Filing at a Glance

Company: Continental General Insurance Company

Product Name: 2010 Direct Marketing Medicare Supplement

SERFF Tr Num: UTAC-126442762

State: Arkansas

TOI: MS08I Individual Medicare Supplement - Standard Plans 2010

SERFF Status: Closed-Approved-Closed

State Tr Num: 44617

Sub-TOI: MS08I.001 Plan A 2010

Co Tr Num: CGI-MS-DM-CR-A-AR

State Status: Under Review

Filing Type: Form/Rate

Reviewer(s): Stephanie Fowler

Authors: Jackie Cunningham, Alycia Sumbera, Joyce Kostakis, Melissa Garza, Melissa MacLaurin

Disposition Date: 02/25/2010

Date Submitted: 01/18/2010

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date: 06/01/2010

State Filing Description:

General Information

Project Name: 2010 Direct Marketing Medicare Supplement

Project Number: 2010 Direct Marketing Medicare Supplement

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 02/25/2010

Deemer Date:

Submitted By: Jackie Cunningham

Filing Description:

2010 Direct Marketing Medicare Supplement Plans

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 02/02/2010

Created By: Jackie Cunningham

Corresponding Filing Tracking Number:

Company and Contact

Filing Contact Information

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Filing Company Information

Continental General Insurance Company	CoCode: 71404	State of Domicile: Ohio
11200 Lakeline Blvd., Suite 100	Group Code: 84	Company Type: Life & Health
P. O. Box 26580	Group Name:	State ID Number:
Austin, TX 78755-0580	FEIN Number: 47-0463747	
(800) 880-8824 ext. [Phone]		

Filing Fees

Fee Required?	Yes
Fee Amount:	$100.00
Retaliatory?	No
Fee Explanation:	$50 forms + $50 rates
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental General Insurance Company	$100.00	01/18/2010	33604630

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Stephanie Fowler	02/25/2010	02/25/2010

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Outline of Medicare Supplement Coverage	Jackie Cunningham	02/08/2010	02/08/2010

Disposition

Disposition Date: 02/25/2010

Implementation Date: 06/01/2010

Status: Approved-Closed

Comment: This 2010 Plan filing has been approved; please note that any current plans not re-filed to be compliant with the recent changes set to be effective June 1, 2010 will be considered as withdrawn from the market and will not be allowed for a period of five years.

Rate data does NOT apply to filing.

SERFF Tracking Number:	*UTAC-126442762*	*State:*	*Arkansas*
Filing Company:	*Continental General Insurance Company*	*State Tracking Number:*	*44617*
Company Tracking Number:	*CGI-MS-DM-CR-A-AR*		
TOI:	*MS08I Individual Medicare Supplement - Standard Plans 2010*	*Sub-TOI:*	*MS08I.001 Plan A 2010*
Product Name:	*2010 Direct Marketing Medicare Supplement*		
Project Name/Number:	*2010 Direct Marketing Medicare Supplement/2010 Direct Marketing Medicare Supplement*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Accepted for Informational Purposes	Yes
Supporting Document	Application	Approved	Yes
Supporting Document	Health - Actuarial Justification	Accepted for Informational Purposes	No
Supporting Document	Outline of Coverage	Approved	Yes
Supporting Document	Cover Letter	Accepted for Informational Purposes	Yes
Form	Medicare Supplement Policy Plan A	Approved	Yes
Form	Medicare Supplement Policy Plan F	Approved	Yes
Form	Medicare Supplement Policy Plan G	Approved	Yes
Form	Medicare Supplement Policy Plan N	Approved	Yes
Form	Application for Medicare Supplement Policy	Approved	Yes
Form *(revised)*	Outline of Medicare Supplement Coverage	Approved	Yes
Form	Outline of Medicare Supplement Coverage	Replaced	Yes
Form	Medicare Supplement Replacement Notice	Approved	Yes

Amendment Letter

Submitted Date: 02/08/2010

Comments:

The form number of the Outline of Coverage originally submitted was incorrect. A revised form with the correct form number is now attached. No other changes were made to the form.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
CGI-OC-DM-CR-AR	Outline of Coverage	Outline of Medicare Supplement Coverage	Initial				40.600	CGI-OC-DM-CR-AR.pdf

Form Schedule

Lead Form Number: CGI-MS-DM-CR-A-AR

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved 02/25/2010	CGI-MS-DM-CR-A-AR	Policy/Contract/Fraternal Certificate	Medicare Supplement Policy Plan A	Initial		43.800	CGI-MS-DM-CR-A-AR.pdf
Approved 02/25/2010	CGI-MS-DM-CR-F-AR	Policy/Contract/Fraternal Certificate	Medicare Supplement Policy Plan F	Initial		43.800	CGI-MS-DM-CR-F-AR.pdf
Approved 02/25/2010	CGI-MS-DM-CR-G-AR	Policy/Contract/Fraternal Certificate	Medicare Supplement Policy Plan G	Initial		43.800	CGI-MS-DM-CR-G-AR.pdf
Approved 02/25/2010	CGI-MS-DM-CR-N-AR	Policy/Contract/Fraternal Certificate	Medicare Supplement Policy Plan N	Initial		43.800	CGI-MS-DM-CR-N-AR.pdf
Approved 02/25/2010	GASBG-MS-DM-APP-2010-AR	Application/Enrollment Form	Application for Medicare Supplement Policy	Initial		42.000	GASBG-MS-DM-APP-2010-AR.pdf
Approved 02/25/2010	CGI-OC-DM-CR-AR	Outline of Coverage	Outline of Medicare Supplement Coverage	Initial		40.600	CGI-OC-DM-CR-AR.pdf
Approved 02/25/2010	GASBG-MS-DM-RN-GN	Other	Medicare Supplement Replacement Notice	Initial		40.000	GASBG-MS-DM-RN-GN 0110.pdf

CONTINENTAL GENERAL INSURANCE COMPANY
[PO Box 26580 • Austin, TX 78755-0580 • (866) 459-4272]
[www.continentalgeneral.com]
A Stock Company

MEDICARE SUPPLEMENT POLICY PLAN A

Here is Your new Medicare Supplement policy. The language used is easy to understand. In this policy the words "We", "Our" or "Us" mean Continental General Insurance Company. "You" or "Your" means the person to be insured by the policy, as cited on the Policy Schedule Page. This policy pays for Hospital care and medical and surgical treatment to the extent provided.

GUARANTEED RENEWABLE FOR LIFE

RENEWAL AND PREMIUM PAYMENT PROVISIONS

This policy may be kept in force during Your lifetime by paying the premiums on time. We cannot cancel or refuse to renew this policy for any reason other than nonpayment of premium or material misrepresentation in the application for insurance. On each premium due date, the premium may change if a new table of rates is applicable to the policy but only as specified in the Right to Adjust Future Premiums provision as stated in Part 5. If We change the premium rates for all policies of this form issued by Us and in force in Your state, We will inform You in writing before the change occurs at the address shown in Our records.

PREEXISTING CONDITION(S) LIMITATION PROVISION

This policy will not cover loss due to Preexisting Condition(s) unless the expense for that loss is incurred more than six (6) months after the effective date of coverage.

This provision does not apply if, as of the date of application, You had a Continuous Period of Creditable Coverage or had prior coverage under a Medicare Supplement policy for at least six (6) months. If, as of the date of application, You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied. This provision does not apply if You applied for and were issued this policy under guaranteed issue status.

IMPORTANT NOTICE! PLEASE READ

Please read the copy of the application attached to this policy. Omissions or misstatements in the application could cause an otherwise valid claim to be denied or coverage to be rescinded. Carefully check the application and write to Continental General Insurance Company at [P.O. Box 26580, Austin, Texas 78755-0580] within ten (10) days if any information shown on it is not correct and complete or if any medical history has been left out. The application is a part of this policy, which was issued on the basis that the answers to all questions and the information shown on the application are correct and complete.

NOTICE TO BUYER: THIS POLICY MAY NOT COVER ALL OF YOUR MEDICAL EXPENSES

YOU HAVE THE RIGHT TO EXAMINE THIS POLICY FOR THIRTY (30) DAYS

Please read Your policy carefully. If You are not satisfied with Your policy for any reason, You may return the policy to Us or to Your agent from whom it was purchased. It must be returned within thirty (30) days from receipt of this policy. If returned, the policy will be void from its beginning as though the policy was never issued. Any premium paid will be refunded.

Brenda Hardison — Secretary

Billy Hill Jr. — President

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CONTINENTAL GENERAL INSURANCE COMPANY
MEDICARE SUPPLEMENT POLICY - PLAN A SCHEDULE PAGE

POLICY NUMBER: [AE0000001M]
EFFECTIVE DATE: [JANUARY 1, 2010]
INSURED: [NAME OF PERSON]
STATE OF ISSUE: [STATE]
AGE AT ISSUE: [75]
SEX: [MALE]

INITIAL PREMIUM: [$77.00]
MODAL PREMIUM: [$52.00]
PREMIUM PAYING MODE: [MONTHLY]
PAYMENT METHOD: [BANK DRAFT]

BASIC BENEFITS:

Hospitalization (Medicare Part A)

- Medicare's Part A Daily Coinsurance - 61st to 90th Day
- Part A Medicare Eligible Expenses For Medicare Lifetime Inpatient Reserve Days
- 100% Of Medicare Eligible Hospital Expenses After Medicare Lifetime Reserve Days Have Been Exhausted For An Additional 365 Days In Your Lifetime

Blood Benefit (Medicare Part A or Part B)

- First 3 Pints Of Blood Each Year

Medical Expenses (Medicare Part B)

- Part B Coinsurance (Generally 20% Of Medicare-Approved Expenses) Or Co-payments For Hospital Outpatient Services

Hospice Care

- Cost Sharing For All Part A Medicare Eligible Hospice Care And Respite Care Expenses

PART 1: BASIC INFORMATION ABOUT THIS POLICY AND MEDICARE

Some words and phrases in this policy may be new to You. We want You to understand them. The words and phrases that follow are those used in administering Medicare Supplemental benefits. These words are capitalized wherever they appear in the policy. Where used in this policy, the following words and phrases mean:

DEFINITIONS

BENEFIT PERIOD: A benefit period begins the first day You are confined in a Hospital. The benefit period ends when You have not received any inpatient Hospital care for sixty (60) days in a row. If You go into a Hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient Hospital deductible or a portion thereof for each benefit period, unless such coverage is listed as an additional benefit in this policy.

COINSURANCE: The percent of the Medicare approved amount that You have to pay after You pay the deductible for Part A and or Part B. In the Medicare Plan, the coinsurance payment is a percentage of the cost of the service.

CO-PAYMENTS: The amount You pay for each medical service, like a Physician's visit. A co-payment is usually a set amount You pay. For example, this could be $10.00 or $20.00 for a Physician's visit. Co-payments are also used for some Hospital outpatient services in Medicare.

COST SHARING: This amount can include Co-payments, Coinsurance, and/or deductibles.

CREDITABLE COVERAGE: With respect to an individual, creditable coverage is coverage of the individual provided under any of the following:

(1) A group health plan;

(2) Health insurance coverage;

(3) Part A or Part B of Title XVIII of the Social Security Act (Medicare);

(4) Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928;

(5) Chapter 55 of Title 10 United States Code (TRICARE);

(6) A medical care program of the Indian Health Service or of a tribal organization;

(7) A state health benefits risk pool;

(8) A health plan offered under chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);

(9) A public health plan as defined in federal regulation; and

(10) A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

CONTINUOUS PERIOD OF CREDITABLE COVERAGE: The period during which You were covered by Creditable Coverage, if during the period of coverage You had no breaks in coverage greater than sixty-three (63) days.

GUARANTEED RENEWABLE: A right You have that requires Us to automatically renew or continue Your Medicare Supplement policy, unless You make untrue statements to Us, commit fraud or do not pay Your premiums.

HOSPICE: A coordinated, interdisciplinary program for meeting the special physical, emotional, social, and spiritual needs of dying individuals, by providing palliative and supportive services during the illness to individuals who have no reasonable prospect of cure and, as estimated by a Physician, have a life expectancy of six (6) months or less.

HOSPITAL: An institution operating under the laws of the state where it is located. It provides medical, diagnostic or surgical services, either on its premises or in facilities available to the hospital on a contractual, prearranged basis, for the care and treatment of sick or injured persons. Such treatment is rendered on the advice and under the supervision of a staff of one or more duly licensed Physicians. It provides 24-hour nursing service by or under the supervision of registered, graduate, professional Nurses (R.N.'s).

INJURY: Accidental bodily injury sustained by You which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and that occurs while this policy is in force.

MEDICARE: Title I, Part I of Public Law 89-97, as enacted by the Eighty-Ninth (89th) Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes thereof.

(1) Hospital coverage is known as Part A. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses.

(2) Medical-Surgical coverage is known as Part B or Voluntary Coverage. You must indicate when You enroll for Social Security benefits if You want this coverage. There is a monthly charge for it. The amount is deducted from Your Social Security monthly check. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses. Of the Eligible Expenses, Medicare will then determine the amount that is approved for payment.

MEDICARE ELIGIBLE EXPENSES: Expenses of the kind covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

NURSE: A registered, graduate, professional Nurse (R.N.), licensed practical Nurse (L.P.N.), or licensed vocational Nurse (L.V.N.).

PART A MEDICARE DEDUCTIBLE: The initial amount of Hospital expense You incur in each Benefit Period as a resident bed patient under Part A of Medicare. Medicare sets the amount of this deductible. This amount is not paid by Medicare.

PART B MEDICARE CALENDAR YEAR DEDUCTIBLE: The amount You must pay each calendar year before benefits can be paid under Part B of Medicare. Medicare sets the amount of the deductible. This amount is not paid by Medicare. A calendar year begins on January 1st and ends on December 31st.

PHYSICIAN: A legally qualified and licensed practitioner of the healing arts who is practicing within the scope of his authority.

PREEXISTING CONDITION: A condition for which medical advice was given or treatment was recommended by or received from a Physician within six (6) months prior to the policy effective date.

RESPITE CARE: Care given to allow Your caregiver to rest. You can stay in a Medicare-approved Hospital or nursing home up to five days for each time the respite care is elected.

SICKNESS: An illness or disease incurred by You which first manifests itself after the effective date and while this policy is in force.

PART 2: BENEFITS PROVIDED BY THIS POLICY

EFFECTIVE DATE FOR BENEFITS: The effective date of Your policy is shown on the Policy Schedule Page located on Page 3. We will pay benefits provided by this policy for Injury or Sickness that happens to You after the effective date if Your policy is in force at that time.

BASIC CORE BENEFITS

When You Receive Services For Medicare Eligible Expenses, We Will Pay Basic Core Benefits As Follows:

Inpatient Hospital Confinement Benefits (Medicare Part A)

Coinsurance Benefit: Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare Benefit Period.

Lifetime Reserve Days Benefit: Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.

Medicare Exhaustion Benefit: Upon exhaustion of the Medicare Hospital inpatient coverage including the lifetime reserve days, coverage of one-hundred percent (100%) of the Medicare Part A Eligible Expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days (the provider shall accept Our payment in full and may not bill You for any balance).

Blood Benefit (Medicare Part A or Part B)

Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations.

Medicare Part B Coinsurance Benefit

Coverage for the Coinsurance amount, (or in the case of Hospital outpatient department services paid under a prospective payment system, the Co-payment amount) of Medicare Eligible Expenses under Part B regardless of Hospital confinement, subject to the Medicare Part B Deductible.

Hospice Care

Coverage of Cost Sharing for all Part A Medicare eligible Hospice care and inpatient Respite Care expenses.

PART 3: EXCLUSIONS AND LIMITATIONS

The benefits of this policy will not duplicate any benefits paid by Medicare. The combined benefits of this policy and the benefits paid by Medicare may not exceed one-hundred percent (100%) of the Medicare Eligible Expenses incurred. This policy will not pay benefits for the following:

(1) The Medicare Part B Deductible;

(2) Any expense which You are not legally obligated to pay; or services for which no charge is normally made in the absence of insurance;

(3) Any services that are not medically necessary as determined by Medicare;

(4) Any portion of any expense for which payment is made by Medicare or other government programs (except Medicaid); or for which payment would have been made by Medicare if You were enrolled in Parts A and B of Medicare;

(5) Any type of expense not a Medicare Eligible Expense except as provided previously in this policy;

(6) Any deductible, Coinsurance or Co-payment not covered by Medicare, unless such coverage is listed as an additional benefit in this policy;

(7) Confinement that begins or expenses incurred while Your policy is not in force; or

(8) Preexisting Conditions: No claim for loss incurred after six (6) months from the effective date of Your coverage will be reduced or denied on the ground that a disease or physical condition had existed within six (6) months prior to the policy effective date.

We will not pay for any expenses incurred for care or treatment of a Preexisting Condition for the first six (6) months from the effective date of coverage. This exclusion does not apply if You applied for and were issued this policy under guaranteed issue status; if on the date of application for this policy You had at least six (6) months of prior Creditable Coverage; or, if this policy is replacing another Medicare Supplement policy and a six (6) month waiting period has already been satisfied. Evidence of prior coverage or replacement must have been disclosed on the application for this policy.

If You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied.

PART 4: MEDICARE BENEFIT CHANGES

The benefits provided by this Medicare Supplement policy are designed to cover Cost Sharing amounts under Medicare and will be changed automatically to coincide with any changes in the applicable Medicare deductible, Co-payment, or Coinsurance amounts. Premiums may be modified to correspond with such changes as specified in the Right to Adjust Future Premiums provision as stated in Part 5.

PART 5: RENEWABILITY

You may renew this policy for life by paying the premium when it becomes due. We may not cancel this policy before the expiration of the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Right to Adjust Future Premiums: The premium shown on the Policy Schedule Page may change on the premium due date following the date:

(1) We change the rates which apply to all policies of this form issued by Us and in force in Your state;

(2) Coverage under Medicare changes; or

(3) You move to a different ZIP Code location.

We will send You a written notice at least thirty (30) days in advance when We change the premium rates for all policies of this form issued by Us and in force in Your state.

PART 6: ELIGIBILITY

INSURED is the person named on the Policy Schedule Page, located on Page 3, until death or termination of coverage.

PART 7: PREMIUM PAYMENTS AND REINSTATEMENT

Initial: This policy is issued based on the application, Our underwriting requirements and payment of the initial premium. The policy begins on the effective date shown on the Policy Schedule Page. All periods of insurance will begin and end at 12:01 a.m., at the place where You live.

Renewal: All renewal premiums must be paid in consecutive terms. They shall be paid by modes currently offered by Us. Renewal premiums are payable to Us. Premiums must be paid on or before the date due or before the end of the grace period. If this policy should lapse, the payment of a premium will reinstate this policy only as provided in the reinstatement provision in this section.

Grace Period: A grace period of thirty-one (31) days will be granted for the payment of each premium, falling due after the first premium. This policy will continue in force during the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Lapse and Reinstatement: If the renewal premium is not paid within the grace period, this policy will lapse on the first premium due date for which premium was not paid. If the policy lapses, Our acceptance of a premium payment without requiring an application for reinstatement will reinstate this policy. Any premium accepted in connection with a reinstatement will be applied to a period for which premium has not been previously paid, but not to any period more than sixty (60) days prior to the date of reinstatement.

If We require an application for reinstatement and issue a conditional receipt, this policy will be reinstated upon Our approval of the reinstatement application. If We do not notify You in writing of Our prior approval or disapproval, this policy will automatically be reinstated on the forty-fifth (45th) day following the date of the conditional receipt.

The reinstated policy will cover loss resulting from Injury or Sickness sustained after the date of reinstatement. In all other respects, Your rights and Ours will remain the same, subject to any restrictions attached in connection with the reinstatement.

PART 8: SUSPENSION OF COVERAGE BY YOU

Suspension Available During Medicaid Entitlement

(1) Benefits and premiums under this policy will be suspended at Your request for the period in which You apply for and are determined to be entitled to medical assistance under Medicaid, but only if You notify Us within ninety (90) days after the date You become entitled to the Medicaid assistance. This suspension of coverage can last for up to twenty-four (24) months while Your Medicaid entitlement continues.

(2) If suspension occurs and You lose entitlement to Medicaid, this policy will be automatically reinstituted (effective as of the date of termination of Medicaid entitlement) as long as You notify Us of the loss of entitlement within ninety (90) days after the date of loss and pay the premium applicable to the period, effective as of the date of termination of Medicaid entitlement.

Reinstitution of coverages as described in subparagraph (2).

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

Suspension Available While Covered Under a Group Health Plan

Benefits and premiums under this policy will be suspended (for any period that may be provided by federal regulation) at Your request if You are entitled to benefits under section 226(b) of the Social Security Act and are covered under a group health plan (as defined in section 1862(b)(1)(A)(v) of the Social Security Act). If suspension occurs and You lose coverage under the group health plan, this policy will be automatically reinstituted (effective as of the date of loss of coverage) if You notify Us of the loss of coverage within ninety (90) days after the date of loss of the group health plan and pay the premium applicable to this policy period, effective as of the date of termination of enrollment in the group health plan.

Reinstitution of coverages:

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

PART 9: HOW TO FILE A CLAIM

Notice of Claim: Written notice of a claim must be given to Us within ninety (90) days after the occurrence or commencement of any loss covered by this policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of You to Us, with information sufficient to identify You, will be notice to Us.

Claim Forms: When We receive notice of claim, if additional information is required, We will send You forms for filing proof of loss. If We fail to provide these forms within fifteen (15) days after receipt of notice of claim, We agree You will have met the requirements for filing proof of loss, within the time allowed.

Proof of Loss: Written proof of loss must be furnished to Us within ninety (90) days after the date of loss. Failure to provide written proof will not invalidate nor reduce any claim if it was not reasonably possible to send such proof within the time allowed, provided such proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will any claim be accepted later than one (1) year from the time proof is otherwise required.

Time of Payment of Claims: All benefits payable under this policy will be payable immediately upon Our receipt of due written proof of loss.

Extension of Benefits: Termination of this policy will be without prejudice to any continuous loss which commenced while the policy was in force, coverage for such loss will continue beyond the date insurance ends. This extension of coverage is subject to Your continuous total disability and limited to the duration of the Medicare Benefit Period or, if none is applicable, payment of the maximum benefits. Receipt of Medicare Part D benefits shall not be considered in determining a continuous loss.

Payment of Claims: All benefits payable under this policy will be payable to You during Your lifetime, unless a valid written assignment by You to pay the medical provider is included with the claim.

Unless We receive prior written instructions from You to the contrary, any health care benefits unpaid at Your death will be paid to Your estate. If benefits are payable to Your estate, We may pay benefits up to $1,000 to someone related to You by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

PART 10: GENERAL INFORMATION

The provisions of the policy set out Your rights and obligations as a policyowner and Our rights and obligations as Your insurance company.

Entire Contract; Changes: This policy, including the application, the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid unless approved by an Executive Officer of the insurance company in writing. Such officer's approval must be endorsed hereon and attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Time Limit on Certain Defenses: After two (2) years from the date of issue of this policy, no misstatements, except fraudulent misstatements, made by You in the application for the policy shall be used to void the policy or to deny a claim for loss incurred or disability commencing after the expiration of the two (2) year period.

No claim for loss incurred or disability that starts after six (6) months from the issue date will be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Conformity with State Statutes and/or Insurance Regulations: Any provision of this policy, which, on its effective date, is in conflict with the statutes, and/or insurance regulations of the State where You reside is hereby amended to conform to the minimum requirements of such statutes and/or regulations.

Our Right to Examine Hospital and Medical Records: In the event of a claim, We may examine Your Hospital charts and medical records at Our expense if We find it necessary.

Legal Actions: No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought to recover on this policy more than three (3) years after the time written proof of loss is required to be furnished.

Physical Examinations: We, at Our own expense, have the right to have You, whose loss is the basis of a claim under this policy, examined when and as often as We may reasonably require while the claim is pending.

Cancellation: You may cancel this policy at any time by notifying Us. Your cancellation will be effective upon receipt of Your notice or on such later date as may be specified in such notice. In the event of cancellation, We will return the unearned portion of any premium paid. Cancellation will be without prejudice to any claim originating prior to the effective date of cancellation.

Upon your death, we will refund premiums paid for any period beyond the policy month in which death occurred. Such unearned premiums will be paid in a lump sum no later than 30 days after the proof of your death has been furnished to us. Payment will be made to your estate.

CONTINENTAL GENERAL INSURANCE COMPANY
[PO Box 26580 • Austin, TX 78755-0580 • (866) 459-4272]
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A Stock Company

MEDICARE SUPPLEMENT POLICY PLAN F

Here is Your new Medicare Supplement policy. The language used is easy to understand. In this policy the words "We", "Our" or "Us" mean Continental General Insurance Company. "You" or "Your" means the person to be insured by the policy, as cited on the Policy Schedule Page. This policy pays for Hospital care and medical and surgical treatment to the extent provided.

GUARANTEED RENEWABLE FOR LIFE
RENEWAL AND PREMIUM PAYMENT PROVISIONS

This policy may be kept in force during Your lifetime by paying the premiums on time. We cannot cancel or refuse to renew this policy for any reason other than nonpayment of premium or material misrepresentation in the application for insurance. On each premium due date, the premium may change if a new table of rates is applicable to the policy but only as specified in the Right to Adjust Future Premiums provision as stated in Part 5. If We change the premium rates for all policies of this form issued by Us and in force in Your state, We will inform You in writing before the change occurs at the address shown in Our records.

PREEXISTING CONDITION(S) LIMITATION PROVISION

This policy will not cover loss due to Preexisting Condition(s) unless the expense for that loss is incurred more than six (6) months after the effective date of coverage.

This provision does not apply if, as of the date of application, You had a Continuous Period of Creditable Coverage or had prior coverage under a Medicare Supplement policy for at least six (6) months. If, as of the date of application, You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied. This provision does not apply if You applied for and were issued this policy under guaranteed issue status.

IMPORTANT NOTICE! PLEASE READ

Please read the copy of the application attached to this policy. Omissions or misstatements in the application could cause an otherwise valid claim to be denied or coverage to be rescinded. Carefully check the application and write to Continental General Insurance Company at [P.O. Box 26580, Austin, Texas 78755-0580] within ten (10) days if any information shown on it is not correct and complete or if any medical history has been left out. The application is a part of this policy, which was issued on the basis that the answers to all questions and the information shown on the application are correct and complete.

NOTICE TO BUYER: THIS POLICY MAY NOT COVER ALL OF YOUR MEDICAL EXPENSES.

YOU HAVE THE RIGHT TO EXAMINE THIS POLICY FOR THIRTY (30) DAYS

Please read Your policy carefully. If You are not satisfied with Your policy for any reason, You may return the policy to Us or to Your agent from whom it was purchased. It must be returned within thirty (30) days from receipt of this policy. If returned, the policy will be void from its beginning as though the policy was never issued. Any premium paid will be refunded.

Brenda Hardison — Secretary

Billy Hill Jr. — President

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CONTINENTAL GENERAL INSURANCE COMPANY
MEDICARE SUPPLEMENT POLICY - PLAN F SCHEDULE PAGE

POLICY NUMBER: [AE0000001M]
INSURED: [NAME OF PERSON]
AGE AT ISSUE: [75]

EFFECTIVE DATE: [JANUARY 1, 2010]
STATE OF ISSUE: [STATE]
SEX: [MALE]

INITIAL PREMIUM: [$77.00]
PREMIUM PAYING MODE: [MONTHLY]

MODAL PREMIUM: [$52.00]
PAYMENT METHOD: [BANK DRAFT]

BASIC BENEFITS:

Hospitalization (Medicare Part A)

- Medicare's Part A Daily Coinsurance - 61st to 90th Day
- Part A Medicare Eligible Expenses For Medicare Lifetime Inpatient Reserve Days
- 100% of Medicare Eligible Hospital Expenses After Medicare Lifetime Reserve Days Have Been Exhausted For An Additional 365 Days In Your Lifetime

Blood Benefit (Medicare Part A or Part B)

- First 3 Pints Of Blood Each Year

Medical Expenses (Medicare Part B)

- Part B Coinsurance (Generally 20% Of Medicare-Approved Expenses) Or Co-payments For Hospital Outpatient Services

Hospice Care

- Cost Sharing For All Part A Medicare Eligible Hospice Care And Respite Care Expenses

PLAN F ADDITIONAL BENEFITS:

Inpatient Hospital Confinement Deductible Benefit (Medicare Part A)

- 100% Of Medicare Part A Deductible

Skilled Nursing Facility Confinement Benefit (Medicare Part A)

- Medicare Part A Skilled Nursing Daily Facility Coinsurance – 21st to 100th Day

Medicare Part B Deductible Benefit

- 100% Of Medicare Part B Deductible

Medicare Part B Excess Charges Benefit

- 100% Of Medicare Part B Excess

Medically Necessary Emergency Care in a Foreign Country Benefit

- 80% Of The Billed Charges For Medicare Eligible Expenses For Medically Necessary Emergency Hospital, Physician And Medical Care Received In A Foreign Country

PART 1: BASIC INFORMATION ABOUT THIS POLICY AND MEDICARE

Some words and phrases in this policy may be new to You. We want You to understand them. The words and phrases that follow are those used in administering Medicare Supplemental benefits. These words are capitalized wherever they appear in the policy. Where used in this policy, the following words and phrases mean:

DEFINITIONS

BENEFIT PERIOD: A benefit period begins the first day You are confined in a Hospital. The benefit period ends when You have not received any inpatient Hospital care for sixty (60) days in a row. If You go into a Hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient Hospital deductible or a portion thereof for each benefit period, unless such coverage is listed as an additional benefit in this policy.

CARE IN A SKILLED NURSING FACILITY: This refers to inpatient skilled nursing care and treatment You need after You are released from the Hospital and sent home. Part A of Medicare will provide such coverage. The Skilled Nursing Facility confinement must:

(1) Be preceded by a Hospital stay of at least three (3) days;

(2) Begin within thirty (30) days of discharge from the Hospital; and

(3) The patient's care in the Skilled Nursing Facility must be for the same condition that was treated in the Hospital.

COINSURANCE: The percent of the Medicare approved amount that You have to pay after You pay the deductible for Part A and or Part B. In the Medicare Plan, the coinsurance payment is a percentage of the cost of the service.

CO-PAYMENTS: The amount You pay for each medical service, like a Physician's visit. A co-payment is usually a set amount You pay. For example, this could be $10.00 or $20.00 for a Physician's visit. Co-payments are also used for some Hospital outpatient services in Medicare.

COST SHARING: This amount can include Co-payments, Coinsurance, and/or deductibles.

CREDITABLE COVERAGE: With respect to an individual, creditable coverage is coverage of the individual provided under any of the following:

(1) A group health plan;

(2) Health insurance coverage;

(3) Part A or Part B of Title XVIII of the Social Security Act (Medicare);

(4) Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928;

(5) Chapter 55 of Title 10 United States Code (TRICARE);

(6) A medical care program of the Indian Health Service or of a tribal organization;

(7) A state health benefits risk pool;

(8) A health plan offered under chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);

(9) A public health plan as defined in federal regulation; and

(10) A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e))

CONTINUOUS PERIOD OF CREDITABLE COVERAGE: The period during which You were covered by Creditable Coverage, if during the period of coverage You had no breaks in coverage greater than sixty-three (63) days.

EMERGENCY CARE: Care needed immediately because of an injury or an illness of sudden and unexpected onset.

EXCESS CHARGES: If you are in Original Medicare, this is the difference between a Physician's or other health care provider's actual charge (which may be limited by Medicare or the state) and the Medicare approved payment amount.

GUARANTEED RENEWABLE: A right You have that requires Us to automatically renew or continue Your Medicare Supplement policy, unless You make untrue statements to Us, commit fraud or do not pay Your premiums.

HOSPICE: A coordinated, interdisciplinary program for meeting the special physical, emotional, social, and spiritual needs of dying individuals, by providing palliative and supportive services during the illness to individuals who have no reasonable prospect of cure and, as estimated by a Physician, have a life expectancy of six (6) months or less.

HOSPITAL: An institution operating under the laws of the state where it is located. It provides medical, diagnostic or surgical services, either on its premises or in facilities available to the hospital on a contractual, prearranged basis, for the care and treatment of sick or injured persons. Such treatment is rendered on the advice and under the supervision of a staff of one or more duly licensed Physicians. It provides 24-hour nursing service by or under the supervision of registered, graduate, professional Nurses (R.N.'s).

INJURY: Accidental bodily injury sustained by You which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and that occurs while this policy is in force.

MEDICARE: Title I, Part I of Public Law 89-97, as enacted by the Eighty-Ninth (89th) Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes thereof.

(1) Hospital coverage is known as Part A. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses.

(2) Medical-Surgical coverage is known as Part B or Voluntary Coverage. You must indicate when You enroll for Social Security benefits if You want this coverage. There is a monthly charge for it. The amount is deducted from Your Social Security monthly check. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses. Of the Eligible Expenses, Medicare will then determine the amount that is approved for payment.

MEDICARE ELIGIBLE EXPENSES: Expenses of the kind covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

NURSE: A registered, graduate, professional Nurse (R.N.), licensed practical Nurse (L.P.N.), or licensed vocational Nurse (L.V.N.).

PART A MEDICARE DEDUCTIBLE: The initial amount of Hospital expense You incur in each Benefit Period as a resident bed patient under Part A of Medicare. Medicare sets the amount of this deductible. This amount is not paid by Medicare.

PART B MEDICARE CALENDAR YEAR DEDUCTIBLE: The amount You must pay each calendar year before benefits can be paid under Part B of Medicare. Medicare sets the amount of the deductible. This amount is not paid by Medicare. A calendar year begins on January 1st and ends on December 31st.

PHYSICIAN: A legally qualified and licensed practitioner of the healing arts who is practicing within the scope of his authority.

PREEXISTING CONDITION: A condition for which medical advice was given or treatment was recommended by or received from a Physician within six (6) months prior to the policy effective date.

RESPITE CARE: Care given to allow Your caregiver to rest. You can stay in a Medicare-approved Hospital or nursing home up to five days for each time the respite care is elected.

SICKNESS: An illness or disease incurred by You which first manifests itself after the effective date and while this policy is in force.

SKILLED NURSING FACILITY: An institution licensed under the laws of the state where it is located. It is a facility that is certified by Medicare or is qualified to receive such approval, if requested. This definition shall include the various levels of skilled care facilities of the state where located. This definition shall NOT include intermediate or custodial care facilities.

PART 2: BENEFITS PROVIDED BY THIS POLICY

EFFECTIVE DATE FOR BENEFITS: The effective date of Your policy is shown on the Policy Schedule Page located on Page 3. We will pay benefits provided by this policy for Injury or Sickness that happens to You after the effective date if Your policy is in force at that time.

BASIC CORE BENEFITS

When You Receive Services For Medicare Eligible Expenses, We Will Pay Basic Core Benefits As Follows:

Inpatient Hospital Confinement Benefits (Medicare Part A)

Coinsurance Benefit: Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare Benefit Period.

Lifetime Reserve Days Benefit: Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.

Medicare Exhaustion Benefit: Upon exhaustion of the Medicare Hospital inpatient coverage including the lifetime reserve days, coverage of one-hundred percent (100%) of the Medicare Part A Eligible Expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days (the provider shall accept Our payment in full and may not bill You for any balance).

Blood Benefit (Medicare Part A or Part B)

Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations.

Medicare Part B Coinsurance Benefit

Coverage for the Coinsurance amount, (or in the case of Hospital outpatient department services paid under a prospective payment system, the Co-payment amount) of Medicare Eligible Expenses under Part B regardless of Hospital confinement, subject to the Medicare Part B Deductible.

Hospice Care

Coverage of Cost Sharing for all Part A Medicare eligible Hospice care and inpatient Respite Care expenses.

PLAN F ADDITIONAL BENEFITS

Inpatient Hospital Confinement Deductible Benefit (Medicare Part A)

Coverage for one-hundred percent (100%) of the Medicare Part A inpatient Hospital deductible amount per benefit period.

Skilled Nursing Facility Confinement Benefit (Medicare Part A)

Coverage for one-hundred percent (100%) of the Medicare Part A Skilled Nursing Facility Coinsurance amount from the 21st day through the 100th day in a Medicare Benefit Period.

Medicare Part B Deductible Benefit

Coverage for one-hundred percent (100%) of the Medicare Part B Deductible amount per calendar year regardless of Hospital confinement.

Medicare Part B Excess Charges Benefit

Coverage for one-hundred percent (100%) of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved amount for the Part B charge.

Medically Necessary Emergency Care in a Foreign Country Benefit

Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare Eligible Expenses for medically necessary emergency Hospital, Physician and medical care received in a foreign country. Benefits are payable only for Emergency Care which would have been covered by Medicare if provided in the United States and which began during the first sixty (60) consecutive days of each trip outside the United States. Benefits are subject to a calendar year deductible of $250 and a lifetime maximum benefit of $50,000.

PART 3: EXCLUSIONS AND LIMITATIONS

The benefits of this policy will not duplicate any benefits paid by Medicare. The combined benefits of this policy and the benefits paid by Medicare may not exceed one-hundred percent (100%) of the Medicare Eligible Expenses incurred. This policy will not pay benefits for the following:

(1) Any expense which You are not legally obligated to pay; or services for which no charge is normally made in the absence of insurance;

(2) Any services that are not medically necessary as determined by Medicare;

(3) Any portion of any expense for which payment is made by Medicare or other government programs (except Medicaid); or for which payment would have been made by Medicare if You were enrolled in Parts A and B of Medicare;

(4) Any type of expense not a Medicare Eligible Expense except as provided previously in this policy;

(5) Any deductible, Coinsurance or Co-payment not covered by Medicare, unless such coverage is listed as an additional benefit in this policy;

(6) Confinement that begins or expenses incurred while Your policy is not in force; or

(7) Preexisting Conditions: No claim for loss incurred after six (6) months from the effective date of Your coverage will be reduced or denied on the ground that a disease or physical condition had existed within six (6) months prior to the policy effective date.

We will not pay for any expenses incurred for care or treatment of a Preexisting Condition for the first six (6) months from the effective date of coverage. This exclusion does not apply if You applied for and were issued this policy under guaranteed issue status; if on the date of application for this policy You had at least six (6) months of prior Creditable Coverage; or, if this policy is replacing another Medicare Supplement policy and a six (6) month waiting period has already been satisfied. Evidence of prior coverage or replacement must have been disclosed on the application for this policy.

If You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied.

PART 4: MEDICARE BENEFIT CHANGES

The benefits provided by this Medicare Supplement policy are designed to cover Cost Sharing amounts under Medicare and will be changed automatically to coincide with any changes in the applicable Medicare deductible, Co-payment, or Coinsurance amounts. Premiums may be modified to correspond with such changes as specified in the Right to Adjust Future Premiums provision as stated in Part 5.

PART 5: RENEWABILITY

You may renew this policy for life by paying the premium when it becomes due. We may not cancel this policy before the expiration of the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Right to Adjust Future Premiums: The premium shown on the Policy Schedule Page may change on the premium due date following the date:

(1) We change the rates which apply to all policies of this form issued by Us and in force in Your state;

(2) Coverage under Medicare changes; or

(3) You move to a different ZIP Code location.

We will send You a written notice at least thirty (30) days in advance when We change the premium rates for all policies of this form issued by Us and in force in Your state.

PART 6: ELIGIBILITY

INSURED is the person named on the Policy Schedule Page, located on Page 3, until death or termination of coverage.

PART 7: PREMIUM PAYMENTS AND REINSTATEMENT

Initial: This policy is issued based on the application, Our underwriting requirements and payment of the initial premium. The policy begins on the effective date shown on the Policy Schedule Page. All periods of insurance will begin and end at 12:01 a.m., at the place where You live.

Renewal: All renewal premiums must be paid in consecutive terms. They shall be paid by modes currently offered by Us. Renewal premiums are payable to Us. Premiums must be paid on or before the date due or before the end of the grace period. If this policy should lapse, the payment of a premium will reinstate this policy only as provided in the reinstatement provision in this section.

Grace Period: A grace period of thirty-one (31) days will be granted for the payment of each premium, falling due after the first premium. This policy will continue in force during the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Lapse and Reinstatement: If the renewal premium is not paid within the grace period, this policy will lapse on the first premium due date for which premium was not paid. If the policy lapses, Our acceptance of a premium payment without requiring an application for reinstatement will reinstate this policy. Any premium accepted in connection with a reinstatement will be applied to a period for which premium has not been previously paid, but not to any period more than sixty (60) days prior to the date of reinstatement.

If We require an application for reinstatement and issue a conditional receipt, this policy will be reinstated upon Our approval of the reinstatement application. If We do not notify You in writing of Our prior approval or disapproval, this policy will automatically be reinstated on the forty-fifth (45th) day following the date of the conditional receipt.

The reinstated policy will cover loss resulting from Injury or Sickness sustained after the date of reinstatement. In all other respects, Your rights and Ours will remain the same, subject to any restrictions attached in connection with the reinstatement.

PART 8: SUSPENSION OF COVERAGE BY YOU

Suspension Available During Medicaid Entitlement

(1) Benefits and premiums under this policy will be suspended at Your request for the period in which You apply for and are determined to be entitled to medical assistance under Medicaid, but only if You notify Us within ninety (90) days after the date You become entitled to the Medicaid assistance. This suspension of coverage can last for up to twenty-four (24) months while Your Medicaid entitlement continues.

(2) If suspension occurs and You lose entitlement to Medicaid, this policy will be automatically reinstituted (effective as of the date of termination of Medicaid entitlement) as long as You notify Us of the loss of entitlement within ninety (90) days after the date of loss and pay the premium applicable to the period, effective as of the date of termination of Medicaid entitlement.

Reinstitution of coverages as described in subparagraph (2).

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

Suspension Available While Covered Under a Group Health Plan

Benefits and premiums under this policy will be suspended (for any period that may be provided by federal regulation) at Your request if You are entitled to benefits under section 226(b) of the Social Security Act and are covered under a group health plan (as defined in section 1862(b)(1)(A)(v) of the Social Security Act). If suspension occurs and You lose coverage under the group health plan, this policy will be automatically reinstituted (effective as of the date of loss of coverage) if You notify Us of the loss of coverage within ninety (90) days after the date of loss of the group health plan and pay the premium applicable to this policy period, effective as of the date of termination of enrollment in the group health plan.

Reinstitution of coverages:

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

PART 9: HOW TO FILE A CLAIM

Notice of Claim: Written notice of a claim must be given to Us within ninety (90) days after the occurrence or commencement of any loss covered by this policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of You to Us, with information sufficient to identify You, will be notice to Us.

Claim Forms: When We receive notice of claim, if additional information is required, We will send You forms for filing proof of loss. If We fail to provide these forms within fifteen (15) days after receipt of notice of claim, We agree You will have met the requirements for filing proof of loss, within the time allowed.

Proof of Loss: Written proof of loss must be furnished to Us within ninety (90) days after the date of loss. Failure to provide written proof will not invalidate nor reduce any claim if it was not reasonably possible to send such proof within the time allowed, provided such proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will any claim be accepted later than one (1) year from the time proof is otherwise required.

Time of Payment of Claims: All benefits payable under this policy will be payable immediately upon Our receipt of due written proof of loss.

Extension of Benefits: Termination of this policy will be without prejudice to any continuous loss which commenced while the policy was in force, coverage for such loss will continue beyond the date insurance ends. This extension of coverage is subject to Your continuous total disability and limited to the duration of the Medicare Benefit Period or, if none is applicable, payment of the maximum benefits. Receipt of Medicare Part D benefits shall not be considered in determining a continuous loss.

Payment of Claims: All benefits payable under this policy will be payable to You during Your lifetime, unless a valid written assignment by You to pay the medical provider is included with the claim.

Unless We receive prior written instructions from You to the contrary, any health care benefits unpaid at Your death will be paid to Your estate. If benefits are payable to Your estate, We may pay benefits up to $1,000 to someone related to You by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

PART 10: GENERAL INFORMATION

The provisions of the policy set out Your rights and obligations as a policyowner and Our rights and obligations as Your insurance company.

Entire Contract; Changes: This policy, including the application, the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid unless approved by an Executive Officer of the insurance company in writing. Such officer's approval must be endorsed hereon and attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Time Limit on Certain Defenses: After two (2) years from the date of issue of this policy, no misstatements, except fraudulent misstatements, made by You in the application for the policy shall be used to void the policy or to deny a claim for loss incurred or disability commencing after the expiration of the two (2) year period.

No claim for loss incurred or disability that starts after six (6) months from the issue date will be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Conformity with State Statutes and/or Insurance Regulations: Any provision of this policy, which, on its effective date, is in conflict with the statutes, and/or insurance regulations of the State where You reside is hereby amended to conform to the minimum requirements of such statutes and/or regulations.

Our Right to Examine Hospital and Medical Records: In the event of a claim, We may examine Your Hospital charts and medical records at Our expense if We find it necessary.

Legal Actions: No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought to recover on this policy more than three (3) years after the time written proof of loss is required to be furnished.

Physical Examinations: We, at Our own expense, have the right to have You, whose loss is the basis of a claim under this policy, examined when and as often as We may reasonably require while the claim is pending.

Cancellation: You may cancel this policy at any time by notifying Us. Your cancellation will be effective upon receipt of Your notice or on such later date as may be specified in such notice. In the event of cancellation, We will return the unearned portion of any premium paid. Cancellation will be without prejudice to any claim originating prior to the effective date of cancellation.

Upon your death, we will refund premiums paid for any period beyond the policy month in which death occurred. Such unearned premiums will be paid in a lump sum no later than 30 days after the proof of your death has been furnished to us. Payment will be made to your estate.

CONTINENTAL GENERAL INSURANCE COMPANY
[PO Box 26580 • Austin, TX 78755-0580 • (866) 459-4272]
[www.continentalgeneral.com]
A Stock Company

MEDICARE SUPPLEMENT POLICY PLAN G

Here is Your new Medicare Supplement policy. The language used is easy to understand. In this policy the words "We", "Our" or "Us" mean Continental General Insurance Company. "You" or "Your" means the person to be insured by the policy, as cited on the Policy Schedule Page. This policy pays for Hospital care and medical and surgical treatment to the extent provided.

GUARANTEED RENEWABLE FOR LIFE

RENEWAL AND PREMIUM PAYMENT PROVISIONS

This policy may be kept in force during Your lifetime by paying the premiums on time. We cannot cancel or refuse to renew this policy for any reason other than nonpayment of premium or material misrepresentation in the application for insurance. On each premium due date, the premium may change if a new table of rates is applicable to the policy but only as specified in the Right to Adjust Future Premiums provision as stated in Part 5. If We change the premium rates for all policies of this form issued by Us and in force in Your state, We will inform You in writing before the change occurs at the address shown in Our records.

PREEXISTING CONDITION(S) LIMITATION PROVISION

This policy will not cover loss due to Preexisting Condition(s) unless the expense for that loss is incurred more than six (6) months after the effective date of coverage.

This provision does not apply if, as of the date of application, You had a Continuous Period of Creditable Coverage or had prior coverage under a Medicare Supplement policy for at least six (6) months. If, as of the date of application, You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied. This provision does not apply if You applied for and were issued this policy under guaranteed issue status.

IMPORTANT NOTICE! PLEASE READ

Please read the copy of the application attached to this policy. Omissions or misstatements in the application could cause an otherwise valid claim to be denied or coverage to be rescinded. Carefully check the application and write to Continental General Insurance Company at [P.O. Box 26580, Austin, Texas 78755-0580] within ten (10) days if any information shown on it is not correct and complete or if any medical history has been left out. The application is a part of this policy, which was issued on the basis that the answers to all questions and the information shown on the application are correct and complete.

NOTICE TO BUYER: THIS POLICY MAY NOT COVER ALL OF YOUR MEDICAL EXPENSES.

YOU HAVE THE RIGHT TO EXAMINE THIS POLICY FOR THIRTY (30) DAYS

Please read Your policy carefully. If You are not satisfied with Your policy for any reason, You may return the policy to Us or to Your agent from whom it was purchased. It must be returned within thirty (30) days from receipt of this policy. If returned, the policy will be void from its beginning as though the policy was never issued. Any premium paid will be refunded.

Brenda Hardison — Secretary

Billy Hill Jr. — President

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CONTINENTAL GENERAL INSURANCE COMPANY
MEDICARE SUPPLEMENT POLICY - PLAN G SCHEDULE PAGE

POLICY NUMBER: [AE0000001M]
INSURED: [NAME OF PERSON]
AGE AT ISSUE: [75]

EFFECTIVE DATE: [JANUARY 1, 2010]
STATE OF ISSUE: [STATE]
SEX: [MALE]

INITIAL PREMIUM: [$77.00]
PREMIUM PAYING MODE: [MONTHLY]

MODAL PREMIUM: [$52.00]
PAYMENT METHOD: [BANK DRAFT]

BASIC BENEFITS:

Hospitalization (Medicare Part A)

- Medicare's Part A Daily Coinsurance - 61st to 90th Day
- Part A Medicare Eligible Expenses For Medicare Lifetime Inpatient Reserve Days
- 100% of Medicare Eligible Hospital Expenses After Medicare Lifetime Reserve Days Have Been Exhausted For An Additional 365 Days In Your Lifetime

Blood Benefit (Medicare Part A or Part B)

- First 3 Pints Of Blood Each Year

Medical Expenses (Medicare Part B)

- Part B Coinsurance (Generally 20% Of Medicare-Approved Expenses) Or Co-payments For Hospital Outpatient Services

Hospice Care

- Cost Sharing For All Part A Medicare Eligible Hospice Care And Respite Care Expenses

PLAN G ADDITIONAL BENEFITS:

Inpatient Hospital Confinement Deductible Benefit (Medicare Part A)

- 100% of Medicare Part A Deductible

Skilled Nursing Facility Confinement Benefit (Medicare Part A)

- Medicare Part A Skilled Nursing Daily Facility Coinsurance – 21st to 100th Day

Medicare Part B Excess Charges Benefit

- 100% of Medicare Part B Excess

Medically Necessary Emergency Care in a Foreign Country Benefit

- 80% Of The Billed Charges For Medicare Eligible Expenses For Medically Necessary Emergency Hospital, Physician And Medical Care Received In A Foreign Country

PART 1: BASIC INFORMATION ABOUT THIS POLICY AND MEDICARE

Some words and phrases in this policy may be new to You. We want You to understand them. The words and phrases that follow are those used in administering Medicare Supplemental benefits. These words are capitalized wherever they appear in the policy. Where used in this policy, the following words and phrases mean:

DEFINITIONS

BENEFIT PERIOD: A benefit period begins the first day You are confined in a Hospital. The benefit period ends when You have not received any inpatient Hospital care for sixty (60) days in a row. If You go into a Hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient Hospital deductible or a portion thereof for each benefit period, unless such coverage is listed as an additional benefit in this policy.

CARE IN A SKILLED NURSING FACILITY: This refers to inpatient skilled nursing care and treatment You need after You are released from the Hospital and sent home. Part A of Medicare will provide such coverage. The Skilled Nursing Facility confinement must:

(1) Be preceded by a Hospital stay of at least three (3) days;

(2) Begin within thirty (30) days of discharge from the Hospital; and

(3) The patient's care in the Skilled Nursing Facility must be for the same condition that was treated in the Hospital.

COINSURANCE: The percent of the Medicare approved amount that You have to pay after You pay the deductible for Part A and or Part B. In the Medicare Plan, the coinsurance payment is a percentage of the cost of the service.

CO-PAYMENTS: The amount You pay for each medical service, like a Physician's visit. A co-payment is usually a set amount You pay. For example, this could be $10.00 or $20.00 for a Physician's visit. Co-payments are also used for some Hospital outpatient services in Medicare.

COST SHARING: This amount can include Co-payments, Coinsurance, and/or deductibles.

CREDITABLE COVERAGE: With respect to an individual, creditable coverage is coverage of the individual provided under any of the following:

(1) A group health plan;

(2) Health insurance coverage;

(3) Part A or Part B of Title XVIII of the Social Security Act (Medicare);

(4) Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928;

(5) Chapter 55 of Title 10 United States Code (TRICARE);

(6) A medical care program of the Indian Health Service or of a tribal organization;

(7) A state health benefits risk pool;

(8) A health plan offered under chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);

(9) A public health plan as defined in federal regulation; and

(10) A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

CONTINUOUS PERIOD OF CREDITABLE COVERAGE: The period during which You were covered by Creditable Coverage, if during the period of coverage You had no breaks in coverage greater than sixty-three (63) days.

EMERGENCY CARE: Care needed immediately because of an Injury or an illness of sudden and unexpected onset.

EXCESS CHARGES: If you are in Original Medicare, this is the difference between a Physician's or other health care provider's actual charge (which may be limited by Medicare or the state) and the Medicare approved payment amount.

GUARANTEED RENEWABLE: A right You have that requires Us to automatically renew or continue Your Medicare Supplement policy, unless You make untrue statements to Us, commit fraud or do not pay Your premiums.

HOSPICE: A coordinated, interdisciplinary program for meeting the special physical, emotional, social, and spiritual needs of dying individuals, by providing palliative and supportive services during the illness to individuals who have no reasonable prospect of cure and, as estimated by a Physician, have a life expectancy of six (6) months or less.

HOSPITAL: An institution operating under the laws of the state where it is located. It provides medical, diagnostic or surgical services, either on its premises or in facilities available to the hospital on a contractual, prearranged basis, for the care and treatment of sick or injured persons. Such treatment is rendered on the advice and under the supervision of a staff of one or more duly licensed Physicians. It provides 24-hour nursing service by or under the supervision of registered, graduate, professional Nurses (R.N.'s).

INJURY: Accidental bodily injury sustained by You which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and that occurs while this policy is in force.

MEDICARE: Title I, Part I of Public Law 89-97, as enacted by the Eighty-Ninth (89th) Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes thereof.

(1) Hospital coverage is known as Part A. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses.

(2) Medical-Surgical coverage is known as Part B or Voluntary Coverage. You must indicate when You enroll for Social Security benefits if You want this coverage. There is a monthly charge for it. The amount is deducted from Your Social Security monthly check. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses. Of the Eligible Expenses, Medicare will then determine the amount that is approved for payment.

MEDICARE ELIGIBLE EXPENSES: Expenses of the kind covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

NURSE: A registered, graduate, professional Nurse (R.N.), licensed practical Nurse (L.P.N.), or licensed vocational Nurse (L.V.N.).

PART A MEDICARE DEDUCTIBLE: The initial amount of Hospital expense You incur in each Benefit Period as a resident bed patient under Part A of Medicare. Medicare sets the amount of this deductible. This amount is not paid by Medicare.

PART B MEDICARE CALENDAR YEAR DEDUCTIBLE: The amount You must pay each calendar year before benefits can be paid under Part B of Medicare. Medicare sets the amount of the deductible. This amount is not paid by Medicare. A calendar year begins on January 1st and ends on December 31st.

PHYSICIAN: A legally qualified and licensed practitioner of the healing arts who is practicing within the scope of his authority.

PREEXISTING CONDITION: A condition for which medical advice was given or treatment was recommended by or received from a Physician within six (6) months prior to the policy effective date.

RESPITE CARE: Care given to allow Your caregiver to rest. You can stay in a Medicare-approved Hospital or nursing home up to five days for each time the respite care is elected.

SICKNESS: An illness or disease incurred by You which first manifests itself after the effective date and while this policy is in force.

SKILLED NURSING FACILITY: An institution licensed under the laws of the state where it is located. It is a facility that is certified by Medicare or is qualified to receive such approval, if requested. This definition shall include the various levels of skilled care facilities of the state where located. This definition shall NOT include intermediate or custodial care facilities.

PART 2: BENEFITS PROVIDED BY THIS POLICY

EFFECTIVE DATE FOR BENEFITS: The effective date of Your policy is shown on the Policy Schedule Page located on Page 3. We will pay benefits provided by this policy for Injury or Sickness that happens to You after the effective date if Your policy is in force at that time.

BASIC CORE BENEFITS

When You Receive Services For Medicare Eligible Expenses, We Will Pay Basic Core Benefits As Follows:

Inpatient Hospital Confinement Benefits (Medicare Part A)

Coinsurance Benefit: Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare Benefit Period.

Lifetime Reserve Days Benefit: Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.

Medicare Exhaustion Benefit: Upon exhaustion of the Medicare Hospital inpatient coverage including the lifetime reserve days, coverage of one-hundred percent (100%) of the Medicare Part A Eligible Expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days (the provider shall accept Our payment in full and may not bill You for any balance).

Blood Benefit (Medicare Part A or Part B)

Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations.

Medicare Part B Coinsurance Benefit

Coverage for the Coinsurance amount, (or in the case of Hospital outpatient department services paid under a prospective payment system, the Co-payment amount) of Medicare Eligible Expenses under Part B regardless of Hospital confinement, subject to the Medicare Part B Deductible.

Hospice Care

Coverage of Cost Sharing for all Part A Medicare eligible Hospice care and inpatient Respite Care expenses.

PLAN G ADDITIONAL BENEFITS

Inpatient Hospital Confinement Deductible Benefit (Medicare Part A)

Coverage for one-hundred percent (100%) of the Medicare Part A inpatient Hospital deductible amount per benefit period.

Skilled Nursing Facility Confinement Benefit (Medicare Part A)

Coverage for one-hundred percent (100%) of the Medicare Part A Skilled Nursing Facility Coinsurance amount from the 21st day through the 100th day in a Medicare Benefit Period..

Medicare Part B Excess Charges Benefit

Coverage for one-hundred percent (100%) of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved amount for the Part B charge.

Medically Necessary Emergency Care in a Foreign Country Benefit

Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare Eligible Expenses for medically necessary emergency Hospital, Physician and medical care received in a foreign country. Benefits are payable only for Emergency Care which would have been covered by Medicare if provided in the United States and which began during the first sixty (60) consecutive days of each trip outside the United States. Benefits are subject to a calendar year deductible of $250 and a lifetime maximum benefit of $50,000.

PART 3: EXCLUSIONS AND LIMITATIONS

The benefits of this policy will not duplicate any benefits paid by Medicare. The combined benefits of this policy and the benefits paid by Medicare may not exceed one-hundred percent (100%) of the Medicare Eligible Expenses incurred. This policy will not pay benefits for the following:

(1) The Medicare Part B Deductible;

(2) Any expense which You are not legally obligated to pay; or services for which no charge is normally made in the absence of insurance;

(3) Any services that are not medically necessary as determined by Medicare;

(4) Any portion of any expense for which payment is made by Medicare or other government programs (except Medicaid); or for which payment would have been made by Medicare if You were enrolled in Parts A and B of Medicare;

(5) Any type of expense not a Medicare Eligible Expense except as provided previously in this policy;

(6) Any deductible, Coinsurance or Co-payment not covered by Medicare, unless such coverage is listed as an additional benefit in this policy;

(7) Confinement that begins or expenses incurred while Your policy is not in force; or

(8) Preexisting Conditions: No claim for loss incurred after six (6) months from the effective date of Your coverage will be reduced or denied on the ground that a disease or physical condition had existed within six (6) months prior to the policy effective date.

We will not pay for any expenses incurred for care or treatment of a Preexisting Condition for the first six (6) months from the effective date of coverage. This exclusion does not apply if You applied for and were issued this policy under guaranteed issue status; if on the date of application for this policy You had at least six (6) months of prior Creditable Coverage; or, if this policy is replacing another Medicare Supplement policy and a six (6) month waiting period has already been satisfied. Evidence of prior coverage or replacement must have been disclosed on the application for this policy.

If You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied.

PART 4: MEDICARE BENEFIT CHANGES

The benefits provided by this Medicare Supplement policy are designed to cover Cost Sharing amounts under Medicare and will be changed automatically to coincide with any changes in the applicable Medicare deductible, Co-payment, or Coinsurance amounts. Premiums may be modified to correspond with such changes as specified in the Right to Adjust Future Premiums provision as stated in Part 5.

PART 5: RENEWABILITY

You may renew this policy for life by paying the premium when it becomes due. We may not cancel this policy before the expiration of the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Right to Adjust Future Premiums: The premium shown on the Policy Schedule Page may change on the premium due date following the date:

(1) We change the rates which apply to all policies of this form issued by Us and in force in Your state;

(2) Coverage under Medicare changes; or

(3) You move to a different ZIP Code location.

We will send You a written notice at least thirty (30) days in advance when We change the premium rates for all policies of this form issued by Us and in force in Your state.

PART 6: ELIGIBILITY

INSURED is the person named on the Policy Schedule Page, located on Page 3, until death or termination of coverage.

PART 7: PREMIUM PAYMENTS AND REINSTATEMENT

Initial: This policy is issued based on the application, Our underwriting requirements and payment of the initial premium. The policy begins on the effective date shown on the Policy Schedule Page. All periods of insurance will begin and end at 12:01 a.m., at the place where You live.

Renewal: All renewal premiums must be paid in consecutive terms. They shall be paid by modes currently offered by Us. Renewal premiums are payable to Us. Premiums must be paid on or before the date due or before the end of the grace period. If this policy should lapse, the payment of a premium will reinstate this policy only as provided in the reinstatement provision in this section.

Grace Period: A grace period of thirty-one (31) days will be granted for the payment of each premium, falling due after the first premium. This policy will continue in force during the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Lapse and Reinstatement: If the renewal premium is not paid within the grace period, this policy will lapse on the first premium due date for which premium was not paid. If the policy lapses, Our acceptance of a premium payment without requiring an application for reinstatement will reinstate this policy. Any premium accepted in connection with a reinstatement will be applied to a period for which premium has not been previously paid, but not to any period more than sixty (60) days prior to the date of reinstatement.

If We require an application for reinstatement and issue a conditional receipt, this policy will be reinstated upon Our approval of the reinstatement application. If We do not notify You in writing of Our prior approval or disapproval, this policy will automatically be reinstated on the forty-fifth (45th) day following the date of the conditional receipt.

The reinstated policy will cover loss resulting from Injury or Sickness sustained after the date of reinstatement. In all other respects, Your rights and Ours will remain the same, subject to any restrictions attached in connection with the reinstatement.

PART 8: SUSPENSION OF COVERAGE BY YOU

Suspension Available During Medicaid Entitlement

(1) Benefits and premiums under this policy will be suspended at Your request for the period in which You apply for and are determined to be entitled to medical assistance under Medicaid, but only if You notify Us within ninety (90) days after the date You become entitled to the Medicaid assistance. This suspension of coverage can last for up to twenty-four (24) months while Your Medicaid entitlement continues.

(2) If suspension occurs and You lose entitlement to Medicaid, this policy will be automatically reinstituted (effective as of the date of termination of Medicaid entitlement) as long as You notify Us of the loss of entitlement within ninety (90) days after the date of loss and pay the premium applicable to the period, effective as of the date of termination of Medicaid entitlement.

Reinstitution of coverages as described in subparagraph (2).

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

Suspension Available While Covered Under a Group Health Plan

Benefits and premiums under this policy will be suspended (for any period that may be provided by federal regulation) at Your request if You are entitled to benefits under section 226(b) of the Social Security Act and are covered under a group health plan (as defined in section 1862(b)(1)(A)(v) of the Social Security Act). If suspension occurs and You lose coverage under the group health plan, this policy will be automatically reinstituted (effective as of the date of loss of coverage) if You notify Us of the loss of coverage within ninety (90) days after the date of loss of the group health plan and pay the premium applicable to this policy period, effective as of the date of termination of enrollment in the group health plan.

Reinstitution of coverages:

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

PART 9: HOW TO FILE A CLAIM

Notice of Claim: Written notice of a claim must be given to Us within ninety (90) days after the occurrence or commencement of any loss covered by this policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of You to Us, with information sufficient to identify You, will be notice to Us.

Claim Forms: When We receive notice of claim, if additional information is required, We will send You forms for filing proof of loss. If We fail to provide these forms within fifteen (15) days after receipt of notice of claim, We agree You will have met the requirements for filing proof of loss, within the time allowed.

Proof of Loss: Written proof of loss must be furnished to Us within ninety (90) days after the date of loss. Failure to provide written proof will not invalidate nor reduce any claim if it was not reasonably possible to send such proof within the time allowed, provided such proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will any claim be accepted later than one (1) year from the time proof is otherwise required.

Time of Payment of Claims: All benefits payable under this policy will be payable immediately upon Our receipt of due written proof of loss.

Extension of Benefits: Termination of this policy will be without prejudice to any continuous loss which commenced while the policy was in force, coverage for such loss will continue beyond the date insurance ends. This extension of coverage is subject to Your continuous total disability and limited to the duration of the Medicare Benefit Period or, if none is applicable, payment of the maximum benefits. Receipt of Medicare Part D benefits shall not be considered in determining a continuous loss.

Payment of Claims: All benefits payable under this policy will be payable to You during Your lifetime, unless a valid written assignment by You to pay the medical provider is included with the

claim.

Unless We receive prior written instructions from You to the contrary, any health care benefits unpaid at Your death will be paid to Your estate. If benefits are payable to Your estate, We may pay benefits up to $1,000 to someone related to You by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

PART 10: GENERAL INFORMATION

The provisions of the policy set out Your rights and obligations as a policyowner and Our rights and obligations as Your insurance company.

Entire Contract; Changes: This policy, including the application, the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid unless approved by an Executive Officer of the insurance company in writing. Such officer's approval must be endorsed hereon and attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Time Limit on Certain Defenses: After two (2) years from the date of issue of this policy, no misstatements, except fraudulent misstatements, made by You in the application for the policy shall be used to void the policy or to deny a claim for loss incurred or disability commencing after the expiration of the two (2) year period.

No claim for loss incurred or disability that starts after six (6) months from the issue date will be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Conformity with State Statutes and/or Insurance Regulations: Any provision of this policy, which, on its effective date, is in conflict with the statutes, and/or insurance regulations of the State where You reside is hereby amended to conform to the minimum requirements of such statutes and/or regulations.

Our Right to Examine Hospital and Medical Records: In the event of a claim, We may examine Your Hospital charts and medical records at Our expense if We find it necessary.

Legal Actions: No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought to recover on this policy more than three (3) years after the time written proof of loss is required to be furnished.

Physical Examinations: We, at Our own expense, have the right to have You, whose loss is the basis of a claim under this policy, examined when and as often as We may reasonably require while the claim is pending.

Cancellation: You may cancel this policy at any time by notifying Us. Your cancellation will be effective upon receipt of Your notice or on such later date as may be specified in such notice. In the event of cancellation, We will return the unearned portion of any premium paid. Cancellation will be without prejudice to any claim originating prior to the effective date of cancellation.

Upon your death, we will refund premiums paid for any period beyond the policy month in which death occurred. Such unearned premiums will be paid in a lump sum no later than 30 days after the proof of your death has been furnished to us. Payment will be made to your estate.

CONTINENTAL GENERAL INSURANCE COMPANY
[PO Box 26580 • Austin, TX 78755-0580 • (866) 459-4272]
[www.continentalgeneral.com]
A Stock Company

MEDICARE SUPPLEMENT POLICY PLAN N

Here is Your new Medicare Supplement policy. The language used is easy to understand. In this policy the words "We", "Our" or "Us" mean Continental General Insurance Company. "You" or "Your" means the person to be insured by the policy, as cited on the Policy Schedule Page. This policy pays for Hospital care and medical and surgical treatment to the extent provided.

GUARANTEED RENEWABLE FOR LIFE

RENEWAL AND PREMIUM PAYMENT PROVISIONS

This policy may be kept in force during Your lifetime by paying the premiums on time. We cannot cancel or refuse to renew this policy for any reason other than nonpayment of premium or material misrepresentation in the application for insurance. On each premium due date, the premium may change if a new table of rates is applicable to the policy but only as specified in the Right to Adjust Future Premiums provision as stated in Part 5. If We change the premium rates for all policies of this form issued by Us and in force in Your state, We will inform You in writing before the change occurs at the address shown in Our records.

PREEXISTING CONDITION(S) LIMITATION PROVISION

This policy will not cover loss due to Preexisting Condition(s) unless the expense for that loss is incurred more than six (6) months after the effective date of coverage.

This provision does not apply if, as of the date of application, You had a Continuous Period of Creditable Coverage or had prior coverage under a Medicare Supplement policy for at least six (6) months. If, as of the date of application, You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied. This provision does not apply if You applied for and were issued this policy under guaranteed issue status.

IMPORTANT NOTICE! PLEASE READ

Please read the copy of the application attached to this policy. Omissions or misstatements in the application could cause an otherwise valid claim to be denied or coverage to be rescinded. Carefully check the application and write to Continental General Insurance Company at [P.O. Box 26580, Austin, Texas 78755-0580] within ten (10) days if any information shown on it is not correct and complete or if any medical history has been left out. The application is a part of this policy, which was issued on the basis that the answers to all questions and the information shown on the application are correct and complete.

NOTICE TO BUYER: THIS POLICY MAY NOT COVER ALL OF YOUR MEDICAL EXPENSES.

YOU HAVE THE RIGHT TO EXAMINE THIS POLICY FOR THIRTY (30) DAYS

Please read Your policy carefully. If You are not satisfied with Your policy for any reason, You may return the policy to Us or to Your agent from whom it was purchased. It must be returned within thirty (30) days from receipt of this policy. If returned, the policy will be void from its beginning as though the policy was never issued. Any premium paid will be refunded.

Brenda Hardison — Secretary

Billy Hill Jr. — President

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CONTINENTAL GENERAL INSURANCE COMPANY
MEDICARE SUPPLEMENT POLICY - PLAN N SCHEDULE PAGE

POLICY NUMBER: [AE0000001M]
INSURED: [NAME OF PERSON]
AGE AT ISSUE: [75]

EFFECTIVE DATE: [JANUARY 1, 2010]
STATE OF ISSUE: [STATE]
SEX: [MALE]

INITIAL PREMIUM: [$77.00]
PREMIUM PAYING MODE: [MONTHLY]

MODAL PREMIUM: [$52.00]
PAYMENT METHOD: [BANK DRAFT]

BASIC BENEFITS:

Hospitalization (Medicare Part A)

- Medicare's Part A Daily Coinsurance - 61st to 90th Day
- Part A Medicare Eligible Expenses For Medicare Lifetime Inpatient Reserve Days
- 100% Of Medicare Eligible Hospital Expenses After Medicare Lifetime Reserve Days Have Been Exhausted For An Additional 365 Days In Your Lifetime

Blood Benefit (Medicare Part A or Part B)

- First 3 Pints Of Blood Each Year

Medical Expenses (Medicare Part B)

- Part B Coinsurance (Generally 20% Of Medicare-Approved Expenses) Or Co-payments For Hospital Outpatient Services; Except Co-payments Not To Exceed $20 For Office Visits And $50.00 For Emergency Room Visits

Hospice Care

- Cost Sharing For All Part A Medicare Eligible Hospice Care And Respite Care Expenses

PLAN N ADDITIONAL BENEFITS:

Inpatient Hospital Confinement Deductible Benefit (Medicare Part A)

- 100% Of Medicare Part A Deductible

Skilled Nursing Facility Confinement Benefit (Medicare Part A)

- Medicare Part A Skilled Nursing Daily Facility Coinsurance – 21st to 100th Day

Medically Necessary Emergency Care in a Foreign Country Benefit

- 80% Of The Billed Charges For Medicare Eligible Expenses For Medically Necessary Emergency Hospital, Physician And Medical Care Received In A Foreign Country

PART 1: BASIC INFORMATION ABOUT THIS POLICY AND MEDICARE

Some words and phrases in this policy may be new to You. We want You to understand them. The words and phrases that follow are those used in administering Medicare Supplemental benefits. These words are capitalized wherever they appear in the policy. Where used in this policy, the following words and phrases mean:

DEFINITIONS

BENEFIT PERIOD: A benefit period begins the first day You are confined in a Hospital. The benefit period ends when You have not received any inpatient Hospital care for sixty (60) days in a row. If You go into a Hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient Hospital deductible or a portion thereof for each benefit period, unless such coverage is listed as an additional benefit in this policy.

CARE IN A SKILLED NURSING FACILITY: This refers to inpatient skilled nursing care and treatment You need after You are released from the Hospital and sent home. Part A of Medicare will provide such coverage. The Skilled Nursing Facility confinement must:

(1) Be preceded by a Hospital stay of at least three (3) days;

(2) Begin within thirty (30) days of discharge from the Hospital; and

(3) The patient's care in the Skilled Nursing Facility must be for the same condition that was treated in the Hospital.

COINSURANCE: The percent of the Medicare approved amount that You have to pay after You pay the deductible for Part A and or Part B. In the Medicare Plan, the coinsurance payment is a percentage of the cost of the service.

CO-PAYMENTS: The amount You pay for each medical service, like a Physician's visit. A co-payment is usually a set amount You pay. For example, this could be $10.00 or $20.00 for a Physician's visit. Co-payments are also used for some Hospital outpatient services in Medicare.

COST SHARING: This amount can include Co-payments, Coinsurance, and/or deductibles.

CREDITABLE COVERAGE: With respect to an individual, creditable coverage is coverage of the individual provided under any of the following:

(1) A group health plan;

(2) Health insurance coverage;

(3) Part A or Part B of Title XVIII of the Social Security Act (Medicare);

(4) Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928;

(5) Chapter 55 of Title 10 United States Code (TRICARE);

(6) A medical care program of the Indian Health Service or of a tribal organization;

(7) A state health benefits risk pool;

(8) A health plan offered under chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);

(9) A public health plan as defined in federal regulation; and

(10) A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

CONTINUOUS PERIOD OF CREDITABLE COVERAGE: The period during which You were covered by Creditable Coverage, if during the period of coverage You had no breaks in coverage greater than sixty-three (63) days.

EMERGENCY CARE: Care needed immediately because of an injury or an illness of sudden and unexpected onset.

GUARANTEED RENEWABLE: A right You have that requires Us to automatically renew or continue Your Medicare Supplement policy, unless You make untrue statements to Us, commit fraud or do not pay Your premiums.

HOSPICE: A coordinated, interdisciplinary program for meeting the special physical, emotional, social, and spiritual needs of dying individuals, by providing palliative and supportive services during the illness to individuals who have no reasonable prospect of cure and, as estimated by a Physician, have a life expectancy of six (6) months or less.

HOSPITAL: An institution operating under the laws of the state where it is located. It provides medical, diagnostic or surgical services, either on its premises or in facilities available to the hospital on a contractual, prearranged basis, for the care and treatment of sick or injured persons. Such treatment is rendered on the advice and under the supervision of a staff of one or more duly licensed Physicians. It provides 24-hour nursing service by or under the supervision of registered, graduate, professional Nurses (R.N.'s).

INJURY: Accidental bodily injury sustained by You which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and that occurs while this policy is in force.

MEDICARE: Title I, Part I of Public Law 89-97, as enacted by the Eighty-Ninth (89th) Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes thereof.

(1) Hospital coverage is known as Part A. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses.

(2) Medical-Surgical coverage is known as Part B or Voluntary Coverage. You must indicate when You enroll for Social Security benefits if You want this coverage. There is a monthly charge for it. The amount is deducted from Your Social Security monthly check. Medicare will determine the expenses that qualify for Medicare benefits. These expenses are known as Medicare Eligible Expenses. Of the Eligible Expenses, Medicare will then determine the amount that is approved for payment.

MEDICARE ELIGIBLE EXPENSES: Expenses of the kind covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

NURSE: A registered, graduate, professional Nurse (R.N.), licensed practical Nurse (L.P.N.), or licensed vocational Nurse (L.V.N.).

PART A MEDICARE DEDUCTIBLE: The initial amount of Hospital expense You incur in each Benefit Period as a resident bed patient under Part A of Medicare. Medicare sets the amount of this deductible. This amount is not paid by Medicare.

PART B MEDICARE CALENDAR YEAR DEDUCTIBLE: The amount You must pay each calendar year before benefits can be paid under Part B of Medicare. Medicare sets the amount of the deductible. This amount is not paid by Medicare. A calendar year begins on January 1st and ends on December 31st.

PHYSICIAN: A legally qualified and licensed practitioner of the healing arts who is practicing within the scope of his authority.

PREEXISTING CONDITION: A condition for which medical advice was given or treatment was recommended by or received from a Physician within six (6) months prior to the policy effective date.

RESPITE CARE: Care given to allow Your caregiver to rest. You can stay in a Medicare-approved Hospital or nursing home up to five days for each time the respite care is elected.

SICKNESS: An illness or disease incurred by You which first manifests itself after the effective date and while this policy is in force.

SKILLED NURSING FACILITY: An institution licensed under the laws of the state where it is located. It is a facility that is certified by Medicare or is qualified to receive such approval, if requested. This definition shall include the various levels of skilled care facilities of the state where located. This definition shall NOT include intermediate or custodial care facilities.

PART 2: BENEFITS PROVIDED BY THIS POLICY

EFFECTIVE DATE FOR BENEFITS: The effective date of Your policy is shown on the Policy Schedule Page located on Page 3. We will pay benefits provided by this policy for Injury or Sickness that happens to You after the effective date if Your policy is in force at that time.

BASIC CORE BENEFITS

When You Receive Services For Medicare Eligible Expenses, We Will Pay Basic Core Benefits As Follows:

Inpatient Hospital Confinement Benefits (Medicare Part A)

Coinsurance Benefit: Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare Benefit Period.

Lifetime Reserve Days Benefit: Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used.

Medicare Exhaustion Benefit: Upon exhaustion of the Medicare Hospital inpatient coverage including the lifetime reserve days, coverage of one-hundred percent (100%) of the Medicare Part A Eligible Expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days (the provider shall accept Our payment in full and may not bill You for any balance).

Blood Benefit (Medicare Part A or Part B)

Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations.

Medicare Part B Coinsurance Benefit

Coverage for the Coinsurance amount, (or in the case of Hospital outpatient department services paid under a prospective payment system, the Co-payment amount) of Medicare Eligible Expenses under Part B regardless of Hospital confinement, subject to the Medicare Part B

Deductible and subject to Co-payments in the following amounts:

(1) the lesser of twenty dollars ($20) or the Medicare Part B Coinsurance or Co-payment for each covered health care provider office visit (including visits to medical specialists); and

(2) the lesser of fifty dollars ($50) or the Medicare Part B Coinsurance or Co-payment for each covered emergency room visit, however, the Co-payment shall be waived if You are admitted to any Hospital and the emergency visit is subsequently covered as a Medicare Part A expense.

Hospice Care

Coverage of Cost Sharing for all Part A Medicare eligible Hospice care and inpatient Respite Care expenses.

PLAN N ADDITIONAL BENEFITS

Inpatient Hospital Confinement Deductible Benefit (Medicare Part A)

Coverage for one-hundred percent (100%) of the Medicare Part A inpatient Hospital deductible amount per benefit period.

Skilled Nursing Facility Confinement Benefit (Medicare Part A)

Coverage for one-hundred percent (100%) of the Medicare Part A Skilled Nursing Facility Coinsurance amount from the 21st day through the 100th day in a Medicare Benefit Period.

Medically Necessary Emergency Care in a Foreign Country Benefit

Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare Eligible Expenses for medically necessary emergency Hospital, Physician and medical care received in a foreign country. Benefits are payable only for Emergency Care which would have been covered by Medicare if provided in the United States and which began during the first sixty (60) consecutive days of each trip outside the United States. Benefits are subject to a calendar year deductible of $250 and a lifetime maximum benefit of $50,000.

PART 3: EXCLUSIONS AND LIMITATIONS

The benefits of this policy will not duplicate any benefits paid by Medicare. The combined benefits of this policy and the benefits paid by Medicare may not exceed one-hundred percent (100%) of the Medicare Eligible Expenses incurred. This policy will not pay benefits for the following:

(1) The Medicare Part B Deductible;

(2) Any expense which You are not legally obligated to pay; or services for which no charge is normally made in the absence of insurance;

(3) Any services that are not medically necessary as determined by Medicare;

(4) Any portion of any expense for which payment is made by Medicare or other government programs (except Medicaid); or for which payment would have been made by Medicare if You were enrolled in Parts A and B of Medicare;

(5) Any type of expense not a Medicare Eligible Expense except as provided previously in this policy;

(6) Any deductible, Coinsurance or Co-payment not covered by Medicare, unless such coverage is listed as an additional benefit in this policy;

(7) Confinement that begins or expenses incurred while Your policy is not in force; or

(8) Preexisting Conditions: No claim for loss incurred after six (6) months from the effective date of Your coverage will be reduced or denied on the ground that a disease or physical condition had existed within six (6) months prior to the policy effective date.

We will not pay for any expenses incurred for care or treatment of a Preexisting Condition for the first six (6) months from the effective date of coverage. This exclusion does not apply if You applied for and were issued this policy under guaranteed issue status; if on the date of application for this policy You had at least six (6) months of prior Creditable Coverage; or, if this policy is replacing another Medicare Supplement policy and a six (6) month waiting period has already been satisfied. Evidence of prior coverage or replacement must have been disclosed on the application for this policy.

If You had less than six (6) months prior Creditable Coverage, the Preexisting Conditions limitation will be reduced by the aggregate amount of Creditable Coverage. If this policy is replacing another Medicare Supplement policy, credit will be given for any portion of the waiting period that has been satisfied.

PART 4: MEDICARE BENEFIT CHANGES

The benefits provided by this Medicare Supplement policy are designed to cover Cost Sharing amounts under Medicare and will be changed automatically to coincide with any changes in the applicable Medicare deductible, Co-payment, or Coinsurance amounts. Premiums may be modified to correspond with such changes as specified in the Right to Adjust Future Premiums provision as stated in Part 5.

PART 5: RENEWABILITY

You may renew this policy for life by paying the premium when it becomes due. We may not cancel this policy before the expiration of the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Right to Adjust Future Premiums: The premium shown on the Policy Schedule Page may change on the premium due date following the date:

(1) We change the rates which apply to all policies of this form issued by Us and in force in Your state;

(2) Coverage under Medicare changes; or

(3) You move to a different ZIP Code location.

We will send You a written notice at least thirty (30) days in advance when We change the premium rates for all policies of this form issued by Us and in force in Your state.

PART 6: ELIGIBILITY

INSURED is the person named on the Policy Schedule Page, located on Page 3, until death or termination of coverage.

PART 7: PREMIUM PAYMENTS AND REINSTATEMENT

Initial: This policy is issued based on the application, Our underwriting requirements and payment of the initial premium. The policy begins on the effective date shown on the Policy Schedule Page. All periods of insurance will begin and end at 12:01 a.m., at the place where You live.

Renewal: All renewal premiums must be paid in consecutive terms. They shall be paid by modes currently offered by Us. Renewal premiums are payable to Us. Premiums must be paid on or before the date due or before the end of the grace period. If this policy should lapse, the payment of a premium will reinstate this policy only as provided in the reinstatement provision in this section.

Grace Period: A grace period of thirty-one (31) days will be granted for the payment of each premium, falling due after the first premium. This policy will continue in force during the grace period. If the premium due is not paid during the grace period, the policy will terminate coverage at the end of the period for which premiums were paid.

Lapse and Reinstatement: If the renewal premium is not paid within the grace period, this policy will lapse on the first premium due date for which premium was not paid. If the policy lapses, Our acceptance of a premium payment without requiring an application for reinstatement will reinstate this policy. Any premium accepted in connection with a reinstatement will be applied to a period for which premium has not been previously paid, but not to any period more than sixty (60) days prior to the date of reinstatement.

If We require an application for reinstatement and issue a conditional receipt, this policy will be reinstated upon Our approval of the reinstatement application. If We do not notify You in writing of Our prior approval or disapproval, this policy will automatically be reinstated on the forty-fifth (45th) day following the date of the conditional receipt.

The reinstated policy will cover loss resulting from Injury or Sickness sustained after the date of reinstatement. In all other respects, Your rights and Ours will remain the same, subject to any restrictions attached in connection with the reinstatement.

PART 8: SUSPENSION OF COVERAGE BY YOU

Suspension Available During Medicaid Entitlement

(1) Benefits and premiums under this policy will be suspended at Your request for the period in which You apply for and are determined to be entitled to medical assistance under Medicaid, but only if You notify Us within ninety (90) days after the date You become entitled to the Medicaid assistance. This suspension of coverage can last for up to twenty-four (24) months while Your Medicaid entitlement continues.

(2) If suspension occurs and You lose entitlement to Medicaid, this policy will be automatically reinstituted (effective as of the date of termination of Medicaid entitlement) as long as You notify Us of the loss of entitlement within ninety (90) days after the date of loss and pay the premium applicable to the period, effective as of the date of termination of Medicaid entitlement.

Reinstitution of coverages as described in subparagraph (2).

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

Suspension Available While Covered Under a Group Health Plan

Benefits and premiums under this policy will be suspended (for any period that may be provided by federal regulation) at Your request if You are entitled to benefits under section 226(b) of the Social Security Act and are covered under a group health plan (as defined in section 1862(b)(1)(A)(v) of the Social Security Act). If suspension occurs and You lose coverage under the group health plan, this policy will be automatically reinstituted (effective as of the date of loss of coverage) if You notify Us of the loss of coverage within ninety (90) days after the date of loss of the group health plan and pay the premium applicable to this policy period, effective as of the date of termination of enrollment in the group health plan.

Reinstitution of coverages:

(a) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(b) Shall provide for resumption of coverage which is substantially equivalent to coverage in effect before the date of such suspension; and,

(c) Shall charge a premium at least as favorable as the premium that would have applied to You had the coverage not been suspended.

PART 9: HOW TO FILE A CLAIM

Notice of Claim: Written notice of a claim must be given to Us within ninety (90) days after the occurrence or commencement of any loss covered by this policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of You to Us, with information sufficient to identify You, will be notice to Us.

Claim Forms: When We receive notice of claim, if additional information is required, We will send You forms for filing proof of loss. If We fail to provide these forms within fifteen (15) days after receipt of notice of claim, We agree You will have met the requirements for filing proof of loss, within the time allowed.

Proof of Loss: Written proof of loss must be furnished to Us within ninety (90) days after the date of loss. Failure to provide written proof will not invalidate nor reduce any claim if it was not reasonably possible to send such proof within the time allowed, provided such proof is furnished as soon as reasonably possible. In no event, except in the absence of legal capacity, will any claim be accepted later than one (1) year from the time proof is otherwise required.

Time of Payment of Claims: All benefits payable under this policy will be payable immediately upon Our receipt of due written proof of loss.

Extension of Benefits: Termination of this policy will be without prejudice to any continuous loss which commenced while the policy was in force, coverage for such loss will continue beyond the date insurance ends. This extension of coverage is subject to Your continuous total disability and limited to the duration of the Medicare Benefit Period or, if none is applicable, payment of the maximum benefits. Receipt of Medicare Part D benefits shall not be considered in determining a continuous loss.

Payment of Claims: All benefits payable under this policy will be payable to You during Your lifetime, unless a valid written assignment by You to pay the medical provider is included with the claim.

Unless We receive prior written instructions from You to the contrary, any health care benefits unpaid at Your death will be paid to Your estate. If benefits are payable to Your estate, We may pay benefits up to $1,000 to someone related to You by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

PART 10: GENERAL INFORMATION

The provisions of the policy set out Your rights and obligations as a policyowner and Our rights and obligations as Your insurance company.

Entire Contract; Changes: This policy, including the application, the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid unless approved by an Executive Officer of the insurance company in writing. Such officer's approval must be endorsed hereon and attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Time Limit on Certain Defenses: After two (2) years from the date of issue of this policy, no misstatements, except fraudulent misstatements, made by You in the application for the policy shall be used to void the policy or to deny a claim for loss incurred or disability commencing after the expiration of the two (2) year period.

No claim for loss incurred or disability that starts after six (6) months from the issue date will be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Conformity with State Statutes and/or Insurance Regulations: Any provision of this policy, which, on its effective date, is in conflict with the statutes, and/or insurance regulations of the State where You reside is hereby amended to conform to the minimum requirements of such statutes and/or regulations.

Our Right to Examine Hospital and Medical Records: In the event of a claim, We may examine Your Hospital charts and medical records at Our expense if We find it necessary.

Legal Actions: No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought to recover on this policy more than three (3) years after the time written proof of loss is required to be furnished.

Physical Examinations: We, at Our own expense, have the right to have You, whose loss is the basis of a claim under this policy, examined when and as often as We may reasonably require while the claim is pending.

Cancellation: You may cancel this policy at any time by notifying Us. Your cancellation will be effective upon receipt of Your notice or on such later date as may be specified in such notice. In the event of cancellation, We will return the unearned portion of any premium paid. Cancellation will be without prejudice to any claim originating prior to the effective date of cancellation.

Upon your death, we will refund premiums paid for any period beyond the policy month in which death occurred. Such unearned premiums will be paid in a lump sum no later than 30 days after the proof of your death has been furnished to us. Payment will be made to your estate.

PV Case #: _____

APPLICATION FOR MEDICARE SUPPLEMENT INSURANCE

(Please select Company below)

[☐ Central Reserve Life Insurance Company – P. O. Box 559015-Austin, TX 78755-9015]
[☐ Continental General Insurance Company – P. O. Box 559015-Austin, TX 78755-9015]
[☐ Loyal American Life Insurance Company – P. O. Box 559015-Austin, TX 78755-9015]
[☐ United Teacher Associates Insurance Company – P. O. Box 559015-Austin, TX 78755-9015]

[☐ OE ☐ GI ☐ Underwritten ☐Disabled (underage)] ☐New Business ☐Reinstatement ☐Benefit Change

Requested Medicare Supplement Effective Date:_____

SECTION I – APPLICANT INFORMATION (PRINT)

Name of Applicant			**Date of Birth**
Last	First	Middle Initial	Month Day Year

Age	**Social Security No.**	**Gender**
	- -	☐ Male ☐ Female

Resident Street Address (No P. O. Box)	**City**	**State**	**Zip**
Mailing Address (if different from above)	**City**	**State**	**Zip**

Telephone Number	**E-mail Address**
( ) -	

Medicare Card No.	**Height**	**Weight**
- -	Ft In	Lbs

Rate Class: [☐ Preferred Plus] [☐ Preferred] [☐ Standard] [☐ Other:_____]

SECTION II - COVERAGE APPLIED FOR

Check plan selected (plan availability varies by company):

☐ Plan A ☐ Plan F [☐ Plan F* (High Deductible)]
[☐ Plan B] [☐ Plan G] [☐ Plan M] [(Effective Date may not be earlier than 06/01/2010)]
[☐ Plan C] [☐ Plan K] [☐ Plan N] [(Effective Date may not be earlier than 06/01/2010)]
[☐ Plan D] [☐ Plan L]

SECTION III - PREMIUM PAYMENT INFORMATION

[☐ Draft bank account for 1st premium] **[☐ Check enclosed for 1st premium*]**

Select payment method:

[☐ Annual] [☐ Direct] or [☐ Bank Draft]
[☐ Semi-Annual] [☐ Direct] or [☐ Bank Draft]
[☐Quarterly] [☐ Direct] or [☐ Bank Draft]
[☐ Monthly Bank Draft]

Modal Premium: $_____

Amount Enclosed: $_____

MAKE CHECKS PAYABLE TO THE INSURANCE COMPANY.

SECTION IV – OPEN ENROLLMENT/GUARANTEED ISSUE QUESTIONS (MUST BE COMPLETED)

If you lost or are losing other health insurance coverage and received a notice from your prior insurer saying you were eligible for guaranteed issue of a Medicare supplement insurance policy, or that you had certain rights to buy such a policy, you may be guaranteed acceptance in one or more of our Medicare supplement plans**. Please include a copy of the notice from your prior insurer with your application. PLEASE ANSWER ALL QUESTIONS**. (Please mark YES or NO below with an "X".)

To the best of your knowledge, **YES NO**

1. (a) Did you turn age 65 in the last 6 months? ..... ☐ ☐
   (b) Did you enroll in Medicare Part B in the last 6 months? ..... ☐ ☐

   If "YES", what is the effective date? _____.

2. Are you covered for medical assistance through the state Medicaid program? ..... ☐ ☐
   (**NOTE TO APPLICANT:** If you are participating in a "Spend-Down Program" and have not met your "Share of Cost," please answer NO to this question.)
   If "YES":
   (a) Will Medicaid pay your premiums for this Medicare supplement policy? ..... ☐ ☐
   (b) Do you receive any benefits from Medicaid OTHER THAN payments toward your Medicare Part B premium? ..... ☐ ☐

3. Have you had coverage from any Medicare plan other than original Medicare within the past 63 days? (for example, A Medicare Advantage plan, or a Medicare HMO or PPO) ..... ☐ ☐
   If "YES"
   (a) Fill in your START and END dates below. If you are still covered under this plan, leave "END" date blank.
   START _____/_____/_____ END _____/_____/_____
   (b) If you are still covered under the Medicare plan, do you intend to replace your current coverage with this new Medicare supplement policy? ..... ☐ ☐
   (c) Was this your first time in this type of Medicare plan? ..... ☐ ☐
   (d) Did you drop a Medicare supplement policy to enroll in the Medicare plan? ..... ☐ ☐

4. (a) Do you have another Medicare supplement policy in force? ..... ☐ ☐
   (b) If so, with what company and what type plan do you have? _____
   _____
   (c) If so, do you intend to replace your current Medicare supplement policy with this policy? ..... ☐ ☐

   If existing Medicare supplement coverage is not to be replaced, this policy cannot be issued.

5. Have you had coverage under any other health insurance within the past 63 days? (For example, an employer, union or individual plan) ..... ☐ ☐
   (a) If so, with what company and what kind of policy? _____
   _____
   (b) What are your dates of coverage under the other policy? If you are still covered under the other policy, leave "END" date blank. START _____/_____/_____ END _____/_____/_____

SECTION V – MEDICARE

YES NO

1. Do you now have Medicare Parts A and B? ..... ☐ ☐
   If yes, give effective date of Part B: _____

2. If Medicare Parts A and B are to be effective at a future date, provide the date both Medicare Parts A and B will be effective _____.

NOTE: Medicare effective date is always the 1st day of the month. Applicant must have both Medicare Parts A & B on the effective date of the policy. If not, coverage cannot be issued.

SECTION VI - MEDICAL QUESTIONS

IF YOU ARE ELIGIBLE FOR OPEN ENROLLMENT OR GUARANTEE ISSUE (BASED ON YOUR ANSWERS IN SECTION IV), THE QUESTIONS IN THIS SECTION ARE NOT REQUIRED TO BE ANSWERED.

If the answer to any question in this section is YES the Applicant is not eligible for coverage.

	YES	NO
1. Are you currently confined or scheduled for admission to a hospital, nursing facility, or assisted living facility, or are you receiving home health care services?	☐	☐
2. Do you require or receive any assistance with any of your activities of daily living such as bathing, transferring, toileting, eating, dressing or continence?	☐	☐
3. Are you currently bedridden or do you use the assistance of a wheelchair, walker or motorized mobility aid?	☐	☐
4. Within the past two (2) years have you:		
a. Been hospitalized more than 2 times or received home health care services more than 3 times?	☐	☐
b. Been confined to a nursing facility for more than 30 days?	☐	☐
c. Been diagnosed with, treated for, or taken medication for Angina, Heart Attack, Heart or Heart Valve Surgery, Implantation of Cardiac Pacemaker or Defibrillator, Cardiomyopathy, Congestive Heart Failure, Cardiac or Vascular Angioplasty, Stent Placement, Peripheral Vascular Disease, Bypass, Endarterectomy, Carotid Artery Disease, Coronary Artery Disease or Heart Disease?	☐	☐
d. Had a Stroke or Transient Ischemic Attack (TIA)?	☐	☐
5. Do you have now, or in the last two (2) years have you received medical advice, treatment, or been advised to have treatment, surgery, or taken medication for the following conditions:		
a. Hepatitis, Cirrhosis of the Liver or Other Liver Disease?	☐	☐
b. Major Depression, Bi-Polar Disorder, Schizophrenia or a Paranoid Disorder?	☐	☐
c. Insulin Dependent Diabetes, Diabetes with Neuropathy, Retinopathy or Vascular Disease; Chronic Kidney Disease, Addison's Disease, Renal Insufficiency, Renal Failure, or any Kidney Disease requiring dialysis, or any condition requiring an organ transplant?	☐	☐
d. Internal Cancer, Leukemia, Malignant Melanoma, Hodgkin's Disease or Lymphoma?	☐	☐
e. Alcohol or Drug Abuse?	☐	☐
f. Paralysis, Hemophilia, Osteoporosis with fractures, or un-repaired Aneurysm?	☐	☐
g. Paget's Disease, Rheumatoid or Disabling Arthritis, Lupus or other Connective tissue disorder?	☐	☐
6. Do you have now, or at any time have you received medical advice, treatment, or been advised to have treatment, surgery, or taken medication for the following conditions:		
a. Parkinson's Disease, Myasthenia Gravis, Multiple or Amyotrophic Lateral Sclerosis, Muscular Dystrophy, Lou Gehrig's Disease, Cerebral Palsy, Dementia, Senility, Alzheimer's Disease or Organic Brain Disorder?	☐	☐
b. Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or Human Immuno-deficiency Virus (HIV) infection?	☐	☐
c. Emphysema, Chronic Obstructive Pulmonary Disease (COPD), Chronic Obstructive Lung Disease (COLD) excluding Asthma? Or any Lung or respiratory disorder requiring the use of oxygen?	☐	☐
d. Amputation caused by disease or organ transplant other than corneas?	☐	☐
7. Do you have now, or in the last three (3) years have you received medical advice, treatment, or been advised to have treatment, surgery, or taken medication for Anemia requiring repeated blood transfusions, any other blood disorder, hepatitis, or disorder of the pancreas?	☐	☐
8. Has surgery been advised but not performed or any surgery anticipated, including cataract surgery?	☐	☐
9. Have medical tests, treatment, or therapy been advised but not performed?	☐	☐
10. Have you used tobacco within the last 12 months?	☐	☐

11. Please list any prescription or any over-the-counter medications you have taken within the past 12 months.

Medication	Dates Taken	Condition Taken For

NOTE: Please attach a separate sheet if needed.

SECTION VII - COMMENTS

SECTION VIII – IMPORTANT STATEMENTS FOR APPLICANT TO READ

- You do not need more than one Medicare supplement policy.
- If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.
- You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy.
- If, after purchasing this policy, you become eligible for Medicaid, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your suspended Medicare supplement policy (or, if that is no longer available, a substantially equivalent policy) will be reinstituted if requested within 90 days of losing Medicaid eligibility. If the Medicare supplement policy provided coverage for outpatient prescription drugs and you enrolled in Medicare Part D while your policy was suspended, the reinstituted policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of the suspension.
- If you are eligible for, and have enrolled in a Medicare supplement policy by reason of disability and you later become covered by an employer or union-based group health plan, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, while you are covered under the employer or union-based group health plan. If you suspend your Medicare supplement policy under these circumstances, and later lose your employer or union-based group health plan, your suspended Medicare supplement policy (or, if that is no longer available, a substantially equivalent policy) will be reinstituted if requested within 90 days of losing your employer or union-based group health plan. If the Medicare supplement policy provided coverage for outpatient prescription drugs, and you enrolled in Medicare Part D while your policy was suspended, the reinstituted policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of the suspension.
- Counseling services may be available in your state to provide advice concerning your purchase of Medicare supplement insurance and concerning medical assistance through the state Medicaid program, including benefits as a Qualified Medicare Beneficiary (QMB) and a Specified Low-Income Medicare Beneficiary (SLMB).

I hereby apply to the company indicated on page 1 of this Application for insurance ("the Company") for coverage to be issued based upon the truth and completeness of the answers to the above questions, and understand and agree that: (1) No agent has the authority to waive the answer to any questions on the application; (2) no insurance will be effective until a policy has been issued by the Company; and (3) I have received the Outline of Medicare Supplement Coverage for the policy applied for and the required *Guide to Health Insurance for People with Medicare*.

WARNING: 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 may be guilty of a crime and may be subject to the fines and confinement in prison.

CAUTION: Please review your answers to the questions on the application. It is important to the issuance of this policy that all questions are answered correctly and truthfully.

A recorded telephone interview may be used as part of the underwriting on your application for insurance.

Telephone Number: (_____) _____ Best Time to Call: _____

_____
Applicant's Printed Name

_____
Signature of Applicant

_____
Date

SECTION IX - AGENT'S CERTIFICATION

Agents shall list any health insurance policies they have sold to the applicant.

1. List policies sold which are still in force. (If this does not apply, state NONE)

_____

_____

2. List policies sold in the past five (5) years which are no longer in force. (If this does not apply, state NONE)

_____

_____

_____

	YES	NO
3. Have you reviewed the Application for correctness and omissions?	☐	☐

4. I certify that I have provided the Applicant with the following documents:

[(a) Application Packet (Phone Sale Only)] (c) Outline of Medicare Supplement Coverage

(b) *A Guide to Health Insurance for People with Medicare* [(d) Other: _____]

I further certify that I have delivered the documents to the Applicant (check all that apply, must select at least one):

[☐ In Person _____] [☐ By Mail _____]
(Date) (Date)

[☐ Email _____] [☐ Fax: _____]
(Date) (Date)

[☐ Other (Explain): _____] [_____]
(Date)

	YES	NO
5. Was the Application completed by you in the Applicant's physical presence?	☐	☐
6 Was the Application completed by you over the phone?.....	☐	☐
7. Do you have knowledge or reason to believe the replacement of existing insurance may be involved?..	☐	☐

If "YES" give Name of Company, reason and termination date _____

_____

_____

_____

I certify that I have interviewed the Applicant, asked all of the questions as written on the Application, and I have truly and accurately recorded on the Application the information supplied to me by the Applicant.

Printed Name of 1st Licensed Agent	Signature of 1st Licensed Agent	Writing Number	Percentage
Printed Name of 2nd Licensed Agent	Signature of 2nd Licensed Agent	Writing Number	Percentage

CONTINENTAL GENERAL INSURANCE COMPANY®

[P. O. BOX 26580 ♦ AUSTIN, TX 78755-0580 ♦ 866-459-4272]

Outline of Medicare Supplement Coverage
Benefit Plans A, F, G and N

Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

[Plans E, H, I and J are no longer available for sale.]

See Outline of Coverage sections for details about ALL Plans

BASIC BENEFITS:

- **Hospitalization:** Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.
- **Medical Expenses:** Part B coinsurance (generally 20% of Medicare-approved expenses) or co-payments for hospital outpatient services. Plans K, L, and N require insureds to pay a portion of Part B coinsurance or co-payments.
- **Blood:** First three pints of blood each year.
- **Hospice:** Part A coinsurance.

A	B	C	D	F	F*	G
Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance*		Basic Benefits Including 100% Part B Coinsurance
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible
		Part B Deductible		Part B Deductible		
				Part B Excess Charges (100%)		Part B Excess Charges (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency

* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plans F after one has paid a calendar year [$2,000] deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed [$2,000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

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Outline of Medicare Supplement Coverage – Cover Page 2 of 2

Benefit Plans A, F, G and N

K	L	M	N
Hospitalization and Preventive Care Paid at 100%; Other Basic Benefits Paid at 50%	Hospitalization and Preventive Care Paid at 100%; Other Basic Benefits Paid at 75%	Basic Benefits, Including 100% Part B Coinsurance	Basic Benefits, Including 100% Part B Coinsurance, Except Up to $20 Copayment for Office Visit, and up to $50 Copayment for ER Visits
Skilled Nursing Facility Coinsurance (50%)	Skilled Nursing Facility Coinsurance (75%)	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
Part A Deductible (50%)	Part A Deductible (75%)	Part A Deductible (50%)	Part A Deductible
		Foreign Travel Emergency	Foreign Travel Emergency
Out-of-Pocket Limit [$4,620]; Paid at 100% After Limit Reached	Out-of-Pocket Limit [$2,310]; Paid At 100% After Limit Reached		

Continental General Insurance Co.

MEDICARE SUPPLEMENT

ARKANSAS

Community Rates -- Effective [6/1/2010] -- Area I ([716-719, 723-729])

NON-SMOKER					SMOKER			
Annual Direct Bill	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**		**Annual Direct Bill**	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**
[1259.70	[655.04	[333.82	[107.07	**Plan A**	[1574.20	[818.58	[417.16	[133.81
1642.20	853.94	435.18	139.59	**Plan F**	2051.90	1066.99	543.75	174.41
1463.70	761.12	387.88	124.41	**Plan G**	1830.05	951.63	484.96	155.55
1332.80]	693.06]	353.19]	113.29]	**Plan N**	1666.00]	866.32]	441.49]	141.61]

Continental General Insurance Co.

MEDICARE SUPPLEMENT

ARKANSAS

Community Rates -- Effective [6/1/2010] -- Area II ([720-722])

NON-SMOKER					SMOKER			
Annual Direct Bill	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**		**Annual Direct Bill**	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**
[1482.00	[770.64	[392.73	[125.97	**Plan A**	[1852.00	[963.04	[490.78	[157.42
1932.00	1004.64	511.98	164.22	**Plan F**	2414.00	1255.28	639.71	205.19
1722.00	895.44	456.33	146.37	**Plan G**	2153.00	1119.56	570.55	183.01
1568.00]	815.36]	415.52]	133.28]	**Plan N**	1960.00]	1019.20]	519.40]	166.60]

Locate appropriate Area according to the applicant's ZIP Code in the ZIP Code chart below.

ARKANSAS ZIP CODES:

Area	3 Digit ZIP Codes
Area 1	[716-719, 723-729]
Area 2	[720-722]

PREMIUM INFORMATION

We, Continental General Insurance Company, can raise your premium if (a) we change the rates which apply to all policies of this form issued by us and in-force in your state; (b) coverage under Medicare changes; or (c) you move to a different ZIP Code location. We will send you a written notice at least thirty (30) days in advance when we change the premium rates for all policies of this form issued by us and in-force in your state.

DISCLOSURES

Use this Outline to compare benefits and premiums among policies.

[This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I and J are no longer available for sale].

READ YOUR POLICY VERY CAREFULLY

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and Continental General Insurance Company.

30-DAY RIGHT TO RETURN POLICY

If you find that you are not satisfied with your policy, you may return it to Continental General Insurance Company, [P. O. Box 26580, Austin, TX 78755-0580]. If you send the policy back to us within thirty (30) days after you receive it, we will treat the policy as if it had never been issued and return all of your premiums.

POLICY REPLACEMENT

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

NOTICE

This policy may not fully cover all of your medical costs. Neither Continental General Insurance Company nor its agents are connected with Medicare. This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult the *Medicare and You* for more details.

COMPLETE ANSWERS ARE VERY IMPORTANT

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. We may cancel your policy and refuse to pay any claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

RENEWABILITY

This policy is guaranteed renewable for life.

PLAN A
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN A PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	$0	[$1,068] (Part A Deductible)
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	$0	Up to [$133.50] a day
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN A
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN A PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
PART B EXCESS CHARGES (Above Medicare-approved amounts)	$0	$0	All costs
BLOOD			
First 3 pints	$0	All costs	$0
Next [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN A PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0

PLAN F
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	[$1,068] (Part A Deductible)	$0
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	Up to [$133.50] a day	$0
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for out-patient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN F
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	[$135] (Part B Deductible)	$0
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
PART B EXCESS CHARGES (Above Medicare-approved amounts)	$0	100%	$0
BLOOD			
First 3 pints	$0	All costs	$0
Next [$135] of Medicare-approved amounts*	$0	[$135] (Part B Deductible)	$0
Remainder of Medicare-approved amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	[$135] (Part B Deductible)	$0
Remainder of Medicare-approved amounts	80%	20%	$0

PLAN F
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR (CONTINUED)

OTHER BENEFITS – NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
FOREIGN TRAVEL – NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

PLAN G
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	[$1,068] (Part A Deductible)	$0
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	Up to [$133.50] a day	$0
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN G
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
PART B EXCESS CHARGES (Above Medicare-approved amounts)	$0	100%	$0
BLOOD			
First 3 pints	$0	All costs	$0
Next [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0

PLAN G
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR (CONTINUES)

OTHER BENEFITS – NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
FOREIGN TRAVEL – NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

PLAN N
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	[$1,068] (Part A Deductible)	$0
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	Up to [$133.50] a day	$0
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN N
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First [$135] of Medicare-approved amounts* Remainder of Medicare-approved amounts	

PLAN N
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR (CONTINUED)

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0

OTHER BENEFITS – NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
FOREIGN TRAVEL – NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 Each Calendar Year	$0	$0	$250
Remainder of Charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

NOTICE TO APPLICANT REGARDING REPLACEMENT OF MEDICARE SUPPLEMENT INSURANCE OR MEDICARE ADVANTAGE

MEDICARE SUPPLEMENT INSURANCE REPLACEMENT NOTICE APPLIES TO
(must select one below)**:**

☐ [CENTRAL RESERVE LIFE INSURANCE COMPANY – P. O. Box 559015 – Austin, TX 78755-9015]
☐ [CONTINENTAL GENERAL INSURANCE COMPANY – P. O. Box 559015 – Austin, TX 78755-9015]
☐ [LOYAL AMERICAN LIFE INSURANCE COMPANY® - P. O. Box 559015 – Austin, TX 78755-9015]
☐ [PROVIDENT AMERICAN LIFE & HEALTH INSURANCE COMPANY – P. O. Box 559015 – Austin, TX 78755-9015]
☐ [UNITED TEACHER ASSOCIATES INSURANCE COMPANY – [P. O. Box 559015 – Austin, TX 78755-9015]

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to your application you intend to terminate existing Medicare Supplement or Medicare Advantage insurance and replace it with a policy to be issued by the Company selected above. Your new policy will provide thirty (30) days within which you may decide without cost whether you desire to keep the policy.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that the purchase of this Medicare Supplement coverage is a wise decision, you should terminate your present Medicare Supplement or Medicare Advantage coverage. You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

STATEMENT TO APPLICANT BY ISSUER, AGENT OR BROKER:

I have reviewed your current medical or health insurance coverage. To the best of my knowledge, this Medicare Supplement policy will not duplicate your existing Medicare Supplement or, if applicable, Medicare Advantage coverage because you intend to terminate your existing Medicare Supplement coverage or leave your Medicare Advantage plan. The replacement coverage is being purchased for the following reason (check one):

☐ Additional benefits.
☐ No change in benefits, but lower premiums.
☐ Fewer benefits and lower premiums.
☐ My plan has outpatient drug coverage and I am enrolling in Part D.
☐ Disenrollment from a Medicare Advantage Plan. Please explain reason for disenrollment.
☐ Other, (please specify) _____.

(1) **NOTE:** If the issuer of the Medicare Supplement policy being applied for does not, or is otherwise prohibited from imposing pre-existing condition limitations, please skip to statement 2 below. Health conditions which you may presently have (pre-existing conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.

(2) State law provides that your replacement policy or certificate may not contain new pre-existing conditions, waiting periods, elimination periods or probationary periods. The insurer will waive any time periods applicable to pre-existing conditions, waiting periods, elimination periods, or probationary periods in the new policy for similar benefits to the extent such time was spent (depleted) under the original policy.

(3) If you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premiums as though your policy had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded.

DO NOT CANCEL YOUR PRESENT POLICY UNTIL YOU HAVE RECEIVED YOUR NEW POLICY AND ARE SURE YOU WANT TO KEEP IT.

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Accepted for Informational Purposes	02/25/2010

Comments:

Attachments:

CGI-FLESCH-DM.pdf

AR Certification.pdf

		Item Status:	Status Date:
Bypassed - Item:	Application	Approved	02/25/2010
Bypass Reason:	Attached to Form Schedule		

Comments:

		Item Status:	Status Date:
Bypassed - Item:	Outline of Coverage	Approved	02/25/2010
Bypass Reason:	Attached to Form Schedule		

Comments:

		Item Status:	Status Date:
Satisfied - Item:	Cover Letter	Accepted for Informational Purposes	02/25/2010

Comments:

Attachment:

AR Cover Letter.pdf

CONTINENTAL GENERAL INSURANCE COMPANY

CERTIFICATION OF FLESCH READING EASE TEST

This is to certify that the forms listed below are in compliance with the readability requirements of the Flesch Reading ease test.

The Flesch test was applied to each form in its entirety, except that of titles, major headings and sub-headings and tables were excluded.

The Flesch reading ease test scores are:

MEDICARE SUPPLEMENT FORMS

Form Number	Description	Form Type	Flesch Score
CGI-MS-DM-CR-A-AR	Medicare Supplement Policy - Plan A	POL	43.8
CGI-MS-DM-CR-F-AR	Medicare Supplement Policy - Plan F	POL	43.8
CGI-MS-DM-CR-G-AR	Medicare Supplement Policy - Plan G	POL	43.8
CGI-MS-DM-CR-N-AR	Medicare Supplement Policy - Plan N	POL	43.8

CONTINENTAL GENERAL INSURANCE COMPANY

Billy Hill Jr.

_____

Printed Name: Billy Hill, Jr.
Title: President

Date: January 18, 2010

Arkansas Certification

This submission meets the provisions of Rule and Regulation 19, "Unfair sex discrimination in the sale of insurance" as well as all applicable requirements of this Department.

Jackie Cunningham

_____ January 18, 2010

Jackie Cunningham, Compliance Analyst Date

GREAT AMERICAN
FINANCIAL RESOURCES
Supplemental Benefits Group

P.O. Box 26580
Austin, TX 78755-0580
Toll Free: (866) 459-4272

January 18, 2010

Arkansas Department of Insurance
1200 W. Third Street
Little Rock, Arkansas 72201-1904

Via Serff Filing

Continental General Insurance Company NAIC: 71404 FEIN: 47-0463747

Request for Approval for Medicare Supplement filing described

Form:	Form Number:
Medicare Supplement Application-DM (Multi)	GASBG-MS-DM-APP-2010-AR
Medicare Supplement Outline of Coverage-DM-2010	CGI-OC-DM-CR-AR
Medicare Supplement Plan A-DM	CGI-MS-DM-CR-A-AR
Medicare Supplement Plan F-DM	CGI-MS-DM-CR-F-AR
Medicare Supplement Plan G-DM	CGI-MS-DM-CR-G-AR
Medicare Supplement Plan N-DM	CGI-MS-DM-CR-N-AR
Replacement Notice	GASBG-MS-DM-RN-GN

Dear Analyst:

The forms described above are submitted for your review and approval. The policies were developed for compliance with the amended NAIC Medigap model as required by the Federal Medicare Improvements for Patients & Providers Act of 2008 (MIPPA).

These new 2010 Standardized plan forms will be marketed from our home office on a direct basis, with a coverage effective date of June 01, 2010, or later. The policies will be sold by home office employees and no commissions will be paid to external agents. As of May 31, 2010, we will cease to market our 1990 Standardized Medicare Supplement Benefit Plans previously approved by your Department. The forms described below are similar to the 2010 CGI Medicare Supplement forms recently filed with your department. The SERFF Filing ID is described below for reference. The only difference in the submitted forms and the previously filed forms is the form number.

The application is designed to be used in paper and electronic environments. When used in an electronic environment, the spacing and font may vary from the paper form, but the text will remain the same. The companies described on the application are filed as variable as the application is designed for Multi-Company use. Each Company described will not use the application until it is filed under that company's name for approval. A company would not be added to the final marketed application without prior approval under that company's name.

The plan availability on the application is described as variable, should we decide not to offer a plan in the future. Plan “A” and Plan “F” remain non-variable.

We request the outline of coverage form be filed variable to the extent that rates, addresses, dates, federal co-payments, deductibles and other variable material can be changed over time when appropriate and when amended by regulation.

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Variability is also requested for bracketed text shown on all policy schedules and for the bracketed telephone numbers shown on the face page of each policy. Note that member-specific information such as policy owner name, age, sex, dates, premium, etc., may vary between policy issues and, therefore is bracketed as variable.

The actuarial memorandum, rates and any required supporting documents are enclosed.

FILING STATUS OF SIMILAR FORMS REFERENCED ABOVE.

Loyal American Life **SERFF Tracking: UTAC-126308647 State Tracking: 44438**

Form	Form Number	Filing Status	Filed Date	Approval Date
Medicare Supplement Application (Multi)	GASBG-MS-APP-2010-AR	F	12/30/2009	
Medicare Supplement Outline of Coverage-	Loyal-OC-CR-AR	F	12/30/2009	
Medicare Supplement Plan A	Loyal-MS-CR-A-AR	F	12/30/2009	
Medicare Supplement Plan F	Loyal-MS-CR-F-AR	F	12/30/2009	
Medicare Supplement Plan G	Loyal-MS-CR-G-AR	F	12/30/2009	
Medicare Supplement Plan N	Loyal-MS-CR-N-AR	F	12/30/2009	

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
01/13/2010	Form	Outline of Medicare Supplement Coverage	02/08/2010	CGI-OC-CR-AR.pdf (Superceded)

CONTINENTAL GENERAL INSURANCE COMPANY®

[P. O. BOX 26580 ♦ AUSTIN, TX 78755-0580 ♦ 866-459-4272]

Outline of Medicare Supplement Coverage
Benefit Plans A, F, G and N

Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

[Plans E, H, I and J are no longer available for sale.]

See Outline of Coverage sections for details about ALL Plans

BASIC BENEFITS:

- **Hospitalization:** Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.
- **Medical Expenses:** Part B coinsurance (generally 20% of Medicare-approved expenses) or co-payments for hospital outpatient services. Plans K, L, and N require insureds to pay a portion of Part B coinsurance or co-payments.
- **Blood:** First three pints of blood each year.
- **Hospice:** Part A coinsurance.

A	B	C	D	F	F*	G
Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance	Basic Benefits Including 100% Part B Coinsurance*		Basic Benefits Including 100% Part B Coinsurance
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible
		Part B Deductible		Part B Deductible		
				Part B Excess Charges (100%)		Part B Excess Charges (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency

* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plans F after one has paid a calendar year [$2,000] deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed [$2,000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

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Outline of Medicare Supplement Coverage – Cover Page 2 of 2

Benefit Plans A, F, G and N

K	L	M	N
Hospitalization and Preventive Care Paid at 100%; Other Basic Benefits Paid at 50%	Hospitalization and Preventive Care Paid at 100%; Other Basic Benefits Paid at 75%	Basic Benefits, Including 100% Part B Coinsurance	Basic Benefits, Including 100% Part B Coinsurance, Except Up to $20 Copayment for Office Visit, and up to $50 Copayment for ER Visits
Skilled Nursing Facility Coinsurance (50%)	Skilled Nursing Facility Coinsurance (75%)	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
Part A Deductible (50%)	Part A Deductible (75%)	Part A Deductible (50%)	Part A Deductible
		Foreign Travel Emergency	Foreign Travel Emergency
Out-of-Pocket Limit [$4,620]; Paid at 100% After Limit Reached	Out-of-Pocket Limit [$2,310]; Paid At 100% After Limit Reached		

Continental General Insurance Co.

MEDICARE SUPPLEMENT

ARKANSAS

Community Rates -- Effective [6/1/2010] -- Area I ([716-719, 723-729])

NON-SMOKER					SMOKER			
Annual Direct Bill	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**		**Annual Direct Bill**	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**
[1259.70	[655.04	[333.82	[107.07	**Plan A**	[1574.20	[818.58	[417.16	[133.81
1642.20	853.94	435.18	139.59	**Plan F**	2051.90	1066.99	543.75	174.41
1463.70	761.12	387.88	124.41	**Plan G**	1830.05	951.63	484.96	155.55
1332.80]	693.06]	353.19]	113.29]	**Plan N**	1666.00]	866.32]	441.49]	141.61]

Continental General Insurance Co.

MEDICARE SUPPLEMENT

ARKANSAS

Community Rates -- Effective [6/1/2010] -- Area II ([720-722])

NON-SMOKER					SMOKER			
Annual Direct Bill	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**		**Annual Direct Bill**	**Semi-Annual Direct Bill**	**Quarterly Direct Bill**	**Monthly Bank Draft**
[1482.00	[770.64	[392.73	[125.97	**Plan A**	[1852.00	[963.04	[490.78	[157.42
1932.00	1004.64	511.98	164.22	**Plan F**	2414.00	1255.28	639.71	205.19
1722.00	895.44	456.33	146.37	**Plan G**	2153.00	1119.56	570.55	183.01
1568.00]	815.36]	415.52]	133.28]	**Plan N**	1960.00]	1019.20]	519.40]	166.60]

Locate appropriate Area according to the applicant's ZIP Code in the ZIP Code chart below.

ARKANSAS ZIP CODES:

Area	3 Digit ZIP Codes
Area 1	[716-719, 723-729]
Area 2	[720-722]

PREMIUM INFORMATION

We, Continental General Insurance Company, can raise your premium if (a) we change the rates which apply to all policies of this form issued by us and in-force in your state; (b) coverage under Medicare changes; or (c) you move to a different ZIP Code location. We will send you a written notice at least thirty (30) days in advance when we change the premium rates for all policies of this form issued by us and in-force in your state.

DISCLOSURES

Use this Outline to compare benefits and premiums among policies.

[This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I and J are no longer available for sale].

READ YOUR POLICY VERY CAREFULLY

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and Continental General Insurance Company.

30-DAY RIGHT TO RETURN POLICY

If you find that you are not satisfied with your policy, you may return it to Continental General Insurance Company, [P. O. Box 26580, Austin, TX 78755-0580]. If you send the policy back to us within thirty (30) days after you receive it, we will treat the policy as if it had never been issued and return all of your premiums.

POLICY REPLACEMENT

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

NOTICE

This policy may not fully cover all of your medical costs. Neither Continental General Insurance Company nor its agents are connected with Medicare. This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult the *Medicare and You* for more details.

COMPLETE ANSWERS ARE VERY IMPORTANT

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. We may cancel your policy and refuse to pay any claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

RENEWABILITY

This policy is guaranteed renewable for life.

PLAN A
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN A PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	$0	[$1,068] (Part A Deductible)
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	$0	Up to [$133.50] a day
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN A
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN A PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
PART B EXCESS CHARGES (Above Medicare-approved amounts)	$0	$0	All costs
BLOOD			
First 3 pints	$0	All costs	$0
Next [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN A PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0

PLAN F
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	[$1,068] (Part A Deductible)	$0
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	Up to [$133.50] a day	$0
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for out-patient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN F
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	[$135] (Part B Deductible)	$0
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
PART B EXCESS CHARGES (Above Medicare-approved amounts)	$0	100%	$0
BLOOD			
First 3 pints	$0	All costs	$0
Next [$135] of Medicare-approved amounts*	$0	[$135] (Part B Deductible)	$0
Remainder of Medicare-approved amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	[$135] (Part B Deductible)	$0
Remainder of Medicare-approved amounts	80%	20%	$0

PLAN F
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR (CONTINUED)

OTHER BENEFITS – NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN F PAYS	YOU PAY
FOREIGN TRAVEL – NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

PLAN G
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	[$1,068] (Part A Deductible)	$0
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	Up to [$133.50] a day	$0
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN G
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
PART B EXCESS CHARGES (Above Medicare-approved amounts)	$0	100%	$0
BLOOD			
First 3 pints	$0	All costs	$0
Next [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	$0	$0

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0

PLAN G
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR (CONTINUES)

OTHER BENEFITS – NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN G PAYS	YOU PAY
FOREIGN TRAVEL – NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

PLAN N
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD

* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
HOSPITALIZATION*			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [$1,068]	[$1,068] (Part A Deductible)	$0
61st thru 90th day	All but [$267] a day	[$267] a day	$0
91st day and after:			
– While using 60 lifetime reserve days	All but [$534] a day	[$534] a day	$0
– Once lifetime reserve days are used:			
– Additional 365 days	$0	100% of Medicare Eligible Expenses	$0**
– Beyond the additional 365 days	$0	$0	All costs
SKILLED NURSING FACILITY CARE *			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	$0	$0
21st thru 100th day	All but [$133.50] a day	Up to [$133.50] a day	$0
101st day and after	$0	$0	All costs
BLOOD			
First 3 pints	$0	3 pints	$0
Additional amounts	100%	$0	$0
HOSPICE CARE			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	Medicare co-payment/ coinsurance	$0

**** NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

PLAN N
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR

* Once you have been billed [$135] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First [$135] of Medicare-approved amounts* Remainder of Medicare-approved amounts	

PLAN N
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR (CONTINUED)

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
Medically necessary skilled care services and medical supplies	100%	$0	$0
– Durable medical equipment			
First [$135] of Medicare-approved amounts*	$0	$0	[$135] (Part B Deductible)
Remainder of Medicare-approved amounts	80%	20%	$0

OTHER BENEFITS – NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN N PAYS	YOU PAY
FOREIGN TRAVEL – NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First $250 Each Calendar Year	$0	$0	$250
Remainder of Charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum