

SERFF Tracking Number: RNIC-128053958 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number:  
Company Tracking Number:  
TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity  
Product Name: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider  
Project Name/Number: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider/

## Filing at a Glance

Company: Reserve National Insurance Company

Product Name: S-ACS-OP – Out-of-Hospital Indemnity Benefit Rider SERFF Tr Num: RNIC-128053958 State: Arkansas

TOI: H14I Individual Health - Hospital Indemnity SERFF Status: Closed-Approved- Closed State Tr Num:

Sub-TOI: H14I.000 Health - Hospital Indemnity Co Tr Num: State Status: Approved-Closed  
Filing Type: Form/Rate Reviewer(s): Rosalind Minor

Authors: Kyle Conrad, Brenda Ingram, Mariana Garcia Disposition Date: 02/02/2012

Date Submitted: 02/01/2012 Disposition Status: Approved-Closed

Implementation Date Requested:

Implementation Date:

State Filing Description:

## General Information

Project Name: S-ACS-OP – Out-of-Hospital Indemnity Benefit Rider

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 02/02/2012

State Status Changed: 02/02/2012

Deemer Date:

Created By: Brenda Ingram

Submitted By: Brenda Ingram

Corresponding Filing Tracking Number:

Filing Description:

February 1, 2012

Mr. Dan Honey

Insurance Deputy Commissioner

Life and Health Division

Arkansas Insurance Department

1200 West Third Street

SERFF Tracking Number: RNIC-128053958 State: Arkansas  
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Product Name: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider  
Project Name/Number: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider/  
Little Rock, AR 72201-1904

Re: Reserve National Insurance Company – NAIC #68462  
Form S-ACS-OP – Out-of-Hospital Indemnity Benefit Rider  
Form ACS-1 (Insured Schedule) – Schedule Page  
Form OC ACS-1 (3/12) – Outline of Coverage

Dear Mr. Honey:

We are submitting the above-referenced forms, which we request you consider for approval. This is a new filing not previously submitted.

Rider Form S-ACS-OP is an optional benefit rider that will be available with individual Fixed Indemnity Policy Form ACS-1 that was approved by your office on 1/21/2011 under SERFF Tracking Number RNIC-126983742. Rider Form S-ACS-OP provides the following fixed indemnity benefits as described in the rider: Outpatient Doctor Visits Indemnity Benefit, Ambulance Indemnity Benefit and Preventive Care Indemnity Benefits for Pap Smear, Diabetes Testing and Prostate Examination.

Form ACS-1 (Insured Schedule) is a specimen of the schedule page that will be used with Policy Form ACS-1 to reflect Rider Form S-ACS-OP. Form OC ACS-1 (3/12) is identical to the previously-approved outline of coverage for Policy Form ACS-1, except that this new outline has been updated to reflect the availability of Rider Form S-ACS-OP.

This filing is not subject to the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 or any of the regulations thereunder (collectively referred to as the “PPACA”) because Rider Form S-ACS-OP, and the previously-approved policy this rider will be used with (i.e. Fixed Indemnity Policy Form ACS-1) are “excepted benefits” that provide only fixed indemnity benefits.

Rider Form S-ACS-OP will be available to individuals age 0 through 64. It will not be available to individuals who are 65 or older.

We are also submitting the rates and a supporting actuarial memorandum related to this filing.

If this filing meets with your approval, please provide us with appropriate evidence thereof.

Thank you for your consideration in this matter. If there are any questions, you may contact me by telephone at (800) 874-1431, by fax at (405) 840-3426 or by e-mail at [kconrad@unitrin.com](mailto:kconrad@unitrin.com).

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Sincerely,

Kyle D. Conrad  
 Senior Vice President  
 and Associate Corporate Counsel

## Company and Contact

### Filing Contact Information

Kyle Conrad, Vice President & Associate Corporate Counsel  
 6100 N. W. Grand Blvd  
 Oklahoma City, OK 73118  
 kconrad@unitrin.com  
 800-874-1431 [Phone] 549 [Ext]

### Filing Company Information

Reserve National Insurance Company  
 601 East Britton Road  
 Oklahoma City, OK 73114  
 (405) 848-7931 ext. 549[Phone]  
 CoCode: 68462  
 Group Code: 215  
 Group Name: Reserve National  
 FEIN Number: 73-0661453  
 State of Domicile: Oklahoma  
 Company Type: Life and Health  
 State ID Number:

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? No  
 Fee Explanation: AR Filing Fee = \$50.00 per form  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Reserve National Insurance Company	\$150.00	02/01/2012	56008874

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	02/02/2012	02/02/2012

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## Disposition

Disposition Date: 02/02/2012

Implementation Date:

Status: Approved-Closed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Reserve National Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Outline of Coverage	Approved-Closed	Yes
Form	Out-of-Hospital Indemnity Benefit Rider	Approved-Closed	Yes
Form	Schedule Page	Approved-Closed	Yes
Form	Outline of Coverage	Approved-Closed	Yes
Rate	Rates	Approved-Closed	Yes

SERFF Tracking Number: RNIC-128053958 State: Arkansas  
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## Form Schedule

### Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed 02/02/2012	S-ACS-OP	Policy/Cont ract/Fratern al	Out-of-Hospital Indemnity Benefit Rider	Initial		69.758	S-ACS-OP- Rider.pdf
Approved-Closed 02/02/2012	ACS-1 (Insured Schedule)	Schedule Pages	Schedule Page	Initial			ACS-1 Insured Schedule.pdf
Approved-Closed 02/02/2012	OC ACS-1 (3/12)	Outline of Coverage	Outline of Coverage	Revised	Replaced Form #: OC ACS-1 Previous Filing #: RNIC-126983742		OC ACS-1 (3.12).pdf

# RESERVE NATIONAL INSURANCE COMPANY

601 EAST BRITTON ROAD, OKLAHOMA CITY, OKLAHOMA 73114

## SUPPLEMENTAL OUT-OF-HOSPITAL INDEMNITY BENEFIT RIDER

In consideration of the additional premium and effective with the date of issue, coverage under the Policy to which this Rider is attached is extended to include the following benefits:

**Outpatient Doctor Visits Indemnity Benefit:** If a Covered Person, while this Rider is in force, receives personal treatment by a Physician in the Physician's office or a clinic, as the result of an Injury or Sickness or for a routine examination, we will pay the Outpatient Doctor Visits Indemnity Benefit in the amount shown on the Insured Schedule. This benefit is limited to one visit per day, and not to exceed four visits in a Policy Year.

**Ambulance Indemnity Benefit:** If a Covered Person, while this Rider is in force, is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable indemnity benefit as follows:

(a) **Air Ambulance:** For air transportation by a licensed ambulance service, we will pay the Air Ambulance Indemnity Benefit in the amount shown on the Insured Schedule, limited to two air ambulance trips in a Policy Year.

(b) **Ground Ambulance:** For ground transportation by a licensed ambulance service, we will pay the Ground Ambulance Indemnity Benefit in the amount shown on the Insured Schedule, limited to four ground ambulance trips in a Policy Year.

This benefit will not be payable for any ambulance trip that is taken for the purpose of convenience.

**Preventive Care Indemnity Benefits:** If a Covered Person, who meets the requirements specified below, while this Rider is in force, undergoes one or more of the following types of preventive care performed or directed by or under the supervision of a Physician, we will pay indemnity benefits as follows:

(a) **Pap Smear Indemnity Benefit:** For a Pap Smear for a female Covered Person, we will pay the Pap Smear Indemnity Benefit in the amount shown on the Insured Schedule, limited to one Pap Smear in a Policy Year. For purposes of this benefit, "Pap Smear" means an examination of the tissues of the cervix of the uterus for the purpose of detecting cancer when performed upon the recommendation of a Physician.

(b) **Diabetes Testing Indemnity Benefit:** For a blood test for diabetes, we will pay the Diabetes Testing Indemnity Benefit in the amount shown on the Insured Schedule, limited to one blood test for diabetes in a Policy Year.

(c) **Prostate Examination Indemnity Benefit:** For a Prostate Examination for a male Covered Person who is age 50 or older, we will pay the Prostate Examination Indemnity Benefit in the amount shown on the Insured Schedule, limited to one Prostate Examination in a Policy Year. For purposes of this benefit, "Prostate Examination" means a digital rectal examination and prostate specific antigen (PSA) test for the purpose of detecting prostate cancer when performed upon the recommendation of a Physician.

This Rider does not pay any benefit for any diagnosis or treatment of a Covered Person which is covered under the Policy while he/she is confined as an inpatient of a Hospital.

For purposes of this Rider, "Outpatient" means covered treatment of a Covered Person's Injury or Sickness performed on an outpatient basis by or under the supervision of a Physician in the Physician's office, a clinic, an independent laboratory or X-ray facility, an outpatient department of a Hospital or a Hospital emergency room.

(Continued on reverse side)

All the provisions, conditions, limitations and exclusions of the Policy to which this Rider is attached which are not modified hereby and which are not in conflict herewith shall be applicable to this Rider.

IN WITNESS WHEREOF, RESERVE NATIONAL INSURANCE COMPANY has caused this Rider to be executed by its President and attested by its Secretary.

  
Secretary

  
President

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**Endorsements and Eliminations**

**S-ACS-OP – Supplemental Out-of-Hospital Indemnity Benefit Rider**

**Outpatient Doctor Visits Indemnity Benefit**..... \$50.00 Per Visit

- This benefit is limited to 1 Visit Per Day and 4 Visits Per Policy Year

**Ambulance Indemnity Benefit:**

● Air Ambulance Indemnity Benefit .....\$1,500.00 Per Trip

- \*This benefit is limited to 2 Air Ambulance Trips Per Policy Year

● Ground Ambulance Indemnity Benefit .....\$500.00 Per Trip

- \*This benefit is limited to 4 Ground Ambulance Trips Per Policy Year

**Preventive Care Indemnity Benefits (see the Policy for specific age and frequency limitations):**

● Pap Smear Indemnity Benefit ..... \$100.00

● Diabetes Testing Indemnity Benefit .....\$50.00

● Prostate Examination Indemnity Benefit .....\$75.00



**THIS IS A FIXED INDEMNITY POLICY. IT PROVIDES STATED BENEFIT AMOUNTS IN EACH POLICY YEAR WITHOUT REGARD TO THE AMOUNT OF EXPENSES INCURRED.**

### **OUTLINE OF COVERAGE**

**Read Your Policy Carefully** - This outline of coverage provides a very brief description of the important features of Fixed Indemnity Policy Form ACS-1. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both you and Reserve National Insurance Company. It is therefore important that you **Read Your Policy Carefully!**

**Fixed Indemnity Coverage** is designed to provide coverage in the form of a stated indemnity benefit for covered treatment of a covered Injury or Sickness, subject to all the Policy's conditions, limitations and exclusions. Coverage is not provided for any benefits other than the fixed indemnity benefits described below. **THIS IS A LIMITED POLICY. THIS IS NOT MAJOR MEDICAL COVERAGE.**

Benefits, days or visits not used in one Policy Year are not carried forward to any future Policy Year.

#### **I. BENEFITS PAYABLE IN THE HOSPITAL**

**(1) Hospital Confinement Indemnity Benefit:** If a Covered Person is confined in a Hospital as a resident inpatient as a result of an Injury or Sickness, we will pay, beginning with the first day of Hospital confinement following the applicable Qualifying Period, the following Hospital Confinement Indemnity Benefit for each day of confinement, **limited to the Maximum Hospital Confinement Indemnity Benefit Period of 180 days for each Policy Year:**

- (a) **Qualifying Period for Sickness (must be satisfied each Policy Year):** \_\_\_\_\_ day(s)
- (b) **Qualifying Period for Accident:** 0 day(s)
- (c) **First 5 full days of Hospital confinement after the Qualifying Period:** \$ \_\_\_\_\_ per day
- (d) **Next 25 full days of Hospital confinement:** \$ \_\_\_\_\_ per day
- (e) **Next 150 full days of Hospital confinement:** \$ \_\_\_\_\_ per day

A "day" is a 24-hour period. No benefit is payable for a partial day of Hospital confinement; except that if a Covered Person is confined in a Hospital solely for purposes of observation, the amount payable will be subject to the applicable Qualifying Period and pro-rated based on the number of hours of observation. See the Policy for details.

**(2) Intensive Care Unit Confinement Indemnity Benefit:** If a Covered Person is confined in an Intensive Care Unit as a resident inpatient as a result of an Injury or Sickness, we will pay, beginning with the first day of such Intensive Care Unit confinement, the Intensive Care Unit Confinement Indemnity Benefit of **\$1,000.00** for each day of such confinement, **limited to the Maximum Intensive Care Unit Confinement Indemnity Benefit Period of 10 days for each Policy Year.** This benefit is payable in addition to the Hospital Confinement Indemnity Benefit if a Covered Person meets the requirements concerning confinement in an Intensive Care Unit.

A "day" is a 24-hour period. No benefit is payable for a partial day of Intensive Care Unit confinement.

**(3) Inpatient Doctor Visits Indemnity Benefit:** If a Covered Person is confined in a Hospital or an Intensive Care Unit as a resident inpatient as a result of an Injury or Sickness, we will pay the Inpatient Doctor Visits Indemnity Benefit of **\$75.00** for each day the confined Covered Person receives personal treatment by a Physician, **limited to 10 visits in a Policy Year.** Each Covered Person is limited to one Inpatient Doctor Visits Indemnity Benefit for each day he/she receives personal treatment by one or more Physicians while confined in a Hospital or an Intensive Care Unit.

#### **II. BENEFITS PAYABLE IN OR OUT OF THE HOSPITAL**

**(1) Surgeon's Indemnity Benefit:** If a Covered Person has a surgical procedure performed by a Physician (who is the primary surgeon) as a result of an Injury or Sickness, we will pay the applicable amount shown on the **Schedule of Surgical Operations** in the Policy. The maximum aggregate benefit payable for all surgical operations shall be **limited to \$\_\_\_\_\_** in a Policy Year. This benefit is payable for **either inpatient or outpatient surgery.**

**(2) Anesthesiologist's Indemnity Benefit:** If a Covered Person has a surgical operation performed by a Physician (who is the primary surgeon) as a result of an Injury or Sickness, and is administered anesthesia by an anesthesiologist during the surgical operation, we will pay **25%** of the applicable amount payable under the Surgeon's Indemnity Benefit. This benefit is payable in connection with **either inpatient or outpatient surgery.**

**(3) Day of Surgery Indemnity Benefit:** If a Covered Person has a surgical operation performed by a Physician (who is the primary surgeon) as a result of an Injury or Sickness for which the Surgeon's Indemnity Benefit is payable, and receives services or supplies in an operating room or surgical facility, we will pay **125%** of the benefit payable under the Surgeon's Indemnity Benefit. This benefit is payable in connection with **either inpatient or outpatient surgery**.

### III. BENEFIT PAYABLE OUT OF THE HOSPITAL

**Outpatient Chemotherapy/Radiation Therapy Indemnity Benefit:** If a Covered Person undergoes outpatient chemotherapy or outpatient radiation therapy administered or directed by or under the supervision of a Physician for the treatment of **cancer**, we will pay the Outpatient Chemotherapy/Radiation Therapy Indemnity Benefit of **\$1,000.00** for each day of such treatment, **limited to** the Maximum Chemotherapy/Radiation Therapy Indemnity Benefit Period of **20 days for each Policy Year**.

**IV. \_\_\_\_\_ (applicant's initials to select) OPTIONAL OUT-OF-HOSPITAL INDEMNITY BENEFIT RIDER:** For an additional premium, the following benefits will be payable if you select this optional Rider:

**(1) Outpatient X-Rays and Lab Tests Indemnity Benefit:** If a Covered Person undergoes an Outpatient X-Ray, MRI, CT Scan or a lab test performed or directed by or under the supervision of a Physician as the result of an Injury or Sickness, we will pay indemnity benefits as follows, **limited to** the Maximum Aggregate Outpatient X-Rays, and Lab Test Indemnity Benefit of **\$2,000.00 for all Outpatient X-Rays, MRIs, CT Scans and lab tests in a Policy Year:**

**(a) X-Rays:** We will pay **\$75.00** for each X-Ray.

**(b) MRIs and CT Scans:** We will pay **\$750.00** for each MRI or CT Scan.

**(c) Lab Tests:** We will pay **\$50.00** for each lab test.

**(2) Outpatient Doctor Visits Indemnity Benefit:** If a Covered Person receives personal treatment by a Physician in the Physician's office or a clinic, as the result of an Injury or Sickness or for a routine examination, we will pay the Outpatient Doctor Visits Indemnity Benefit of **\$50.00** per visit, **limited to 1 visit per day and 4 visits in a Policy Year**.

**(3) Emergency Room Indemnity Benefit:** If a Covered Person receives personal treatment by a Physician in a Hospital emergency room as the result of an Injury or Sickness, we will pay the Emergency Room Indemnity Benefit of **\$500.00, limited to 1 visit in a Policy Year**.

**(4) Ambulance Indemnity Benefit:** If a Covered Person is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

**(a) Air Ambulance:** We will pay **\$1,500.00** for air transportation by a licensed ambulance service, **limited to 2 air ambulance trips per Policy Year**.

**(b) Ground Ambulance:** We will pay **\$500.00** for ground transportation by a licensed ambulance service, **limited to 4 ground ambulance trips per Policy Year**.

**(5) Prescription Indemnity Benefit:** If a Covered Person purchases a Prescription Drug as the result of an Injury or Sickness, we will pay **\$25.00** for each Prescription Drug, **limited to** the Maximum Aggregate Prescription Drug Indemnity Benefit of **\$500.00 for all Prescription Drugs in a Policy Year**.

**(6) Preventive Care Indemnity Benefits:** If a Covered Person, who meets the **requirements specified in the Policy**, undergoes one or more of the following types of preventive care performed or directed by or under the supervision of a Physician, we will pay indemnity benefits as follows:

**(a) Colonoscopy Indemnity Benefit:** For a colonoscopy for a Covered Person who is age 50 or older, to screen for the presence of colon cancer, we will pay the Colonoscopy Indemnity Benefit of **\$500.00, limited to 1 screening colonoscopy every 5 Policy Years**.

**(b) Mammogram Indemnity Benefit:** For a mammogram for a female Covered Person age 35 or older, and at age intervals specified in the Policy, we will pay the Mammogram Indemnity Benefit of **\$125.00**. See the Policy for details.

**(c) Pap Smear Indemnity Benefit:** For a Pap Smear for a female Covered Person, we will pay the Pap Smear Indemnity Benefit of **\$100.00, limited to 1 Pap Smear in a Policy Year**.

**(d) Diabetes Testing Indemnity Benefit:** For a blood test for diabetes, we will pay the Diabetes Testing Indemnity Benefit of **\$50.00, limited to 1 such blood test for diabetes in a Policy Year**.

**(e) Prostate Examination Indemnity Benefit:** For a Prostate Examination for a male Covered Person who is age 50 or older, we will pay the Prostate Cancer Examination Indemnity Benefit of **\$75.00, limited to 1 Prostate Examination in a Policy Year**.

**V. \_\_\_\_\_ (applicant's initials to select) OPTIONAL SUPPLEMENTAL OUT-OF-HOSPITAL INDEMNITY BENEFIT RIDER:** For an additional premium, the following benefits will be payable if you select this optional Rider:

**(1) Outpatient Doctor Visits Indemnity Benefit:** If a Covered Person receives personal treatment by a Physician in the Physician's office or a clinic, as the result of an Injury or Sickness or for a routine examination, we will pay the Outpatient Doctor Visits Indemnity Benefit of **\$50.00** per visit, **limited to 1 visit per day and 4 visits in a Policy Year.**

**(2) Ambulance Indemnity Benefit:** If a Covered Person is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

**(a) Air Ambulance:** We will pay **\$1,500.00** for air transportation by a licensed ambulance service, **limited to 2 air ambulance trips per Policy Year.**

**(b) Ground Ambulance:** We will pay **\$500.00** for ground transportation by a licensed ambulance service, **limited to 4 ground ambulance trips per Policy Year.**

**(3) Preventive Care Indemnity Benefits:** If a Covered Person, who meets the **requirements specified in the Policy**, undergoes one or more of the following types of preventive care performed or directed by or under the supervision of a Physician, we will pay indemnity benefits as follows:

**(a) Pap Smear Indemnity Benefit:** For a Pap Smear for a female Covered Person, we will pay the Pap Smear Indemnity Benefit of **\$100.00**, **limited to 1 Pap Smear in a Policy Year.**

**(b) Diabetes Testing Indemnity Benefit:** For a blood test for diabetes, we will pay the Diabetes Testing Indemnity Benefit of **\$50.00**, **limited to 1 such blood test for diabetes in a Policy Year.**

**(c) Prostate Examination Indemnity Benefit:** For a Prostate Examination for a male Covered Person who is age 50 or older, we will pay the Prostate Cancer Examination Indemnity Benefit of **\$75.00**, **limited to 1 Prostate Examination in a Policy Year.**

**VI. EXCLUSIONS:** The Policy does not pay benefits for any Loss caused or contributed to by: (a) Injury or Sickness sustained while serving in the armed forces of any country or international authority at war, whether war is declared or not (we will return the pro-rata premium for any period not covered by the Policy while you are in such service); (b) suicide or attempted suicide, while sane or insane, or any intentionally self-inflicted Injury; (c) drug abuse, drug overdose or drug addiction; (d) intoxication, alcoholism or alcohol related illnesses; (e) mental illness, nervous or emotional disorders; (f) dental care or treatment, **except** that excluded dental care or treatment shall not include (1) reconstructive surgery when such service is incidental to trauma or (2) treatment of accidental Injury to whole natural teeth received within six months following an accident; (g) cosmetic or elective surgery (including surgery to correct myopia, hyperopia, presbyopia or astigmatism and surgery for weight loss or modification), **except** that excluded cosmetic surgery shall not include (1) reconstructive surgery when service is incidental to or follows surgery resulting from trauma, infection or other disease of the involved part, (2) reconstructive surgery because of congenital disease or anomaly of an insured dependent child which has resulted in a functional defect or (3) breast reconstruction in connection with mastectomy, including reconstructive surgery on a nondiseased breast to establish symmetry with a diseased breast on which reconstructive surgery has been performed; (h) pregnancy or conditions due to pregnancy, **except** that complications of pregnancy shall be covered as any other Sickness; (i) childbirth; (j) participation in a felony or attempted felony, riot or insurrection; (k) rest cures, custodial care, and routine physical examinations, except as specifically provided; (l) surgical sterilization; (m) foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain or symptomatic complaints of the feet; (n) eye glasses, hearing aids and examination for the prescription or fitting thereof.

**VII. PRE-EXISTING CONDITIONS LIMITATION:** Pre-Existing Conditions are not covered under the Policy until the Policy has been in force for a period of two years; provided, however, that no benefits whatsoever will be payable for Loss from any condition, either pre-existing or otherwise, which is completely excluded from coverage under the Policy by name or specific description on the date of Loss. "Pre-existing Condition" means a condition that has been diagnosed, or has manifested itself to you within the five-year period immediately preceding the Effective Date of the Policy by a symptom or symptoms, whether the specific condition has been medically diagnosed or not, and causes Loss within the two-year period following the Effective Date of the Policy.

Coverage for some pre-existing conditions may be included after 12 months for an additional premium payable during the lifetime of your Policy by attachment of the PEB-3 (1/11) endorsement.

**VIII. \_\_\_\_\_ (applicant's initials to select) EXISTING CONDITION BENEFIT ENDORSEMENT PEB-3 (1/11):** Pre-Existing Conditions disclosed on the application and listed on endorsement Form PEB-3 (1/11) will be covered after 12 months.

**IX. TERMINATION:** Subject to the Policy's Grace Period provision, coverage will immediately terminate at 12:01 A.M., Standard Time, at the place where the Insured resides, on the due date of any premium which is not paid.

**X. RENEWAL SAFEGUARD:** The Policy is renewable as follows:

(a) Subject to the Termination provisions of the Policy, we may not decline to renew the Policy except for one or both of the following reasons:

- (1) Renewal premiums are declined on all policies bearing the same form number as the Policy issued to persons in the state where you reside; or
- (2) Failure to correctly report matters inquired of in the application for the Policy.

**(b) While the Policy is in effect, we shall not have the right to add any restrictive amendment. There shall be no change in rate classification on account of any physical impairment or on account of any claims incurred.**

**XI. PREMIUM PAYMENTS/PREMIUMS SUBJECT TO CHANGE:**

(a) You have a grace period of 31 days for the payment of each premium which becomes due after the first premium. During this grace period the Policy will continue in force.

(b) Premiums are subject to change. Premiums are based on the attained age of each Covered Person, and each Covered Person's premium may increase following his/her birthday. Premiums may also increase at any time due to the Company changing its table of rates applicable on a class basis in your state. Classes may be determined according to sex, attained age, smoking status, the insured's state of residence and/or ZIP code. We will give you 31 days written notice before any such premium change.

THIS IS A LIMITED POLICY.  
IT PROVIDES ONLY THE FIXED INDEMNITY BENEFITS DESCRIBED ABOVE.

READ THE POLICY CAREFULLY WITH THIS OUTLINE OF COVERAGE.

***PLEASE READ BEFORE SIGNING***

**THE SOLICITING AGENT SIGNING BELOW DOES NOT HAVE THE AUTHORITY TO BIND THE COMPANY OR TO WAIVE, CHANGE OR AMEND ANY TERM OR CONDITION OF A POLICY WHICH MAY BE ISSUED BY THE COMPANY.**

**I understand and acknowledge that:**

- **Form ACS-1 provides limited benefits; it is not a major medical policy and is not designed to cover all medical expenses.**
- **I have received a copy of this outline of coverage, which I have reviewed.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signed at \_\_\_\_\_, State of \_\_\_\_\_.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Date

[This Outline of Coverage is to be delivered to the applicant at the time the application for insurance is completed.]  
Fixed Indemnity Policy Form ACS-1 is individually underwritten by Reserve National Insurance Company.

SERFF Tracking Number: RNIC-128053958 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number:  
 Company Tracking Number:  
 TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity  
 Product Name: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider  
 Project Name/Number: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider/

**Rate Information**

Rate data applies to filing.

**Filing Method:** Review & Approve  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** %  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** N/A

**Company Rate Information**

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Reserve National Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking Number: RNIC-128053958 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number:  
 Company Tracking Number:  
 TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity  
 Product Name: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider  
 Project Name/Number: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider/

## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved-Closed 02/02/2012	Rates	S-ACS-OP	New		S-ACS-OP rates.pdf

**Reserve National Insurance Company**  
**Individual Supplemental Out-of-Hospital Indemnity Benefit Rider Form S-ACS-OP**

Attained Age	Non-Tobacco				
	Bank Draft Rate	Regular Monthly Rate	Quarterly Rate	Semi-Annual Rate	Annual Rate
0-17	\$7.75	\$8.45	\$24.85	\$49.20	\$93.30
18-25	\$8.55	\$9.30	\$27.35	\$54.15	\$102.65
26-28	\$9.45	\$10.25	\$30.15	\$59.65	\$113.15
29-31	\$9.85	\$10.70	\$31.45	\$62.25	\$118.15
32-34	\$10.30	\$11.20	\$32.95	\$65.20	\$123.65
35-37	\$10.75	\$11.70	\$34.40	\$68.10	\$129.15
38-40	\$11.25	\$12.25	\$36.00	\$71.30	\$135.25
41-43	\$11.80	\$12.80	\$37.65	\$74.50	\$141.30
44-46	\$12.35	\$13.40	\$39.40	\$78.00	\$147.95
47-49	\$12.90	\$14.00	\$41.15	\$81.50	\$154.55
50-52	\$14.10	\$15.30	\$45.00	\$89.05	\$168.90
53-55	\$15.35	\$16.70	\$49.10	\$97.20	\$184.35
56-58	\$16.80	\$18.25	\$53.65	\$106.20	\$201.50
59-61	\$18.35	\$19.95	\$58.65	\$116.10	\$220.25
62-64	\$20.05	\$21.80	\$64.10	\$126.90	\$240.65
>64 *	\$21.90	\$23.80	\$69.95	\$138.50	\$262.75

\* Renewal only

Attained Age	Tobacco				
	Bank Draft Rate	Regular Monthly Rate	Quarterly Rate	Semi-Annual Rate	Annual Rate
0-17	\$7.75	\$8.45	\$24.85	\$49.20	\$93.30
18-25	\$9.85	\$10.70	\$31.45	\$62.25	\$118.15
26-28	\$10.85	\$11.80	\$34.70	\$68.70	\$130.25
29-31	\$11.30	\$12.30	\$36.15	\$71.60	\$135.80
32-34	\$11.85	\$12.90	\$37.95	\$75.10	\$142.40
35-37	\$12.35	\$13.45	\$39.55	\$78.30	\$148.50
38-40	\$12.95	\$14.10	\$41.45	\$82.05	\$155.65
41-43	\$13.50	\$14.70	\$43.20	\$85.55	\$162.30
44-46	\$14.15	\$15.40	\$45.30	\$89.65	\$170.00
47-49	\$14.80	\$16.10	\$47.35	\$93.70	\$177.75
50-52	\$16.20	\$17.60	\$51.75	\$102.45	\$194.30
53-55	\$17.65	\$19.20	\$56.45	\$111.75	\$211.95
56-58	\$19.30	\$21.00	\$61.75	\$122.20	\$231.85
59-61	\$21.10	\$22.95	\$67.45	\$133.55	\$253.35
62-64	\$23.05	\$25.05	\$73.65	\$145.80	\$276.55
>64 *	\$25.15	\$27.35	\$80.40	\$159.20	\$301.95

\* Renewal only

SERFF Tracking Number: RNIC-128053958 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number:  
 Company Tracking Number:  
 TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity  
 Product Name: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider  
 Project Name/Number: S-ACS-OP Out-of-Hospital Indemnity Benefit Rider/

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification	Approved-Closed	02/02/2012
<b>Comments:</b>		
<b>Attachment:</b> S-ACS-OP-Readability Certificate.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Application	Approved-Closed	02/02/2012
<b>Bypass Reason:</b> N/A		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Health - Actuarial Justification	Approved-Closed	02/02/2012
<b>Comments:</b>		
<b>Attachment:</b> Act Mem Form S-ACS-OP.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Outline of Coverage	Approved-Closed	02/02/2012
<b>Comments:</b> Form OC ACS-1 (3/12) is identical to the previously-approved outline of coverage for Policy Form ACS-1, except that this new outline has been updated to reflect the availability of Rider Form S-ACS-OP.		
<b>Attachment:</b> OC ACS-1 (3.12).pdf		



601 East Britton Road ▪ Oklahoma City, OK 73114  
www.ReserveNational.com

## READABILITY CERTIFICATION

FORM NUMBER: **S-ACS-OP – Out-of-Hospital Indemnity Benefit Rider**

The words, sentences, and syllables of Form S-ACS-OP were counted to be used in the Flesch Readability Formula in order to determine the readability score of the form. Formal names, medical terms and words defined (implicitly or explicitly) in the policy/rider/endorsement were not counted.

WORDS:	400
SENTENCES:	17
Syllables:	535

This resulted in a Flesch Readability score of **69.758**.

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KYLE D. CONRAD  
Senior Vice President  
and Associate Corporate Counsel





**THIS IS A FIXED INDEMNITY POLICY. IT PROVIDES STATED BENEFIT AMOUNTS IN EACH POLICY YEAR WITHOUT REGARD TO THE AMOUNT OF EXPENSES INCURRED.**

### **OUTLINE OF COVERAGE**

**Read Your Policy Carefully** - This outline of coverage provides a very brief description of the important features of Fixed Indemnity Policy Form ACS-1. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both you and Reserve National Insurance Company. It is therefore important that you **Read Your Policy Carefully!**

**Fixed Indemnity Coverage** is designed to provide coverage in the form of a stated indemnity benefit for covered treatment of a covered Injury or Sickness, subject to all the Policy's conditions, limitations and exclusions. Coverage is not provided for any benefits other than the fixed indemnity benefits described below. **THIS IS A LIMITED POLICY. THIS IS NOT MAJOR MEDICAL COVERAGE.**

Benefits, days or visits not used in one Policy Year are not carried forward to any future Policy Year.

#### **I. BENEFITS PAYABLE IN THE HOSPITAL**

**(1) Hospital Confinement Indemnity Benefit:** If a Covered Person is confined in a Hospital as a resident inpatient as a result of an Injury or Sickness, we will pay, beginning with the first day of Hospital confinement following the applicable Qualifying Period, the following Hospital Confinement Indemnity Benefit for each day of confinement, **limited to the Maximum Hospital Confinement Indemnity Benefit Period of 180 days for each Policy Year:**

- (a) **Qualifying Period for Sickness (must be satisfied each Policy Year):** \_\_\_\_\_ day(s)
- (b) **Qualifying Period for Accident:** 0 day(s)
- (c) **First 5 full days of Hospital confinement after the Qualifying Period:** \$ \_\_\_\_\_ per day
- (d) **Next 25 full days of Hospital confinement:** \$ \_\_\_\_\_ per day
- (e) **Next 150 full days of Hospital confinement:** \$ \_\_\_\_\_ per day

A "day" is a 24-hour period. No benefit is payable for a partial day of Hospital confinement; except that if a Covered Person is confined in a Hospital solely for purposes of observation, the amount payable will be subject to the applicable Qualifying Period and pro-rated based on the number of hours of observation. See the Policy for details.

**(2) Intensive Care Unit Confinement Indemnity Benefit:** If a Covered Person is confined in an Intensive Care Unit as a resident inpatient as a result of an Injury or Sickness, we will pay, beginning with the first day of such Intensive Care Unit confinement, the Intensive Care Unit Confinement Indemnity Benefit of **\$1,000.00** for each day of such confinement, **limited to the Maximum Intensive Care Unit Confinement Indemnity Benefit Period of 10 days for each Policy Year.** This benefit is payable in addition to the Hospital Confinement Indemnity Benefit if a Covered Person meets the requirements concerning confinement in an Intensive Care Unit.

A "day" is a 24-hour period. No benefit is payable for a partial day of Intensive Care Unit confinement.

**(3) Inpatient Doctor Visits Indemnity Benefit:** If a Covered Person is confined in a Hospital or an Intensive Care Unit as a resident inpatient as a result of an Injury or Sickness, we will pay the Inpatient Doctor Visits Indemnity Benefit of **\$75.00** for each day the confined Covered Person receives personal treatment by a Physician, **limited to 10 visits in a Policy Year.** Each Covered Person is limited to one Inpatient Doctor Visits Indemnity Benefit for each day he/she receives personal treatment by one or more Physicians while confined in a Hospital or an Intensive Care Unit.

#### **II. BENEFITS PAYABLE IN OR OUT OF THE HOSPITAL**

**(1) Surgeon's Indemnity Benefit:** If a Covered Person has a surgical procedure performed by a Physician (who is the primary surgeon) as a result of an Injury or Sickness, we will pay the applicable amount shown on the **Schedule of Surgical Operations** in the Policy. The maximum aggregate benefit payable for all surgical operations shall be **limited to \$\_\_\_\_\_** in a Policy Year. This benefit is payable for **either inpatient or outpatient surgery.**

**(2) Anesthesiologist's Indemnity Benefit:** If a Covered Person has a surgical operation performed by a Physician (who is the primary surgeon) as a result of an Injury or Sickness, and is administered anesthesia by an anesthesiologist during the surgical operation, we will pay **25%** of the applicable amount payable under the Surgeon's Indemnity Benefit. This benefit is payable in connection with **either inpatient or outpatient surgery.**

**(3) Day of Surgery Indemnity Benefit:** If a Covered Person has a surgical operation performed by a Physician (who is the primary surgeon) as a result of an Injury or Sickness for which the Surgeon's Indemnity Benefit is payable, and receives services or supplies in an operating room or surgical facility, we will pay **125%** of the benefit payable under the Surgeon's Indemnity Benefit. This benefit is payable in connection with **either inpatient or outpatient surgery**.

### III. BENEFIT PAYABLE OUT OF THE HOSPITAL

**Outpatient Chemotherapy/Radiation Therapy Indemnity Benefit:** If a Covered Person undergoes outpatient chemotherapy or outpatient radiation therapy administered or directed by or under the supervision of a Physician for the treatment of **cancer**, we will pay the Outpatient Chemotherapy/Radiation Therapy Indemnity Benefit of **\$1,000.00** for each day of such treatment, **limited to the Maximum Chemotherapy/Radiation Therapy Indemnity Benefit Period of 20 days for each Policy Year**.

**IV. \_\_\_\_\_ (applicant's initials to select) OPTIONAL OUT-OF-HOSPITAL INDEMNITY BENEFIT RIDER:** For an additional premium, the following benefits will be payable if you select this optional Rider:

**(1) Outpatient X-Rays and Lab Tests Indemnity Benefit:** If a Covered Person undergoes an Outpatient X-Ray, MRI, CT Scan or a lab test performed or directed by or under the supervision of a Physician as the result of an Injury or Sickness, we will pay indemnity benefits as follows, **limited to the Maximum Aggregate Outpatient X-Rays, and Lab Test Indemnity Benefit of \$2,000.00 for all Outpatient X-Rays, MRIs, CT Scans and lab tests in a Policy Year:**

**(a) X-Rays:** We will pay **\$75.00** for each X-Ray.

**(b) MRIs and CT Scans:** We will pay **\$750.00** for each MRI or CT Scan.

**(c) Lab Tests:** We will pay **\$50.00** for each lab test.

**(2) Outpatient Doctor Visits Indemnity Benefit:** If a Covered Person receives personal treatment by a Physician in the Physician's office or a clinic, as the result of an Injury or Sickness or for a routine examination, we will pay the Outpatient Doctor Visits Indemnity Benefit of **\$50.00** per visit, **limited to 1 visit per day and 4 visits in a Policy Year**.

**(3) Emergency Room Indemnity Benefit:** If a Covered Person receives personal treatment by a Physician in a Hospital emergency room as the result of an Injury or Sickness, we will pay the Emergency Room Indemnity Benefit of **\$500.00**, **limited to 1 visit in a Policy Year**.

**(4) Ambulance Indemnity Benefit:** If a Covered Person is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

**(a) Air Ambulance:** We will pay **\$1,500.00** for air transportation by a licensed ambulance service, **limited to 2 air ambulance trips per Policy Year**.

**(b) Ground Ambulance:** We will pay **\$500.00** for ground transportation by a licensed ambulance service, **limited to 4 ground ambulance trips per Policy Year**.

**(5) Prescription Indemnity Benefit:** If a Covered Person purchases a Prescription Drug as the result of an Injury or Sickness, we will pay **\$25.00** for each Prescription Drug, **limited to the Maximum Aggregate Prescription Drug Indemnity Benefit of \$500.00 for all Prescription Drugs in a Policy Year**.

**(6) Preventive Care Indemnity Benefits:** If a Covered Person, who meets the **requirements specified in the Policy**, undergoes one or more of the following types of preventive care performed or directed by or under the supervision of a Physician, we will pay indemnity benefits as follows:

**(a) Colonoscopy Indemnity Benefit:** For a colonoscopy for a Covered Person who is age 50 or older, to screen for the presence of colon cancer, we will pay the Colonoscopy Indemnity Benefit of **\$500.00**, **limited to 1 screening colonoscopy every 5 Policy Years**.

**(b) Mammogram Indemnity Benefit:** For a mammogram for a female Covered Person age 35 or older, and at age intervals specified in the Policy, we will pay the Mammogram Indemnity Benefit of **\$125.00**. See the Policy for details.

**(c) Pap Smear Indemnity Benefit:** For a Pap Smear for a female Covered Person, we will pay the Pap Smear Indemnity Benefit of **\$100.00**, **limited to 1 Pap Smear in a Policy Year**.

**(d) Diabetes Testing Indemnity Benefit:** For a blood test for diabetes, we will pay the Diabetes Testing Indemnity Benefit of **\$50.00**, **limited to 1 such blood test for diabetes in a Policy Year**.

**(e) Prostate Examination Indemnity Benefit:** For a Prostate Examination for a male Covered Person who is age 50 or older, we will pay the Prostate Cancer Examination Indemnity Benefit of **\$75.00**, **limited to 1 Prostate Examination in a Policy Year**.

**V. \_\_\_\_\_ (applicant's initials to select) OPTIONAL SUPPLEMENTAL OUT-OF-HOSPITAL INDEMNITY BENEFIT RIDER:** For an additional premium, the following benefits will be payable if you select this optional Rider:

**(1) Outpatient Doctor Visits Indemnity Benefit:** If a Covered Person receives personal treatment by a Physician in the Physician's office or a clinic, as the result of an Injury or Sickness or for a routine examination, we will pay the Outpatient Doctor Visits Indemnity Benefit of **\$50.00** per visit, **limited to 1 visit per day and 4 visits in a Policy Year.**

**(2) Ambulance Indemnity Benefit:** If a Covered Person is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

**(a) Air Ambulance:** We will pay **\$1,500.00** for air transportation by a licensed ambulance service, **limited to 2 air ambulance trips per Policy Year.**

**(b) Ground Ambulance:** We will pay **\$500.00** for ground transportation by a licensed ambulance service, **limited to 4 ground ambulance trips per Policy Year.**

**(3) Preventive Care Indemnity Benefits:** If a Covered Person, who meets the **requirements specified in the Policy**, undergoes one or more of the following types of preventive care performed or directed by or under the supervision of a Physician, we will pay indemnity benefits as follows:

**(a) Pap Smear Indemnity Benefit:** For a Pap Smear for a female Covered Person, we will pay the Pap Smear Indemnity Benefit of **\$100.00**, **limited to 1 Pap Smear in a Policy Year.**

**(b) Diabetes Testing Indemnity Benefit:** For a blood test for diabetes, we will pay the Diabetes Testing Indemnity Benefit of **\$50.00**, **limited to 1 such blood test for diabetes in a Policy Year.**

**(c) Prostate Examination Indemnity Benefit:** For a Prostate Examination for a male Covered Person who is age 50 or older, we will pay the Prostate Cancer Examination Indemnity Benefit of **\$75.00**, **limited to 1 Prostate Examination in a Policy Year.**

**VI. EXCLUSIONS:** The Policy does not pay benefits for any Loss caused or contributed to by: (a) Injury or Sickness sustained while serving in the armed forces of any country or international authority at war, whether war is declared or not (we will return the pro-rata premium for any period not covered by the Policy while you are in such service); (b) suicide or attempted suicide, while sane or insane, or any intentionally self-inflicted Injury; (c) drug abuse, drug overdose or drug addiction; (d) intoxication, alcoholism or alcohol related illnesses; (e) mental illness, nervous or emotional disorders; (f) dental care or treatment, **except** that excluded dental care or treatment shall not include (1) reconstructive surgery when such service is incidental to trauma or (2) treatment of accidental Injury to whole natural teeth received within six months following an accident; (g) cosmetic or elective surgery (including surgery to correct myopia, hyperopia, presbyopia or astigmatism and surgery for weight loss or modification), **except** that excluded cosmetic surgery shall not include (1) reconstructive surgery when service is incidental to or follows surgery resulting from trauma, infection or other disease of the involved part, (2) reconstructive surgery because of congenital disease or anomaly of an insured dependent child which has resulted in a functional defect or (3) breast reconstruction in connection with mastectomy, including reconstructive surgery on a nondiseased breast to establish symmetry with a diseased breast on which reconstructive surgery has been performed; (h) pregnancy or conditions due to pregnancy, **except** that complications of pregnancy shall be covered as any other Sickness; (i) childbirth; (j) participation in a felony or attempted felony, riot or insurrection; (k) rest cures, custodial care, and routine physical examinations, except as specifically provided; (l) surgical sterilization; (m) foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain or symptomatic complaints of the feet; (n) eye glasses, hearing aids and examination for the prescription or fitting thereof.

**VII. PRE-EXISTING CONDITIONS LIMITATION:** Pre-Existing Conditions are not covered under the Policy until the Policy has been in force for a period of two years; provided, however, that no benefits whatsoever will be payable for Loss from any condition, either pre-existing or otherwise, which is completely excluded from coverage under the Policy by name or specific description on the date of Loss. "Pre-existing Condition" means a condition that has been diagnosed, or has manifested itself to you within the five-year period immediately preceding the Effective Date of the Policy by a symptom or symptoms, whether the specific condition has been medically diagnosed or not, and causes Loss within the two-year period following the Effective Date of the Policy.

Coverage for some pre-existing conditions may be included after 12 months for an additional premium payable during the lifetime of your Policy by attachment of the PEB-3 (1/11) endorsement.

**VIII. \_\_\_\_\_ (applicant's initials to select) EXISTING CONDITION BENEFIT ENDORSEMENT PEB-3 (1/11):** Pre-Existing Conditions disclosed on the application and listed on endorsement Form PEB-3 (1/11) will be covered after 12 months.

**IX. TERMINATION:** Subject to the Policy's Grace Period provision, coverage will immediately terminate at 12:01 A.M., Standard Time, at the place where the Insured resides, on the due date of any premium which is not paid.

**X. RENEWAL SAFEGUARD:** The Policy is renewable as follows:

(a) Subject to the Termination provisions of the Policy, we may not decline to renew the Policy except for one or both of the following reasons:

- (1) Renewal premiums are declined on all policies bearing the same form number as the Policy issued to persons in the state where you reside; or
- (2) Failure to correctly report matters inquired of in the application for the Policy.

**(b) While the Policy is in effect, we shall not have the right to add any restrictive amendment. There shall be no change in rate classification on account of any physical impairment or on account of any claims incurred.**

**XI. PREMIUM PAYMENTS/PREMIUMS SUBJECT TO CHANGE:**

(a) You have a grace period of 31 days for the payment of each premium which becomes due after the first premium. During this grace period the Policy will continue in force.

(b) Premiums are subject to change. Premiums are based on the attained age of each Covered Person, and each Covered Person's premium may increase following his/her birthday. Premiums may also increase at any time due to the Company changing its table of rates applicable on a class basis in your state. Classes may be determined according to sex, attained age, smoking status, the insured's state of residence and/or ZIP code. We will give you 31 days written notice before any such premium change.

THIS IS A LIMITED POLICY.  
IT PROVIDES ONLY THE FIXED INDEMNITY BENEFITS DESCRIBED ABOVE.

READ THE POLICY CAREFULLY WITH THIS OUTLINE OF COVERAGE.

***PLEASE READ BEFORE SIGNING***

**THE SOLICITING AGENT SIGNING BELOW DOES NOT HAVE THE AUTHORITY TO BIND THE COMPANY OR TO WAIVE, CHANGE OR AMEND ANY TERM OR CONDITION OF A POLICY WHICH MAY BE ISSUED BY THE COMPANY.**

**I understand and acknowledge that:**

- **Form ACS-1 provides limited benefits; it is not a major medical policy and is not designed to cover all medical expenses.**
- **I have received a copy of this outline of coverage, which I have reviewed.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signed at \_\_\_\_\_, State of \_\_\_\_\_.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Date

[This Outline of Coverage is to be delivered to the applicant at the time the application for insurance is completed.]  
Fixed Indemnity Policy Form ACS-1 is individually underwritten by Reserve National Insurance Company.