on the first day of the month, subject to approval of the Insured's individual enrollment form and payment of the first premium, provided the Insured is Actively at Work.

If the Insured is not engaged in the Insured's Regular and Customary Activities on the day coverage would otherwise begin, coverage will begin on the first day of the month following the day the Insured returns to Active Employment.

**Dependent Eligibility and Effective Date.** Insurance may be available to Dependents only if the Insured is eligible for such insurance under the Policy. An Insured's Dependents will be eligible for insurance under the Policy if the Dependent meets the eligibility requirements in the Policyholder's application and is covered under a Major Medical Plan. Coverage will be effective on the first day of the month, subject to approval of the Dependent's individual enrollment form and payment of the first premium, provided the Dependent is engaging in the Dependent's Regular and Customary Activities.

If the Dependent is not engaged in the Dependent's Regular and Customary Activities on the day coverage would otherwise begin, coverage will begin on the first day of the month following the day the Dependent engages in the Dependent's Regular and Customary Activities. In no event will coverage for any Dependent become effective before the Insured's Effective Date.

**Newborn and Adopted Children Eligibility and Effective Date.** Coverage under the Policy for a newborn child, adopted child, child placed with the Insured for adoption, or child for whom the Insured is a party in a suit to adopt will be effective from the moment of birth, adoption, placement, or filing of such suit and will continue until the next premium due date or 31 days, whichever is later. After the premium due date or 31 days, if additional premium is required, coverage will continue only if the Company has been notified in writing and any additional premium due has been paid. Coverage for a newly born child will include coverage for Injury, Sickness, congenital defects, birth abnormalities and premature birth. In no event will coverage for such child become effective before the Insured's Effective Date.

## **BENEFITS**

The following benefits are payable if the Insured Person is covered by a Major Medical Plan when the Covered Charges are incurred. Each benefit is subject to the terms, conditions, limitations, exclusions, Benefit Year Deductibles and Benefit Year Maximums as described herein.

**Inpatient Hospital Benefit.** The Company will pay the benefit shown in the Schedule of Benefits for Covered Charges incurred by an Insured Person if:

1. the Covered Charges are incurred while the Insured Person is an Inpatient; and
2. with respect to Late Entrants, the Covered Charges are incurred more than 30 days after the Late Entrant's Effective Date.

Benefits payable are limited to:

1. any deductible amount applied to the expenses covered by the Insured Person's Major Medical Plan; and
2. any Coinsurance and/or Copayment amount applied to the expenses covered by the Insured Person's Major Medical Plan.

The total benefits payable for each Insured Person during a Benefit Year will not exceed the Benefit Year Maximum under the Inpatient Hospital Benefit shown in the Schedule of Benefits.

**Outpatient Hospital Benefit.** The Company will pay the benefit shown in the Schedule of Benefits for Covered Charges incurred by an Insured Person if:

1. the Covered Charges are for:
  - a. treatment in a Hospital emergency room for Injury due to an Accident when the Insured Person is not subsequently considered an Inpatient;
  - b. surgery performed in a Hospital Outpatient facility or a free-standing Outpatient surgery center; or
  - c. radiological diagnostic testing performed in a Hospital Outpatient facility or a Magnetic Resonance Imaging (MRI) facility; and
2. with respect to Late Entrants, the Covered Charges are incurred more than 30 days after the Late Entrant's Effective Date.

Benefits payable are limited to:

1. any deductible amount applied to the expenses covered by the Insured Person's Major Medical Plan; and
2. any Coinsurance and/or Copayment amount applied to the expenses covered by the Insured Person's Major Medical Plan.

The total benefits payable for each Insured Person during a Benefit Year will not exceed the Benefit Year Maximum under the Outpatient Hospital Benefit shown in the Schedule of Benefits.

**Ambulance Benefit.** The Company will pay the benefit shown in the Schedule of Benefits if an Insured Person requires ambulance transportation to a Hospital or emergency center for Injuries sustained in an Accident. Ambulance transportation must be within 72 hours of the Accident, and be provided by a licensed professional ambulance company.

Benefits are limited to:

1. any deductible amount applied to the expenses covered by the Insured Person's Major Medical Plan; and
2. any Coinsurance and/or Copayment amount applied to the expenses covered by the Insured Person's Major Medical Plan.

The total benefits payable for each Insured Person during a Benefit Year will not exceed the Benefit Year Maximum under the Ambulance Benefit shown in the Schedule of Benefits.

**{Physician Office Visit Benefit.** The Company will pay the benefit shown in the Schedule of Benefits if the Insured Person incurs a Covered Charge as the result of:

1. treatment by a Physician due to Sickness;
2. treatment by a Physician for an Injury due to an Accident; or
3. routine well child examinations and immunizations for Dependent children.

Benefits are only payable if the Covered Charges are incurred while the Insured Person is not an Inpatient. }

## LIMITATIONS AND EXCLUSIONS

### Limitations

**Waiting Period for Late Entrants.** {Benefits for Late Entrants will be limited to the Physician Office Visit Benefit during the Waiting Period.} After the expiration of the Waiting Period, Late Entrants will be eligible for all benefits listed in the Schedule of Benefits for any Covered Charge that is incurred after such Waiting Period. For this provision, "Waiting Period" means the first 30 days following the Late Entrant's Effective Date.

### Exclusions

The Policy does not provide any benefits for the following:

1. any expenses incurred during any period the Insured Person does not have coverage under a Major Medical Plan;
2. suicide or any attempt thereat, while sane or insane (in Colorado or Missouri, while sane);
3. any intentionally self-inflicted Injury or Sickness, while sane or insane (in Colorado or Missouri, while sane);
4. rest care or rehabilitative care and treatment;
5. voluntary abortion except, with respect to the Insured or the Insured's Dependent spouse:
  - a. where the Insured's or the Insured's Dependent spouse's life would be endangered if the fetus were carried to term; or
  - b. where medical complications have arisen from abortion;
6. Pregnancy of a Dependent child, except Complications of Pregnancy;
7. any Injury or Sickness as a result of participation in a riot, civil commotion, civil disobedience or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority. For purposes of this exclusion, "participation" means to take an active part in common with others; "riot" means any use or threat to use force or violence or disturbance by three or more persons without authority of law;
8. an Insured Person engaging in any act or occupation which is a violation of the law of the jurisdiction where the loss or cause of loss occurred. A violation of law includes both misdemeanor and felony violations;
9. participation in a contest of speed in power driven vehicles, parachuting, parasailing, bungee jumping, scuba diving, stunt driving, rock climbing, flying ultra-light aircraft, skydiving, hang gliding or any hazardous sports activity for exhibition purposes;
10. Injury or Sickness as a result of air travel, except:
  - a. as a fare-paying passenger on a commercial airline on a regularly scheduled route; or
  - b. as a passenger for transportation only and not as a pilot or crew member;
11. any Injury that occurs while an Insured Person has been determined to be intoxicated:
  - a. by judicial or administrative judgment or order;
  - b. by evidence of an alcohol concentration in the Insured Person's blood, breath or urine which equals or exceeds the limits set by applicable motor vehicle laws; or
  - c. by other evidence demonstrating the Insured Person was under the influence of any alcohol, narcotic, barbiturate or hallucinatory drug, unless the same was administered on the advice of a Physician and was taken according to the prescribed dosage;  
and the use of such substance was a proximate cause of the Injury;
12. alcoholism or drug use, unless administered on the advice of a Physician and was taken according to the prescribed dosage;
13. procedures associated with sex changes;
14. any treatment, drugs or surgery considered experimental by the American Medical Association, the Health Care Finance Administration or the Federal Drug Administration;
15. any loss while the Insured Person is in the service of the Armed Forces of any country. Orders to active military service for training purposes of two months or less will not constitute service in the Armed Forces. Upon notice to the Company of entering the Armed Forces, the Company will return to the Insured Person pro rata any premium paid, less any benefits paid, for any period during which the Insured Person is in such service;
16. Injury or Sickness for which compensation is payable under any Workers' Compensation Law, any Occupational Disease Law or similar legislation;
17. mental illness or functional or organic nervous disorders, regardless of the cause;

18. dental or vision services, including, but not limited to, treatment, surgery, extractions or x-rays, unless:
  - a. resulting from an Injury occurring while the Insured Person's coverage under the Policy is in force and if performed within 12 months of the date of such Accident; or
  - b. due to congenital disease or anomaly of a Dependent newborn child;
19. routine examinations, {other than well child examinations if the Physician Office Visit Benefit is listed in the Schedule of Benefits,} such as health exams, periodic check-ups or routine physicals; or
20. any expense for which benefits are excluded under the Insured Person's Major Medical Plan.

## **TERMINATION OF INSURANCE**

**Termination of the Policy.** The Policy may be terminated on the first of the following dates:

1. any premium due date on or after the first Policy Anniversary Date the Policyholder or the Company requests termination. Written notice must be provided to the other party at least 31 days prior to termination;
2. the next premium due date following the date the Policyholder's number of covered employees falls below the Company's guidelines; or
3. the date the Major Medical Plan is modified, changed or terminated.

**Termination of Insured's Coverage under the Policy.** An Insured's coverage under the Policy automatically ends on the first of the following dates:

1. the date the Policy terminates;
2. the date the required premium has not been paid, except as provided in the Grace Period provision;
3. the date the Insured submits a fraudulent claim;
4. the date the Insured retires, is no longer an employee of the Policyholder, or is no longer Actively at Work; or
5. the date the Insured's Major Medical Plan terminates.

**Termination of Dependent's Coverage under the Policy.** The insured Dependent's coverage under the Policy automatically ends on the first of the following dates:

1. the date the Insured's coverage terminates;
2. the date the required premium has not been paid, except as provided in the Grace Period provision;
3. the date the Dependent submits a fraudulent claim;
4. the date the Dependent ceases to be an eligible Dependent, as defined;
5. the date the Dependent's coverage under the Major Medical Plan terminates; or
6. the date the Policy is modified to exclude Dependent coverage.

Termination of the insurance of any Insured Person will be without prejudice to any claim originating before the date of termination.

**Continuation of Coverage.** Coverage under the Policy will continue to the earlier of: 1) 31 days following termination of an Insured Person's coverage, or 2) the day the Insured Person otherwise becomes entitled to similar benefits under another policy.

This provision will not apply if coverage under the Insured Person's Major Medical Plan terminates and the Major Medical Plan does not have a similar continuation of coverage provision.

**Extension of Benefits.** This provision applies if an Insured Person is Hospital confined or Totally Disabled on the termination date of the Policy, unless termination is due to nonpayment of premiums. The Company will pay the same benefits for the duration of any Hospital confinement or Total Disability, or 90 days thereafter, whichever occurs first, if: 1) the Insured Person has incurred Covered Charges before the termination date; and 2) any Hospital confinement or Total Disability begins before the termination date. No further premium payment is required to qualify for this extension of benefits.

This provision will not apply if coverage under the Insured Person's Major Medical Plan terminates and the Major Medical Plan does not have a similar extension of benefits provision.

## PREMIUMS

The Company provides insurance coverage in return for premium payment. Premiums are payable to the Company. The Insured Person's first premium is due on the Insured Person's Effective Date. Premiums must be paid to the Company on or before the due date.

**Premium Changes.** The Company has the right to change the premium rates on any premium due date on or after the first Policy Anniversary Date. The Company will provide written notice at least 31 days before the date of change. The premium rates also may be changed at any time the terms of the Policy are changed. If a change in the Major Medical Plan's deductible, Coinsurance or Copayment changes the Company's risk under the Policy, premium rates may be changed as of the date the Company's risk changed.

**Grace Period.** The Policy has a 31-day grace period for the payment of each premium due after the first premium. Coverage will continue in force during the grace period. It will terminate at the end of the grace period if all premiums that are due are not paid. The Company will require payment of all premiums for the period this coverage continues in force, including the premiums for the grace period.

**Unpaid Premium.** When a claim is paid for Covered Charges during the grace period, any premium due and unpaid for the Insured will be deducted from the claim payment.

## CLAIM PROVISIONS

**Notice of Claim.** Written notice of claim must be given to the Company within 30 days after the occurrence or commencement of any loss covered by the Policy, or as soon as is reasonably possible. Notice given by or for the Insured Person to the Company at the Company's Home Office or to the Company's authorized administrator, Key Benefit Administrators, Inc., P.O. Box 1989, Fort Mill, South Carolina 29716, or agents with sufficient information to identify the Insured Person, will be deemed as notice to the Company.

**Claim Forms.** The Company will furnish claim forms to the Insured Person within 15 days after notice of claim is received. If the Company does not send the forms within that time, the Insured Person can send written proof of the occurrence, character and extent of loss for which the claim is made, within the time stated in the Policy for filing proof of loss.

**Proof of Loss.** Written proof of loss must be furnished to the Company at the Company's Home Office within 90 days after the date of the loss. Failure to furnish proof within the time required will not invalidate or reduce any claim if it was not reasonably possible to give proof within that time, if the proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will proof of loss be accepted later than one year from the time proof is required. Proof of loss includes a copy of the Major Medical Plan's explanation of benefits.

**Time Payment of Claims.** Any benefit payable under the Policy will be paid immediately, but not more than 30 days, upon receipt of due written proof of loss.

**Payment of Claims.** All benefits will be payable to the Insured. Any benefits payable on or after the Insured's death will be paid to the Beneficiary.

Beneficiary means the person or entity named on the Company's records to receive the benefit after the Insured dies. The Insured may name any person as Beneficiary. If two or more Beneficiaries are named, each will receive an equal portion of the benefit, unless the Insured designates otherwise.

The Insured may change the Beneficiary at any time on forms the Company provides, unless an irrevocable Beneficiary is named or the insurance is assigned. The change date is the date the written request is signed by the Insured. If the Company

pays the benefit before the Company receives a change request, the Company is released from further liability under the Policy to the extent of the Company's payment. If the Beneficiary dies at the same time as the Insured, or within 15 days after the Insured dies, the Company will pay the benefits as if the Insured survived the Beneficiary.

If there is no designated Beneficiary when the Insured dies, the Company will pay the benefits to the first of the following living persons:

1. the Insured's spouse;
2. the Insured's children, equally;
3. the Insured's parents, equally; or
4. the Insured's brothers and sisters, equally.

If none of the above persons is living on the date of the Insured's death, the Company will pay the benefits to the Insured's estate.

If any benefit is payable to an estate or to a minor or person not otherwise competent to give a valid release, the Company may pay such benefit, up to the amount allowed by the law of the state in which the minor or incompetent resides. Such payment will be made to the legal guardian of the minor or incompetent. Any payment made by the Company in good faith under this provision will fully discharge the Company to the extent of the payment.

**Assignment.** Benefits under the Policy may not be assigned.

**Right of Recovery.** If payment for claims exceeds the maximum amount payable under any benefit provisions or riders of the Policy, the Company has the right to recover the excess of such payments.

**Physical Examination.** At the Company's expense, the Company has the right to have the Insured Person examined as often as necessary while a claim is pending.

**Legal Actions.** No Insured Person can bring an action at law or in equity to recover on the Policy until more than 60 days after the date written proof of loss has been furnished according to the Policy. No such action may be brought after the expiration of three years after the time written proof of loss is required to be furnished. If the time limit of the Policy is less than allowed by the laws of the state where the Insured Person lives, the limit is extended to meet the minimum time allowed by such law.

## GENERAL PROVISIONS

**Certificates.** Certificates will be provided to Insureds. The Certificate will describe the coverage provided, to whom benefits are paid and the provisions of the Policy that apply to Insured Persons. The Certificate is not a part of the Policy. Any conflict between the terms of the Certificate and the Policy will be decided in favor of the Policy. A copy of the Policy may be examined at the office of the Policyholder.

**Choice of Physician.** The Insured Person is free to be treated by any Physician the Insured Person chooses.

**Clerical Error.** Clerical errors or delays in keeping records for the Policy will not deny insurance that would otherwise have been granted, nor extend insurance that otherwise would have ceased and call for a fair adjustment of premium and benefits to correct the error.

**Conformity to Law.** Any provision of the Policy that is in conflict with the laws of the state in which it is issued is amended to conform with the laws of that state.

**Entire Contract.** The Policy, including any endorsements and riders, the Policyholder's application, which is attached to the Policy when issued, and the Insured's individual enrollment form, if any, are the entire contract between the parties. All statements made by the Policyholder or an Insured will, in the absence of fraud, be deemed representations and not warranties and no such statement shall be used in defense to a claim hereunder unless it is contained in a written instrument signed by the

Policyholder, the Insured or the Insured's beneficiary or personal representative, a copy of which has been furnished to the Policyholder, the Insured or the Insured's beneficiary or personal representative.

**Amendments and Changes.** No agent is authorized to alter or amend the Policy, or to waive any conditions or restrictions herein, or to extend the time for paying a premium. The Policy and the Certificate may be amended at any time by mutual agreement between the Policyholder and the Company without the consent of the Insured, but without prejudice to any loss incurred prior to the effective date of the amendment. No person except an Officer of the Company has authority on behalf of the Company to modify the Policy or to waive or lapse any of the Company's rights or requirements.

**Incontestability.** After the Policy has been in force for two years, it can only be contested for nonpayment of premiums. No statement made by an Insured Person can be used in a contest after the Insured Person's insurance has been in force for two years during the Insured Person's lifetime. No statement an Insured Person makes can be used in a contest unless it is in writing and signed by the Insured Person.

**Insurance Data.** The Policyholder must give the Company the names and ages of all individuals initially insured. The names of persons who later become eligible (whether or not they become insured), and the names of those who cease to be eligible must also be given. The eligibility dates and any other necessary data must be given to the Company so that the premium can be determined.

The Company has the right to audit the Policyholder's books and records as they relate to this insurance. The Company can authorize someone else to perform this audit. Any such inspection may be done at any reasonable time.

**Misstatement of Age.** If the age of an Insured Person has been misstated, the Company will make an equitable adjustment of premiums. The Company will refund to the Insured any excess premium paid over the amount due for the correct benefit amount. The Company will request payment for any overdue premium for the correct benefit amount. If the misstatement is discovered after a benefit is due and payable, the Company will reduce or increase the benefit amount payable by the amount of excess or overdue premium due to the misstatement. If an Insured Person is not eligible for coverage because of age, the Company will refund all premiums paid on and/or after the date the Insured Person was no longer eligible.

**Workers' Compensation.** The Policy is not a Workers' Compensation policy. The Policy does not satisfy any requirement for coverage by Workers' Compensation Insurance.



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

The Certificate is issued to Insureds of the Policyholder whose coverage is in effect according to the Company's records.

The Certificate describes the principal provisions of the Policy. Benefits are provided only while coverage is in force for an Insured Person according to the terms of the Policy.

All periods of insurance begin and end at 12:01 a.m. Local Time at the Policyholder's business address.

This Certificate replaces all certificates that may have been previously issued to the Insured under the Policy.

The Policy may be amended, changed, cancelled or discontinued without the consent of any Insured Person.

The Policy is issued by Continental American Insurance Company at Columbia, South Carolina on the Policy Effective Date.

CONTINENTAL AMERICAN INSURANCE COMPANY

A handwritten signature in black ink, appearing to read "Eugene C. Smith". The signature is written in a cursive style with a large, sweeping flourish at the end.

President

**GROUP SUPPLEMENTAL MEDICAL EXPENSE INSURANCE CERTIFICATE**  
**THIS IS A LIMITED BENEFIT CERTIFICATE**  
*Please read the Certificate carefully.*

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## SCHEDULE OF BENEFITS

Insurance benefits are determined by this Schedule of Benefits and the terms of the Policy.

<b><u>Benefit</u></b>	<b><u>Benefit Amount</u></b>
<b>Inpatient Hospital Benefit</b> Inpatient Hospital Benefit Year Maximum per Insured Person per family	{ \$500 – \$5,000 } 3 times the Inpatient Hospital Benefit Year Maximum per Insured Person
<b>Outpatient Hospital Benefit</b> Outpatient Hospital Benefit Year Maximum per Insured Person per family	50% of the Inpatient Hospital Benefit Year Maximum 3 times the Outpatient Hospital Benefit Year Maximum per Insured Person
<b>Ambulance Benefit</b> (Accident Only) Ambulance Benefit Year Maximum per Insured Person per family	\$350 3 times the Ambulance Benefit Year Maximum per Insured Person
<b>{Physician Office Visit Benefit</b> per visit per Insured Person	{ \$5 - \$50 } per visit }

## DEFINITIONS

When used in the Policy the following words and phrases have the meaning given.

**Accident** means an external event occurring by chance or unintentionally after the Insured Person's Effective Date of coverage. An Accident must be independent of any Sickness.

**Actively at Work/Active Employment** means the Insured Person is performing the material and substantial duties of the Insured Person's regular occupation on a full-time basis at the Insured Person's regular place of employment or at any business location to which the Insured Person is required to travel.

For the purposes of this definition, a vacation day, holiday or an authorized leave of absence not due to an Injury or Sickness is considered a regular work day.

**Benefit Year** means a period of one year which starts and ends at midnight on the dates shown in the employer's application.

**Benefit Year Deductible** means the amount of expenses, as shown in the Schedule of Benefits, incurred each Benefit Year for Covered Charges that an Insured Person must pay before benefits will be payable under the Policy.

**Benefit Year Maximum** means the amounts shown in the Schedule of Benefits.

**Coinsurance/Copayment** means the expenses covered and specified by the Insured Person's Major Medical Plan as being the amount, other than deductibles, to be paid by the Insured Person.

**Company** means Continental American Insurance Company, Columbia, South Carolina.

**Complications of Pregnancy** means any of the following: 1) a condition that, while affected by pregnancy, is still classified by accepted medical standards as a Sickness apart from the normal bodily changes that accompany pregnancy; 2) a non-elective cesarean section; 3) an extra-uterine or ectopic pregnancy; or 4) a spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy do not include: false labor, premature labor, high risk pregnancy or delivery, occasional spotting, Physician-prescribed rest, morning sickness, pre-eclampsia or placenta previa or similar conditions that occur in a difficult pregnancy.

**Covered Charge** means those expenses described in the Policy that are payable under both the Policy and the Insured Person's Major Medical Plan. Expenses that are excluded under either the Policy or the Insured Person's Major Medical Plan are not Covered Charges.

**Dependent** means any of the following whose coverage under the Policy has become effective and has not ended:

1. the Insured's lawful spouse;
2. the unmarried Dependent child or children of the Insured or of the Insured's spouse who are under 19 years of age (23 years of age if a full-time student); and
3. the unmarried handicapped Dependent child of the Insured or of the Insured's spouse who has attained age 19, provided such child was an Insured Person on the day immediately prior to attaining age 19, is mentally handicapped or physically incapable of earning his or her own living. Proof of incapacity must be furnished to the Company, but not more than once in any 12-month period.

Dependent includes a step-child, foster child, legally adopted child, child for whom the Insured is a party to a suit for adoption, child who has been placed in the Insured's home for adoption and child under the Insured's legal guardianship, if such child depends primarily on the Insured for support. Dependent will also include a child for whom the Insured is legally required to support due to court order or divorce decree. Full-time, as used in this definition, means actively attending at least the minimum number of hours of class a week the school considers as full-time status.

A spouse or child covered under the Policy as an Insured will not be eligible as a Dependent. If a husband and wife are both covered as Insureds, a child will be the Dependent of only one parent.

**Effective Date** means, for the Policy, the date shown in the Policy face page. Effective Date means, for an Insured Person, the date the Insured Person becomes covered under the Policy as shown in the Insured's Certificate. The Effective Date will begin at 12:01 a.m. Local Time at the Policyholder's business address.

**Hospital** means an institution that meets all the following requirements:

1. it must be operated according to law;
2. it must give 24-hour medical care, diagnosis and treatment to the sick or injured on an inpatient basis;
3. it must provide diagnostic and surgical facilities supervised by Physicians;
4. Registered Nurses must be on 24-hour call or duty; and
5. the care must be given either on the Hospital's premises or in facilities available to the Hospital on a pre-arranged basis.

Hospital does not mean a convalescent, nursing, rest or extended care facility or a facility operated exclusively for treatment of the aged, drug addict or alcoholic, even though such facility is operated as a separate institution by a Hospital.

**Immediate Family** means the Insured or the Insured Person's spouse, parent, child, grandparent, brother, sister, in-law or any person residing with that Insured Person.

**Injury** means bodily injury sustained directly and independently of all other causes, which results in loss covered by the Policy. The Injury must occur and the loss must begin while the coverage for the Insured Person is in force under the Policy.

**Inpatient** means that the Insured Person is a registered bed patient in a Hospital for more than 23 continuous hours and is charged room and board by the facility. The Insured Person must be in the facility on the advice of a Physician and under the regular care and treatment of a Physician.

**Insured** means an employee of the Policyholder whose coverage under the Policy has become effective and has not ended. The Insured must be Actively at Work with the Policyholder.

**Insured Person** means either an Insured or Dependent.

**Late Entrant** means a person who applies for coverage under the Policy more than 31 days after he or she initially becomes eligible.

**Major Medical Plan** means any major medical or comprehensive medical plan through which an Insured Person has coverage. Major Medical Plan does not include any limited medical program, Medicare, Medicaid, CHAMPUS, or TRICARE.

**Outpatient** means the Insured Person is not an Inpatient when covered services are received.

**Physician** means a person licensed by the state in which he or she is a resident to practice the healing arts. He or she must be practicing within the scope of his or her license for the service or treatment given. He or she may not be the Insured Person or a member of the Insured Person's Immediate Family.

**Policy** means the contract issued to the Policyholder providing the benefits described.

**Policyholder** means the employer to whom the Policy is issued as shown in the Policy.

**Regular and Customary Activities** means: 1) for the Insured or a working Dependent, he or she is actively performing all the duties of his or her regular occupation; and 2) for a non-working Dependent, he or she is regularly performing the normal activities of a person of like age and good health.

**Schedule of Benefits** means the schedule in the Policy or Certificate which contains the benefits provided by the Policy.

**Sickness** means a bodily disorder, disease or illness that begins while the Insured Person's coverage is in force, including Complications of Pregnancy.

**Total Disability/Totally Disabled** means that because of Injury or Sickness, the Insured Person cannot perform the Insured Person's Regular and Customary Activities. The loss of a professional or occupational license for any reason does not, in itself, constitute Total Disability.

## **ELIGIBILITY AND EFFECTIVE DATE**

New eligible persons will be added from time to time. In no event will coverage for any person become effective before the Policy Effective Date.

**Insured Eligibility and Effective Date.** Eligibility requirements are defined in the Policyholder's application. To be eligible, the Insured must be covered under a Major Medical Plan. Coverage will be effective on the first day of the month, subject to approval of the Insured's individual enrollment form and payment of the first premium, provided the Insured is Actively at Work.

If the Insured is not engaged in the Insured's Regular and Customary Activities on the day coverage would otherwise begin, coverage will begin on the first day of the month following the day the Insured returns to Active Employment.

**Dependent Eligibility and Effective Date.** Insurance may be available to Dependents only if the Insured is eligible for such insurance under the Policy. An Insured's Dependents will be eligible for insurance under the Policy if the Dependent meets the eligibility requirements in the Policyholder's application and is covered under a Major Medical Plan. Coverage will be effective on the first day of the month, subject to approval of the Dependent's individual enrollment form and payment of the first premium, provided the Dependent is engaging in the Dependent's Regular and Customary Activities.

If the Dependent is not engaged in the Dependent's Regular and Customary Activities on the day coverage would otherwise begin, coverage will begin on the first day of the month following the day the Dependent engages in the Dependent's Regular and Customary Activities. In no event will coverage for any Dependent become effective before the Insured's Effective Date.

**Newborn and Adopted Children Eligibility and Effective Date.** Coverage under the Policy for a newborn child, adopted child, child placed with the Insured for adoption, or child for whom the Insured is a party in a suit to adopt will be effective from the moment of birth, adoption, placement, or filing of such suit and will continue until the next premium due date or 31 days, whichever is later. After the premium due date or 31 days, if additional premium is required, coverage will continue only if the Company has been notified in writing and any additional premium due has been paid. Coverage for a newly born child will include coverage for Injury, Sickness, congenital defects, birth abnormalities and premature birth. In no event will coverage for such child become effective before the Insured's Effective Date.

## **BENEFITS**

The following benefits are payable if the Insured Person is covered by a Major Medical Plan when the Covered Charges are incurred. Each benefit is subject to the terms, conditions, limitations, exclusions, Benefit Year Deductibles and Benefit Year Maximums as described herein.

**Inpatient Hospital Benefit.** The Company will pay the benefit shown in the Schedule of Benefits for Covered Charges incurred by an Insured Person if:

1. the Covered Charges are incurred while the Insured Person is an Inpatient; and
2. with respect to Late Entrants, the Covered Charges are incurred more than 30 days after the Late Entrant's Effective Date.

Benefits payable are limited to:

1. any deductible amount applied to the expenses covered by the Insured Person's Major Medical Plan; and
2. any Coinsurance and/or Copayment amount applied to the expenses covered by the Insured Person's Major Medical Plan.

The total benefits payable for each Insured Person during a Benefit Year will not exceed the Benefit Year Maximum under the Inpatient Hospital Benefit shown in the Schedule of Benefits.

**Outpatient Hospital Benefit.** The Company will pay the benefit shown in the Schedule of Benefits for Covered Charges incurred by an Insured Person if:

1. the Covered Charges are for:
  - a. treatment in a Hospital emergency room for Injury due to an Accident when the Insured Person is not subsequently considered an Inpatient;
  - b. surgery performed in a Hospital Outpatient facility or a free-standing Outpatient surgery center; or
  - c. radiological diagnostic testing performed in a Hospital Outpatient facility or a Magnetic Resonance Imaging (MRI) facility; and
2. with respect to Late Entrants, the Covered Charges are incurred more than 30 days after the Late Entrant's Effective Date.

Benefits payable are limited to:

1. any deductible amount applied to the expenses covered by the Insured Person's Major Medical Plan; and
2. any Coinsurance and/or Copayment amount applied to the expenses covered by the Insured Person's Major Medical Plan.

The total benefits payable for each Insured Person during a Benefit Year will not exceed the Benefit Year Maximum under the Outpatient Hospital Benefit shown in the Schedule of Benefits.

**Ambulance Benefit.** The Company will pay the benefit shown in the Schedule of Benefits if an Insured Person requires ambulance transportation to a Hospital or emergency center for Injuries sustained in an Accident. Ambulance transportation must be within 72 hours of the Accident, and be provided by a licensed professional ambulance company.

Benefits are limited to:

1. any deductible amount applied to the expenses covered by the Insured Person's Major Medical Plan; and
2. any Coinsurance and/or Copayment amount applied to the expenses covered by the Insured Person's Major Medical Plan.

The total benefits payable for each Insured Person during a Benefit Year will not exceed the Benefit Year Maximum under the Ambulance Benefit shown in the Schedule of Benefits.

**{Physician Office Visit Benefit.** The Company will pay the benefit shown in the Schedule of Benefits if the Insured Person incurs a Covered Charge as the result of:

1. treatment by a Physician due to Sickness;
2. treatment by a Physician for an Injury due to an Accident; or
3. routine well child examinations and immunizations for Dependent children.

Benefits are only payable if the Covered Charges are incurred while the Insured Person is not an Inpatient. }

## LIMITATIONS AND EXCLUSIONS

### Limitations

**Waiting Period for Late Entrants.** {Benefits for Late Entrants will be limited to the Physician Office Visit Benefit during the Waiting Period.} After the expiration of the Waiting Period, Late Entrants will be eligible for all benefits listed in the Schedule of Benefits for any Covered Charge that is incurred after such Waiting Period. For this provision, "Waiting Period" means the first 30 days following the Late Entrant's Effective Date.

### Exclusions

The Policy does not provide any benefits for the following:

1. any expenses incurred during any period the Insured Person does not have coverage under a Major Medical Plan;
2. suicide or any attempt thereat, while sane or insane (in Colorado or Missouri, while sane);
3. any intentionally self-inflicted Injury or Sickness, while sane or insane (in Colorado or Missouri, while sane);
4. rest care or rehabilitative care and treatment;
5. voluntary abortion except, with respect to the Insured or the Insured's Dependent spouse:
  - a. where the Insured's or the Insured's Dependent spouse's life would be endangered if the fetus were carried to term; or
  - b. where medical complications have arisen from abortion;
6. Pregnancy of a Dependent child, except Complications of Pregnancy;
7. any Injury or Sickness as a result of participation in a riot, civil commotion, civil disobedience or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority. For purposes of this exclusion, "participation" means to take an active part in common with others; "riot" means any use or threat to use force or violence or disturbance by three or more persons without authority of law;
8. an Insured Person engaging in any act or occupation which is a violation of the law of the jurisdiction where the loss or cause of loss occurred. A violation of law includes both misdemeanor and felony violations;
9. participation in a contest of speed in power driven vehicles, parachuting, parasailing, bungee jumping, scuba diving, stunt driving, rock climbing, flying ultra-light aircraft, skydiving, hang gliding or any hazardous sports activity for exhibition purposes;
10. Injury or Sickness as a result of air travel, except:
  - a. as a fare-paying passenger on a commercial airline on a regularly scheduled route; or
  - b. as a passenger for transportation only and not as a pilot or crew member;
11. any Injury that occurs while an Insured Person has been determined to be intoxicated:
  - a. by judicial or administrative judgment or order;
  - b. by evidence of an alcohol concentration in the Insured Person's blood, breath or urine which equals or exceeds the limits set by applicable motor vehicle laws; or
  - c. by other evidence demonstrating the Insured Person was under the influence of any alcohol, narcotic, barbiturate or hallucinatory drug, unless the same was administered on the advice of a Physician and was taken according to the prescribed dosage;  
and the use of such substance was a proximate cause of the Injury;
12. alcoholism or drug use, unless administered on the advice of a Physician and was taken according to the prescribed dosage;
13. procedures associated with sex changes;
14. any treatment, drugs or surgery considered experimental by the American Medical Association, the Health Care Finance Administration or the Federal Drug Administration;
15. any loss while the Insured Person is in the service of the Armed Forces of any country. Orders to active military service for training purposes of two months or less will not constitute service in the Armed Forces. Upon notice to the Company of entering the Armed Forces, the Company will return to the Insured Person pro rata any premium paid, less any benefits paid, for any period during which the Insured Person is in such service;
16. Injury or Sickness for which compensation is payable under any Workers' Compensation Law, any Occupational Disease Law or similar legislation;
17. mental illness or functional or organic nervous disorders, regardless of the cause;

18. dental or vision services, including, but not limited to, treatment, surgery, extractions or x-rays, unless:
  - a. resulting from an Injury occurring while the Insured Person's coverage under the Policy is in force and if performed within 12 months of the date of such Accident; or
  - b. due to congenital disease or anomaly of a Dependent newborn child;
19. routine examinations, {other than well child examinations if the Physician Office Visit Benefit is listed in the Schedule of Benefits,} such as health exams, periodic check-ups or routine physicals; or
20. any expense for which benefits are excluded under the Insured Person's Major Medical Plan.

## **TERMINATION OF INSURANCE**

**Termination of the Policy.** The Policy may be terminated on the first of the following dates:

1. any premium due date on or after the first Policy Anniversary Date the Policyholder or the Company requests termination. Written notice must be provided to the other party at least 31 days prior to termination;
2. the next premium due date following the date the Policyholder's number of covered employees falls below the Company's guidelines; or
3. the date the Major Medical Plan is modified, changed or terminated.

**Termination of Insured's Coverage under the Policy.** An Insured's coverage under the Policy automatically ends on the first of the following dates:

1. the date the Policy terminates;
2. the date the required premium has not been paid, except as provided in the Grace Period provision;
3. the date the Insured submits a fraudulent claim;
4. the date the Insured retires, is no longer an employee of the Policyholder, or is no longer Actively at Work; or
5. the date the Insured's Major Medical Plan terminates.

**Termination of Dependent's Coverage under the Policy.** The insured Dependent's coverage under the Policy automatically ends on the first of the following dates:

1. the date the Insured's coverage terminates;
2. the date the required premium has not been paid, except as provided in the Grace Period provision;
3. the date the Dependent submits a fraudulent claim;
4. the date the Dependent ceases to be an eligible Dependent, as defined;
5. the date the Dependent's coverage under the Major Medical Plan terminates; or
6. the date the Policy is modified to exclude Dependent coverage.

Termination of the insurance of any Insured Person will be without prejudice to any claim originating before the date of termination.

**Continuation of Coverage.** Coverage under the Policy will continue to the earlier of: 1) 31 days following termination of an Insured Person's coverage, or 2) the day the Insured Person otherwise becomes entitled to similar benefits under another policy.

This provision will not apply if coverage under the Insured Person's Major Medical Plan terminates and the Major Medical Plan does not have a similar continuation of coverage provision.

**Extension of Benefits.** This provision applies if an Insured Person is Hospital confined or Totally Disabled on the termination date of the Policy, unless termination is due to nonpayment of premiums. The Company will pay the same benefits for the duration of any Hospital confinement or Total Disability, or 90 days thereafter, whichever occurs first, if: 1) the Insured Person has incurred Covered Charges before the termination date; and 2) any Hospital confinement or Total Disability begins before the termination date. No further premium payment is required to qualify for this extension of benefits.

This provision will not apply if coverage under the Insured Person's Major Medical Plan terminates and the Major Medical Plan does not have a similar extension of benefits provision.

## PREMIUMS

The Company provides insurance coverage in return for premium payment. Premiums are payable to the Company. The Insured Person's first premium is due on the Insured Person's Effective Date. Premiums must be paid to the Company on or before the due date.

**Premium Changes.** The Company has the right to change the premium rates on any premium due date on or after the first Policy Anniversary Date. The Company will provide written notice at least 31 days before the date of change. The premium rates also may be changed at any time the terms of the Policy are changed. If a change in the Major Medical Plan's deductible, Coinsurance or Copayment changes the Company's risk under the Policy, premium rates may be changed as of the date the Company's risk changed.

**Grace Period.** The Policy has a 31-day grace period for the payment of each premium due after the first premium. Coverage will continue in force during the grace period. It will terminate at the end of the grace period if all premiums that are due are not paid. The Company will require payment of all premiums for the period this coverage continues in force, including the premiums for the grace period.

**Unpaid Premium.** When a claim is paid for Covered Charges during the grace period, any premium due and unpaid for the Insured will be deducted from the claim payment.

## CLAIM PROVISIONS

**Notice of Claim.** Written notice of claim must be given to the Company within 30 days after the occurrence or commencement of any loss covered by the Policy, or as soon as is reasonably possible. Notice given by or for the Insured Person to the Company at the Company's Home Office or to the Company's authorized administrator, Key Benefit Administrators, Inc., P.O. Box 1989, Fort Mill, South Carolina 29716, or agents with sufficient information to identify the Insured Person, will be deemed as notice to the Company.

**Claim Forms.** The Company will furnish claim forms to the Insured Person within 15 days after notice of claim is received. If the Company does not send the forms within that time, the Insured Person can send written proof of the occurrence, character and extent of loss for which the claim is made, within the time stated in the Policy for filing proof of loss.

**Proof of Loss.** Written proof of loss must be furnished to the Company at the Company's Home Office within 90 days after the date of the loss. Failure to furnish proof within the time required will not invalidate or reduce any claim if it was not reasonably possible to give proof within that time, if the proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will proof of loss be accepted later than one year from the time proof is required. Proof of loss includes a copy of the Major Medical Plan's explanation of benefits.

**Time Payment of Claims.** Any benefit payable under the Policy will be paid immediately, but not more than 30 days, upon receipt of due written proof of loss.

**Payment of Claims.** All benefits will be payable to the Insured. Any benefits payable on or after the Insured's death will be paid to the Beneficiary.

Beneficiary means the person or entity named on the Company's records to receive the benefit after the Insured dies. The Insured may name any person as Beneficiary. If two or more Beneficiaries are named, each will receive an equal portion of the benefit, unless the Insured designates otherwise.

The Insured may change the Beneficiary at any time on forms the Company provides, unless an irrevocable Beneficiary is named or the insurance is assigned. The change date is the date the written request is signed by the Insured. If the Company

pays the benefit before the Company receives a change request, the Company is released from further liability under the Policy to the extent of the Company's payment. If the Beneficiary dies at the same time as the Insured, or within 15 days after the Insured dies, the Company will pay the benefits as if the Insured survived the Beneficiary.

If there is no designated Beneficiary when the Insured dies, the Company will pay the benefits to the first of the following living persons:

1. the Insured's spouse;
2. the Insured's children, equally;
3. the Insured's parents, equally; or
4. the Insured's brothers and sisters, equally.

If none of the above persons is living on the date of the Insured's death, the Company will pay the benefits to the Insured's estate.

If any benefit is payable to an estate or to a minor or person not otherwise competent to give a valid release, the Company may pay such benefit, up to the amount allowed by the law of the state in which the minor or incompetent resides. Such payment will be made to the legal guardian of the minor or incompetent. Any payment made by the Company in good faith under this provision will fully discharge the Company to the extent of the payment.

**Assignment.** Benefits under the Policy may not be assigned.

**Right of Recovery.** If payment for claims exceeds the maximum amount payable under any benefit provisions or riders of the Policy, the Company has the right to recover the excess of such payments.

**Physical Examination.** At the Company's expense, the Company has the right to have the Insured Person examined as often as necessary while a claim is pending.

**Legal Actions.** No Insured Person can bring an action at law or in equity to recover on the Policy until more than 60 days after the date written proof of loss has been furnished according to the Policy. No such action may be brought after the expiration of three years after the time written proof of loss is required to be furnished. If the time limit of the Policy is less than allowed by the laws of the state where the Insured Person lives, the limit is extended to meet the minimum time allowed by such law.

## GENERAL PROVISIONS

**Certificates.** Certificates will be provided to Insureds. The Certificate will describe the coverage provided, to whom benefits are paid and the provisions of the Policy that apply to Insured Persons. The Certificate is not a part of the Policy. Any conflict between the terms of the Certificate and the Policy will be decided in favor of the Policy. A copy of the Policy may be examined at the office of the Policyholder.

**Choice of Physician.** The Insured Person is free to be treated by any Physician the Insured Person chooses.

**Clerical Error.** Clerical errors or delays in keeping records for the Policy will not deny insurance that would otherwise have been granted, nor extend insurance that otherwise would have ceased and call for a fair adjustment of premium and benefits to correct the error.

**Conformity to Law.** Any provision of the Policy that is in conflict with the laws of the state in which it is issued is amended to conform with the laws of that state.

**Entire Contract.** The Policy, including any endorsements and riders, the Policyholder's application, which is attached to the Policy when issued, and the Insured's individual enrollment form, if any, are the entire contract between the parties. All statements made by the Policyholder or an Insured will, in the absence of fraud, be deemed representations and not warranties and no such statement shall be used in defense to a claim hereunder unless it is contained in a written instrument signed by the

Policyholder, the Insured or the Insured's beneficiary or personal representative, a copy of which has been furnished to the Policyholder, the Insured or the Insured's beneficiary or personal representative.

**Amendments and Changes.** No agent is authorized to alter or amend the Policy, or to waive any conditions or restrictions herein, or to extend the time for paying a premium. The Policy and the Certificate may be amended at any time by mutual agreement between the Policyholder and the Company without the consent of the Insured, but without prejudice to any loss incurred prior to the effective date of the amendment. No person except an Officer of the Company has authority on behalf of the Company to modify the Policy or to waive or lapse any of the Company's rights or requirements.

**Incontestability.** After the Policy has been in force for two years, it can only be contested for nonpayment of premiums. No statement made by an Insured Person can be used in a contest after the Insured Person's insurance has been in force for two years during the Insured Person's lifetime. No statement an Insured Person makes can be used in a contest unless it is in writing and signed by the Insured Person.

**Insurance Data.** The Policyholder must give the Company the names and ages of all individuals initially insured. The names of persons who later become eligible (whether or not they become insured), and the names of those who cease to be eligible must also be given. The eligibility dates and any other necessary data must be given to the Company so that the premium can be determined.

The Company has the right to audit the Policyholder's books and records as they relate to this insurance. The Company can authorize someone else to perform this audit. Any such inspection may be done at any reasonable time.

**Misstatement of Age.** If the age of an Insured Person has been misstated, the Company will make an equitable adjustment of premiums. The Company will refund to the Insured any excess premium paid over the amount due for the correct benefit amount. The Company will request payment for any overdue premium for the correct benefit amount. If the misstatement is discovered after a benefit is due and payable, the Company will reduce or increase the benefit amount payable by the amount of excess or overdue premium due to the misstatement. If an Insured Person is not eligible for coverage because of age, the Company will refund all premiums paid on and/or after the date the Insured Person was no longer eligible.

**Workers' Compensation.** The Policy is not a Workers' Compensation policy. The Policy does not satisfy any requirement for coverage by Workers' Compensation Insurance.



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

**AMENDMENT RIDER  
For Arkansas Residents Only**

By attachment of this Rider, the Policy/Certificate is amended by the following:

1. The definition of **Accident** in the **DEFINITIONS** section is deleted in its entirety and replaced with the following:

**Accident** means an event occurring by chance or unintentionally after the Insured Person's Effective Date of coverage. An Accident must be independent of any Sickness.

2. The definition of **Complications of Pregnancy** in the **DEFINITIONS** section is deleted in its entirety and replaced with the following:

**Complications of Pregnancy** means hospital confinement required to treat conditions, such as the following, in a pregnant female: 1) acute nephritis; 2) nephrosis; 3) cardiac decompensation; 4) HELLP syndrome; 5) uterine rupture; 6) amniotic fluid embolism; 7) chorioamnionitis; 8) fatty liver in pregnancy; 9) septic abortion; 10) placenta accreta; 11) gestational hypertension; 12) puerperal sepsis; 13) peripartum cardiomyopathy; 14) cholestasis in pregnancy; 15) thrombocytopenia in pregnancy; 16) placenta previa; 17) placental abruption; 18) acute cholecystitis and pancreatitis in pregnancy; 19) postpartum hemorrhage; 20) septic pelvic thrombophlebitis; 21) retained placenta; 22) venous air embolus associated with pregnancy; 23) miscarriage; or 24) an emergency cesarean section required because of: a) fetal or maternal distress during labor, or b) severe pre-eclampsia, or c) arrest of descent or dilatation; or d) obstruction of the birth canal by fibroids or ovarian tumors, or e) necessary because of the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity that, in the absence of immediate medical attention, will result in placing the life of the mother or fetus in jeopardy. For purposes of this paragraph a cesarean section delivery is not considered to be an emergency cesarean section if it is merely for the convenience of the patient and/or Physician or solely due to a previous cesarean section.

Complications of Pregnancy also means treatment, diagnosis or care for conditions, including the following, in a pregnant female when the condition was caused by, necessary because of, or aggravated by the pregnancy: 1) hyperthyroidism; 2) hepatitis B or C; 3) HIV; 4) Human papilloma virus; 5) abnormal PAP; 6) syphilis; 7) Chlamydia; 8) herpes; 9) urinary tract infections; 10) thromboembolism; 11) appendicitis; 12) hypothyroidism; 13) pulmonary embolism; 14) sickle cell disease; 15) tuberculosis; 16) migraine headaches; 17) depression; 18) acute myocarditis; 19) asthma; 20) maternal cytomegalovirus; 21) uterolithiasis; 22) DVT prophylaxis; 23) ovarian dermoid tumors; 24) biliary atresia and/or cirrhosis; 25) first trimester adnexal mass; 25) hydatidiform mole; or 26) ectopic pregnancy.

3. Item number 3 in the definition of **Dependent** in the **DEFINITIONS** section is deleted in its entirety and replaced with the following:

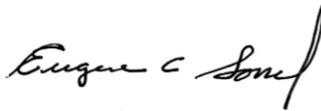
3. the unmarried handicapped Dependent child of the Insured or of the Insured's spouse who has attained age 19, provided such child was an Insured Person on the day immediately prior to attaining age 19, is mentally handicapped or physically incapable of earning his or her own living. Proof of incapacity must be furnished to the Company. Coverage will continue as long as coverage remains in force and the dependent child is incapable of self-support.

4. The **Newborn and Adopted Children Eligibility and Effective Date of Coverage** provision in the **ELIGIBILITY AND EFFECTIVE DATE** section is deleted in its entirety and replaced with the following:

**Newborn and Adopted Children Eligibility and Effective Date.** Coverage under the Policy for a newborn child, adopted child, child placed with the Insured for adoption, or child for whom the Insured is a party in a suit to adopt will be effective from the moment of birth, adoption, placement, or filing of such suit and will continue until the next premium due date or 31 days, whichever is later. After the premium due date or 31 days, if additional premium is required, coverage will continue only if the Company has been notified in writing, within 90 days after the birth for the newborn child or within 60 days after the date of adoption or filing the petition for adoption, and any additional premium due has been paid. Coverage for a newly born child will include coverage for Injury, Sickness, congenital defects, birth abnormalities and premature birth. Coverage also includes routine nursery care and pediatric charges for a well newborn child for up to five full days in a Hospital nursery or until the mother is discharged from the Hospital following the birth of the child, whichever is the lesser period of time. In no event will coverage for such child become effective before the Insured's Effective Date.

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Policy/Certificate except as stated.

**CONTINENTAL AMERICAN INSURANCE COMPANY**

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

President

**Group Supplemental Medical Expense Insurance Employer Application**



Key Benefit Administrators  
 P.O. Box 639 Fort Mill, SC 29716-639  
 Phone 866-387-3402  
 Email enrollcontinental@keybenefit.com

Underwritten by  
 Continental American Insurance Company  
 2801 Devine Street, Columbia, SC 29205

Policy Number:

**EMPLOYER INFORMATION (PLEASE PRINT)**

Legal Name of Employer		
Business Address (street)	(city)	(state) (zip code)
Mailing Address (street)	(city)	(state) (zip code)
Contact Person:	Telephone Number:	
E-mail Address:	Fax Number:	
SIC Code:	FEIN Number:	Nature of Business:

1. Do you continuously maintain a major medical or comprehensive medical insurance plan?  Yes  No How many Plans? \_\_\_\_\_  
 Insurer's Name:  
 Phone Number:

*Note: This Medical Plan is available only while the employer continuously maintains an underlying major medical plan or comprehensive medical insurance plan. The employer shall immediately notify the company or its authorized agent of any future changes to the employer's current major medical plan(s) or comprehensive medical insurance plan(s).*

2. Do you offer any other supplemental medical expense insurance coverage to your employees that provide benefits for the deductibles and coinsurance/co-pays applied to your employee's major medical plan or comprehensive medical insurance plan?  
 Yes  No If Yes, will this insurance replace it?  Yes  No

*Note: Employees and their dependants who are covered under any other supplemental medical expense insurance plan that provides benefits for such out-of-pocket expenses are not eligible under this plan.*

3. Will this plan be made available to eligible employees through an Employee Welfare Benefit Plan, as defined in Section 3 (3) of the Employee Retirement Income Security Act of 1974 ("ERISA")?  Yes  No

4. Will this plan be offered as part of a Section 125 Plan (Cafeteria Plan)?  Yes  No

**ELIGIBILITY INFORMATION**

Classes of employees eligible for coverage: 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Minimum required hours per week: \_\_\_\_\_ Number of employees eligible: \_\_\_\_\_

Number of employees electing coverage: \_\_\_\_\_ Number of employees waiving coverage: \_\_\_\_\_

## ELIGIBILITY INFORMATION (continued)

To be eligible to enroll in this plan:

All enrollees must be covered under the Employer's, or another, major medical plan or comprehensive medical insurance plan. Employees must have been employed for at least the number of days required of the applicable waiting period shown in the eligibility information section of this Application.

Employees must be at least age [18]. Dependent Spouse must be at least [18]. Dependent Children must be under age [19], under age [24] if full-time student.

Note: Dependent Child Age Limits may vary by state. Full-time student status verification demonstrating the student is enrolled in at least the minimum number of hours of class a week the school considers full-time status will be required. Full-time enrollment must be maintained or the dependent child becomes ineligible.

## PLAN SELECTION AND EFFECTIVE DATE

Attach a copy or plan summary of the Employer's major medical plan(s) or comprehensive medical insurance plan(s) to be utilized as the underlying medical plan(s) to the Policy.

Benefit Plan Year:

Requested Effective Date 12:01 A.M. on the first day of:

\_\_\_\_\_  
Month and Day through Month and Day

\_\_\_\_\_  
Month

\_\_\_\_\_  
Year

**Plan A:** Underlying Medical Plan Deductible: \_\_\_\_\_

Inpatient Hospital Benefit Per Person Per Year Maximum Amount: \$\_\_\_\_\_ [\$500 - \$5,000] (available in [\$500] increments)

Outpatient Hospital Benefit Per Person Per Year Maximum Amount Equals [50%] of Inpatient Hospital Benefit

Ambulance Benefit: [\$350]

Physician Office Visit Benefit: \$\_\_\_\_\_ [\$5 - \$50] (available in \$5 increments)

**Plan A Buy-Up:** (Note: Employer must pay [100%] of Plan A base premium to offer a buy-up option.)

Inpatient Hospital Benefit Per Person Per Year Maximum Amount: \$\_\_\_\_\_ [\$500 - \$5,000] (available in [\$500] increments)

Outpatient Hospital Benefit Per Person Per Year Maximum Amount Equals [50%] of Inpatient Hospital Benefit.

**Plan B:** Underlying Medical Plan Deductible: \_\_\_\_\_

Inpatient Hospital Benefit Per Person Per Year Maximum Amount: \$\_\_\_\_\_ [\$500 - \$5,000] (available in [\$500] increments)

Outpatient Hospital Benefit Per Person Per Year Maximum Amount Equals [50%] of Inpatient Hospital Benefit

Ambulance Benefit: [\$350]

Physician Office Visit Benefit: \$\_\_\_\_\_ [\$5 - \$50] (available in [\$5] increments)

**Plan B Buy-Up:** (Note: Employer must pay [100%] of Plan A base premium to offer a buy-up option.)

Inpatient Hospital Benefit Per Person Per Year Maximum Amount: \$\_\_\_\_\_ [\$500 - \$5,000] (available in [\$500] increments)

Outpatient Hospital Benefit Per Person Per Year Maximum Amount Equals [50%] of Inpatient Hospital Benefit.

**Plan C:** Underlying Medical Plan Deductible: \_\_\_\_\_

Inpatient Hospital Benefit Per Person Per Year Maximum Amount: \$\_\_\_\_\_ [\$500 - \$5,000] (available in [\$500] increments)

Outpatient Hospital Benefit Per Person Per Year Maximum Amount Equals [50%] of Inpatient Hospital Benefit

Ambulance Benefit: [\$350]

Physician Office Visit Benefit: \$\_\_\_\_\_ [\$5 - \$50] (available in [\$5] increments)

**Plan C Buy-Up:** (Note: Employer must pay [100%] of Plan A base premium to offer a buy-up option.)

Inpatient Hospital Benefit Per Person Per Year Maximum Amount: \$\_\_\_\_\_ [\$500 - \$5,000] (available in [\$500] increments)

Outpatient Hospital Benefit Per Person Per Year Maximum Amount Equals [50%] of Inpatient Hospital Benefit.

*Note: If the employee is not actively at work, or an enrolled spouse and/or dependent child is unable to perform the majority of their normal activities of a person of like age in good health, coverage for that individual will be deferred until the first of the month following their return to full eligibility status.*

**ENROLLMENT INFORMATION**

Waiting period for new employees (check one):  None  30 Days  60 Days  90 Days  Other \_\_\_\_\_

Waive waiting period for current employees:  Yes  No

Initial Enrollment Period from: \_\_\_\_\_ to \_\_\_\_\_

Open Enrollment Period from: \_\_\_\_\_ to \_\_\_\_\_ each year.

The Employer shall provide the Company's authorized agents or enrollers direct access to its employees to obtain enrollment forms through group meetings and individual interviews in a suitable location on the Employer's property during normal business hours or through any other means mutually agreed upon by both the Company and the Employer. Participation must meet the Company's minimum participation requirements. The Company reserves the right to withdraw from the enrollment and cancel any applications already obtained should these conditions not be satisfied.

*NOTE: Agent must be licensed and appointed in each state where enrollments are taken.*

Insurance shall be:

Noncontributory (Employee assumes entire cost of plan)  Contributory  
 Employer Pays: \_\_\_\_\_ % of employee premium  
 \_\_\_\_\_ % of dependent premium

Payroll Deduction Information:

First payroll deduction date: \_\_\_\_\_ Number of payroll deductions per year: \_\_\_\_\_ Number of pay periods per year: \_\_\_\_\_

**Billing Information: (Select desired method)**

Employer billing/payroll contact name: \_\_\_\_\_ Phone #: \_\_\_\_\_

- Self Bill: All self billed clients must submit backup documentation to support the premiums remitted.  
 List Bill: All list billed clients must pay the exact amount shown on the bill. Any credits or debits will be reflected on the next month's bill.

Are billings required for multiple locations?  Yes  No (If Yes, attach a list of each location, location contact and physical address)

Group will remit payments:  Weekly  Bi-Weekly  Semi-Monthly  Monthly

For 9-month or 10-month payroll deducts, check the months when no deductions will be made:

Jan  Feb  Mar  Apr  May  June  July  Aug  Sept  Oct  Nov  Dec

Send bills to:  Employer  Third Party Administrator\* (TPA)

Name of TPA:

Billing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Billing Contact Name (if other than employer):

Billing Contact E-mail Address: \_\_\_\_\_ Billing Contact Fax #: \_\_\_\_\_

\*TPA's must be preapproved by Key Benefit Administrators (KBA). A letter from the Employer must be submitted with the business requesting that billings be sent to the designate. The Premium Collection Agreement (PCA) must be executed and provided to KBA.

First month premiums are to be remitted along with Employer Application.

Make checks payable to: Continental American Insurance Company. \$ \_\_\_\_\_ - Amount of attached check.



## FRAUD WARNING NOTICE

For residents of all states (except the following:)	Any person who, with 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 may be guilty of insurance fraud.
Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the Applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine Tennessee Washington	It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.
Nebraska	Any person who, with 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 may be guilty of insurance fraud.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
Pennsylvania	Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.
Virginia	Any person who, with the intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.

# Group Supplemental Medical Expense Insurance Enrollment Form



Key Benefit Administrators  
 PO Box 639  
 Fort Mill, SC 29716-639  
 Phone 866-387-3402  
 Email: enrollcontinental@keybenefit.com

Underwritten by:  
 Continental American Insurance Company  
 P.O. Box 427  
 Columbia, SC 29202  
 Phone: 800-433-3036

Group # \_\_\_\_\_

Policy Number(s): [CAI1500/CAI1501]

<input type="checkbox"/> <b>New Enrollment</b> Effective Date: _____		<input type="checkbox"/> <b>Addition to Existing Coverage</b> Effective Date: _____		<input type="checkbox"/> <b>Increase Coverage</b> Effective Date: _____			
Employee Name (Last, first, M.I.):		Date of Birth:	<input type="checkbox"/> Male <input type="checkbox"/> Female		Social Security #:		
Home Address:			City	State	Zip		
Home Phone #:	Work Phone #:	Email Address:			Hire Date:		
<input type="checkbox"/> Employer Location or <input type="checkbox"/> Cobra Participant			Employee ID:				
<b>Spouse / Dependent Information</b> (Complete only for Dependents to be covered under this plan)					<input type="checkbox"/> Additional Dependents Attached		
Name (Last, First, M.I.)	Social Security #	Relation	Gender	Date of Birth	Full Time College Student		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Current Coverage:</b>							
1. Do you participate in the employer's, or another, major medical or comprehensive medical insurance coverage?					<input type="checkbox"/> Yes <input type="checkbox"/> No		
2. Are any proposed insureds for coverage covered by an Title XIX program (e.g., Medicaid, Medicare, Champus or Tricare)? If yes, list the proposed insureds who will be excluded from coverage:					<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Payroll Mode:</b> <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Other _____							
<b>I Elect to Cover:</b> <input type="checkbox"/> Employee <input type="checkbox"/> Employee + Spouse <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Family							
<b>Benefit Plan Options:</b>							
	<b>Base Benefit</b>			<b>Buy-up Benefit</b>			
<b>Employer Paid</b>	Inpatient Benefit	Premium	<b>Employee Paid</b>	Inpatient Benefit	Premium	<b>Total Coverage</b>	<b>Total Premium</b>
<input type="checkbox"/> Plan A	\$	\$	<input type="checkbox"/> Plan A	\$	\$	\$	\$
<input type="checkbox"/> Plan B	\$	\$	<input type="checkbox"/> Plan B	\$	\$	\$	\$
<input type="checkbox"/> Plan C	\$	\$	<input type="checkbox"/> Plan C	\$	\$	\$	\$

1. Spouse or equivalent, as defined by governing State law.
2. Marriage or equivalent, as defined by governing State law.
3. Voluntary benefit will only be issued when the required participation is met.

**DECLINING COVERAGE – Read and sign if you are declining any coverage offered here.** I understand the Effective Date of Coverage for myself and /or my Dependent may not be available until the next Open Enrollment Period.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Enrollee’s Statements and Agreements**

I represent that all statements and answers made on or attached hereto are true and complete as of the date I signed this Enrollment Form. I understand that any false statements herein which materially affect the acceptance of the risk or hazard assumed may result in loss of coverage under the Policy/Certificate to which this Enrollment Form is attached.

I understand that I must be actively at work for the required number of hours specified in the group policy and/or my employer’s application in order to maintain coverage. I currently participate in my employer’s, or another, major medical or comprehensive medical insurance coverage. I understand that coverage will be delayed for any Dependent who is not engaged in his or her regular and customary activities on the day coverage would otherwise begin.

I understand there is a benefit waiting period for a late entrant.

I authorize the required payroll deductions associated with my elected coverage and the coverage of my Dependents, if any. I reserve the right to revoke this deduction at any time with written notification to the Company and my employer.

Signed this \_\_\_\_\_ Day of (Month/Year) \_\_\_\_\_

Employee’s Signature \_\_\_\_\_ Spouse’s1 Signature (if applicable) \_\_\_\_\_

Licensed Representative’s Name \_\_\_\_\_ Agent Number \_\_\_\_\_

Licensed Representative’s Signature \_\_\_\_\_

**FRAUD WARNING NOTICE**

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<b>Arkansas</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Colorado</b>	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
<b>District of Columbia</b>	Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the Applicant.
<b>Florida</b>	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree.
<b>Kentucky</b>	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
<b>Louisiana West Virginia</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Maine Tennessee Washington</b>	It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.
<b>Nebraska</b>	Any person who, with 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 may be guilty of insurance fraud.
<b>New Jersey</b>	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
<b>New Mexico</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
<b>Pennsylvania</b>	Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.
<b>Virginia</b>	Any person who, with the intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.

*SERFF Tracking Number:* CAIC-126093546      *State:* Arkansas  
*Filing Company:* Continental American Insurance Company      *State Tracking Number:* 41997  
*Company Tracking Number:* 135  
*TOI:* H21 Health - Other      *Sub-TOI:* H21.000 Health - Other  
*Product Name:* Gap Plan  
*Project Name/Number:* /

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: CAIC-126093546 State: Arkansas  
 Filing Company: Continental American Insurance Company State Tracking Number: 41997  
 Company Tracking Number: 135  
 TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
 Product Name: Gap Plan  
 Project Name/Number: /

## Supporting Document Schedules

**Satisfied -Name:** Flesch Certification **Review Status:** Approved-Closed 03/30/2009  
**Comments:**  
**Attachment:**  
 CAIC ReadabilityCert.pdf

**Satisfied -Name:** Application **Review Status:** Approved-Closed 03/30/2009  
**Comments:**  
**Attachment:**  
 CA11511.pdf

**Bypassed -Name:** Health - Actuarial Justification **Review Status:** Approved-Closed 03/30/2009  
**Bypass Reason:** Group Supplemental Coverage  
**Comments:**

**Bypassed -Name:** Outline of Coverage **Review Status:** Approved-Closed 03/30/2009  
**Bypass Reason:** Group Supplemental Coverage  
**Comments:**

**Satisfied -Name:** Cover Letter **Review Status:** Approved-Closed 03/30/2009  
**Comments:**  
**Attachment:**  
 Submission letter\_AR.pdf

**Satisfied -Name:** Certificate of Compliance **Review Status:** Approved-Closed 03/30/2009  
**Comments:**  
**Attachment:**

*SERFF Tracking Number:* CAIC-126093546      *State:* Arkansas  
*Filing Company:* Continental American Insurance Company      *State Tracking Number:* 41997  
*Company Tracking Number:* 135  
*TOI:* H21 Health - Other      *Sub-TOI:* H21.000 Health - Other  
*Product Name:* Gap Plan  
*Project Name/Number:* /

Cert Compliance.pdf





2801 Devine Street, Columbia, SC 29205

## READABILITY CERTIFICATION

I, James J. Hennessy, hereby certify that the following form has the following readability score as calculated by the Flesch Reading Ease Test:

<u>Form</u>	<u>Readability Score</u>
CAI1500	50
CAI1501	50
CAI1538AR	50
CAI1510	50
CA1511	50

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James J. Hennessy, AIRC, CCP  
Vice President, Compliance

March 20, 2009

# Group Supplemental Medical Expense Insurance Enrollment Form



Key Benefit Administrators  
 PO Box 639  
 Fort Mill, SC 29716-639  
 Phone 866-387-3402  
 Email: enrollcontinental@keybenefit.com

Underwritten by:  
 Continental American Insurance Company  
 P.O. Box 427  
 Columbia, SC 29202  
 Phone: 800-433-3036

Group # \_\_\_\_\_

Policy Number(s): [CAI1500/CAI1501]

<input type="checkbox"/> <b>New Enrollment</b> Effective Date: _____		<input type="checkbox"/> <b>Addition to Existing Coverage</b> Effective Date: _____		<input type="checkbox"/> <b>Increase Coverage</b> Effective Date: _____			
Employee Name (Last, first, M.I.):		Date of Birth:	<input type="checkbox"/> Male <input type="checkbox"/> Female		Social Security #:		
Home Address:			City	State	Zip		
Home Phone #:	Work Phone #:	Email Address:			Hire Date:		
<input type="checkbox"/> Employer Location or <input type="checkbox"/> Cobra Participant			Employee ID:				
<b>Spouse / Dependent Information</b> (Complete only for Dependents to be covered under this plan)					<input type="checkbox"/> Additional Dependents Attached		
Name (Last, First, M.I.)	Social Security #	Relation	Gender	Date of Birth	Full Time College Student		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
			<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Current Coverage:</b>							
1. Do you participate in the employer's, or another, major medical or comprehensive medical insurance coverage?					<input type="checkbox"/> Yes <input type="checkbox"/> No		
2. Are any proposed insureds for coverage covered by an Title XIX program (e.g., Medicaid, Medicare, Champus or Tricare)? If yes, list the proposed insureds who will be excluded from coverage:					<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Payroll Mode:</b> <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Other _____							
<b>I Elect to Cover:</b> <input type="checkbox"/> Employee <input type="checkbox"/> Employee + Spouse <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Family							
<b>Benefit Plan Options:</b>							
	<b>Base Benefit</b>			<b>Buy-up Benefit</b>			
<b>Employer Paid</b>	Inpatient Benefit	Premium	<b>Employee Paid</b>	Inpatient Benefit	Premium	<b>Total Coverage</b>	<b>Total Premium</b>
<input type="checkbox"/> Plan A	\$	\$	<input type="checkbox"/> Plan A	\$	\$	\$	\$
<input type="checkbox"/> Plan B	\$	\$	<input type="checkbox"/> Plan B	\$	\$	\$	\$
<input type="checkbox"/> Plan C	\$	\$	<input type="checkbox"/> Plan C	\$	\$	\$	\$

- Spouse or equivalent, as defined by governing State law.
- Marriage or equivalent, as defined by governing State law.
- Voluntary benefit will only be issued when the required participation is met.

**DECLINING COVERAGE – Read and sign if you are declining any coverage offered here.** I understand the Effective Date of Coverage for myself and /or my Dependent may not be available until the next Open Enrollment Period.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Enrollee’s Statements and Agreements**

I represent that all statements and answers made on or attached hereto are true and complete as of the date I signed this Enrollment Form. I understand that any false statements herein which materially affect the acceptance of the risk or hazard assumed may result in loss of coverage under the Policy/Certificate to which this Enrollment Form is attached.

I understand that I must be actively at work for the required number of hours specified in the group policy and/or my employer’s application in order to maintain coverage. I currently participate in my employer’s, or another, major medical or comprehensive medical insurance coverage. I understand that coverage will be delayed for any Dependent who is not engaged in his or her regular and customary activities on the day coverage would otherwise begin.

I understand there is a benefit waiting period for a late entrant.

I authorize the required payroll deductions associated with my elected coverage and the coverage of my Dependents, if any. I reserve the right to revoke this deduction at any time with written notification to the Company and my employer.

Signed this \_\_\_\_\_ Day of (Month/Year) \_\_\_\_\_

Employee’s Signature \_\_\_\_\_ Spouse’s1 Signature (if applicable) \_\_\_\_\_

Licensed Representative’s Name \_\_\_\_\_ Agent Number \_\_\_\_\_

Licensed Representative’s Signature \_\_\_\_\_

**FRAUD WARNING NOTICE**

<b>For residents of all states</b> (except the following:)	Any person who, with 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 may be guilty of insurance fraud.
<b>Arkansas</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Colorado</b>	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
<b>District of Columbia</b>	Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the Applicant.
<b>Florida</b>	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree.
<b>Kentucky</b>	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
<b>Louisiana West Virginia</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Maine Tennessee Washington</b>	It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.
<b>Nebraska</b>	Any person who, with 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 may be guilty of insurance fraud.
<b>New Jersey</b>	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
<b>New Mexico</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
<b>Pennsylvania</b>	Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.
<b>Virginia</b>	Any person who, with the intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.



**2801 Devine Street  
Columbia, South Carolina 29205**

March 20, 2009

**Re: CONTINENTAL AMERICAN INSURANCE COMPANY  
NAIC 71730 FEIN 57-0514130**

**CAI1500 Group Supplemental Medical Expense Master Policy  
CAI1501 Group Supplemental Medical Expense Certificate  
CAI1538AR Amendment Rider for Arkansas Residents Only  
CAI1510 Employer Application  
CAI1511 Employee Enrollment Form**

The above captioned forms are being filed for your review and subsequent approval. These forms are new and do not replace any forms previously approved by your state.

These forms are based on Fidelity Security Life Insurance Company's Group Supplemental Medical Expense Product, M-9081, et al, which was approved in your state in 2006. They are filed with knowledge and permission of Fidelity Security Life Insurance. We hereby certify that the only changes made to these forms are to the company name, address, form numbers, and president's signature.

This is a limited benefit product that provides supplemental benefits to existing employee major medical or comprehensive health insurance plans. It will be marketed on a voluntary, payroll deduction basis and offers coverage to employees and their dependants. It covers certain portions of the out-of-pocket expenses that are incurred under their major medical or comprehensive health insurance plan. Coverage will be available to eligible employee and their families on a guaranteed issue basis (subject to enrollment, actively at work and participation requirements).

This plan does not contain a pre-existing condition provision, and pregnancy is treated the same as any other illness. Major Medical/Comprehensive coverage is required for this product to be issued. This product is not intended to be a group health plan for purposes of renewability and portability under HIPAA.

The information in brackets { } is intended to be variable to create flexibility for various programs with diverse formatting needs. However, the variables will not be adjusted to be less favorable than your state allows. The variables noted in the forms will be in, out, as shown, or with respect to any parameters, the benefit will be within the states amounts.

The format of the actual printed application form CAI1510 and enrollment form CAI1511 may vary, even though the text will remain unchanged.



**Continental American**  
**INSURANCE COMPANY**

2801 Devine Street, Columbia, South Carolina 29205

**CERTIFICATION OF COMPLIANCE**

I have reviewed or supervised the review of the form contained in the filing and hereby certify that to the best of my knowledge and belief they are in compliance with the applicable statues, regulations and bulletins of the State of Arkansas. I further certify that they will be revised and/or discontinued in the event of future changes in the statues, regulations, or bulletins which would prohibit the use of such forms.

A handwritten signature in cursive script, appearing to read "James J. Hennessy".

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

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2/5/2009

Date