

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Filing at a Glance

Company: Standard Life and Accident Insurance Company  
Product Name: GR Employer Critical Illness Plan  
State: Arkansas  
TOI: H07G Group Health - Specified Disease - Limited Benefit  
Sub-TOI: H07G.001 Critical Illness  
Filing Type: Form  
Date Submitted: 08/03/2012  
SERFF Tr Num: ANTX-128104816  
SERFF Status: Closed-Approved-Closed  
State Tr Num:  
State Status: Approved-Closed  
Co Tr Num: GR EMPLOYER CI  
  
Implementation: On Approval  
Date Requested:  
Author(s): Deborah Biediger, Patty Clavette, Tommie Geddes-Westbrook  
Reviewer(s): Rosalind Minor (primary)  
Disposition Date: 08/08/2012  
Disposition Status: Approved-Closed  
Implementation Date:  
  
State Filing Description:

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile: Authorized  
 Project Number: Date Approved in Domicile: 01/18/2012  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Small and Large  
 Group Market Type: Employer Overall Rate Impact:  
 Filing Status Changed: 08/08/2012  
 State Status Changed: 08/08/2012 Deemer Date:  
 Created By: Tommie Geddes-Westbrook Submitted By: Deborah Biediger  
 Corresponding Filing Tracking Number:

### Filing Description:

The product is a group critical illness cash indemnity product with rates and one related optional rider that will be issued to employers. The coverage provides a cash indemnity benefit for critical illnesses. An optional rider is available that will provide additional cash indemnity benefits.

Marketing of all forms will be by licensed agents for applicants ages 18 through 85. Our Company's previously approved state prescribed Replacement Notice (form SL-REPLNOT) and/or Medicare Duplication of Benefits Notice (form MSDN06) will be provided to the applicant at the time of application accordingly. These forms are being submitted for informational purposes only.

The variable material shown in the forms reflects the benefit levels selected and insured specific information. The Schedule of Benefits lists benefit options available under the policy. The variable language or amounts of final printed forms will be no more restrictive than that which is reflected in the enclosed forms.

## Company and Contact

### Filing Contact Information

Tommie Sue Geddes, Compliance Analyst tommiesue.geddes@anico.com  
 One Moody Plaza SSH MP, Ste. 281-538-4839 [Phone]  
 200 409-766-6526 [FAX]  
 Galveston, TX 77550

### Filing Company Information

Standard Life and Accident Insurance Company	CoCode: 86355	State of Domicile: Texas
One Moody Plaza, SSH MP, Ste. 200	Group Code: 408	Company Type: Health Insurance
Galveston, TX 77550	Group Name:	State ID Number:
(281) 538-4842 ext. [Phone]	FEIN Number: 73-0994234	

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

Retaliatory? Yes

Fee Explanation:

Per Company: No

Company	Amount	Date Processed	Transaction #
Standard Life and Accident Insurance Company	\$100.00	08/03/2012	61415678
Standard Life and Accident Insurance Company	\$150.00	08/06/2012	61435871

State: Arkansas

Filing Company:

Standard Life and Accident Insurance Company

TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

Product Name: GR Employer Critical Illness Plan

Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	08/08/2012	08/08/2012

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	08/07/2012	08/07/2012
Pending Industry Response	Rosalind Minor	08/07/2012	08/07/2012
Pending Industry Response	Rosalind Minor	08/03/2012	08/03/2012

### Response Letters

Responded By	Created On	Date Submitted
Deborah Biediger	08/08/2012	08/08/2012
Deborah Biediger	08/07/2012	08/07/2012
Deborah Biediger	08/06/2012	08/06/2012

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Disposition

Disposition Date: 08/08/2012

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 req'd):	Minimum % Change (where req'd):
Standard Life and Accident Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Duplication Notice, Replacement Notice	Approved-Closed	Yes
Supporting Document	Important Notice To Arkansas Residents	Approved-Closed	Yes
Supporting Document	Statement of Variability	Approved-Closed	Yes
Form (revised)	Group Employer Policy	Approved-Closed	Yes
Form	Group Employer Policy	Replaced	Yes
Form (revised)	Group Employee Certificate	Approved-Closed	Yes
Form	Group Employee Certificate	Replaced	Yes
Form	Group Employee Certificate	Replaced	Yes
Form	Group Employer Application	Approved-Closed	Yes
Form	Group Employee Enroll Form	Approved-Closed	Yes
Form	Optional Endorsement	Approved-Closed	Yes

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/07/2012
Submitted Date	08/07/2012
Respond By Date	

Dear Tommie Sue Geddes,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

**Objection 1**

*- Group Employee Certificate, SLA-CI11GEC-AR (Form)*

*Comments:*

*The revised certificate still contains a time limit for sending in proof. Please delete.*

**Conclusion:**

*A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.*

*Please feel free to contact me if you have questions.*

*Sincerely,*

*Rosalind Minor*

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/08/2012
Submitted Date	08/08/2012

---

Dear Rosalind Minor,

**Introduction:**

Thank you for your review.

**Response 1**

**Comments:**

The certificate has been revised by removing entirely the last two paragraphs.

**Related Objection 1**

Applies To:

- Group Employee Certificate, SLA-CI11GEC-AR (Form)

Comments:

The revised certificate still contains a time limit for sending in proof. Please delete.

**Changed Items:**

No Supporting Documents changed.

State: Arkansas

Filing Company:

Standard Life and Accident Insurance Company

TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

Product Name: GR Employer Critical Illness Plan

Project Name/Number: /

## Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	SLA-CI11GEC-AR	CER	Group Employ ee Certific ate	Initial	50.200	CERT.pdf	Date Submitted: 08/08/2012 By: Deborah Biediger
<i>Previous Version</i>							
1	SLA-CI11GEC-AR	CER	Group Employ ee Certific ate	Initial	50.200	CERT.pdf	Date Submitted: 08/08/2012 By: Deborah Biediger
1	SLA-CI11GEC-AR	CER	Group Employ ee Certific ate	Initial	50.200	CERT.pdf	Date Submitted: 08/08/2012 By: Deborah Biediger

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you.

Sincerely,

Deborah Biediger

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/07/2012
Submitted Date	08/07/2012
Respond By Date	

Dear Tommie Sue Geddes,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

**Objection 1**

*- Group Employee Certificate, SLA-CI11GEC-AR (Form)*

**Comments:**

*With respect to handicapped dependents, there can be no time limit set for furnishing proof of incapacity. Refer to ACA 23-86-108(4) and Bulletin 14-81.*

**Conclusion:**

*A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.*

*Please feel free to contact me if you have questions.*

*Sincerely,*

*Rosalind Minor*

State: Arkansas

Filing Company:

Standard Life and Accident Insurance Company

TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

Product Name: GR Employer Critical Illness Plan

Project Name/Number: /

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/07/2012
Submitted Date	08/07/2012

---

Dear Rosalind Minor,

**Introduction:**

Thank you for your review.

**Response 1****Comments:**

I have revised both the policy and the certificate. On page 12 of the policy and certificate in the provision titled, CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD, I revised the sentence regarding providing of proof of incapacity to state:  
Proof of the incapacity or dependency must be furnished to Us at Our expense.

The original sentence read:

Proof of the incapacity or dependency must be furnished to Us upon our request and at Our expense.

**Related Objection 1**

Applies To:

- Group Employee Certificate, SLA-CI11GEC-AR (Form)

Comments:

With respect to handicapped dependents, there can be no time limit set for furnishing proof of incapacity. Refer to ACA 23-86-108(4) and Bulletin 14-81.

**Changed Items:**

No Supporting Documents changed.

State: Arkansas

Filing Company:

Standard Life and Accident Insurance Company

TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

Product Name: GR Employer Critical Illness Plan

Project Name/Number: /

## Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	SLA-CI11GEP-AR	POL	Group Employer Policy	Initial	50.200	POLICY.pdf	Date Submitted: 08/07/2012 By: Deborah Biediger
<i>Previous Version</i>							
1	SLA-CI11GEP-AR	POL	Group Employer Policy	Initial	50.200	POLICY.pdf	Date Submitted: 08/07/2012 By: Deborah Biediger
2	SLA-CI11GEC-AR	CER	Group Employee Certificate	Initial	50.200	CERT.pdf	Date Submitted: 08/07/2012 By: Deborah Biediger
<i>Previous Version</i>							
2	SLA-CI11GEC-AR	CER	Group Employee Certificate	Initial	50.200	CERT.pdf	Date Submitted: 08/07/2012 By: Deborah Biediger

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you for your continued review.

Sincerely,

Deborah Biediger

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 08/03/2012  
Submitted Date 08/03/2012  
Respond By Date

Dear Tommie Sue Geddes,

### **Introduction:**

*This will acknowledge receipt of the captioned filing.*

### **Objection 1**

- Group Employer Policy, SLA-CI11GEP-AR (Form)
- Group Employee Certificate, SLA-CI11GEC-AR (Form)
- Group Employer Application, SLCIEGRP (Form)
- Group Employee Enroll Form, SLGRPCI (Form)
- Optional Endorsement, SLA-CIMPGE (Form)

Comments:

*Our filing fees under Rule and Regulation 57 have been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.*

*The fee for this submission is \$50.00 per form for a total of \$250.00. Please submit an additional \$150.00 for this submission.*

*We will begin our review of this submission upon receipt of the additional filing fee.*

### **Conclusion:**

*A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.*

*Please feel free to contact me if you have questions.*

*Sincerely,*

*Rosalind Minor*

**State:** Arkansas **Filing Company:** Standard Life and Accident Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** GR Employer Critical Illness Plan  
**Project Name/Number:** /

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 08/06/2012  
Submitted Date 08/06/2012

Dear Rosalind Minor,

**Introduction:**

Thank you for your review.

**Response 1**

**Comments:**

I have submitted an additional \$150.00 in filing fees.

**Related Objection 1**

Applies To:

- Group Employer Policy, SLA-CI11GEP-AR (Form)
- Group Employee Certificate, SLA-CI11GEC-AR (Form)
- Group Employer Application, SLCIEGRP (Form)
- Group Employee Enroll Form, SLGRPCI (Form)
- Optional Endorsement, SLA-CIMPGE (Form)

Comments:

Our filing fees under Rule and Regulation 57 have been updated. Please review the General Instructions for ArkansasLH or Rule and Regulation 57.

The fee for this submission is \$50.00 per form for a total of \$250.00. Please submit an additional \$150.00 for this submission.

We will begin our review of this submission upon receipt of the additional filing fee.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you.

Sincerely,

Deborah Biediger

State: Arkansas

Filing Company:

Standard Life and Accident Insurance Company

TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

Product Name: GR Employer Critical Illness Plan

Project Name/Number: /

## Form Schedule

### Lead Form Number: SLA-CI11GEP-AR

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1	Approved-Closed 08/08/2012	SLA-CI11GEP-AR	POL	Group Employer Policy	Initial:	50.200	POLICY.pdf
2	Approved-Closed 08/08/2012	SLA-CI11GEC-AR	CER	Group Employee Certificate	Initial:	50.200	CERT.pdf
3	Approved-Closed 08/08/2012	SLCIEGRP	AEF	Group Employer Application	Initial:	50.200	SLCIEGRP Employer App_110911.pdf
4	Approved-Closed 08/08/2012	SLGRPCI	AEF	Group Employee Enroll Form	Initial:	50.200	SLGRPCI Employee Enrollment App.pdf
5	Approved-Closed 08/08/2012	SLA-CIMPGE	POLA	Optional Endorsement	Initial:	50.200	SLA-CIMPGE.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

**Standard Life and Accident Insurance Company**

A Member of the American National Family of Companies – A Texas Corporation

Home Office: One Moody Plaza, Galveston, Texas, 77550

Toll-Free Telephone Number: 1-888-350-1488

(A Stock Insurance Company hereafter referred to as “Standard Life”, “We”, “Us”, “Our” or “the Company”)

**GROUP CRITICAL ILLNESS INSURANCE POLICY**

<b>GROUP POLICY NUMBER:</b>	[123456789]
<b>EMPLOYER:</b>	[ABC Employer, Inc.]
<b>POLICY EFFECTIVE DATE:</b>	[June 1, 2011]
<b>ANNIVERSARY DATE:</b>	[June 1 <sup>st</sup> ]
<b>STATE OF ISSUE:</b>	Arkansas

This Policy is a legal contract between the Employer and the Company. The Company agrees to insure eligible Employees of the Employer against loss covered by this Policy subject to its provisions, limitations, and exclusions. This Policy is non-participating.

This Policy is issued in consideration of the payment of the required premium when due and the statements set forth in the signed Policy Application, which is attached to and made part of this Policy. This Policy will take effect as 12:01 am on the Policy effective date and continues in effect as long as premiums are paid when due, unless otherwise terminated as further provided in this Policy. The Policy Anniversary Date will be the date shown in each subsequent year.

**PREMIUMS.** Premiums may be changed and are due as stated in the Premiums section.

**THIS IS NOT A MEDICARE SUPPLEMENT POLICY.** If any Covered Person is eligible for Medicare, such person should review the “Guide to Health Insurance for People with Medicare” available from the Company.

This Policy is governed by the laws of the state in which this Policy was issued and delivered.

Signed for Us on the Policy Effective Date.



Secretary



President

**NOTICE TO BUYER:**

**POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LUMP SUM PAYMENTS FOR LISTED CRITICAL ILLNESSES ONLY. THIS POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES.**

**BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE.**

**PLEASE READ THIS POLICY CAREFULLY!**

**THE INSURANCE POLICY IS NOT A POLICY OF WORKERS’ COMPENSATION INSURANCE.**

**TABLE OF CONTENTS**

POLICY SCHEDULE OF BENEFITS..... 3

DEFINITIONS - GENERAL ..... 6

ELIGIBILITY AND EFFECTIVE DATES ..... 10

TERMINATION AND CONTINUATION ..... 12

CRITICAL ILLNESS COVERAGE..... 15

EXCLUSIONS AND LIMITATIONS..... 16

PREMIUMS..... 17

CLAIM PROVISIONS..... 18

GENERAL PROVISIONS..... 20

## POLICY SCHEDULE OF BENEFITS

**EMPLOYER:** [ABC Employer Inc.]

**POLICY NUMBER:** [SLA012345]

**POLICY EFFECTIVE DATE:** [June 1, 2011]

**STATE OF ISSUE:** Arkansas

### **CLASSES OF ELIGIBLE PERSONS TO BE COVERED UNDER THIS POLICY:**

Employees and dependents who meet the eligibility requirements as set forth under this Policy.

[Class 1: All [full time/part time/temporary] Employees of the Employer working a minimum of [20-40] hours per week. ]

[Class 2: All [full time/part time/temporary] Employees of the Employer working a minimum of [20-40] hours per week.]

[May include additional Classes]

### **[EMPLOYEE CONTRIBUTIONS:**

[Employee contributions [are][are not] required for Employee coverage hereunder. ]

[Employer pays [0 – 100%] of premiums for Employees.]

Employee contributions [are][are not] required for Dependent coverage hereunder.]

[Employer pays [0 – 100%] of premiums for Dependents.]

### **[PARTICIPATION REQUIREMENTS:**

[At least \_\_\_\_[%] of the Employer's eligible Employees must be insured to keep this Policy in force.]

[At least \_\_\_\_[%] of the Employer's eligible Employees must be insured to maintain the premium rate provided.]]

### **[EMPLOYER WAITING PERIOD:**

Initial Employees: [\_\_\_\_None] [\_\_\_\_Month(s)] [\_\_\_\_Days]

New Employees: [\_\_\_\_None] [\_\_\_\_Month(s)] [\_\_\_\_Days]

**[BENEFIT AMOUNTS AVAILABLE UNDER THIS POLICY ARE CHOSEN BY THE EMPLOYEE IN THE ENROLLMENT FORM AND SHOWN IN THE EMPLOYEE'S CERTIFICATE OF COVERAGE.]**

### **[PLAN**

[OPTION 1][OPTION 2][OPTION 3][LEVEL 1][LEVEL 2][LEVEL 3][CLASS 1][CLASS 2][CLASS 3] ]

**[BENEFITS OTHERWISE PAYABLE ARE REDUCED 50% ON THE LATER OF A COVERED PERSON'S AGE 70 OR HIS/HER 5<sup>TH</sup> CERTIFICATE EFFECTIVE DATE ANNIVERSARY.]**

### **EMPLOYEE –**

**Initial Benefit Amount – [\$5,000 - \$500,000]**

**Maximum Benefit Amount – 3 TIMES THE INITIAL BENEFIT AMOUNT**

### **[EMPLOYEE'S SPOUSE -**

**Initial Benefit Amount – [\$5,000 - \$500,000]**

**Maximum Benefit Amount – 3 TIMES THE INITIAL BENEFIT AMOUNT**

**[EMPLOYEE'S CHILD –**

**Initial Benefit Amount – [\$5,000 - \$500,000]**

**Maximum Benefit Amount – 3 TIMES THE INITIAL BENEFIT AMOUNT**

	<b>BENEFIT PERCENTAGE</b>
<b>CATEGORY 1 CRITICAL ILLNESSES -</b>	
• Invasive Cancer (Diagnosis more than [30, 90] days after the Certificate Effective Date)	100%
• Invasive Cancer (Diagnosis during the first [30, 90] days after the Certificate Effective Date)	10%
• Cancer In Situ (Diagnosis more than [30, 90] days after the Certificate Effective Date)	25%
• Cancer In Situ (Diagnosis during the first [30, 90] days after the Certificate Effective Date)	2.5%
<b>CATEGORY 2 CRITICAL ILLNESSES -</b>	
• Heart Attack	100%
• Stroke	100%
• Heart Transplant or Combination Heart and Other Major Organ Transplant	100%
• Coronary Artery Bypass Surgery	25%
• Angioplasty	25%
• Aortic Surgery	25%
• Heart Valve Replacement/Repair Surgery	25%
<b>CATEGORY 3 CRITICAL ILLNESSES -</b>	
• Major Organ Transplant, not covered in Category 2	100%
• Coma	100%
• Paralysis	100%
• End-Stage Renal Failure	100%

**OPTIONAL BENEFITS: [None]**

**[Mortgage Protection Benefit Amounts– [\$500 - \$1500]**

**Maximum Rider Benefit Amounts - [\$6,000 - \$18,000]**

**PREMIUM RATES:**

Premium rates are shown in the Employee's Certificate Schedule of Benefits.

[INTENTIONALLY LEFT BLANK]

## DEFINITIONS - GENERAL

**[ACTIVELY AT WORK OR ACTIVE SERVICE]** means an Employee who is [present for [20 – 30 hours per week] ] [a full-time Employee] at his/her usual place of employment for the Employer or at another location as assigned or directed by the Employer, and is mentally and physically capable of performing the regular duties of the job for which he or she is employed.

On any day that is not an Employee's regularly scheduled work day (vacation, personal days, and weekends/holidays) the Employee will be considered Actively at Work on such day provided he or she is not absent due to any type of leave and was Actively at Work on his/her last regularly scheduled work day.

An Employee who usually performs the regular duties of his/her job at their home is considered Actively at Work if they meet all the above requirements and could work at the Employer's usual place of employment if required to do so. ]

**AGE** means a Covered Person's Age as of his/her last birthday.

**ANGIOPLASTY** means the actual undergoing of a percutaneous transluminal angioplasty deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. A Physician, board-certified as a Cardiologist, must perform the Procedure. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**AORTIC SURGERY** means the actual undergoing of surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon, thoracic surgeon, or vascular surgeon. Aorta is limited to the thoracic and abdominal aorta, but not its branches.

**CANCER IN SITU** means a Diagnosis of Cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue. Cancer in Situ includes

1. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; and
2. melanoma not invading the dermis.

Cancer in Situ does not include

1. other skin malignancies; or
2. pre-malignant lesions (such as intraepithelial neoplasia); or
3. benign tumors or polyps.

Cancer in Situ must be Diagnosed pursuant to a Pathological or Clinical Diagnosis.

**CERTIFICATE EFFECTIVE DATE** is the date coverage begins for each Covered Person under this Policy. It will be different for a Covered Person added to this Policy after the original date of issue or when a change in coverage for any Covered Person occurs. Each Covered Person's Certificate Effective Date is shown in the Employee's Certificate of Coverage Schedule of Benefits.

**CLINICAL DIAGNOSIS** means a Diagnosis of Invasive Cancer or Cancer In Situ based on the study of symptoms and Diagnostic test results. We will accept a Clinical Diagnosis of Cancer only if the following conditions are met:

1. a Pathological Diagnosis cannot be made because it is medically inappropriate or life threatening;
2. there is medical evidence to support the Diagnosis; and
3. a Physician is treating the Covered Person for Invasive Cancer and/or Cancer In Situ.

**CLOSE RELATIVE** means anyone related to a Covered Person by blood, marriage, or adoption; or a court appointed representative.

**COMA** means the diagnosis, by a Legally Qualified Physician board-certified as a Neurologist, that a Covered Person is in a state of unconsciousness:

1. from which he/she cannot be aroused;
2. in which external stimulation will produce no more than primitive avoidance reflexes; and
3. such state has persisted continuously for at least 96 hours.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**CORONARY BYPASS SURGERY** means the actual undergoing of coronary artery bypass surgery using either a saphenous vein or internal mammary artery graft for the treatment of coronary heart disease deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. The Procedure must be performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**COVERED PERSON** means an Employee, an Employee's spouse or Dependent children, listed as a Covered Person in the Certificate Schedule of Benefits and for whom premium has been paid.

**CRITICAL ILLNESS** means any of the medical conditions or procedures, shown in the Certificate Schedule of Benefits, that is first Diagnosed or first performed as the result of a Diagnosis, each made after the respective Covered Person's Certificate Effective Date.

**DATE OF DIAGNOSIS** means the date the Diagnosis is established by a Physician, through the use of clinical and/or laboratory findings as supported by the Covered Person's medical records. For a procedure, it is the date the Covered Person undergoes the procedure.

**DEPENDENT** means an Employee's family as follows:

1. The lawful Spouse[\*], if not legally separated or divorced;
2. Unmarried children (whether natural, adopted or stepchildren) under the limiting age of 26; or
3. Unmarried children for whom the Employee is required to provide insurance under a medical support order or an order enforceable by a court.

[\*The term "Spouse" as used throughout this Policy will also mean the Employee's legal Domestic Partner.]

**DIAGNOSIS** means the definitive establishment by a Physician of the Critical Illness through the use of clinical and/or laboratory findings.

**[DOMESTIC PARTNER** means an opposite or same sex person with whom an Employee maintains a committed relationship and shares a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under the state law as domestic partners. Each partner must:

1. Be at least 18 years old and competent to contract;
2. Be the sole domestic partner of the other person; and
3. Not be married.]

**EMPLOYEE** means the Employee designated in the Enrollment Form [who is [Actively at Work and] listed in an eligible class of Employees in the Employer's application]. The Employee must be listed as a Covered Person in the Certificate Schedule of Benefits and appropriate premium paid in order to be covered under this Policy. [An Employee does not include seasonal or temporary Employee's.]

**EMPLOYER** means the plan sponsor to whom the Group Policy is issued and shall include any affiliated entities or subsidiaries approved by the Company.

**END-STAGE RENAL FAILURE** means the chronic and irreversible failure of both of a Covered Person's kidneys, which requires the Covered Person to undergo periodic and ongoing dialysis. The Diagnosis must be made by a Physician.

**ENROLLMENT FORM** means the form(s) that the Employee (and Employee's spouse, if any) signed to apply for coverage under this Policy. It also includes any other document approved by the Company that the Employee uses to apply for or change coverage under this Policy.

**FIRST OCCUR(S)/FIRST OCCURRING/FIRST OCCURRENCE** means the occurrence, Diagnosis, or procedure is the first time ever in the Covered Person's lifetime that he/she has experienced such Critical Illness, been Diagnosed with that specific condition included as a Critical Illness, or undergone a specific procedure included as a Critical Illness.

**HEART ATTACK** means an Acute Myocardial Infarction resulting in:

1. the death of a portion of the heart muscle (myocardium) due to a blockage of one or more coronary arteries; and
2. resulting in the loss of the normal function of the heart.

The Diagnosis must be made by a Physician and based on both:

1. new clinical presentation and electrocardiographic changes consistent with an evolving heart attack; and
2. serial measurement of cardiac biomarkers showing a pattern and to a level consistent with a Diagnosis of Heart Attack.

Established (old) Myocardial Infarction is excluded.

**HEART VALVE REPLACEMENT/REPAIR SURGERY** means the actual undergoing of open heart surgery to replace or repair one or more valves. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon.

**INVASIVE CANCER** means a malignant neoplasm, which is characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue through the basement membrane or capsule. "Invasive Cancer" includes, but shall not be limited to any form of:

1. Leukemia;
2. Lymphoma; or
3. Multiple Myeloma

The following are not "Invasive Cancer":

1. pre-malignant lesions (such as intraepithelial neoplasia); or
2. benign tumors or polyps; or
3. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; or
4. Cancer in Situ; or
5. any skin cancer (other than invasive malignant melanoma in the dermis or deeper or skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed by a Physician, board-certified as a pathologist pursuant to a Pathological or Clinical Diagnosis.

**MAJOR ORGAN** means a Covered Person's entire liver, kidney, lung, heart, small intestine, pancreas, pancreas-kidney, bone marrow, or stem-cells. No other organ or system is included.

**MAJOR ORGAN TRANSPLANT** means the placement of an entire Major Organ in a Covered Person, where such Major Organ:

1. originates in a person other than such Covered Person;
2. is somewhat independent from all other parts of the human body; and
3. performs a special or unique function.

A Major Organ Transplant does not include the placement of a mechanical or man-made device or substance which is intended to serve as a substitute for or aid in the performance of the failed Major Organ; nor does it include Major Organ parts such as valves, ducts, arteries, and any other part of a Major Organ, which in and of itself provides no life sustaining purpose. For purposes of this definition, a Major Organ Transplant is considered to have occurred on the date a Covered Person is added to the United Network of Organ Sharing (UNOS) or the National Marrow Donor Program (NMDP) transplant list.

**MAXIMUM BENEFIT AMOUNT** means the eligible total of Benefit Payments for all Critical Illnesses as stated in the Certificate Schedule of Benefits.

**MEDICALLY NECESSARY** means that, based on generally accepted current medical practice, a service is necessary and appropriate for the Diagnosis or treatment of a Critical Illness. We do not consider a service Medically Necessary if:

1. It is provided only as a convenience to the Covered Person or provider; or
2. It is not appropriate treatment for the Covered Person's Diagnosis or symptoms;
3. It exceeds (in scope, duration, or intensity) that level of care that is needed to provide safe, adequate, and appropriate diagnosis or treatment.

**PATHOLOGICAL DIAGNOSIS** means Diagnosis based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board certified pathologist and whose Diagnosis of malignancy conforms to the standards set by the American College of Pathology.

**PARALYSIS** means a Covered Person's complete and permanent loss of use, not including amputation, of two or more limbs through neurological injury for a continuous period of at least 180 days, confirmed by a Legally Qualified Physician board-certified as a Neurologist. No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**PHYSICIAN** means a person, other than a Covered Person, a Close Relative, or a business or professional partner who is:

1. duly licensed to practice medicine in the jurisdiction where the Diagnosis is made, or the procedure performed where such jurisdiction is a continuing member of the United States of America or a territory within the jurisdiction of the United States of America (embassies, military zones, and similarly designated non-domestic extensions of the United States government are not included); and
2. acting within the scope of his/her license.

**PRE-EXISTING CONDITION** means a medical condition relating to a Critical Illness, not otherwise excluded by name or specific description:

1. for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within 12 months before the Covered Person's Certificate Effective Date; or
2. that would have caused a reasonably prudent person to seek medical Diagnosis or treatment within 12 months before his/her Certificate Effective Date.

Critical Illness related to such a medical condition is not covered within [6-12] months of a Covered Person's Certificate Effective Date

**STROKE** means any acute cerebrovascular accident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent. Transient ischemic attack (mini-stroke), head injury, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits are excluded. The Diagnosis must be made by a Physician.

## ELIGIBILITY AND EFFECTIVE DATES

The Policy Effective Date is shown on the cover page of this Policy and in the Policy Schedule.

### **[PARTICIPATION REQUIREMENTS**

All eligible Employees within a current eligible class listed in the group Application must be offered coverage under the group Policy.

[The Company may require a specific participation of Employees in order to continue coverage under this Policy. ]

[If for any reason an Employer' group participation levels fall below the percentage Participation Requirements stated in the Policy Schedule of Benefits, the Employer has a [3 – 6 month] period, beginning on the premium due date that coincides with or next follows the date the event occurs, to reestablish and continue the minimum percentage Participation Requirements. If the minimum Participation Requirements are not reestablished within such time period, all insurance under this Policy for the Employer and Covered Persons will terminate.]

The Company's participation requirements (if any) are shown in the Policy Schedule of Benefits.]

### **EMPLOYEE ELIGIBILITY**

An Employee is eligible to apply for coverage under this Policy if the Employee:

1. Is in Active Service;
2. Has completed the Employer's Waiting Period shown in the Employer's Application; and
3. Is part of an eligible class of Employees listed in the Employer's Application.

The Employer 's Waiting Period is the time between the first day of employment in an eligible class of Employees and the first day that the Employee is eligible to apply for coverage under this Policy. The Employer's Waiting Period is chosen by the Employer and shown in the Policy Schedule of Benefits. The Employer's Waiting Period may differ for current Employees and new Employees. An Employee in an eligible class must enroll for coverage by submitting a completed Enrollment Form with the appropriate payroll deduction authorization within 31 days of completion of the Employer's Waiting Period.

No Employee may be eligible for insurance under this Policy as both an Employee and as a Spouse or Dependent Child at the same time. If an Employee and Spouse are both eligible to be covered as an Employee, one but not both, is eligible to cover the Dependent Children. The other Spouse may elect single coverage only.

### **EMPLOYEE'S EFFECTIVE DATE**

An Employee's coverage will become effective on the latest of the following dates:

1. this Policy's effective date;
2. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
3. the date the Employee's Enrollment Form is approved by the Company.

If the Employee is not Actively at Work on his/her Certificate Effective Date, such Certificate Effective Date will be delayed until the date the Employee returns to Active Service.

### **DEPENDENT ELIGIBILITY**

An Employee is eligible to enroll eligible Dependents on the later of:

1. The date the Employee is eligible to be insured; or
2. The date the Employee first acquires an eligible Dependent.

The date acquired for eligible Dependents is as follows:

1. A spouse is deemed acquired on the date of marriage;
2. A natural child is deemed acquired on his/her date of birth;
3. A stepchild is deemed acquired on the date of marriage to the Employee's legal spouse;
4. An adopted child is deemed acquired on the date of placement for the purpose of adoption or the date of the entry of an order granting the adoptive parent custody of the child for purposes of adoption; or
5. The date of a court order requiring the Employee to cover eligible Dependents.

An Employee may enroll Dependents for coverage by submitting a completed Enrollment Form within 31 days of first acquiring a Dependent along with the appropriate payroll deduction authorization in accordance with Company policies.

### **DEPENDENT'S EFFECTIVE DATE**

An eligible Dependent's coverage under this Policy will become effective on the latest of the following dates:

1. this Policy's effective date;
2. the Employee's effective date of insurance;
3. the date the Employee elects dependent coverage under this Policy;
4. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
5. the date the Company approves the Employee's Enrollment Form for dependent coverage.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the Certificate Effective Date, the Dependent's Certificate Effective Date will be delayed until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

### **LATE ENTRANTS**

If an Employee or eligible Dependent is not enrolled within 31 days after first becoming eligible, he/she will be considered a Late Entrant and may have to meet additional Evidence of Insurability requirements. Late Entrants are subject to approval by the Company.

If the Company approves the Enrollment Form, the date that insurance takes effect will be assigned by the Company and shown in the Certificate Schedule of Benefits.

### **EVIDENCE OF INSURABILITY REQUIREMENTS**

Evidence of insurability is required for Employees and his/her eligible Dependents, at the Employee's cost, if he/she:

1. applies for coverage more than 31 days after the Employee or Dependent first become eligible;
2. voluntarily canceled insurance and reapplies;
3. is applying after coverage ended due to non-payment of premium;
4. is requesting additional coverage under this Policy; or
5. upon request by the Company.

### **EFFECTIVE DATE OF CHANGES**

Any change in coverage will take effect on the date approved by the Company.

If the Employee is not Actively at Work on his/her last scheduled work day coincident with or preceding the date that an approved increase in his/her coverage is to take effect, such increase will be effective on the date the Employee returns to Active Work.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the date an approved increase in his/her insurance would otherwise become effective, such increase will not be effective until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

### **NEWBORN CHILDREN**

The Employee's newborn child is automatically covered from the moment of birth for up to 90 days. Coverage for newborns will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within the greater of 90 days or the next premium due date of such birth and pay the required additional premium (if any), in order for coverage for the newborn child to continue beyond such 90 day period.

### **ADOPTED CHILDREN**

An adopted child is automatically covered for up to 60 days after filing petition for adoption. Coverage will begin from the moment of birth if the petition for adoption and application for coverage is received within 60 days after the birth of the minor. Coverage for such child will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within 60 days after the filing of the petition for adoption and pay additional premium (if any), in order for coverage of the adopted child to continue beyond such 60 day period. The coverage will terminate upon the dismissal or denial of a petition for adoption.

### **COURT ORDERED CUSTODY**

We will not restrict or deny coverage due to the fact that: 1) a Dependent child does not reside with the noncustodial parent; or 2) the parent-child relationship was established through a paternity action; or 3) the minor child is covered through the state-administered Medicaid program; or 4) the minor child is not claimed as a dependent on the noncustodial parent's federal or state income tax return.

## TERMINATION AND CONTINUATION

### POLICY TERMINATION

The Company or the Employer can terminate or non-renew coverage under this Policy under any of the following conditions:

1. the Company or the Employer requests termination of this Policy;
2. the Employer has failed to pay premiums in accordance with the terms of this Policy or We have not received timely premium payments;
3. the Employer has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact in applying for coverage or under the terms of this Policy, subject to the provision titled Time Limit on Certain Defenses[.]; or]
4. [the Employer fails to maintain the minimum Participation Requirements stated in the Policy Schedule.]

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the Insured's coverage was in force under this Policy.

### COVERED PERSON'S TERMINATION

Coverage under this Policy for a Covered Person ends on the earliest of:

1. the date this Policy is terminated by the Company or the Employer;
2. the date the Maximum Benefit Amount has been paid;
3. the premium due date if premiums are not paid when due, subject to the Grace Period;
4. the date a Covered Person performs an act or practice that constitutes fraud;
5. the date the Employee requests, in writing, that the coverage be terminated;
6. the date the Employee ceases to be in an eligible class of Employees; or
7. the date the Dependent does not meet the definition of an eligible Dependent.

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the coverage was in force under this Policy.

### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a mentally or physically handicapped Dependent child that is covered under this Policy and who became incapacitated prior to their 26th birthday will not end when scheduled if the child depends on the Employee for primary support and maintenance. Proof of the incapacity or dependency must be furnished to Us at Our expense. The premium for such child's continued coverage will remain at the child rate until the child is no longer dependent or incapacitated. The Employee must notify Us if the incapacity or dependency is removed or terminated.

### [CONTINUATION OF COVERAGE

If an Employee or covered Spouse's coverage terminates for any reason except for: 1) non-payment of premium; 2) fraud; or 3) termination of this Policy, the Employee or covered Spouse may elect to continue coverage under this Policy. To elect continued coverage, the Employee or covered Spouse must make the election within 31 days of termination and timely pay all required premiums for the continued coverage to the Employer.

Continued coverage is subject to all of the provisions and limitations of this Policy. Coverage continued under this provision will end when this Policy terminates or the last period for which premium is paid, whichever comes first.]

**CONTINUATION - UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)**

Federal law requires that if an Employee's insurance would otherwise end because he/she enters into active military duty or inactive military duty for training, the Employee may elect to continue insurance (including Dependent's insurance) in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Employer is responsible for meeting all of the obligations under USERRA, including notifying all Employees and Dependents of their rights under USERRA.

**CONTINUATION - FAMILY AND MEDICAL LEAVE ACT (FMLA)**

(Applies to Employers with 50 or more Employees)

Federal law requires that if an Employee's insurance would otherwise end because of family and medical reasons, he/she may be entitled to continue insurance (including Dependent's insurance) in accordance with the Family and Medical Leave Act of 1993 (FMLA). The Employer is responsible for meeting all of the obligations under FMLA, including notifying all Employees and Dependents of their rights under FMLA.

**CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT ("COBRA")**

Applies to Employers with 20 or more Employees

**Applicability:** Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under this Policy and is not (1) already covered under this Policy by reason of another individual's election of COBRA, or (2) entitled to Medicare benefits under Title XVIII of the Social Security Act.

**Qualifying Event:** For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Covered Person, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

<u>Qualifying Events</u>	<u>Duration of Continued Coverage</u>
• death of an Insured	36 months
• termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage	18 months*
• divorce or legal separation	36 months
• Insured becomes eligible for Medicare	Dependents & spouse allowed 36 months
• Insured Dependent no longer meets Insured Dependent eligibility requirements	36 months

\*Coverage may be continued an additional 11 months if the Qualified Beneficiary:

- is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
- notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

**Notice and Election:** Covered Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation of dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of:

- the date on which coverage terminates under this Policy by reason of a Qualifying Event, or
- the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

**Premium Payment:** The Qualified Beneficiary must pay to the Employer the required monthly premium. Any Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

COBRA Termination occurs at the earlier of:

- the premium for continued coverage is not paid within 31 days from being due;
- the Qualified Beneficiary becomes covered under another group health plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
- the Qualified Beneficiary becomes eligible for Medicare;
- the Qualified Beneficiary, who is divorced from an Insured Employee, remarries and is covered under the new spouse's medical plan; or
- the Employer no longer provides medical benefits of any kind.

## CRITICAL ILLNESS COVERAGE

In accordance with all the terms and conditions of this Policy and upon Diagnosis providing evidence that a Covered Person has a Critical Illness First Occurring after the Covered Person's Certificate Effective Date, the Company will pay the Employee the percentage of the Initial Benefit Amount shown in the Certificate Schedule of Benefits for the Diagnosed Critical Illness.

Benefits will be paid to the Employee in a lump-sum. Benefits paid on behalf of each Covered Person will not exceed the Maximum Benefit Amount. Upon payment of the Maximum Benefit Amount on behalf of a Covered Person, coverage for such Covered Person will terminate.

Benefits are payable under this Policy for a Covered Person from each of the Benefit Categories shown in the Certificate Schedule of Benefits when such Covered Person is Diagnosed with a Critical Illness. However, the total benefit payable under each Category will not exceed the Initial Benefit Amount, also shown in the Certificate Schedule of Benefits.

If the first benefit paid from a Category is a 100% benefit, no further benefits for other Critical Illnesses under the same Category will be paid. If the first benefit paid under a Category is not a 100% benefit, subsequent benefits payable under the same Category will be paid as a percentage of the Initial Benefit Amount until the sum of all payments from that same Category equals the Initial Benefit Amount. Then, no further benefits will be paid under that Category, except as provided under the Recurrence Benefit.

**RECURRENCE BENEFIT** – In addition to all other benefits otherwise paid under this Policy, if a Category 2 & 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its First Occurrence and prior to the total paid benefits exceeding the Maximum Benefit Amount, We will pay a benefit of 25% of the Initial Benefit Amount paid for up to two (2) such recurrences.

However, for any benefit to be paid under this provision, coverage under this Policy must be in effect for the Covered Person on the date recurrence is Diagnosed and the Covered Person must have been treatment free (except for maintenance medication and follow-up visits) for 12 months prior to the recurrence.

**REDUCED BENEFIT PERIOD** - If a Category 1 Critical Illness is Diagnosed within [30 – 90] days of a Covered Person's Certificate Effective Date, the following Critical Illnesses will be limited to the respective maximum benefit percentage shown below. In addition, no other benefits for Category 1 Critical Illnesses will be paid.

Invasive Cancer - 10%  
Cancer In Situ - 2.5%

**ADDITIONAL BENEFIT** – If benefits under this Policy are paid when the Employee has been Diagnosed as having any of the following Critical Illnesses: Invasive Cancer; Heart Attack; Stroke; Major Organ Failure; Coma; or Paralysis, more than 90 days after the Certificate Effective Date, then an additional benefit equal to the value of 6 times the then current monthly premium for the Employee's coverage will be paid to the Employee.

This Additional Benefit is provided only as the result of the First Occurrence of a Employee's Critical Illness and does not apply to any claim made under the Recurrence Benefit or a claim made by any other Covered Person.

## EXCLUSIONS AND LIMITATIONS

[Benefits otherwise payable under this Policy are reduced 50% on the later of a Covered Person's Age 70 or his/her 5<sup>th</sup> Certificate Effective Date anniversary. ]

Unless the Covered Person's Critical Illness First Occurs or is Diagnosed while coverage is in force under this Policy, no benefit will be payable.

No benefit is payable for Coma or Paralysis if Coma or Paralysis is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

With the exception of benefits that may be paid on behalf of a Covered Person in accordance with the Recurrence Benefit:

1. The sum of benefits paid for a Covered Person under each Category shall not exceed 100% of the Initial Benefit Amount for each Category; and
2. The sum of all benefits payable for a Covered Person under this Policy shall not exceed the Maximum Benefit Amount shown in the Certificate Schedule of Benefits.

Benefits will not be paid for Critical Illnesses in more than a single Category during any 180-day period. However, this does not apply to multiple benefit payments for Critical Illnesses within the same category, unless the Initial Benefit Amount has been paid.

In the event benefits for a Covered Person are paid for a Critical Illness and within 180 days the Covered Person is Diagnosed with a Critical Illness from another Category with no benefit paid, any recurrence of the latter Critical Illness will be treated as an original Diagnosis with benefits paid accordingly.

If two or more Critical Illnesses are Diagnosed at the same proximate time, the benefit paid will be based upon the Diagnosed Critical Illness providing the largest benefit.

The Company will NOT pay benefits for a Critical Illness, if it is caused by or results from:

1. intentional self-inflicted injuries;
2. suicide, or any attempt at suicide, while sane or insane;
3. service in the armed forces or any auxiliary unit of the armed forces;
4. participation in the commission or attempted commission of a felony;
5. participation in a riot or insurrection;
6. alcoholism or drug addiction; or
7. being intoxicated or under the influence of alcohol, drugs, or any narcotic (including overdose) unless administered on the advice of a Physician and taken according to the Physician's instructions. The term "intoxicated" refers to that condition as defined by law and decisions of the jurisdiction in which the accident, cause of loss, or loss occurred.

The Company will NOT pay any benefit for a Critical Illness if:

1. A Critical Illness is Diagnosed outside the United States or a covered procedure is performed outside the United States; or
2. the Covered Person's date of birth, age or sex was misstated in the Enrollment Form and at the correct date of birth, age or sex the coverage would not have become effective or would have terminated.

**PREEXISTING CONDITION LIMITATION.** Critical Illness caused by or relating to a Preexisting Condition is not covered for the first 12 months after the Certificate Effective Date of each Covered Person.

## PREMIUMS

### PREMIUM DUE DATE

The initial premium is for the term shown on the [Enrollment Form][Application][Certificate Schedule of Benefits]. The renewal premium for later periods of coverage is due on the first day of the next term. The coverage will end (lapse) if the renewal premium in effect is not paid before the end of the Grace Period.

If payroll deduction facilities are available to the Employee, the premium will be deducted from the Employee's pay and remitted to Us by the Employer.

### PREMIUM ADJUSTMENT

The Company may change the premium rates from time to time with at least sixty (60) days advance written notice to the Employer. [No change in premium will take effect before the first Policy Anniversary unless the terms of the coverage change. ]

The Company reserves the right to change rates at any time if any of the following events take place:

1. the terms of this Policy change;
2. [the Participation Requirements stated in this Policy Schedule of Benefits are not met;] or
3. any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

The Company will not extend retroactive coverage, or termination, to Employees or Dependents due to clerical errors by the Employer, for a time period greater than sixty (60) days.

### GRACE PERIOD

A grace period may apply to any premium payments made in any mode other than a single premium. Premium payments after the initial premium payment may be paid within the grace period. The grace period will last for 31 days after the due date of the premium payment. During the Grace Period, the coverage will remain in force. However, the Company is not obligated to pay any claims incurred during the Grace Period until the premium due is received. If premium payments are not made by the end of the grace period, the coverage will immediately cease to be in force.

No Grace Period will be provided if the Company receives notice to terminate the Covered Person's coverage prior to a premium due date.

### UNPAID PREMIUM

Any due and unpaid premium may be deducted from any benefits then payable.

### PREMIUM REFUND AT DEATH

If a Covered Person's coverage terminates due to death, the Company will refund the pro rata unearned portion of any premium paid for such Covered Person.

### MISSTATEMENT OF AGE

If premiums for the Covered Person are based on age and the Covered Person's age has been misstated, there will be an adjustment of premiums based on his/her true age. If the benefits for which the Covered Person is eligible are based on age and the Covered Person's age has been misstated, there will be an adjustment of said benefit based on his/her true age. The Company may require satisfactory proof of age before paying any claim.

## **CLAIM PROVISIONS**

### **NOTICE OF CLAIM**

The Employee must give the Company written notice of a claim. It should be given within 60 days after the occurrence or commencement of any loss covered by this Policy, or as soon thereafter as is reasonably possible. Notice given by the Employee or on behalf of the Employee to Us at our Home Office, or to any authorized agent of the Company, with information sufficient to identify the Covered Person, will be deemed notice to the Company.

### **CLAIM FORMS**

The Company will send the Employee a claim form when a notice of claim is received. If the form is not furnished within 15 days from the time the Employee gives notice, the Employee may fulfill the proof of loss requirements by sending written proof covering the occurrence, the character and the extent of the loss for which claim is made within the time set in Proof of Loss.

### **PROOF OF LOSS**

The Employee must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny the Employee's claim for being late if proof is given as soon as reasonably possible. It must, however, be given within 15 months from the date of loss, unless the Employee is not legally capable.

### **TIME OF PAYMENT OF CLAIMS**

Benefits payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

### **PAYMENT OF CLAIMS**

Benefits for loss of life will be payable in accordance with the Beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such benefits will be payable to the estate of the Employee. Any other accrued indemnities unpaid at the Employee's death may, at Our option, be paid either to such Beneficiary or to such estate. All other indemnities will be payable to the Employee.

If any benefit is payable to the estate of the Employee, or to an Employee or Beneficiary who is a minor or otherwise not competent to give a valid release, We may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the Employee or Beneficiary who is deemed by Us to be equitably entitled thereto. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment.

### **ASSIGNMENT**

An Employee may assign all of his/her rights, privileges and benefits under this Policy without the consent of his/her designated Beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of this Policy.

### **CHANGE OF BENEFICIARY**

The right to change a Beneficiary is reserved for the Employee, and the consent of the Beneficiary or beneficiaries is not required for the surrender or assignment of the benefits, for any change of Beneficiary or beneficiaries, or for any other changes in the coverage.

### **PHYSICAL EXAMINATIONS AND AUTOPSY**

The Company may have a Covered Person examined at its own expense as often as it may reasonably require while their claim is pending under this Policy and to make an autopsy in case of death where it is not forbidden by law.

**LEGAL ACTIONS**

No action at law or in equity shall be brought to recover under this Policy for at least 60 days after the Employee has given the Company written proof of loss in accordance with the requirements of this Policy. The Employee cannot start such action more than 3 years after the date proof of loss is required to be furnished.

**RIGHT OF RECOVERY**

When an overpayment has been made by Us, We will have the right to: a) recover that overpayment from the person to whom or on whose behalf it was made; or b) offset the amount of that overpayment from a future claim payment.

## **GENERAL PROVISIONS**

### **ENTIRE CONTRACT; CHANGES**

This Policy, the Application(s), the Riders (if any), and any attached papers make up the entire contract between the Employer and the Company.

In the absence of fraud, all statements made by the Employer will be considered representations and not warranties. No written statement made by the Employer will be used in any contest unless a copy of the statement is furnished to the Employer or his/her Beneficiary or personal representative.

No change in this Policy will be valid until approved by an executive officer of the Company. The approval must be attached to this Policy. No agent may change this Policy or waive any of its provisions. The Company may amend or change this Policy by written agreement with the Employer. We may amend or change the Certificate at any time, without the consent of the Employer, the Employee, any Covered Person or beneficiary, if required by law. Any amendment will be without prejudice to any charge incurred prior to the effective date of the change.

### **TIME LIMIT ON CERTAIN DEFENSES**

After 2 years from this Policy's effective date, no misstatements, except fraudulent misstatements, made by the Employer in the Application for coverage will be used to void this Policy after the expiration of the two-year period.

A claim for loss incurred beginning [6-12] months after a Covered Person's Certificate Effective Date will not 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 existed before the Certificate Effective Date of coverage.

### **CONFORMITY WITH STATE STATUTES**

Any provision of this Policy which, on its effective date, is in conflict with the statutes of the state in which the Employer is located is hereby amended to conform to the minimum requirements of those statutes.

### **WORKERS' COMPENSATION**

This Policy is not in lieu of, is not in any way subject to, and does not affect any requirement for coverage by Workers' Compensation insurance.

### **CERTIFICATES OF COVERAGE**

A Certificate of Coverage will be delivered to each Employee, or to the Employer for delivery to the Employee. The Certificate of Coverage will describe insurance coverage to which that person is entitled, to whom the insurance benefits are payable and a statement of the Employee's dependent's coverage. The benefits and coverage terms described in the Certificate of Coverage are controlled by the provisions of this Policy and are subject to any changes in this Policy.

### **POLICY CHANGES**

We may agree with the Employer to modify a plan of benefits without the Employee's or Dependent's consent.

### **EXAMINATION OF THIS POLICY**

This Policy will be available for inspection at the Employer's office during regular business hours.

### **EXAMINATION OF RECORDS**

We will be permitted to examine all of the Employer's records relating to this Policy. Examination may occur at any reasonable time while the Group Policy is in force; or it may occur:

1. at any time for two years after the expiration of this Group Policy; or, if later,
2. upon the final adjustment and settlement of all Group Policy claims.

The Employer is acting as an agent of the Covered Person for transactions relating to this insurance. The actions of the Employer will not be considered Our actions.

### **ERISA**

The Employer has established and maintains an employee welfare benefit plan as defined in the Employee Retirement Security Act of 1974, as amended, to provide the benefits described in this Policy to its Employees and their Dependents. These benefits are insured by the Us under the Policy, which the Employer endorses. The Employer is the Plan Administrator, Plan Sponsor, named fiduciary, and, if applicable, Plan Trustee, for the Plan. For more information about the plan, consult the Policy. ERISA does not apply to certain plans, such as government plans and church plans.

# Standard Life

AND ACCIDENT  
INSURANCE COMPANY

A MEMBER OF THE AMERICAN NATIONAL FAMILY OF COMPANIES

**Standard Life and Accident Insurance Company**

A Member of the American National Family of Companies – A Texas Corporation

Home Office: One Moody Plaza, Galveston, Texas, 77550

Toll-Free Telephone Number: 1-888-350-1488

(A Stock Insurance Company hereafter referred to as "Standard Life", "We", "Us", "Our" or "the Company")

**GROUP CRITICAL ILLNESS INSURANCE  
CERTIFICATE OF COVERAGE**

This is the Employee's Certificate of Coverage (hereafter Certificate) while insured under the Group Policy (hereafter Policy). This Certificate replaces any prior Certificate for the benefits described inside. This is not a contract nor does it modify or amend the Policy. It explains the rights and benefits that are determined by the Policy. A copy of the Policy is kept at the principal office of the Employer. The Policy is non-participating. A Covered Person may inspect it during regular business hours. **READ THE CERTIFICATE CAREFULLY!**

**CONSIDERATION.** This Certificate is issued in consideration of the statements made in the Enrollment Form and payment of the Initial Premium. Coverage is not provided until the first full premium is paid. The first premium pays for the Initial Term of coverage. The Initial Term of coverage begins at 12:01 a.m. on the Certificate Effective Date shown on the Certificate Schedule of Benefits.

**TERMINATION.** The coverage may be terminated by the Company for reasons stated in the Termination provision.

**PREMIUMS.** Premiums may be changed and are due as stated in the **Premiums** provision.

**[30 DAY RIGHT TO EXAMINE CERTIFICATE.** Within 30 days after the Employee receives the Certificate, it may be returned in person or by regular mail to the Company, its agency office or the agent who sold it to the Employee for any reason. The Company will return the premium to the payee. Then the Employee and the Company will be in the same position as if a Certificate had never been issued.]

**THIS IS NOT A MEDICARE SUPPLEMENT POLICY.** If any Covered Person is eligible for Medicare, such person should review the "Guide to Health Insurance for People with Medicare" available from the Company.

Signed for Us on the Certificate Effective Date.



Secretary



President

**NOTICE TO BUYER:**

**POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LUMP SUM PAYMENTS FOR ONLY CRITICAL ILLNESSES LISTED. THE POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES.**

**BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE.**

**PLEASE READ THE POLICY CAREFULLY!**

**THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE.**

# TABLE OF CONTENTS

CERTIFICATE SCHEDULE OF BENEFITS .....	3
DEFINITIONS – GENERAL .....	6
ELIGIBILITY AND EFFECTIVE DATES .....	10
TERMINATION AND CONTINUATION .....	12
CRITICAL ILLNESS COVERAGE.....	14
EXCLUSIONS AND LIMITATIONS.....	15
PREMIUMS .....	16
CLAIM PROVISIONS.....	17
GENERAL PROVISIONS.....	19

# CERTIFICATE SCHEDULE OF BENEFITS

**EMPLOYER:** [ABC Employer]

**EMPLOYEE:** [John Doe]

**[CERTIFICATE NUMBER:** [SLA012345]

**TYPE:** [FAMILY]

**STATE OF ISSUE:** Arkansas

**COVERED PERSON(S):**

[John Doe]

[Baby Doe]

**CERTIFICATE EFFECTIVE DATE:**

[July 1, 2011]

[July 1, 2011]

**[PLAN:**

**[OPTION 1][OPTION 2][OPTION 3][LEVEL 1][LEVEL 2][LEVEL 3][CLASS 1][CLASS 2][CLASS 3] ]**

**[BENEFITS OTHERWISE PAYABLE ARE REDUCED 50% ON THE LATER OF A COVERED PERSON'S AGE 70 OR HIS/HER 5<sup>TH</sup> CERTIFICATE EFFECTIVE DATE ANNIVERSARY.]**

**EMPLOYEE –**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

**[EMPLOYEE'S SPOUSE -**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

**[EMPLOYEE'S CHILD –**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

## **CATEGORY 1 CRITICAL ILLNESSES -**

### **BENEFIT PERCENTAGE**

- Invasive Cancer (Diagnosis more than [30, 90] days after the Certificate Effective Date) 100%
- Invasive Cancer (Diagnosis during the first [30, 90] days after the Certificate Effective Date) 10%
- Cancer In Situ (Diagnosis more than [30, 90] days after the Certificate Effective Date) 25%
- Cancer In Situ (Diagnosis during the first [30, 90] days after the Certificate Effective Date) 2.5%

## **CATEGORY 2 CRITICAL ILLNESSES -**

- Heart Attack 100%
- Stroke 100%
- Heart Transplant or Combination Heart and Other Major Organ Transplant 100%
- Coronary Artery Bypass Surgery 25%
- Angioplasty 25%
- Aortic Surgery 25%
- Heart Valve Replacement/Repair Surgery 25%

## **CATEGORY 3 CRITICAL ILLNESSES -**

- Major Organ Transplant, not covered in Category 2 100%
- Coma 100%
- Paralysis 100%
- End-Stage Renal Failure 100%

**OPTIONAL BENEFITS:** [None]

[Mortgage Protection Benefit – [\$500 - \$1500]  
Maximum Rider Benefit - [\$6,000 - \$18,000]

**PREMIUM RATES:**

**Total Annual Premium:**.....[\$xxx.00]

Initial Term:..... [Monthly, Semi-Monthly, Bi-Weekly, Weekly Draft][Other]

Initial Premium.....[\$xxx.00]

[INTENTIONALLY LEFT BLANK]

## DEFINITIONS – GENERAL

**[ACTIVELY AT WORK OR ACTIVE SERVICE]** means an Employee who is [present for [20 – 30 hours per week] ] [a full-time Employee] at his/her usual place of employment for the Employer or at another location as assigned or directed by the Employer, and is mentally and physically capable of performing the regular duties of the job for which he or she is employed.

On any day that is not an Employee's regularly scheduled work day (vacation, personal days, and weekends/holidays) the Employee will be considered Actively at Work on such day provided he or she is not absent due to any type of leave and was Actively at Work on his/her last regularly scheduled work day.

An Employee who usually performs the regular duties of his/her job at their home is considered Actively at Work if they meet all the above requirements and could work at the Employer's usual place of employment if required to do so. ]

**AGE** means a Covered Person's Age as of his/her last birthday.

**ANGIOPLASTY** means the actual undergoing of a percutaneous transluminal angioplasty deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. A Physician, board-certified as a Cardiologist, must perform the Procedure. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**AORTIC SURGERY** means the actual undergoing of surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon, thoracic surgeon, or vascular surgeon. Aorta is limited to the thoracic and abdominal aorta, but not its branches.

**CANCER IN SITU** means a Diagnosis of Cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue. Cancer in Situ includes

1. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; and
2. melanoma not invading the dermis.

Cancer in Situ does not include

1. other skin malignancies; or
2. pre-malignant lesions (such as intraepithelial neoplasia); or
3. benign tumors or polyps.

Cancer in Situ must be Diagnosed pursuant to a Pathological or Clinical Diagnosis.

**CERTIFICATE EFFECTIVE DATE** is the date coverage begins for each Covered Person under the Policy. It will be different for a Covered Person added to the Policy after the original date of issue or when a change in coverage for any Covered Person occurs. Each Covered Person's Certificate Effective Date is shown in the Employee's Certificate of Coverage Schedule of Benefits.

**CLINICAL DIAGNOSIS** means a Diagnosis of Invasive Cancer or Cancer In Situ based on the study of symptoms and Diagnostic test results. We will accept a Clinical Diagnosis of Cancer only if the following conditions are met:

1. a Pathological Diagnosis cannot be made because it is medically inappropriate or life threatening;
2. there is medical evidence to support the Diagnosis; and
3. a Physician is treating the Covered Person for Invasive Cancer and/or Cancer In Situ.

**CLOSE RELATIVE** means anyone related to a Covered Person by blood, marriage, or adoption; or a court appointed representative.

**COMA** means the diagnosis, by a Legally Qualified Physician board-certified as a Neurologist, that a Covered Person is in a state of unconsciousness:

1. from which he/she cannot be aroused;
2. in which external stimulation will produce no more than primitive avoidance reflexes; and
3. such state has persisted continuously for at least 96 hours.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**CORONARY BYPASS SURGERY** means the actual undergoing of coronary artery bypass surgery using either a saphenous vein or internal mammary artery graft for the treatment of coronary heart disease deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. The Procedure must be performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**COVERED PERSON** means an Employee, an Employee's spouse or Dependent children, listed as a Covered Person in the Certificate Schedule of Benefits and for whom premium has been paid.

**CRITICAL ILLNESS** means any of the medical conditions or procedures, shown in the Certificate Schedule of Benefits, that is first Diagnosed or first performed as the result of a Diagnosis, each made after the respective Covered Person's Certificate Effective Date.

**DATE OF DIAGNOSIS** means the date the Diagnosis is established by a Physician, through the use of clinical and/or laboratory findings as supported by the Covered Person's medical records. For a procedure, it is the date the Covered Person undergoes the procedure.

**DEPENDENT** means an Employee's family as follows:

1. The lawful Spouse[\*], if not legally separated or divorced;
2. Unmarried children (whether natural, adopted or stepchildren) under the limiting age of 26; or
3. Unmarried children for whom the Employee is required to provide insurance under a medical support order or an order enforceable by a court.

[\*The term "Spouse" as used throughout the Policy will also mean the Employee's legal Domestic Partner.]

**DIAGNOSIS** means the definitive establishment by a Physician of the Critical Illness through the use of clinical and/or laboratory findings.

*[DOMESTIC PARTNER means an opposite or same sex person with whom an Employee maintains a committed relationship and shares a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under the state law as domestic partners. Each partner must:*

1. *Be at least 18 years old and competent to contract;*
2. *Be the sole domestic partner of the other person; and*
3. *Not be married.]*

**EMPLOYEE** means the Employee designated in the Enrollment Form [who is [Actively at Work and] listed in an eligible class of Employees in the Employer's application]. The Employee must be listed as a Covered Person in the Certificate Schedule of Benefits and appropriate premium paid in order to be covered under the Policy. [An Employee does not include seasonal or temporary Employee's.]

**EMPLOYER** means the plan sponsor to whom the Group Policy is issued and shall include any affiliated entities or subsidiaries approved by the Company.

**END-STAGE RENAL FAILURE** means the chronic and irreversible failure of both of a Covered Person's kidneys, which requires the Covered Person to undergo periodic and ongoing dialysis. The Diagnosis must be made by a Physician.

**ENROLLMENT FORM** means the form(s) that the Employee (and Employee's spouse, if any) signed to apply for coverage under the Policy. It also includes any other document approved by the Company that the Employee uses to apply for or change coverage under the Policy.

**FIRST OCCUR(S)/FIRST OCCURRING/FIRST OCCURRENCE** means the occurrence, Diagnosis, or procedure is the first time ever in the Covered Person's lifetime that he/she has experienced such Critical Illness, been Diagnosed with that specific condition included as a Critical Illness, or undergone a specific procedure included as a Critical Illness.

**HEART ATTACK** means an Acute Myocardial Infarction resulting in:

1. the death of a portion of the heart muscle (myocardium) due to a blockage of one or more coronary arteries; and
2. resulting in the loss of the normal function of the heart.

The Diagnosis must be made by a Physician and based on both:

1. new clinical presentation and electrocardiographic changes consistent with an evolving heart attack; and
2. serial measurement of cardiac biomarkers showing a pattern and to a level consistent with a Diagnosis of Heart Attack.

Established (old) Myocardial Infarction is excluded.

**HEART VALVE REPLACEMENT/REPAIR SURGERY** means the actual undergoing of open heart surgery to replace or repair one or more valves. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon.

**INVASIVE CANCER** means a malignant neoplasm, which is characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue through the basement membrane or capsule. "Invasive Cancer" includes, but shall not be limited to any form of:

1. Leukemia;
2. Lymphoma; or
3. Multiple Myeloma

The following are not "Invasive Cancer":

1. pre-malignant lesions (such as intraepithelial neoplasia); or
2. benign tumors or polyps; or
3. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; or
4. Cancer in Situ; or
5. any skin cancer (other than invasive malignant melanoma in the dermis or deeper or skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed by a Physician, board-certified as a pathologist pursuant to a Pathological or Clinical Diagnosis.

**MAJOR ORGAN** means a Covered Person's entire liver, kidney, lung, heart, small intestine, pancreas, pancreas-kidney, bone marrow, or stem-cells. No other organ or system is included.

**MAJOR ORGAN TRANSPLANT** means the placement of an entire Major Organ in a Covered Person, where such Major Organ:

1. originates in a person other than such Covered Person;
2. is somewhat independent from all other parts of the human body; and
3. performs a special or unique function.

A Major Organ Transplant does not include the placement of a mechanical or man-made device or substance which is intended to serve as a substitute for or aid in the performance of the failed Major Organ; nor does it include Major Organ parts such as valves, ducts, arteries, and any other part of a Major Organ, which in and of itself provides no life sustaining purpose. For purposes of this definition, a Major Organ Transplant is considered to have occurred on the date a Covered Person is added to the United Network of Organ Sharing (UNOS) or the National Marrow Donor Program (NMDP) transplant list.

**MAXIMUM BENEFIT AMOUNT** means the eligible total of Benefit Payments for all Critical Illnesses as stated in the Certificate Schedule of Benefits.

**MEDICALLY NECESSARY** means that, based on generally accepted current medical practice, a service is necessary and appropriate for the Diagnosis or treatment of a Critical Illness. We do not consider a service Medically Necessary if:

1. It is provided only as a convenience to the Covered Person or provider; or
2. It is not appropriate treatment for the Covered Person's Diagnosis or symptoms;
3. It exceeds (in scope, duration, or intensity) that level of care that is needed to provide safe, adequate, and appropriate diagnosis or treatment.

**PATHOLOGICAL DIAGNOSIS** means Diagnosis based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board certified pathologist and whose Diagnosis of malignancy conforms to the standards set by the American College of Pathology.

**PARALYSIS** means a Covered Person's complete and permanent loss of use, not including amputation, of two or more limbs through neurological injury for a continuous period of at least 180 days, confirmed by a Legally Qualified Physician board-certified as a Neurologist. No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under the Policy.

**PHYSICIAN** means a person, other than You, a Close Relative, or a business or professional partner who is:

1. duly licensed to practice medicine in the jurisdiction where the Diagnosis is made, or the procedure performed where such jurisdiction is a continuing member of the United States of America or a territory within the jurisdiction of the United States of America (embassies, military zones, and similarly designated non-domestic extensions of the United States government are not included); and
2. acting within the scope of his/her license.

**PRE-EXISTING CONDITION** means a medical condition relating to a Critical Illness, not otherwise excluded by name or specific description:

1. for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within 12 months before the Covered Person's Certificate Effective Date; or
2. that would have caused a reasonably prudent person to seek medical Diagnosis or treatment within 12 months before his/her Certificate Effective Date.

Critical Illness related to such a medical condition is not covered within [6-12] months of a Covered Person's Certificate Effective Date

**STROKE** means any acute cerebrovascular accident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent. Transient ischemic attack (mini-stroke), head injury, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits are excluded. The Diagnosis must be made by a Physician.

**YOU, YOUR OR YOURS** means the Employee named on the Certificate Schedule of Benefits.

## ELIGIBILITY AND EFFECTIVE DATES

This plan is offered to You as an Employee of the Employer.

### EMPLOYEE ELIGIBILITY

An Employee is eligible to apply for coverage under the Policy if the Employee:

1. Is in Active Service;
2. Is part of an eligible class of Employees listed in the Employer's Application; and
3. Has completed the Employer's Waiting Period shown in the Employer's Application.

The Employer's Waiting Period is the time between the first day of employment in an eligible class of Employees and the first day that the Employee is eligible to apply for coverage under the Policy. The Employer's Waiting Period is chosen by the Employer and shown in the Policy Schedule of Benefits. The Employer's Waiting Period may differ for current Employees and new Employees. An Employee in an eligible class must enroll for coverage by submitting a completed Enrollment Form with the appropriate payroll deduction authorization within 31 days of completion of the Employer's Waiting Period.

No Employee may be eligible for insurance under the Policy as both an Employee and as a Spouse or Dependent Child at the same time. If an Employee and Spouse are both eligible to be covered as an Employee, one but not both, is eligible to cover the Dependent Children. The other Spouse may elect single coverage only.

### EMPLOYEE'S EFFECTIVE DATE

An Employee's coverage will become effective on the latest of the following dates:

1. The Policy effective date;
2. The Certificate Effective Date shown in the Certificate Schedule of Benefits; or
3. The date the Employee's Enrollment Form is approved by the Company.

If the Employee is not Actively at Work on his/her Certificate Effective Date, such Certificate Effective Date will be delayed until the date the Employee returns to Active Service.

### DEPENDENT ELIGIBILITY

An Employee is eligible to enroll eligible Dependents on the later of:

1. The date the Employee is eligible to be insured; or
2. The date the Employee first acquires an eligible Dependent.

The first acquired date for eligible Dependents is as follows:

1. A spouse is deemed acquired on the date of marriage;
2. A natural child is deemed acquired on his/her date of birth;
3. A stepchild is deemed acquired on the date of marriage to Your legal spouse;
4. An adopted child is deemed acquired on the date of placement for the purpose of adoption or the date of the entry of an order granting the adoptive parent custody of the child for purposes of adoption; or
5. The date of a court order requiring the Employee to cover eligible Dependents.

An Employee may enroll Dependents for coverage by submitting a completed Enrollment Form within 31 days of first acquiring a Dependent along with the appropriate payroll deduction authorization in accordance with Company policies.

### DEPENDENT'S EFFECTIVE DATE

An eligible Dependent's coverage under the Policy will become effective on the latest of the following dates:

1. the Policy effective date;
2. the Employee's effective date of insurance;
3. the date the Employee elects dependent coverage under the Policy;
4. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
5. the date the Company approves the Employee's Enrollment Form for dependent coverage.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the Certificate Effective Date, the Dependent's Certificate Effective Date will be delayed until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

## **LATE ENTRANTS**

If an Employee or eligible Dependent is not enrolled within 31 days after first becoming eligible, he/she will be considered a Late Entrant and may have to meet additional Evidence of Insurability requirements. Late Entrants are subject to approval by the Company.

If the Company approves the Enrollment Form, the date that insurance takes effect will be assigned by the Company and shown in the Certificate Schedule of Benefits.

## **EVIDENCE OF INSURABILITY REQUIREMENTS**

Evidence of insurability is required for Employees and his/her eligible Dependents, at the Employee's cost, if he/she:

1. applies for coverage more than 31 days after the Employee or Dependent first become eligible;
2. voluntarily canceled insurance and reapplies;
3. is applying after coverage ended due to non-payment of premium;
4. is requesting additional coverage under the Policy; or
5. upon request by the Company.

## **EFFECTIVE DATE OF CHANGES**

Any change in coverage will take effect on the date approved by the Company.

If the Employee is not Actively at Work on his/her last scheduled work day coincident with or preceding the date that an approved increase in his/her coverage is to take effect, such increase will be effective on the date the Employee returns to Active Work.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the date an approved increase in his/her insurance would otherwise become effective, such increase will not be effective until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

## **NEWBORN CHILDREN**

The Employee's newborn child is automatically covered from the moment of birth up to 90 days. Coverage for newborns will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within the greater of 90 days or the next premium due date of such birth and pay the required additional premium (if any), in order for coverage for the newborn child to continue beyond such 90 day period.

## **ADOPTED CHILDREN**

An adopted child is automatically covered for up to 60 days after filing petition for adoption. Coverage will begin from the moment of birth if the petition for adoption and application for coverage is received within 60 days after the birth of the minor. Coverage for such child will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within 60 days after the filing of the petition for adoption and pay additional premium (if any), in order for coverage of the adopted child to continue beyond such 60 day period. The coverage will terminate upon the dismissal or denial of a petition for adoption.

## **COURT ORDERED CUSTODY**

We will not restrict or deny coverage due to the fact that: 1) a Dependent child does not reside with the noncustodial parent; or 2) the parent-child relationship was established through a paternity action; or 3) the minor child is covered through the state-administered Medicaid program; or 4) the minor child is not claimed as a dependent on the noncustodial parent's federal or state income tax return.

## TERMINATION AND CONTINUATION

### TERMINATION

Coverage under the Policy for a Covered Person ends on the earliest of:

1. the date the Policy is terminated by the Company or the Employer;
2. the date the Maximum Benefit Amount has been paid;
3. the premium due date if premiums are not paid when due, subject to the Grace Period;
4. the date a Covered Person performs an act or practice that constitutes fraud;
5. the date the Employee requests, in writing, that the coverage be terminated;
6. the date the Employee ceases to be in an eligible class of Employees; or
7. the date the Dependent does not meet the definition of an eligible Dependent.

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the coverage was in force under the Policy.

### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a mentally or physically handicapped Dependent child that is covered under the Policy and who became incapacitated prior to their 26th birthday will not end when scheduled if the child depends on the Employee for primary support and maintenance. Proof of the incapacity or dependency must be furnished to Us at Our expense. The premium for such child's continued coverage will remain at the child rate until the child is no longer dependent or incapacitated. The Employee must notify Us if the incapacity or dependency is removed or terminated.

### [CONTINUATION OF COVERAGE

If an Employee or covered Spouse's coverage terminates for any reason except for: 1) non-payment of premium; 2) fraud; or 3) termination of the Policy, the Employee or covered Spouse may elect to continue coverage under the Policy. To elect continued coverage, the Employee or covered Spouse must make the election within 31 days of termination and timely pay all required premiums for the continued coverage to the Employer.

Continued coverage is subject to all of the provisions and limitations of the Policy. Coverage continued under this provision will end when the Policy terminates or the last period for which premium is paid, whichever comes first.]

### CONTINUATION - UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)

Federal law requires that if Your insurance would otherwise end because you enter into active military duty or inactive military duty for training, you may elect to continue insurance (including Dependent's insurance) in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Employer is responsible for meeting all of the obligations under USERRA, including notifying all Employees and Dependents of their rights under USERRA. See Your Employer for further details on this continuation provision.

### CONTINUATION - FAMILY AND MEDICAL LEAVE ACT (FMLA)

(Applies to Employers with 50 or more Employees)

Federal law requires that if Your insurance would otherwise end because of family and medical reasons, You may be entitled to continue insurance (including Dependent's insurance) in accordance with the Family and Medical Leave Act of 1993 (FMLA). The Employer is responsible for meeting all of the obligations under FMLA, including notifying all Employees and Dependents of their rights under FMLA. See Your Employer for further details on this continuation provision.

### CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT ("COBRA")

Applies to Employers with 20 or more Employees

**Applicability:** Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under the Policy and is not (1) already covered under the Policy by reason of another individual's election of COBRA, or (2) entitled to Medicare benefits under Title XVIII of the Social Security Act.

**Qualifying Event:** For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Covered Person, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

<u>Qualifying Events</u>	<u>Duration of Continued Coverage</u>
• death of an Insured	36 months
• termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage	18 months*
• divorce or legal separation	36 months
• Insured becomes eligible for Medicare	Dependents & spouse allowed 36 months
• Insured Dependent no longer meets Insured Dependent eligibility requirements	36 months

\*Coverage may be continued an additional 11 months if the Qualified Beneficiary:

- is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
- notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

**Notice and Election:** Covered Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation of dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of:

- the date on which coverage terminates under the Policy by reason of a Qualifying Event, or
- the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

**Premium Payment:** The Qualified Beneficiary must pay to the Employer the required monthly premium. Any Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

COBRA Termination occurs at the earlier of:

- the premium for continued coverage is not paid within 31 days from being due;
- the Qualified Beneficiary becomes covered under another group health plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
- the Qualified Beneficiary becomes eligible for Medicare;
- the Qualified Beneficiary, who is divorced from an Insured Employee, remarries and is covered under the new spouse's medical plan; or
- the Employer no longer provides medical benefits of any kind.

## CRITICAL ILLNESS COVERAGE

In accordance with all the terms and conditions of the Policy and upon Diagnosis providing evidence that a Covered Person has a Critical Illness First Occurring after the Covered Person's Certificate Effective Date, the Company will pay the Employee the percentage of the Initial Benefit Amount shown in the Certificate Schedule of Benefits for the Diagnosed Critical Illness.

Benefits will be paid to the Employee in a lump-sum. Benefits paid on behalf of each Covered Person will not exceed the Maximum Benefit Amount. Upon payment of the Maximum Benefit Amount on behalf of a Covered Person, coverage for such Covered Person will terminate.

Benefits are payable under the Policy for a Covered Person from each of the Benefit Categories shown in the Certificate Schedule of Benefits when such Covered Person is Diagnosed with a Critical Illness. However, the total benefit payable under each Category will not exceed the Initial Benefit Amount, also shown in the Certificate Schedule of Benefits.

If the first benefit paid from a Category is a 100% benefit, no further benefits for other Critical Illnesses under the same Category will be paid. If the first benefit paid under a Category is not a 100% benefit, subsequent benefits payable under the same Category will be paid as a percentage of the Initial Benefit Amount until the sum of all payments from that same Category equals the Initial Benefit Amount. Then, no further benefits will be paid under that Category, except as provided under the Recurrence Benefit.

**RECURRENCE BENEFIT** – In addition to all other benefits otherwise paid under the Policy, if a Category 2 & 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its First Occurrence and prior to the total paid benefits exceeding the Maximum Benefit Amount, We will pay a benefit of 25% of the Initial Benefit Amount paid for up to two (2) such recurrences.

However, for any benefit to be paid under this provision, coverage under the Policy must be in effect for the Covered Person on the date recurrence is Diagnosed and the Covered Person must have been treatment free (except for maintenance medication and follow-up visits) for 12 months prior to the recurrence.

**REDUCED BENEFIT PERIOD** - If a Category 1 Critical Illness is Diagnosed within [30 – 90] days of a Covered Person's Certificate Effective Date, the following Critical Illnesses will be limited to the respective maximum benefit percentage shown below. In addition, no other benefits for Category 1 Critical Illnesses will be paid.

Invasive Cancer - 10%

Cancer In Situ - 2.5%

**ADDITIONAL BENEFIT** – If benefits under the Policy are paid when the Employee has been Diagnosed as having any of the following Critical Illnesses: Invasive Cancer; Heart Attack; Stroke; Major Organ Failure; Coma; or Paralysis, more than 90 days after the Certificate Effective Date, then an additional benefit equal to the value of 6 times the then current monthly premium for the Employee's coverage will be paid to the Employee.

This Additional Benefit is provided only as the result of the First Occurrence of Your Critical Illness and does not apply to any claim made under the Recurrence Benefit or a claim made by any other Covered Person.

## EXCLUSIONS AND LIMITATIONS

[Benefits otherwise payable under the Policy are reduced 50% on the later of a Covered Person's Age 70 or his/her 5<sup>th</sup> Certificate Effective Date anniversary. ]

Unless the Covered Person's Critical Illness First Occurs or is Diagnosed while coverage is in force under the Policy, no benefit will be payable.

No benefit is payable for Coma or Paralysis if Coma or Paralysis is the result of a Critical Illness for which benefits are otherwise payable under the Policy.

With the exception of benefits that may be paid on behalf of a Covered Person in accordance with the Recurrence Benefit:

1. The sum of benefits paid for a Covered Person under each Category shall not exceed 100% of the Initial Benefit Amount for each Category; and
2. The sum of all benefits payable for a Covered Person under the Policy shall not exceed the Maximum Benefit Amount shown in the Certificate Schedule of Benefits.

Benefits will not be paid for Critical Illnesses in more than a single Category during any 180-day period. However, this does not apply to multiple benefit payments for Critical Illnesses within the same category, unless the Initial Benefit Amount has been paid.

In the event benefits for a Covered Person are paid for a Critical Illness and within 180 days the Covered Person is Diagnosed with a Critical Illness from another Category with no benefit paid, any recurrence of the latter Critical Illness will be treated as an original Diagnosis with benefits paid accordingly.

If two or more Critical Illnesses are Diagnosed at the same proximate time, the benefit paid will be based upon the Diagnosed Critical Illness providing the largest benefit.

The Company will NOT pay benefits for a Critical Illness, if it is caused by or results from:

1. intentional self-inflicted injuries;
2. suicide, or any attempt at suicide, while sane or insane;
3. service in the armed forces or any auxiliary unit of the armed forces;
4. participation in the commission or attempted commission of a felony;
5. participation in a riot or insurrection;
6. alcoholism or drug addiction; or
7. being intoxicated or under the influence of alcohol, drugs, or any narcotic (including overdose) unless administered on the advice of a Physician and taken according to the Physician's instructions. The term "intoxicated" refers to that condition as defined by law and decisions of the jurisdiction in which the accident, cause of loss, or loss occurred.

The Company will NOT pay any benefit for a Critical Illness if:

1. A Critical Illness is Diagnosed outside the United States or a covered procedure is performed outside the United States; or
2. the Covered Person's date of birth, age or sex was misstated in the Enrollment Form and at the correct date of birth, age or sex the coverage would not have become effective or would have terminated.

**PREEXISTING CONDITION LIMITATION.** Critical Illness caused by or relating to a Preexisting Condition is not covered for the first 12 months after the Certificate Effective Date of each Covered Person.

## **PREMIUMS**

### **PREMIUM DUE DATE**

The initial premium is for the term shown on the [Employer's Application][Enrollment Form][Certificate Schedule of Benefits]. The renewal premium for later periods of coverage is due on the first day of the next term. This coverage will end (lapse) if the renewal premium in effect is not paid before the end of the Grace Period.

If payroll deduction facilities are available to You, the premium will be deducted from Your pay and remitted to Us by the Employer.

### **PREMIUM ADJUSTMENT**

The Company may change the premium rates from time to time with at least sixty (60) days advance written notice to the Employer.

The Company reserves the right to change rates at any time if any of the following events take place:

1. the terms of the coverage changes;
2. [the Participation Requirements stated in the Policy Schedule of Benefits are not met;] or
3. any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

The Employer may request in writing a change in the Policy at any time without Your consent or the consent of any other interested party. Any such change is subject to Our approval and requires the signature of the Employer and an Officer of the Company in order to be effective. We will provide notice of any such change to You in a timely manner.

The Company will not extend retroactive coverage, or termination, to Employees or Dependents due to clerical errors by the Employer, for a time period greater than sixty (60) days.

### **GRACE PERIOD**

A grace period may apply to any premium payments made in any mode other than a single premium. Premium payments after the initial premium payment may be paid within the grace period. The grace period will last for 31 days after the due date of the premium payment. During the Grace Period, the coverage will remain in force. However, the Company is not obligated to pay any claims incurred during the Grace Period until the premium due is received. If premium payments are not made by the end of the grace period, the coverage will immediately cease to be in force.

No Grace Period will be provided if the Company receives notice to terminate the Covered Person's coverage prior to a premium due date.

### **UNPAID PREMIUM**

Any due and unpaid premium may be deducted from any benefits then payable.

### **PREMIUM REFUND AT DEATH**

If a Covered Person's coverage terminates due to death, the Company will refund the pro rata unearned portion of any premium paid for such Covered Person.

### **MISSTATEMENT OF AGE**

If premiums for the Covered Person are based on age and the Covered Person's age has been misstated, there will be an adjustment of premiums based on his/her true age. If the benefits for which the Covered Person is eligible are based on age and the Covered Person's age has been misstated, there will be an adjustment of said benefit based on his/her true age. The Company may require satisfactory proof of age before paying any claim.

## **CLAIM PROVISIONS**

### **NOTICE OF CLAIM**

The Employee must give the Company written notice of a claim. It should be given within 60 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by the Employee or on behalf of the Employee to Us at our Home Office, or to any authorized agent of the Company, with information sufficient to identify the Covered Person, will be deemed notice to the Company.

### **CLAIM FORMS**

The Company will send the Employee a claim form when a notice of claim is received. If the form is not furnished within 15 days from the time the Employee gives notice, the Employee may fulfill the proof of loss requirements by sending written proof covering the occurrence, the character and the extent of the loss for which claim is made within the time set in Proof of Loss.

### **PROOF OF LOSS**

The Employee must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny the Employee's claim for being late if proof is given as soon as reasonably possible. It must, however, be given within 15 months from the date of loss, unless the Employee is not legally capable.

### **TIME OF PAYMENT OF CLAIMS**

Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which the Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

### **PAYMENT OF CLAIMS**

Benefits for loss of life will be payable in accordance with the Beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such benefits will be payable to the estate of the Employee. Any other accrued indemnities unpaid at the Employee's death may, at Our option, be paid either to such Beneficiary or to such estate. All other indemnities will be payable to the Employee.

If any benefit is payable to the estate of the Employee, or to an Employee or Beneficiary who is a minor or otherwise not competent to give a valid release, We may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the Employee or Beneficiary who is deemed by Us to be equitably entitled thereto. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment.

### **ASSIGNMENT**

An Employee may assign all of his/her rights, privileges and benefits under the Policy without the consent of his/her designated Beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of the Policy.

### **CHANGE OF BENEFICIARY**

The right to change a Beneficiary is reserved for the Employee, and the consent of the Beneficiary or beneficiaries is not required for the surrender or assignment of the benefits, for any change of Beneficiary or beneficiaries, or for any other changes in the coverage.

### **PHYSICAL EXAMINATIONS AND AUTOPSY**

The Company may have a Covered Person examined at its own expense as often as it may reasonably require while their claim is pending under the Policy and to make an autopsy in case of death where it is not forbidden by law.

### **LEGAL ACTIONS**

No action at law or in equity shall be brought to recover under the Policy for at least 60 days after the Employee has given the Company written proof of loss in accordance with the requirements of the Policy. The Employee cannot start such action more than 3 years after the date proof of loss is required to be furnished.

**RIGHT OF RECOVERY**

When an overpayment has been made by Us, We will have the right to: a) recover that overpayment from the person to whom or on whose behalf it was made; or b) offset the amount of that overpayment from a future claim payment.

## **GENERAL PROVISIONS**

### **ENTIRE CONTRACT; CHANGES**

The Policy, the Application(s), the Riders (if any), and any attached papers make up the entire contract between the Employer and the Company.

In the absence of fraud, all statements made by the Employee will be considered representations and not warranties. No written statement made by the Employee will be used in any contest unless a copy of the statement is furnished to the Employee or his/her Beneficiary or personal representative.

No change in the Policy will be valid until approved by an executive officer of the Company. The approval must be attached to the Policy. No agent may change the Policy or waive any of its provisions.

The Company may amend or change the Policy by written agreement with the Employer. We may amend or change the Certificate at any time, without the consent of the Employer, the Employee, any Covered Person or beneficiary, if required by law. Any amendment will be without prejudice to any charge incurred prior to the effective date of the change.

### **TIME LIMIT ON CERTAIN DEFENSES**

After 2 years from the Certificate Effective Date, no misstatements, except fraudulent misstatements, made by the Employee in the Enrollment Form for coverage will be used to void the coverage after the expiration of the two-year period.

A claim for covered loss incurred beginning [12] months after a Covered Person's Certificate Effective Date will not 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 existed before the Certificate Effective Date of coverage.

### **CONFORMITY WITH STATE STATUTES**

Any provision of the Policy which, on its effective date, is in conflict with the statutes of the state in which the Employer is located is hereby amended to conform to the minimum requirements of those statutes.

### **WORKERS' COMPENSATION**

This coverage is not in lieu of, is not in any way subject to, and does not affect any requirement for coverage by Workers' Compensation insurance.

### **ERISA**

The Employer has established and maintains an employee welfare benefit plan as defined in the Employee Retirement Security Act of 1974, as amended, to provide the benefits described in the Policy to its Employees and their Dependents. These benefits are insured by the Us under the Policy, which the Employer endorses. The Employer is the Plan Administrator, Plan Sponsor, named fiduciary, and, if applicable, Plan Trustee, for the Plan. For more information about the plan, consult the Policy. ERISA does not apply to certain plans, such as government plans and church plans.





Standard Life and Accident Insurance Company
Mailing Address: P.O. Box 696870, San Antonio, TX 78269
888.350.1488



EMPLOYER APPLICATION FOR CRITICAL ILLNESS INSURANCE Please Print — Use Black Ink

Plan Sponsor/Employer \_\_\_\_\_ Group Number (obtain from the Home Office) \_\_\_\_\_
Federal Tax ID Number \_\_\_\_\_ Requested Group Policy Effective Date \_\_\_\_\_ Billing Date:  1st  15th
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
Billing Address (if different) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
Authorized Employer Representative \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_
Email \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_
List any other locations \_\_\_\_\_
Type of business \_\_\_\_\_
Class(es) of employees eligible for coverage \_\_\_\_\_

Will all classes have the same coverage?  Yes  No If "No", specify which benefit option per class. (indicate under BENEFITS APPLIED FOR grid below)
Number of eligible Employees \_\_\_\_\_ Employee Waiting Period \_\_\_\_\_
Who will pay the premiums for this insurance?  Employee \_\_\_\_\_%  Employer \_\_\_\_\_%
Is there a substantially similar Group Critical Illness Policy now in effect? .....  Yes  No
Will that coverage be replaced? .....  Yes  No Effective Date of existing coverage? \_\_\_\_\_

The policy applied for will not be effective until formal approval is given by Standard Life and Accident Insurance Company.

Table with 4 columns: Benefit Amount, [XXX], [XXX], [XXX]. Row 2: Class of Employees

EMPLOYER AGREEMENT

DECLARATION AND AGREEMENT — The Employer hereby applies to Standard Life and Accident Insurance Company for a group policy of Critical Illness Insurance. The Employer represents that all answers contained herein are true and complete and form the basis of the group policy.

ACKNOWLEDGEMENT — The Employer understands that the coverage applied for provides lump sum payments only for critical illnesses listed. The policy does not provide for reimbursement of any medical expenses. Benefits provided are a supplement, and not intended as a substitute for medical expense coverage or disability insurance.

PREMIUMS — Premium rates quoted were based on the data submitted to the Company. Final premium rates will be determined on the basis of the actual composition of the group of persons who become insured. The Employer agrees to timely remit the total premiums due to Standard Life and Accident Insurance Company in accordance with the terms of the Policy.

PAYROLL DEDUCTION  Yes  No - 100% Employer Paid

The Employer agrees to honor the written request of its Employees to make payroll deductions according to the schedule established with the Company and to remit all deductions to the Company on the designated due date. The Employer assumes no other liability under this agreement, and this agreement will continue in force until 30 days after the Company receives written notice of termination from the Employer or organization, together with payment of all deductions up to the date of the termination. After that date, the Employer will have no further responsibility for deductions.

FRAUD 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 fines and confinement in prison.

Dated at City, State \_\_\_\_\_

Date \_\_\_\_\_

Signature of Authorized Employer Representative \_\_\_\_\_

Title (printed) \_\_\_\_\_



**AGENT STATEMENT**

I hereby certify that all information set forth in the Application is correct to the best of my knowledge, accurately recorded, and the answers did not conflict with my observations and knowledge of the Employer.

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

\_\_\_\_\_  
Print Agent Name

\_\_\_\_\_  
Agent's Writing Number



**SECTION C**

9. In the past 2 years, has the Applicant or any Dependent Proposed for Insurance been informed by a physician of any abnormal test results or been advised to have any diagnostic/screening tests or procedures which have not yet been performed? .....  Yes  No  
 If Yes, list name of Applicant or Dependent Proposed for Insurance: \_\_\_\_\_
10. Does the Applicant or any Dependent Proposed for Insurance use a cane, walker, motorized vehicle, wheelchair or require mobility assistance by another person? .....  Yes  No  
 If Yes, list name of Applicant or Dependent Proposed for Insurance: \_\_\_\_\_
11. In the past 5 years, has the Applicant or any Dependent Proposed for Insurance been diagnosed with or treated for any of the following conditions? .....  Yes  No  
 If Yes, check all that apply:

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Abnormal Mammogram<br><input type="checkbox"/> Abnormal Moles or Lesions<br><input type="checkbox"/> Abnormal Pap Smear<br><input type="checkbox"/> Abnormal Prostate-Specific Antigen (PSA)<br><input type="checkbox"/> Alcohol or Drug Abuse<br><input type="checkbox"/> Basal or Squamous Cell Carcinoma<br><input type="checkbox"/> Bone Marrow Transplant<br><input type="checkbox"/> Crohn's Disease (except irritable bowel disease or mucus colitis)<br><input type="checkbox"/> Diabetes<br><input type="checkbox"/> Disease or disorder of the heart or blood vessels | <input type="checkbox"/> Disease of the nervous system (except non-chronic shingles)<br><input type="checkbox"/> Dysplastic Nevi<br><input type="checkbox"/> Fibrocystic Breast Disease (with history of biopsy)<br><input type="checkbox"/> Hepatitis B, C or Carrier<br><input type="checkbox"/> High Blood Pressure<br><input type="checkbox"/> High Cholesterol<br><input type="checkbox"/> Hyperlipidemia<br><input type="checkbox"/> Kidney Disease (except non-chronic kidney stones or infection)<br><input type="checkbox"/> Leukemia<br><input type="checkbox"/> Liver Disease | <input type="checkbox"/> Lung disease (except asthma that has never required hospitalization and non-chronic bronchitis)<br><input type="checkbox"/> Multiple Sclerosis<br><input type="checkbox"/> Pancreas Disorder<br><input type="checkbox"/> Polyps<br><input type="checkbox"/> Pre-cancerous Lesions/ Tumors<br><input type="checkbox"/> Recurrent Breast Tumors<br><input type="checkbox"/> Recurrent Human Papilloma Virus (HPV)<br><input type="checkbox"/> Skin Cancer<br><input type="checkbox"/> Ulcerative Colitis<br><input type="checkbox"/> Unexplained Tumors/ Growth |
|--|--|--|

**Complete the following for each condition checked in question 11.**

Name of Applicant or Dependent Proposed for Insurance	Condition	Medication	Date(s) of Treatment	Results	Name/Address of Physician

**SECTION D**

**DECLARATION AND AGREEMENT** — I have personally completed and reviewed all of my answers to the questions in this Enrollment Form and represent that all information I have provided is true, complete, and correctly recorded. I understand that this information will be used to determine each person's eligibility for coverage under the Policy and any false statement or misrepresentation may result in loss of coverage or claim denial. The Employee (and Spouse or Dependent if coverage elected) must be eligible based on the Company's rules in effect on the date of enrollment and on the Certificate Effective Date. Policy coverage (or Change of coverage), if issued and approved by the Company, will become effective on the date recorded in the Certificate Schedule of Benefits and not the date this Enrollment Form is signed. I understand that no agent or producer can accept risks, modify policies, or waive any rights or requirements of the Company. If this Enrollment Form is completed electronically, I agree that my electronic signature serves as my original signature.

**ACKNOWLEDGEMENT** — I understand that the coverage applied for provides lump sum payments only for critical illnesses listed. The policy does not provide for reimbursement of any medical expenses. Benefits provided are a supplement, and not intended as a substitute for medical expense coverage or disability insurance.

**PAYROLL DEDUCTION** — I hereby request, authorize and direct my Employer to deduct the Billable Premium amount from my salary or wages, and any required premium thereafter, and forward that amount to Standard Life and Accident Insurance Company. This authorization will remain in effect until revoked by me in writing.

**FRAUD 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 fines and confinement in prison.

\_\_\_\_\_ Date

\_\_\_\_\_ Dated at City, State

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

\_\_\_\_\_ Spouse's Signature (if coverage is requested)



**AUTHORIZATION TO OBTAIN, RELEASE AND DISCLOSE MEDICAL INFORMATION**

I/We hereby authorize any: physician, medical practitioner, hospital, clinic or other medical related facility, insurance company, insurance support organization, business partner, pharmacy, government agency, group policyholder, employer, benefit plan administrator, the Medical Information Bureau, the Department of Motor Vehicle Registration, and paramedical facility to provide to STANDARD LIFE AND ACCIDENT INSURANCE COMPANY, or to any agent, attorney, consumer reporting agency or independent administrator, including medical record retrieval services or pharmaceutical services, acting on STANDARD LIFE AND ACCIDENT INSURANCE COMPANY'S or its reinsurers' behalf, information concerning advice, care or treatment sought by or provided to me and/or any other Proposed Insured for coverage, including information relating to medical history, medical conditions, treatment, hospitalizations or confinements, ailments, and/or drug, alcohol or tobacco usage of the Applicant or any Proposed Insured. It is understood that STANDARD LIFE AND ACCIDENT INSURANCE COMPANY underwriters, claim examiners, reinsurers, attorneys, or the medical director may disclose such health information to the aforementioned parties for purposes of underwriting, compliance, record clarification or explanation, or in response to litigation, summons, or subpoenas. I/We understand that after this information is disclosed, the recipient may redisclose it, resulting in loss of protection by federal regulations.

I/We understand that:

- 1. such information will be used by STANDARD LIFE AND ACCIDENT INSURANCE COMPANY for underwriting and insurability determinations;
- 2. I/We may refuse to sign this authorization and that my/our refusal to sign will affect my/our ability to obtain health insurance coverage;
- 3. a picture copy or photocopy of this authorization shall be as valid as the original; and
- 4. I/We, or my/our authorized representative, am/are entitled to receive a copy of this authorization upon request.

This authorization is valid from the date signed for a duration of 24 months. I/We understand I/we may revoke the authorization at any time, except to the extent that action has been taken in reliance on this authorization, by sending written notice to the Health Underwriting Department of STANDARD LIFE AND ACCIDENT INSURANCE COMPANY, P.O. Box 1991, Galveston, Texas 77553. *I/We may inspect or copy any information used or disclosed under this authorization, if signed.* If this application is taken over the phone, I/we agree that my/our electronic signature serves as my/our original signature.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dated at City, State

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

\_\_\_\_\_  
Spouse's Signature (if coverage is requested)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Personal Representative designated by signature above is hereby authorized to execute this instrument based on: (circle one) power of attorney, guardian, guardian-in-fact, payee representative or other \_\_\_\_\_ .



**AGENT STATEMENT**

As Agent, do you have knowledge or reason to believe that replacement of existing insurance may be involved? .....  **Yes**  **No**

If yes, I have complied with all legal and company requirements and the Employee has read and signed the Notice To Applicant Regarding Replacement.

I hereby certify that:

- 1. all information set forth in the Enrollment Form is complete and correct to the best of my knowledge and was accurately recorded; and
- 2. the answers did not conflict with my observations and knowledge of the Employee or any Eligible Dependent.

I also certify that I advised the Employee:

- 1. of the eligibility requirements;
- 2. that the coverage provides critical illness benefits and is not a major medical or comprehensive medical plan and;
- 3. of the coverage limitations and exclusions, and pre-existing condition limitation.

\_\_\_\_\_  
Agent's Name (please print)

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

\_\_\_\_\_  
Agent's Writing Number

\_\_\_\_\_  
Date Signed

Phone (\_\_\_\_) \_\_\_\_\_

Fax (\_\_\_\_) \_\_\_\_\_

Email \_\_\_\_\_

Premium Quoted: \$ \_\_\_\_\_

**Standard Life and Accident Insurance Company**

A Member of the American National Family of Companies  
Home Office: One Moody Plaza, Galveston, Texas, 77550  
Toll-Free Telephone Number: 1-888-350-1488

(A Stock Insurance Company hereafter referred to as "Standard Life", "We", "Us", "Our" or "the Company")

**MORTGAGE PROTECTION BENEFIT RIDER**

This Rider is made a part of the Policy to which it is attached. This Rider is subject to all non-conflicting Policy provisions, terms, definitions and limitations. This Rider applies if shown in the Employee's Certificate Schedule of Benefits.

Unless otherwise indicated below, this Rider is effective on the Certificate Effective Date shown in the Certificate Schedule of Benefits.

Benefits provided by this Rider will not duplicate any similar benefits provided under the Policy.

**CAUSAL CONDITION** means a condition, listed in paragraph 1, below, of this Rider's BENEFIT provision, that is the direct cause, independent of any other cause, of the Employee's Total Disability

**TOTAL DISABILITY OR TOTALLY DISABLED** means the Employee's complete inability to engage in his/her usual employment or occupation caused by the Employee being Diagnosed with a Causal Condition that has left him/her mentally or physically incapacitated. The Employee's **TOTAL DISABILITY** must begin within 12 months of the First Occurring Diagnosis of his/her Causal Condition.

**BENEFIT** – Benefits under this Rider are payable when:

1. The Employee has been Diagnosed as having any one of the following First Occurring Causal Conditions: Invasive Cancer; Heart Attack; Stroke; Major Organ Transplant; Coma; Paralysis; or Renal Failure; and
2. As a result of such condition, the Employee is Totally Disabled for more than 30 days.

After the Employee is Totally Disabled for more than 30 days, for each subsequent 30 day period he/she continues to be Totally Disabled, We will pay the Employee's selected monthly Mortgage Protection Benefit, shown in the Certificate Schedule of Benefits. If the Employee has not been Totally Disabled for an entire subsequent 30 day period, the benefit payable will be prorated according to the total number of consecutive days the Employee was Totally Disabled during such period.

When the Employee is no longer Totally Disabled as the result of the Causal Condition that led to any period of Total Disability, no further benefit will be paid. However, if the Employee becomes Totally Disabled as the result of the same Causal Condition for which benefits were previously paid under this Rider, subsequent benefits will be paid from the first day of such subsequent Total Disability.

Total benefits paid under this Rider will not exceed this Rider's Maximum Rider Benefit, shown in the Employee's Certificate Schedule of Benefits.

Any benefit payments under this Rider shall begin within 45 days following the Company's receipt of the Employee's claim.

Mortgage Protection Benefit payments are provided only as the result of the Employee's first Diagnosis of each Causal Condition, listed above, and the Employee's resulting Total Disability; and does not apply to any claim made under the Recurrence benefit or a claim made by any other Covered Person.

Coverage under this Rider terminates on the first to occur of:

1. payment of the Maximum Rider Benefit; or
2. the date the Employee's coverage under the Policy terminates.

Rider Effective Date, if other than Certificate Effective Date: \_\_\_\_\_



Secretary

**State:** Arkansas

**Filing Company:**

Standard Life and Accident Insurance Company

**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

**Product Name:** GR Employer Critical Illness Plan

**Project Name/Number:** /

### Rate Information

Rate data applies to filing.

**Filing Method:** Serff

**Rate Change Type:** Decrease

**Overall Percentage of Last Rate Revision:** 0.000%

**Effective Date of Last Rate Revision:** 07/12/2011

**Filing Method of Last Filing:** New

### 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 req'd):	Minimum % Change (where req'd):
Standard Life and Accident Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

**State:** Arkansas**Filing Company:**

Standard Life and Accident Insurance Company

**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness**Product Name:** GR Employer Critical Illness Plan**Project Name/Number:** /

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Approved-Closed	08/08/2012
Comments:			
Attachment(s):			
Readability Certification SL.pdf			

		Item Status:	Status Date:
Bypassed - Item:	Application	Approved-Closed	08/08/2012
Bypass Reason:	Included in forms tab.		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Duplication Notice, Replacement Notice	Approved-Closed	08/08/2012
Comments:	The statutorily worded Duplication Notice and Replacement Notice has been included.		
Attachment(s):			
DUPLICATION NOTICE.pdf			
REPLACEMENT NOTICE.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Important Notice To Arkansas Residents	Approved-Closed	08/08/2012
Comments:	Will be attached to each policy and certificate.		
Attachment(s):			
AR Imp Information Notice.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Statement of Variability	Approved-Closed	08/08/2012
Comments:			
Attachment(s):			

**SERFF Tracking #:**

ANTX-128104816

**State Tracking #:**

**Company Tracking #:**

GR EMPLOYER CI

**State:**

Arkansas

**Filing Company:**

Standard Life and Accident Insurance Company

**TOI/Sub-TOI:**

H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

**Product Name:**

GR Employer Critical Illness Plan

**Project Name/Number:**

/

STATEMENT OF VARIABILITY.pdf



## READABILITY CERTIFICATION

We hereby certify that the following forms have achieved a Flesch scale readability score which meets the minimum reading ease score as required by your state:

SLA-CI11GEP-AR  
SLA-CI11GEC-AR  
SLCIEGRP  
SLGRPCI  
SLA-  
CIMPGE



---

James P. Stelling  
Vice President

08/03/2012

---

Date of Signature

## **IMPORTANT NOTICE TO PERSONS ON MEDICARE THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

### **THIS IS NOT MEDICARE SUPPLEMENT INSURANCE**

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice
- outpatient prescription drugs if you are enrolled in Medicare Part D
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

### **BEFORE YOU BUY THIS INSURANCE**

- Check the coverage in all health insurance policies you already have.
- For more information about long-term care insurance, review the *Shopper's Guide to Long-Term Care Insurance*, available from the insurance company.
- For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- For help in understanding your health insurance, contact your state insurance department or state senior insurance program.

**NOTICE TO APPLICANT  
REGARDING REPLACEMENT OF ACCIDENT AND SICKNESS INSURANCE**

According to your application, you intend to lapse or otherwise terminate existing accident and sickness insurance and replace it with a policy/certificate to be issued by Standard Life and Accident Insurance Company. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy/certificate.

1. Health conditions which you may presently have (pre-existing conditions) may not be immediately or fully covered under the new policy/certificate. This could result in denial or delay of a claim for benefits under the new policy/certificate, whereas a similar claim might have been payable under the present policy/certificate.
2. You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy/certificate. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.
3. If, after due consideration, you still wish to terminate your present policy/certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical 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 premium as though your policy/certificate had never been in force.** After the application has been completed and before you sign it, re-read it carefully to be certain that all information has been properly recorded.

The above "Notice to Applicant" was delivered to me on:

---

Date

---

Applicant's Signature

**IMPORTANT INFORMATION FOR  
ARKANSAS POLICYOWNERS**

If you have questions about your policy or a claim you have filed, please contact your insurance company or your agent:

Standard Life and Accident Insurance Company  
C/O Customer Service Department  
P.O. Box 696820  
San Antonio, Texas 78269

Telephone: 1-888-350-1488  
1-409-763-4661

Agent \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

If you are unable to resolve a problem with your insurance company or your agent, you may contact the Arkansas Department of Insurance:

Arkansas Insurance Department  
Consumer Services Division  
1200 West Third Street  
Little Rock, AR 72201-1804

Telephone: 1-800-852-5494  
1-501-371-2640

E-Mail: [Insurance@mail.state.ar.us](mailto:Insurance@mail.state.ar.us)

Web Site: [www.state.ar.us/insurance](http://www.state.ar.us/insurance)

CCN-AR3

**STANDARD LIFE AND ACCIDENT INSURANCE COMPANY**

**STATEMENT OF VARIABILITY**

**GROUP EMPLOYER CRITICAL ILLNESS PRODUCT**

**FORM SLA-CI11-GEP**

The Page numbers throughout the product may vary depending on the benefit selection and specifications made by the policyholder.

Page 1 – Cover Page:

1. Employer information (ie., policy number, employer name, effective date, etc.) will be based on policyholder specific information.

Page 2 – Table of Contents:

2. Page numbers in the Table of Contents may vary according to benefit selection.

Page 3 – Policy Schedule of Benefits:

3. Employer, Policy Number, Policy Date, Classes of Eligible Persons, Employee Contributions, Employer Waiting Period will be based on policyholder specific information and negotiations.
4. Benefit Reduction due to age or anniversary is currently utilized, but it is bracketed in case we do not wish to do so in the future.
5. Participation Requirements may or may not be required. This will be based on a number or percentage.
6. The “Benefit amounts available under this Policy..” statement will be included when the employee is allowed to choose benefits available from the company.
7. The Plan, Option, Level, Class will be vary based on the specific benefit description used for the plan.
8. Benefit amounts shown in variables are the minimum and maximums that we may offer under this policy. The amounts will be offered in \$5,000 increments. Current offered choices are shown on the application.

Page 4 – Schedule of Benefits (Continued)

9. Category I Critical Illnesses – bracketed days represent the amount of time from the effective date of coverage until the first diagnosis relating to cancer is made. If cancer is diagnosed before 30 or 90 days of coverage, benefits will be reduced as stated in the Schedule Page. If cancer is diagnosed after 30 or 90 days from the coverage effective date, benefits will not be reduced and will be payable in the amount stated in the Schedule Page.
10. Optional Mortgage Protection Rider with variable choice amounts of \$500 to \$1500 will appear on schedule if it is chosen.. The current choices are shown on the application.

Page 5 – Intentionally Blank page

Page 6, 7, 8,9 – Definitions - General

11. The Actively at Work definition will be included and will have the one of the 2 options identified within.

12. The Dependent definition may allow for Domestic Partners if required by the state or when requested by the policyholder and the state allows such provisions. As such, the Domestic Partner definition will be included or excluded.
13. The Employee definition will vary as stated according to policyholder specifications.
14. The Pre-Existing Condition definition – the length of time a condition will be pre-existing depends on choice of 6 or 12 months by the Employer.

Page 10

15. The Participation provision will be included when the underwriting contains participation requirements. The second paragraph “If for any reason...” will be included if underwriting allows a specified time period to re-establish participation before termination of the policy occurs.

Page 11 – No variability

Page 12 - Termination and Continuation

16. Number 4 in the Policy Termination will be included if participation requirements are included.
17. Continuation of Coverage will be included at the option of the company based on policyholder request.

Page 13, 14 – No variability

Page 15 – Benefits and Coverages

18. Reduced Benefit Period - this is the amount of time from the effective date of coverage until the first diagnosis relating to cancer is made. If cancer is diagnosed before 30 or 90 days of coverage, benefits will be reduced as stated in the Schedule Page. If cancer is diagnosed after 30 or 90 days from the coverage effective date, benefits will not be reduced and will be payable in the amount stated in the Schedule Page.

Page 16 – Exclusions and Limitations

19. We wish to utilize this reduction of benefits provision, but have bracketed it in case we do not wish to use it in the future.

Page 17 - Premiums

20. The premium may be listed on the enrollment form, the application or the Certificate Schedule depending on the requirements and size of the group.
21. The premium adjustment – second sentence (No change in premium will take effect before the first policy anniversary unless the terms of the coverage change.) will be included or excluded depending on the requirements and size of the group. Number 2 in the second paragraph will be included if the policy contains participation requirements.

Page 18, 19 – No variability

Page 20

22. The Time Limit on Certain Defenses second paragraph time period will coincide with the groups preexisting condition limitation.

**STANDARD LIFE AND ACCIDENT INSURANCE COMPANY**

**STATEMENT OF VARIABILITY**

**GROUP EMPLOYER CRITICAL ILLNESS PRODUCT**

**FORM SLA-CI11-GEC**

The Page numbers throughout the product may vary depending on the benefit selection and specifications made by the policyholder and/or employee.

Page 1 – Cover Page:

1. The 30 Day Right To Examine will be included on any groups that include those over age 65 or at the option of the company.

Page 2 – Table of Contents:

2. Page numbers in the Table of Contents may vary according to benefit selection.

Page 3 – Certificate Schedule of Benefits:

3. Employer, Employee, Certificate Number, Type, Covered Persons and Certificate Effective Date will be based on employee specific information and negotiations.
4. The Plan, Option, Level, Class will be vary based on the specific benefit description used for the plan.
5. Benefit reduction due to age/anniversary is currently being utilized, but it is bracketed in the event we do not wish to include it in the future.
6. Benefit amounts chosen are shown in the schedule.
7. Category I Critical Illnesses – bracketed days represent the amount of time from the effective date of coverage until the first diagnosis relating to cancer is made. If cancer is diagnosed before 30 or 90 days of coverage, benefits will be reduced as stated in the Schedule Page. If cancer is diagnosed after 30 or 90 days from the coverage effective date, benefits will not be reduced and will be payable in the amount stated in the Schedule Page.

Page 4 – Schedule of Benefits (Continued)

8. The optional Mortgage Protection Rider will be shown on the Schedule if it is chosen. Current choices are on the application.

Page 5 – Intentionally left blank as the back of the Schedule Page

Page 6, 7, 8, 9 – Definitions-General

9. The Actively at Work definition will be included and will have the one of the 2 options identified within.

10. The Dependent definition may allow for Domestic Partners if required by the state or when requested by the policyholder and the state allows such provisions. As such, the Domestic Partner definition will be included or excluded.
11. The Employee definition will vary as stated according to policyholder specifications.
12. The Pre-Existing Condition limitation period of 6 or 12 months will depend upon the choice of length of time by the Employer.

Pages 10, 11 – No variables.

Page 12 - Termination and Continuation

13. Continuation of Coverage will be included at the option of the company based on policyholder request.

Page 13 – No variability

Page 14 – Benefits and Coverages

14. Reduced Benefit Period - this is the amount of time from the effective date of coverage until the first diagnosis relating to cancer is made. If cancer is diagnosed before 30 or 90 days of coverage, benefits will be reduced as stated in the Schedule Page. If cancer is diagnosed after 30 or 90 days from the coverage effective date, benefits will not be reduced and will be payable in the amount stated in the Schedule Page.

Page 15 – Exclusions and Limitations

15. We are currently utilizing the reduction of benefits provision, but have bracketed it in case we do not wish to do so in the future.

Page 16 - Premiums

16. The premium may be listed on the enrollment form, the application or the Certificate Schedule depending on the requirements and size of the group.
17. The premium adjustment – Number 2 in the second paragraph will be included if the policy contains participation requirements.

Page 17, 18 – No variability

Page 19

18. The Time Limit on Certain Defenses second paragraph time period will coincide with the groups preexisting condition limitation.

**State:** Arkansas**Filing Company:**

Standard Life and Accident Insurance Company

**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness**Product Name:** GR Employer Critical Illness Plan**Project Name/Number:** /

## 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)
08/07/2012	Form	Group Employee Certificate	08/08/2012	CERT.pdf (Superseded)
02/21/2012	Form	Group Employer Policy	08/07/2012	POLICY.pdf (Superseded)
02/21/2012	Form	Group Employee Certificate	08/07/2012	CERT.pdf (Superseded)

**Standard Life and Accident Insurance Company**

A Member of the American National Family of Companies – A Texas Corporation

Home Office: One Moody Plaza, Galveston, Texas, 77550

Toll-Free Telephone Number: 1-888-350-1488

(A Stock Insurance Company hereafter referred to as "Standard Life", "We", "Us", "Our" or "the Company")

**GROUP CRITICAL ILLNESS INSURANCE  
CERTIFICATE OF COVERAGE**

This is the Employee's Certificate of Coverage (hereafter Certificate) while insured under the Group Policy (hereafter Policy). This Certificate replaces any prior Certificate for the benefits described inside. This is not a contract nor does it modify or amend the Policy. It explains the rights and benefits that are determined by the Policy. A copy of the Policy is kept at the principal office of the Employer. The Policy is non-participating. A Covered Person may inspect it during regular business hours. **READ THE CERTIFICATE CAREFULLY!**

**CONSIDERATION.** This Certificate is issued in consideration of the statements made in the Enrollment Form and payment of the Initial Premium. Coverage is not provided until the first full premium is paid. The first premium pays for the Initial Term of coverage. The Initial Term of coverage begins at 12:01 a.m. on the Certificate Effective Date shown on the Certificate Schedule of Benefits.

**TERMINATION.** The coverage may be terminated by the Company for reasons stated in the Termination provision.

**PREMIUMS.** Premiums may be changed and are due as stated in the **Premiums** provision.

**[30 DAY RIGHT TO EXAMINE CERTIFICATE.** Within 30 days after the Employee receives the Certificate, it may be returned in person or by regular mail to the Company, its agency office or the agent who sold it to the Employee for any reason. The Company will return the premium to the payee. Then the Employee and the Company will be in the same position as if a Certificate had never been issued.]

**THIS IS NOT A MEDICARE SUPPLEMENT POLICY.** If any Covered Person is eligible for Medicare, such person should review the "Guide to Health Insurance for People with Medicare" available from the Company.

Signed for Us on the Certificate Effective Date.



Secretary



President

**NOTICE TO BUYER:**

**POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LUMP SUM PAYMENTS FOR ONLY CRITICAL ILLNESSES LISTED. THE POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES.**

**BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE.**

**PLEASE READ THE POLICY CAREFULLY!**

**THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE.**

# TABLE OF CONTENTS

CERTIFICATE SCHEDULE OF BENEFITS .....	3
DEFINITIONS – GENERAL .....	6
ELIGIBILITY AND EFFECTIVE DATES .....	10
TERMINATION AND CONTINUATION .....	12
CRITICAL ILLNESS COVERAGE.....	14
EXCLUSIONS AND LIMITATIONS.....	15
PREMIUMS .....	16
CLAIM PROVISIONS.....	17
GENERAL PROVISIONS.....	19

# CERTIFICATE SCHEDULE OF BENEFITS

**EMPLOYER:** [ABC Employer]

**EMPLOYEE:** [John Doe]

**[CERTIFICATE NUMBER:** [SLA012345]

**TYPE:** [FAMILY]

**STATE OF ISSUE:** Arkansas

**COVERED PERSON(S):**

[John Doe]

[Baby Doe]

**CERTIFICATE EFFECTIVE DATE:**

[July 1, 2011]

[July 1, 2011]

**[PLAN:**

**[OPTION 1][OPTION 2][OPTION 3][LEVEL 1][LEVEL 2][LEVEL 3][CLASS 1][CLASS 2][CLASS 3 ]**

**[BENEFITS OTHERWISE PAYABLE ARE REDUCED 50% ON THE LATER OF A COVERED PERSON'S AGE 70 OR HIS/HER 5<sup>TH</sup> CERTIFICATE EFFECTIVE DATE ANNIVERSARY.]**

**EMPLOYEE –**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

**[EMPLOYEE'S SPOUSE -**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

**[EMPLOYEE'S CHILD –**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

## **CATEGORY 1 CRITICAL ILLNESSES -**

### **BENEFIT PERCENTAGE**

- Invasive Cancer (Diagnosis more than [30, 90] days after the Certificate Effective Date) 100%
- Invasive Cancer (Diagnosis during the first [30, 90] days after the Certificate Effective Date) 10%
- Cancer In Situ (Diagnosis more than [30, 90] days after the Certificate Effective Date) 25%
- Cancer In Situ (Diagnosis during the first [30, 90] days after the Certificate Effective Date) 2.5%

## **CATEGORY 2 CRITICAL ILLNESSES -**

- Heart Attack 100%
- Stroke 100%
- Heart Transplant or Combination Heart and Other Major Organ Transplant 100%
- Coronary Artery Bypass Surgery 25%
- Angioplasty 25%
- Aortic Surgery 25%
- Heart Valve Replacement/Repair Surgery 25%

## **CATEGORY 3 CRITICAL ILLNESSES -**

- Major Organ Transplant, not covered in Category 2 100%
- Coma 100%
- Paralysis 100%
- End-Stage Renal Failure 100%

**OPTIONAL BENEFITS:** [None]

**[Mortgage Protection Benefit –** [\$500 - \$1500]  
**Maximum Rider Benefit -** [\$6,000 - \$18,000]

**PREMIUM RATES:**

**Total Annual Premium:**.....[\$xxx.00]

Initial Term:..... [Monthly, Semi-Monthly, Bi-Weekly, Weekly Draft][Other]

Initial Premium.....[\$xxx.00]

[INTENTIONALLY LEFT BLANK]

## DEFINITIONS – GENERAL

**[ACTIVELY AT WORK OR ACTIVE SERVICE]** means an Employee who is [present for [20 – 30 hours per week] ] [a full-time Employee] at his/her usual place of employment for the Employer or at another location as assigned or directed by the Employer, and is mentally and physically capable of performing the regular duties of the job for which he or she is employed.

On any day that is not an Employee's regularly scheduled work day (vacation, personal days, and weekends/holidays) the Employee will be considered Actively at Work on such day provided he or she is not absent due to any type of leave and was Actively at Work on his/her last regularly scheduled work day.

An Employee who usually performs the regular duties of his/her job at their home is considered Actively at Work if they meet all the above requirements and could work at the Employer's usual place of employment if required to do so. ]

**AGE** means a Covered Person's Age as of his/her last birthday.

**ANGIOPLASTY** means the actual undergoing of a percutaneous transluminal angioplasty deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. A Physician, board-certified as a Cardiologist, must perform the Procedure. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**AORTIC SURGERY** means the actual undergoing of surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon, thoracic surgeon, or vascular surgeon. Aorta is limited to the thoracic and abdominal aorta, but not its branches.

**CANCER IN SITU** means a Diagnosis of Cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue. Cancer in Situ includes

1. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; and
2. melanoma not invading the dermis.

Cancer in Situ does not include

1. other skin malignancies; or
2. pre-malignant lesions (such as intraepithelial neoplasia); or
3. benign tumors or polyps.

Cancer in Situ must be Diagnosed pursuant to a Pathological or Clinical Diagnosis.

**CERTIFICATE EFFECTIVE DATE** is the date coverage begins for each Covered Person under the Policy. It will be different for a Covered Person added to the Policy after the original date of issue or when a change in coverage for any Covered Person occurs. Each Covered Person's Certificate Effective Date is shown in the Employee's Certificate of Coverage Schedule of Benefits.

**CLINICAL DIAGNOSIS** means a Diagnosis of Invasive Cancer or Cancer In Situ based on the study of symptoms and Diagnostic test results. We will accept a Clinical Diagnosis of Cancer only if the following conditions are met:

1. a Pathological Diagnosis cannot be made because it is medically inappropriate or life threatening;
2. there is medical evidence to support the Diagnosis; and
3. a Physician is treating the Covered Person for Invasive Cancer and/or Cancer In Situ.

**CLOSE RELATIVE** means anyone related to a Covered Person by blood, marriage, or adoption; or a court appointed representative.

**COMA** means the diagnosis, by a Legally Qualified Physician board-certified as a Neurologist, that a Covered Person is in a state of unconsciousness:

1. from which he/she cannot be aroused;
2. in which external stimulation will produce no more than primitive avoidance reflexes; and
3. such state has persisted continuously for at least 96 hours.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**CORONARY BYPASS SURGERY** means the actual undergoing of coronary artery bypass surgery using either a saphenous vein or internal mammary artery graft for the treatment of coronary heart disease deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. The Procedure must be performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**COVERED PERSON** means an Employee, an Employee's spouse or Dependent children, listed as a Covered Person in the Certificate Schedule of Benefits and for whom premium has been paid.

**CRITICAL ILLNESS** means any of the medical conditions or procedures, shown in the Certificate Schedule of Benefits, that is first Diagnosed or first performed as the result of a Diagnosis, each made after the respective Covered Person's Certificate Effective Date.

**DATE OF DIAGNOSIS** means the date the Diagnosis is established by a Physician, through the use of clinical and/or laboratory findings as supported by the Covered Person's medical records. For a procedure, it is the date the Covered Person undergoes the procedure.

**DEPENDENT** means an Employee's family as follows:

1. The lawful Spouse[\*], if not legally separated or divorced;
2. Unmarried children (whether natural, adopted or stepchildren) under the limiting age of 26; or
3. Unmarried children for whom the Employee is required to provide insurance under a medical support order or an order enforceable by a court.

[\*The term "Spouse" as used throughout the Policy will also mean the Employee's legal Domestic Partner.]

**DIAGNOSIS** means the definitive establishment by a Physician of the Critical Illness through the use of clinical and/or laboratory findings.

*[DOMESTIC PARTNER means an opposite or same sex person with whom an Employee maintains a committed relationship and shares a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under the state law as domestic partners. Each partner must:*

1. *Be at least 18 years old and competent to contract;*
2. *Be the sole domestic partner of the other person; and*
3. *Not be married.]*

**EMPLOYEE** means the Employee designated in the Enrollment Form [who is [Actively at Work and] listed in an eligible class of Employees in the Employer's application]. The Employee must be listed as a Covered Person in the Certificate Schedule of Benefits and appropriate premium paid in order to be covered under the Policy. [An Employee does not include seasonal or temporary Employee's.]

**EMPLOYER** means the plan sponsor to whom the Group Policy is issued and shall include any affiliated entities or subsidiaries approved by the Company.

**END-STAGE RENAL FAILURE** means the chronic and irreversible failure of both of a Covered Person's kidneys, which requires the Covered Person to undergo periodic and ongoing dialysis. The Diagnosis must be made by a Physician.

**ENROLLMENT FORM** means the form(s) that the Employee (and Employee's spouse, if any) signed to apply for coverage under the Policy. It also includes any other document approved by the Company that the Employee uses to apply for or change coverage under the Policy.

**FIRST OCCUR(S)/FIRST OCCURRING/FIRST OCCURRENCE** means the occurrence, Diagnosis, or procedure is the first time ever in the Covered Person's lifetime that he/she has experienced such Critical Illness, been Diagnosed with that specific condition included as a Critical Illness, or undergone a specific procedure included as a Critical Illness.

**HEART ATTACK** means an Acute Myocardial Infarction resulting in:

1. the death of a portion of the heart muscle (myocardium) due to a blockage of one or more coronary arteries; and
2. resulting in the loss of the normal function of the heart.

The Diagnosis must be made by a Physician and based on both:

1. new clinical presentation and electrocardiographic changes consistent with an evolving heart attack; and
2. serial measurement of cardiac biomarkers showing a pattern and to a level consistent with a Diagnosis of Heart Attack.

Established (old) Myocardial Infarction is excluded.

**HEART VALVE REPLACEMENT/REPAIR SURGERY** means the actual undergoing of open heart surgery to replace or repair one or more valves. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon.

**INVASIVE CANCER** means a malignant neoplasm, which is characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue through the basement membrane or capsule. "Invasive Cancer" includes, but shall not be limited to any form of:

1. Leukemia;
2. Lymphoma; or
3. Multiple Myeloma

The following are not "Invasive Cancer":

1. pre-malignant lesions (such as intraepithelial neoplasia); or
2. benign tumors or polyps; or
3. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; or
4. Cancer in Situ; or
5. any skin cancer (other than invasive malignant melanoma in the dermis or deeper or skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed by a Physician, board-certified as a pathologist pursuant to a Pathological or Clinical Diagnosis.

**MAJOR ORGAN** means a Covered Person's entire liver, kidney, lung, heart, small intestine, pancreas, pancreas-kidney, bone marrow, or stem-cells. No other organ or system is included.

**MAJOR ORGAN TRANSPLANT** means the placement of an entire Major Organ in a Covered Person, where such Major Organ:

1. originates in a person other than such Covered Person;
2. is somewhat independent from all other parts of the human body; and
3. performs a special or unique function.

A Major Organ Transplant does not include the placement of a mechanical or man-made device or substance which is intended to serve as a substitute for or aid in the performance of the failed Major Organ; nor does it include Major Organ parts such as valves, ducts, arteries, and any other part of a Major Organ, which in and of itself provides no life sustaining purpose. For purposes of this definition, a Major Organ Transplant is considered to have occurred on the date a Covered Person is added to the United Network of Organ Sharing (UNOS) or the National Marrow Donor Program (NMDP) transplant list.

**MAXIMUM BENEFIT AMOUNT** means the eligible total of Benefit Payments for all Critical Illnesses as stated in the Certificate Schedule of Benefits.

**MEDICALLY NECESSARY** means that, based on generally accepted current medical practice, a service is necessary and appropriate for the Diagnosis or treatment of a Critical Illness. We do not consider a service Medically Necessary if:

1. It is provided only as a convenience to the Covered Person or provider; or
2. It is not appropriate treatment for the Covered Person's Diagnosis or symptoms;
3. It exceeds (in scope, duration, or intensity) that level of care that is needed to provide safe, adequate, and appropriate diagnosis or treatment.

**PATHOLOGICAL DIAGNOSIS** means Diagnosis based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board certified pathologist and whose Diagnosis of malignancy conforms to the standards set by the American College of Pathology.

**PARALYSIS** means a Covered Person's complete and permanent loss of use, not including amputation, of two or more limbs through neurological injury for a continuous period of at least 180 days, confirmed by a Legally Qualified Physician board-certified as a Neurologist. No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under the Policy.

**PHYSICIAN** means a person, other than You, a Close Relative, or a business or professional partner who is:

1. duly licensed to practice medicine in the jurisdiction where the Diagnosis is made, or the procedure performed where such jurisdiction is a continuing member of the United States of America or a territory within the jurisdiction of the United States of America (embassies, military zones, and similarly designated non-domestic extensions of the United States government are not included); and
2. acting within the scope of his/her license.

**PRE-EXISTING CONDITION** means a medical condition relating to a Critical Illness, not otherwise excluded by name or specific description:

1. for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within 12 months before the Covered Person's Certificate Effective Date; or
2. that would have caused a reasonably prudent person to seek medical Diagnosis or treatment within 12 months before his/her Certificate Effective Date.

Critical Illness related to such a medical condition is not covered within [6-12] months of a Covered Person's Certificate Effective Date

**STROKE** means any acute cerebrovascular accident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent. Transient ischemic attack (mini-stroke), head injury, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits are excluded. The Diagnosis must be made by a Physician.

**YOU, YOUR OR YOURS** means the Employee named on the Certificate Schedule of Benefits.

## ELIGIBILITY AND EFFECTIVE DATES

This plan is offered to You as an Employee of the Employer.

### EMPLOYEE ELIGIBILITY

An Employee is eligible to apply for coverage under the Policy if the Employee:

1. Is in Active Service;
2. Is part of an eligible class of Employees listed in the Employer's Application; and
3. Has completed the Employer's Waiting Period shown in the Employer's Application.

The Employer's Waiting Period is the time between the first day of employment in an eligible class of Employees and the first day that the Employee is eligible to apply for coverage under the Policy. The Employer's Waiting Period is chosen by the Employer and shown in the Policy Schedule of Benefits. The Employer's Waiting Period may differ for current Employees and new Employees. An Employee in an eligible class must enroll for coverage by submitting a completed Enrollment Form with the appropriate payroll deduction authorization within 31 days of completion of the Employer's Waiting Period.

No Employee may be eligible for insurance under the Policy as both an Employee and as a Spouse or Dependent Child at the same time. If an Employee and Spouse are both eligible to be covered as an Employee, one but not both, is eligible to cover the Dependent Children. The other Spouse may elect single coverage only.

### EMPLOYEE'S EFFECTIVE DATE

An Employee's coverage will become effective on the latest of the following dates:

1. The Policy effective date;
2. The Certificate Effective Date shown in the Certificate Schedule of Benefits; or
3. The date the Employee's Enrollment Form is approved by the Company.

If the Employee is not Actively at Work on his/her Certificate Effective Date, such Certificate Effective Date will be delayed until the date the Employee returns to Active Service.

### DEPENDENT ELIGIBILITY

An Employee is eligible to enroll eligible Dependents on the later of:

1. The date the Employee is eligible to be insured; or
2. The date the Employee first acquires an eligible Dependent.

The first acquired date for eligible Dependents is as follows:

1. A spouse is deemed acquired on the date of marriage;
2. A natural child is deemed acquired on his/her date of birth;
3. A stepchild is deemed acquired on the date of marriage to Your legal spouse;
4. An adopted child is deemed acquired on the date of placement for the purpose of adoption or the date of the entry of an order granting the adoptive parent custody of the child for purposes of adoption; or
5. The date of a court order requiring the Employee to cover eligible Dependents.

An Employee may enroll Dependents for coverage by submitting a completed Enrollment Form within 31 days of first acquiring a Dependent along with the appropriate payroll deduction authorization in accordance with Company policies.

### DEPENDENT'S EFFECTIVE DATE

An eligible Dependent's coverage under the Policy will become effective on the latest of the following dates:

1. the Policy effective date;
2. the Employee's effective date of insurance;
3. the date the Employee elects dependent coverage under the Policy;
4. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
5. the date the Company approves the Employee's Enrollment Form for dependent coverage.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the Certificate Effective Date, the Dependent's Certificate Effective Date will be delayed until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

## **LATE ENTRANTS**

If an Employee or eligible Dependent is not enrolled within 31 days after first becoming eligible, he/she will be considered a Late Entrant and may have to meet additional Evidence of Insurability requirements. Late Entrants are subject to approval by the Company.

If the Company approves the Enrollment Form, the date that insurance takes effect will be assigned by the Company and shown in the Certificate Schedule of Benefits.

## **EVIDENCE OF INSURABILITY REQUIREMENTS**

Evidence of insurability is required for Employees and his/her eligible Dependents, at the Employee's cost, if he/she:

1. applies for coverage more than 31 days after the Employee or Dependent first become eligible;
2. voluntarily canceled insurance and reapplies;
3. is applying after coverage ended due to non-payment of premium;
4. is requesting additional coverage under the Policy; or
5. upon request by the Company.

## **EFFECTIVE DATE OF CHANGES**

Any change in coverage will take effect on the date approved by the Company.

If the Employee is not Actively at Work on his/her last scheduled work day coincident with or preceding the date that an approved increase in his/her coverage is to take effect, such increase will be effective on the date the Employee returns to Active Work.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the date an approved increase in his/her insurance would otherwise become effective, such increase will not be effective until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

## **NEWBORN CHILDREN**

The Employee's newborn child is automatically covered from the moment of birth up to 90 days. Coverage for newborns will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within the greater of 90 days or the next premium due date of such birth and pay the required additional premium (if any), in order for coverage for the newborn child to continue beyond such 90 day period.

## **ADOPTED CHILDREN**

An adopted child is automatically covered for up to 60 days after filing petition for adoption. Coverage will begin from the moment of birth if the petition for adoption and application for coverage is received within 60 days after the birth of the minor. Coverage for such child will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within 60 days after the filing of the petition for adoption and pay additional premium (if any), in order for coverage of the adopted child to continue beyond such 60 day period. The coverage will terminate upon the dismissal or denial of a petition for adoption.

## **COURT ORDERED CUSTODY**

We will not restrict or deny coverage due to the fact that: 1) a Dependent child does not reside with the noncustodial parent; or 2) the parent-child relationship was established through a paternity action; or 3) the minor child is covered through the state-administered Medicaid program; or 4) the minor child is not claimed as a dependent on the noncustodial parent's federal or state income tax return.

## TERMINATION AND CONTINUATION

### TERMINATION

Coverage under the Policy for a Covered Person ends on the earliest of:

1. the date the Policy is terminated by the Company or the Employer;
2. the date the Maximum Benefit Amount has been paid;
3. the premium due date if premiums are not paid when due, subject to the Grace Period;
4. the date a Covered Person performs an act or practice that constitutes fraud;
5. the date the Employee requests, in writing, that the coverage be terminated;
6. the date the Employee ceases to be in an eligible class of Employees; or
7. the date the Dependent does not meet the definition of an eligible Dependent.

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the coverage was in force under the Policy.

### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a mentally or physically handicapped Dependent child that is covered under the Policy and who became incapacitated prior to their 26th birthday will not end when scheduled if the child depends on the Employee for primary support and maintenance. Proof of the incapacity or dependency must be furnished to Us at Our expense. The premium for such child's continued coverage will remain at the child rate until the child is no longer dependent or incapacitated. The Employee must notify Us if the incapacity or dependency is removed or terminated.

Satisfactory proof must be submitted to Us by the Employee within 31 days of such termination date. During the next two years we may, from time to time, require proof of the continuation of such condition and dependence. After that, we may require proof no more than once a year. The premium for such child's continued coverage will be the same as for an adult of like age and sex.

### [CONTINUATION OF COVERAGE

If an Employee or covered Spouse's coverage terminates for any reason except for: 1) non-payment of premium; 2) fraud; or 3) termination of the Policy, the Employee or covered Spouse may elect to continue coverage under the Policy. To elect continued coverage, the Employee or covered Spouse must make the election within 31 days of termination and timely pay all required premiums for the continued coverage to the Employer.

Continued coverage is subject to all of the provisions and limitations of the Policy. Coverage continued under this provision will end when the Policy terminates or the last period for which premium is paid, whichever comes first.]

### CONTINUATION - UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)

Federal law requires that if Your insurance would otherwise end because you enter into active military duty or inactive military duty for training, you may elect to continue insurance (including Dependent's insurance) in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Employer is responsible for meeting all of the obligations under USERRA, including notifying all Employees and Dependents of their rights under USERRA. See Your Employer for further details on this continuation provision.

### CONTINUATION - FAMILY AND MEDICAL LEAVE ACT (FMLA)

(Applies to Employers with 50 or more Employees)

Federal law requires that if Your insurance would otherwise end because of family and medical reasons, You may be entitled to continue insurance (including Dependent's insurance) in accordance with the Family and Medical Leave Act of 1993 (FMLA). The Employer is responsible for meeting all of the obligations under FMLA, including notifying all Employees and Dependents of their rights under FMLA. See Your Employer for further details on this continuation provision.

## CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT ("COBRA")

Applies to Employers with 20 or more Employees

**Applicability:** Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under the Policy and is not (1) already covered under the Policy by reason of another individual's election of COBRA, or (2) entitled to Medicare benefits under Title XVIII of the Social Security Act.

**Qualifying Event:** For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Covered Person, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

<u>Qualifying Events</u>	<u>Duration of Continued Coverage</u>
• death of an Insured	36 months
• termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage	18 months*
• divorce or legal separation	36 months
• Insured becomes eligible for Medicare	Dependents & spouse allowed 36 months
• Insured Dependent no longer meets Insured Dependent eligibility requirements	36 months

\*Coverage may be continued an additional 11 months if the Qualified Beneficiary:

- is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
- notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

**Notice and Election:** Covered Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation of dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of:

- the date on which coverage terminates under the Policy by reason of a Qualifying Event, or
- the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

**Premium Payment:** The Qualified Beneficiary must pay to the Employer the required monthly premium. Any Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

COBRA Termination occurs at the earlier of:

- the premium for continued coverage is not paid within 31 days from being due;
- the Qualified Beneficiary becomes covered under another group health plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
- the Qualified Beneficiary becomes eligible for Medicare;
- the Qualified Beneficiary, who is divorced from an Insured Employee, remarries and is covered under the new spouse's medical plan; or
- the Employer no longer provides medical benefits of any kind.

## CRITICAL ILLNESS COVERAGE

In accordance with all the terms and conditions of the Policy and upon Diagnosis providing evidence that a Covered Person has a Critical Illness First Occurring after the Covered Person's Certificate Effective Date, the Company will pay the Employee the percentage of the Initial Benefit Amount shown in the Certificate Schedule of Benefits for the Diagnosed Critical Illness.

Benefits will be paid to the Employee in a lump-sum. Benefits paid on behalf of each Covered Person will not exceed the Maximum Benefit Amount. Upon payment of the Maximum Benefit Amount on behalf of a Covered Person, coverage for such Covered Person will terminate.

Benefits are payable under the Policy for a Covered Person from each of the Benefit Categories shown in the Certificate Schedule of Benefits when such Covered Person is Diagnosed with a Critical Illness. However, the total benefit payable under each Category will not exceed the Initial Benefit Amount, also shown in the Certificate Schedule of Benefits.

If the first benefit paid from a Category is a 100% benefit, no further benefits for other Critical Illnesses under the same Category will be paid. If the first benefit paid under a Category is not a 100% benefit, subsequent benefits payable under the same Category will be paid as a percentage of the Initial Benefit Amount until the sum of all payments from that same Category equals the Initial Benefit Amount. Then, no further benefits will be paid under that Category, except as provided under the Recurrence Benefit.

**RECURRENCE BENEFIT** – In addition to all other benefits otherwise paid under the Policy, if a Category 2 & 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its First Occurrence and prior to the total paid benefits exceeding the Maximum Benefit Amount, We will pay a benefit of 25% of the Initial Benefit Amount paid for up to two (2) such recurrences.

However, for any benefit to be paid under this provision, coverage under the Policy must be in effect for the Covered Person on the date recurrence is Diagnosed and the Covered Person must have been treatment free (except for maintenance medication and follow-up visits) for 12 months prior to the recurrence.

**REDUCED BENEFIT PERIOD** - If a Category 1 Critical Illness is Diagnosed within [30 – 90] days of a Covered Person's Certificate Effective Date, the following Critical Illnesses will be limited to the respective maximum benefit percentage shown below. In addition, no other benefits for Category 1 Critical Illnesses will be paid.

Invasive Cancer - 10%  
Cancer In Situ - 2.5%

**ADDITIONAL BENEFIT** – If benefits under the Policy are paid when the Employee has been Diagnosed as having any of the following Critical Illnesses: Invasive Cancer; Heart Attack; Stroke; Major Organ Failure; Coma; or Paralysis, more than 90 days after the Certificate Effective Date, then an additional benefit equal to the value of 6 times the then current monthly premium for the Employee's coverage will be paid to the Employee.

This Additional Benefit is provided only as the result of the First Occurrence of Your Critical Illness and does not apply to any claim made under the Recurrence Benefit or a claim made by any other Covered Person.

## EXCLUSIONS AND LIMITATIONS

[Benefits otherwise payable under the Policy are reduced 50% on the later of a Covered Person's Age 70 or his/her 5<sup>th</sup> Certificate Effective Date anniversary. ]

Unless the Covered Person's Critical Illness First Occurs or is Diagnosed while coverage is in force under the Policy, no benefit will be payable.

No benefit is payable for Coma or Paralysis if Coma or Paralysis is the result of a Critical Illness for which benefits are otherwise payable under the Policy.

With the exception of benefits that may be paid on behalf of a Covered Person in accordance with the Recurrence Benefit:

1. The sum of benefits paid for a Covered Person under each Category shall not exceed 100% of the Initial Benefit Amount for each Category; and
2. The sum of all benefits payable for a Covered Person under the Policy shall not exceed the Maximum Benefit Amount shown in the Certificate Schedule of Benefits.

Benefits will not be paid for Critical Illnesses in more than a single Category during any 180-day period. However, this does not apply to multiple benefit payments for Critical Illnesses within the same category, unless the Initial Benefit Amount has been paid.

In the event benefits for a Covered Person are paid for a Critical Illness and within 180 days the Covered Person is Diagnosed with a Critical Illness from another Category with no benefit paid, any recurrence of the latter Critical Illness will be treated as an original Diagnosis with benefits paid accordingly.

If two or more Critical Illnesses are Diagnosed at the same proximate time, the benefit paid will be based upon the Diagnosed Critical Illness providing the largest benefit.

The Company will NOT pay benefits for a Critical Illness, if it is caused by or results from:

1. intentional self-inflicted injuries;
2. suicide, or any attempt at suicide, while sane or insane;
3. service in the armed forces or any auxiliary unit of the armed forces;
4. participation in the commission or attempted commission of a felony;
5. participation in a riot or insurrection;
6. alcoholism or drug addiction; or
7. being intoxicated or under the influence of alcohol, drugs, or any narcotic (including overdose) unless administered on the advice of a Physician and taken according to the Physician's instructions. The term "intoxicated" refers to that condition as defined by law and decisions of the jurisdiction in which the accident, cause of loss, or loss occurred.

The Company will NOT pay any benefit for a Critical Illness if:

1. A Critical Illness is Diagnosed outside the United States or a covered procedure is performed outside the United States; or
2. the Covered Person's date of birth, age or sex was misstated in the Enrollment Form and at the correct date of birth, age or sex the coverage would not have become effective or would have terminated.

**PREEXISTING CONDITION LIMITATION.** Critical Illness caused by or relating to a Preexisting Condition is not covered for the first 12 months after the Certificate Effective Date of each Covered Person.

## **PREMIUMS**

### **PREMIUM DUE DATE**

The initial premium is for the term shown on the [Employer's Application][Enrollment Form][Certificate Schedule of Benefits]. The renewal premium for later periods of coverage is due on the first day of the next term. This coverage will end (lapse) if the renewal premium in effect is not paid before the end of the Grace Period.

If payroll deduction facilities are available to You, the premium will be deducted from Your pay and remitted to Us by the Employer.

### **PREMIUM ADJUSTMENT**

The Company may change the premium rates from time to time with at least sixty (60) days advance written notice to the Employer.

The Company reserves the right to change rates at any time if any of the following events take place:

1. the terms of the coverage changes;
2. [the Participation Requirements stated in the Policy Schedule of Benefits are not met;] or
3. any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

The Employer may request in writing a change in the Policy at any time without Your consent or the consent of any other interested party. Any such change is subject to Our approval and requires the signature of the Employer and an Officer of the Company in order to be effective. We will provide notice of any such change to You in a timely manner.

The Company will not extend retroactive coverage, or termination, to Employees or Dependents due to clerical errors by the Employer, for a time period greater than sixty (60) days.

### **GRACE PERIOD**

A grace period may apply to any premium payments made in any mode other than a single premium. Premium payments after the initial premium payment may be paid within the grace period. The grace period will last for 31 days after the due date of the premium payment. During the Grace Period, the coverage will remain in force. However, the Company is not obligated to pay any claims incurred during the Grace Period until the premium due is received. If premium payments are not made by the end of the grace period, the coverage will immediately cease to be in force.

No Grace Period will be provided if the Company receives notice to terminate the Covered Person's coverage prior to a premium due date.

### **UNPAID PREMIUM**

Any due and unpaid premium may be deducted from any benefits then payable.

### **PREMIUM REFUND AT DEATH**

If a Covered Person's coverage terminates due to death, the Company will refund the pro rata unearned portion of any premium paid for such Covered Person.

### **MISSTATEMENT OF AGE**

If premiums for the Covered Person are based on age and the Covered Person's age has been misstated, there will be an adjustment of premiums based on his/her true age. If the benefits for which the Covered Person is eligible are based on age and the Covered Person's age has been misstated, there will be an adjustment of said benefit based on his/her true age. The Company may require satisfactory proof of age before paying any claim.

## **CLAIM PROVISIONS**

### **NOTICE OF CLAIM**

The Employee must give the Company written notice of a claim. It should be given within 60 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by the Employee or on behalf of the Employee to Us at our Home Office, or to any authorized agent of the Company, with information sufficient to identify the Covered Person, will be deemed notice to the Company.

### **CLAIM FORMS**

The Company will send the Employee a claim form when a notice of claim is received. If the form is not furnished within 15 days from the time the Employee gives notice, the Employee may fulfill the proof of loss requirements by sending written proof covering the occurrence, the character and the extent of the loss for which claim is made within the time set in Proof of Loss.

### **PROOF OF LOSS**

The Employee must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny the Employee's claim for being late if proof is given as soon as reasonably possible. It must, however, be given within 15 months from the date of loss, unless the Employee is not legally capable.

### **TIME OF PAYMENT OF CLAIMS**

Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which the Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

### **PAYMENT OF CLAIMS**

Benefits for loss of life will be payable in accordance with the Beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such benefits will be payable to the estate of the Employee. Any other accrued indemnities unpaid at the Employee's death may, at Our option, be paid either to such Beneficiary or to such estate. All other indemnities will be payable to the Employee.

If any benefit is payable to the estate of the Employee, or to an Employee or Beneficiary who is a minor or otherwise not competent to give a valid release, We may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the Employee or Beneficiary who is deemed by Us to be equitably entitled thereto. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment.

### **ASSIGNMENT**

An Employee may assign all of his/her rights, privileges and benefits under the Policy without the consent of his/her designated Beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of the Policy.

### **CHANGE OF BENEFICIARY**

The right to change a Beneficiary is reserved for the Employee, and the consent of the Beneficiary or beneficiaries is not required for the surrender or assignment of the benefits, for any change of Beneficiary or beneficiaries, or for any other changes in the coverage.

### **PHYSICAL EXAMINATIONS AND AUTOPSY**

The Company may have a Covered Person examined at its own expense as often as it may reasonably require while their claim is pending under the Policy and to make an autopsy in case of death where it is not forbidden by law.

### **LEGAL ACTIONS**

No action at law or in equity shall be brought to recover under the Policy for at least 60 days after the Employee has given the Company written proof of loss in accordance with the requirements of the Policy. The Employee cannot start such action more than 3 years after the date proof of loss is required to be furnished.

**RIGHT OF RECOVERY**

When an overpayment has been made by Us, We will have the right to: a) recover that overpayment from the person to whom or on whose behalf it was made; or b) offset the amount of that overpayment from a future claim payment.

## **GENERAL PROVISIONS**

### **ENTIRE CONTRACT; CHANGES**

The Policy, the Application(s), the Riders (if any), and any attached papers make up the entire contract between the Employer and the Company.

In the absence of fraud, all statements made by the Employee will be considered representations and not warranties. No written statement made by the Employee will be used in any contest unless a copy of the statement is furnished to the Employee or his/her Beneficiary or personal representative.

No change in the Policy will be valid until approved by an executive officer of the Company. The approval must be attached to the Policy. No agent may change the Policy or waive any of its provisions.

The Company may amend or change the Policy by written agreement with the Employer. We may amend or change the Certificate at any time, without the consent of the Employer, the Employee, any Covered Person or beneficiary, if required by law. Any amendment will be without prejudice to any charge incurred prior to the effective date of the change.

### **TIME LIMIT ON CERTAIN DEFENSES**

After 2 years from the Certificate Effective Date, no misstatements, except fraudulent misstatements, made by the Employee in the Enrollment Form for coverage will be used to void the coverage after the expiration of the two-year period.

A claim for covered loss incurred beginning [12] months after a Covered Person's Certificate Effective Date will not 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 existed before the Certificate Effective Date of coverage.

### **CONFORMITY WITH STATE STATUTES**

Any provision of the Policy which, on its effective date, is in conflict with the statutes of the state in which the Employer is located is hereby amended to conform to the minimum requirements of those statutes.

### **WORKERS' COMPENSATION**

This coverage is not in lieu of, is not in any way subject to, and does not affect any requirement for coverage by Workers' Compensation insurance.

### **ERISA**

The Employer has established and maintains an employee welfare benefit plan as defined in the Employee Retirement Security Act of 1974, as amended, to provide the benefits described in the Policy to its Employees and their Dependents. These benefits are insured by the Us under the Policy, which the Employer endorses. The Employer is the Plan Administrator, Plan Sponsor, named fiduciary, and, if applicable, Plan Trustee, for the Plan. For more information about the plan, consult the Policy. ERISA does not apply to certain plans, such as government plans and church plans.



**Standard Life and Accident Insurance Company**

A Member of the American National Family of Companies – A Texas Corporation

Home Office: One Moody Plaza, Galveston, Texas, 77550

Toll-Free Telephone Number: 1-888-350-1488

(A Stock Insurance Company hereafter referred to as “Standard Life”, “We”, “Us”, “Our” or “the Company”)

**GROUP CRITICAL ILLNESS INSURANCE POLICY**

<b>GROUP POLICY NUMBER:</b>	[123456789]
<b>EMPLOYER:</b>	[ABC Employer, Inc.]
<b>POLICY EFFECTIVE DATE:</b>	[June 1, 2011]
<b>ANNIVERSARY DATE:</b>	[June 1 <sup>st</sup> ]
<b>STATE OF ISSUE:</b>	Arkansas

This Policy is a legal contract between the Employer and the Company. The Company agrees to insure eligible Employees of the Employer against loss covered by this Policy subject to its provisions, limitations, and exclusions. This Policy is non-participating.

This Policy is issued in consideration of the payment of the required premium when due and the statements set forth in the signed Policy Application, which is attached to and made part of this Policy. This Policy will take effect as 12:01 am on the Policy effective date and continues in effect as long as premiums are paid when due, unless otherwise terminated as further provided in this Policy. The Policy Anniversary Date will be the date shown in each subsequent year.

**PREMIUMS.** Premiums may be changed and are due as stated in the Premiums section.

**THIS IS NOT A MEDICARE SUPPLEMENT POLICY.** If any Covered Person is eligible for Medicare, such person should review the “Guide to Health Insurance for People with Medicare” available from the Company.

This Policy is governed by the laws of the state in which this Policy was issued and delivered.

Signed for Us on the Policy Effective Date.



Secretary



President

**NOTICE TO BUYER:**

**POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LUMP SUM PAYMENTS FOR LISTED CRITICAL ILLNESSES ONLY. THIS POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES.**

**BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE.**

**PLEASE READ THIS POLICY CAREFULLY!**

**THE INSURANCE POLICY IS NOT A POLICY OF WORKERS’ COMPENSATION INSURANCE.**

**TABLE OF CONTENTS**

POLICY SCHEDULE OF BENEFITS..... 3

DEFINITIONS - GENERAL ..... 6

ELIGIBILITY AND EFFECTIVE DATES ..... 10

TERMINATION AND CONTINUATION ..... 12

CRITICAL ILLNESS COVERAGE..... 15

EXCLUSIONS AND LIMITATIONS..... 16

PREMIUMS..... 17

CLAIM PROVISIONS..... 18

GENERAL PROVISIONS..... 20

## POLICY SCHEDULE OF BENEFITS

**EMPLOYER:** [ABC Employer Inc.]

**POLICY NUMBER:** [SLA012345]

**POLICY EFFECTIVE DATE:** [June 1, 2011]

**STATE OF ISSUE:** Arkansas

### **CLASSES OF ELIGIBLE PERSONS TO BE COVERED UNDER THIS POLICY:**

Employees and dependents who meet the eligibility requirements as set forth under this Policy.

[Class 1: All [full time/part time/temporary] Employees of the Employer working a minimum of [20-40] hours per week. ]

[Class 2: All [full time/part time/temporary] Employees of the Employer working a minimum of [20-40] hours per week.]

[May include additional Classes]

### **[EMPLOYEE CONTRIBUTIONS:**

[Employee contributions [are][are not] required for Employee coverage hereunder. ]

[Employer pays [0 – 100%] of premiums for Employees.]

Employee contributions [are][are not] required for Dependent coverage hereunder.]

[Employer pays [0 – 100%] of premiums for Dependents.]

### **[PARTICIPATION REQUIREMENTS:**

[At least \_\_\_\_[%] of the Employer's eligible Employees must be insured to keep this Policy in force.]

[At least \_\_\_\_[%] of the Employer's eligible Employees must be insured to maintain the premium rate provided.]]

### **[EMPLOYER WAITING PERIOD:**

Initial Employees: [\_\_\_\_None] [\_\_\_\_Month(s)] [\_\_\_\_Days]

New Employees: [\_\_\_\_None] [\_\_\_\_Month(s)] [\_\_\_\_Days]

**[BENEFIT AMOUNTS AVAILABLE UNDER THIS POLICY ARE CHOSEN BY THE EMPLOYEE IN THE ENROLLMENT FORM AND SHOWN IN THE EMPLOYEE'S CERTIFICATE OF COVERAGE.]**

### **[PLAN**

[OPTION 1][OPTION 2][OPTION 3][LEVEL 1][LEVEL 2][LEVEL 3][CLASS 1][CLASS 2][CLASS 3] ]

**[BENEFITS OTHERWISE PAYABLE ARE REDUCED 50% ON THE LATER OF A COVERED PERSON'S AGE 70 OR HIS/HER 5<sup>TH</sup> CERTIFICATE EFFECTIVE DATE ANNIVERSARY.]**

### **EMPLOYEE –**

**Initial Benefit Amount – [\$5,000 - \$500,000]**

**Maximum Benefit Amount – 3 TIMES THE INITIAL BENEFIT AMOUNT**

### **[EMPLOYEE'S SPOUSE -**

**Initial Benefit Amount – [\$5,000 - \$500,000]**

**Maximum Benefit Amount – 3 TIMES THE INITIAL BENEFIT AMOUNT**

**[EMPLOYEE'S CHILD –**

**Initial Benefit Amount – [\$5,000 - \$500,000]**

**Maximum Benefit Amount – 3 TIMES THE INITIAL BENEFIT AMOUNT**

	<b>BENEFIT PERCENTAGE</b>
<b>CATEGORY 1 CRITICAL ILLNESSES -</b>	
• Invasive Cancer (Diagnosis more than [30, 90] days after the Certificate Effective Date)	100%
• Invasive Cancer (Diagnosis during the first [30, 90] days after the Certificate Effective Date)	10%
• Cancer In Situ (Diagnosis more than [30, 90] days after the Certificate Effective Date)	25%
• Cancer In Situ (Diagnosis during the first [30, 90] days after the Certificate Effective Date)	2.5%
<b>CATEGORY 2 CRITICAL ILLNESSES -</b>	
• Heart Attack	100%
• Stroke	100%
• Heart Transplant or Combination Heart and Other Major Organ Transplant	100%
• Coronary Artery Bypass Surgery	25%
• Angioplasty	25%
• Aortic Surgery	25%
• Heart Valve Replacement/Repair Surgery	25%
<b>CATEGORY 3 CRITICAL ILLNESSES -</b>	
• Major Organ Transplant, not covered in Category 2	100%
• Coma	100%
• Paralysis	100%
• End-Stage Renal Failure	100%

**OPTIONAL BENEFITS: [None]**

**[Mortgage Protection Benefit Amounts– [\$500 - \$1500]**

**Maximum Rider Benefit Amounts - [\$6,000 - \$18,000]**

**PREMIUM RATES:**

Premium rates are shown in the Employee's Certificate Schedule of Benefits.

[INTENTIONALLY LEFT BLANK]

## DEFINITIONS - GENERAL

**[ACTIVELY AT WORK OR ACTIVE SERVICE]** means an Employee who is [present for [20 – 30 hours per week] ] [a full-time Employee] at his/her usual place of employment for the Employer or at another location as assigned or directed by the Employer, and is mentally and physically capable of performing the regular duties of the job for which he or she is employed.

On any day that is not an Employee's regularly scheduled work day (vacation, personal days, and weekends/holidays) the Employee will be considered Actively at Work on such day provided he or she is not absent due to any type of leave and was Actively at Work on his/her last regularly scheduled work day.

An Employee who usually performs the regular duties of his/her job at their home is considered Actively at Work if they meet all the above requirements and could work at the Employer's usual place of employment if required to do so. ]

**AGE** means a Covered Person's Age as of his/her last birthday.

**ANGIOPLASTY** means the actual undergoing of a percutaneous transluminal angioplasty deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. A Physician, board-certified as a Cardiologist, must perform the Procedure. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**AORTIC SURGERY** means the actual undergoing of surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon, thoracic surgeon, or vascular surgeon. Aorta is limited to the thoracic and abdominal aorta, but not its branches.

**CANCER IN SITU** means a Diagnosis of Cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue. Cancer in Situ includes

1. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; and
2. melanoma not invading the dermis.

Cancer in Situ does not include

1. other skin malignancies; or
2. pre-malignant lesions (such as intraepithelial neoplasia); or
3. benign tumors or polyps.

Cancer in Situ must be Diagnosed pursuant to a Pathological or Clinical Diagnosis.

**CERTIFICATE EFFECTIVE DATE** is the date coverage begins for each Covered Person under this Policy. It will be different for a Covered Person added to this Policy after the original date of issue or when a change in coverage for any Covered Person occurs. Each Covered Person's Certificate Effective Date is shown in the Employee's Certificate of Coverage Schedule of Benefits.

**CLINICAL DIAGNOSIS** means a Diagnosis of Invasive Cancer or Cancer In Situ based on the study of symptoms and Diagnostic test results. We will accept a Clinical Diagnosis of Cancer only if the following conditions are met:

1. a Pathological Diagnosis cannot be made because it is medically inappropriate or life threatening;
2. there is medical evidence to support the Diagnosis; and
3. a Physician is treating the Covered Person for Invasive Cancer and/or Cancer In Situ.

**CLOSE RELATIVE** means anyone related to a Covered Person by blood, marriage, or adoption; or a court appointed representative.

**COMA** means the diagnosis, by a Legally Qualified Physician board-certified as a Neurologist, that a Covered Person is in a state of unconsciousness:

1. from which he/she cannot be aroused;
2. in which external stimulation will produce no more than primitive avoidance reflexes; and
3. such state has persisted continuously for at least 96 hours.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**CORONARY BYPASS SURGERY** means the actual undergoing of coronary artery bypass surgery using either a saphenous vein or internal mammary artery graft for the treatment of coronary heart disease deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. The Procedure must be performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**COVERED PERSON** means an Employee, an Employee's spouse or Dependent children, listed as a Covered Person in the Certificate Schedule of Benefits and for whom premium has been paid.

**CRITICAL ILLNESS** means any of the medical conditions or procedures, shown in the Certificate Schedule of Benefits, that is first Diagnosed or first performed as the result of a Diagnosis, each made after the respective Covered Person's Certificate Effective Date.

**DATE OF DIAGNOSIS** means the date the Diagnosis is established by a Physician, through the use of clinical and/or laboratory findings as supported by the Covered Person's medical records. For a procedure, it is the date the Covered Person undergoes the procedure.

**DEPENDENT** means an Employee's family as follows:

1. The lawful Spouse[\*], if not legally separated or divorced;
2. Unmarried children (whether natural, adopted or stepchildren) under the limiting age of 26; or
3. Unmarried children for whom the Employee is required to provide insurance under a medical support order or an order enforceable by a court.

[\*The term "Spouse" as used throughout this Policy will also mean the Employee's legal Domestic Partner.]

**DIAGNOSIS** means the definitive establishment by a Physician of the Critical Illness through the use of clinical and/or laboratory findings.

**[DOMESTIC PARTNER** means an opposite or same sex person with whom an Employee maintains a committed relationship and shares a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under the state law as domestic partners. Each partner must:

1. Be at least 18 years old and competent to contract;
2. Be the sole domestic partner of the other person; and
3. Not be married.]

**EMPLOYEE** means the Employee designated in the Enrollment Form [who is [Actively at Work and] listed in an eligible class of Employees in the Employer's application]. The Employee must be listed as a Covered Person in the Certificate Schedule of Benefits and appropriate premium paid in order to be covered under this Policy. [An Employee does not include seasonal or temporary Employee's.]

**EMPLOYER** means the plan sponsor to whom the Group Policy is issued and shall include any affiliated entities or subsidiaries approved by the Company.

**END-STAGE RENAL FAILURE** means the chronic and irreversible failure of both of a Covered Person's kidneys, which requires the Covered Person to undergo periodic and ongoing dialysis. The Diagnosis must be made by a Physician.

**ENROLLMENT FORM** means the form(s) that the Employee (and Employee's spouse, if any) signed to apply for coverage under this Policy. It also includes any other document approved by the Company that the Employee uses to apply for or change coverage under this Policy.

**FIRST OCCUR(S)/FIRST OCCURRING/FIRST OCCURRENCE** means the occurrence, Diagnosis, or procedure is the first time ever in the Covered Person's lifetime that he/she has experienced such Critical Illness, been Diagnosed with that specific condition included as a Critical Illness, or undergone a specific procedure included as a Critical Illness.

**HEART ATTACK** means an Acute Myocardial Infarction resulting in:

1. the death of a portion of the heart muscle (myocardium) due to a blockage of one or more coronary arteries; and
2. resulting in the loss of the normal function of the heart.

The Diagnosis must be made by a Physician and based on both:

1. new clinical presentation and electrocardiographic changes consistent with an evolving heart attack; and
2. serial measurement of cardiac biomarkers showing a pattern and to a level consistent with a Diagnosis of Heart Attack.

Established (old) Myocardial Infarction is excluded.

**HEART VALVE REPLACEMENT/REPAIR SURGERY** means the actual undergoing of open heart surgery to replace or repair one or more valves. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon.

**INVASIVE CANCER** means a malignant neoplasm, which is characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue through the basement membrane or capsule. "Invasive Cancer" includes, but shall not be limited to any form of:

1. Leukemia;
2. Lymphoma; or
3. Multiple Myeloma

The following are not "Invasive Cancer":

1. pre-malignant lesions (such as intraepithelial neoplasia); or
2. benign tumors or polyps; or
3. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; or
4. Cancer in Situ; or
5. any skin cancer (other than invasive malignant melanoma in the dermis or deeper or skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed by a Physician, board-certified as a pathologist pursuant to a Pathological or Clinical Diagnosis.

**MAJOR ORGAN** means a Covered Person's entire liver, kidney, lung, heart, small intestine, pancreas, pancreas-kidney, bone marrow, or stem-cells. No other organ or system is included.

**MAJOR ORGAN TRANSPLANT** means the placement of an entire Major Organ in a Covered Person, where such Major Organ:

1. originates in a person other than such Covered Person;
2. is somewhat independent from all other parts of the human body; and
3. performs a special or unique function.

A Major Organ Transplant does not include the placement of a mechanical or man-made device or substance which is intended to serve as a substitute for or aid in the performance of the failed Major Organ; nor does it include Major Organ parts such as valves, ducts, arteries, and any other part of a Major Organ, which in and of itself provides no life sustaining purpose. For purposes of this definition, a Major Organ Transplant is considered to have occurred on the date a Covered Person is added to the United Network of Organ Sharing (UNOS) or the National Marrow Donor Program (NMDP) transplant list.

**MAXIMUM BENEFIT AMOUNT** means the eligible total of Benefit Payments for all Critical Illnesses as stated in the Certificate Schedule of Benefits.

**MEDICALLY NECESSARY** means that, based on generally accepted current medical practice, a service is necessary and appropriate for the Diagnosis or treatment of a Critical Illness. We do not consider a service Medically Necessary if:

1. It is provided only as a convenience to the Covered Person or provider; or
2. It is not appropriate treatment for the Covered Person's Diagnosis or symptoms;
3. It exceeds (in scope, duration, or intensity) that level of care that is needed to provide safe, adequate, and appropriate diagnosis or treatment.

**PATHOLOGICAL DIAGNOSIS** means Diagnosis based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board certified pathologist and whose Diagnosis of malignancy conforms to the standards set by the American College of Pathology.

**PARALYSIS** means a Covered Person's complete and permanent loss of use, not including amputation, of two or more limbs through neurological injury for a continuous period of at least 180 days, confirmed by a Legally Qualified Physician board-certified as a Neurologist. No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**PHYSICIAN** means a person, other than a Covered Person, a Close Relative, or a business or professional partner who is:

1. duly licensed to practice medicine in the jurisdiction where the Diagnosis is made, or the procedure performed where such jurisdiction is a continuing member of the United States of America or a territory within the jurisdiction of the United States of America (embassies, military zones, and similarly designated non-domestic extensions of the United States government are not included); and
2. acting within the scope of his/her license.

**PRE-EXISTING CONDITION** means a medical condition relating to a Critical Illness, not otherwise excluded by name or specific description:

1. for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within 12 months before the Covered Person's Certificate Effective Date; or
2. that would have caused a reasonably prudent person to seek medical Diagnosis or treatment within 12 months before his/her Certificate Effective Date.

Critical Illness related to such a medical condition is not covered within 12 months of a Covered Person's Certificate Effective Date

**STROKE** means any acute cerebrovascular accident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent. Transient ischemic attack (mini-stroke), head injury, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits are excluded. The Diagnosis must be made by a Physician.

## ELIGIBILITY AND EFFECTIVE DATES

The Policy Effective Date is shown on the cover page of this Policy and in the Policy Schedule.

### **[PARTICIPATION REQUIREMENTS**

All eligible Employees within a current eligible class listed in the group Application must be offered coverage under the group Policy.

[The Company may require a specific participation of Employees in order to continue coverage under this Policy. ]

[If for any reason an Employer' group participation levels fall below the percentage Participation Requirements stated in the Policy Schedule of Benefits, the Employer has a [3 – 6 month] period, beginning on the premium due date that coincides with or next follows the date the event occurs, to reestablish and continue the minimum percentage Participation Requirements. If the minimum Participation Requirements are not reestablished within such time period, all insurance under this Policy for the Employer and Covered Persons will terminate.]

The Company's participation requirements (if any) are shown in the Policy Schedule of Benefits.]

### **EMPLOYEE ELIGIBILITY**

An Employee is eligible to apply for coverage under this Policy if the Employee:

1. Is in Active Service;
2. Has completed the Employer's Waiting Period shown in the Employer's Application; and
3. Is part of an eligible class of Employees listed in the Employer's Application.

The Employer 's Waiting Period is the time between the first day of employment in an eligible class of Employees and the first day that the Employee is eligible to apply for coverage under this Policy. The Employer's Waiting Period is chosen by the Employer and shown in the Policy Schedule of Benefits. The Employer's Waiting Period may differ for current Employees and new Employees. An Employee in an eligible class must enroll for coverage by submitting a completed Enrollment Form with the appropriate payroll deduction authorization within 31 days of completion of the Employer's Waiting Period.

No Employee may be eligible for insurance under this Policy as both an Employee and as a Spouse or Dependent Child at the same time. If an Employee and Spouse are both eligible to be covered as an Employee, one but not both, is eligible to cover the Dependent Children. The other Spouse may elect single coverage only.

### **EMPLOYEE'S EFFECTIVE DATE**

An Employee's coverage will become effective on the latest of the following dates:

1. this Policy's effective date;
2. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
3. the date the Employee's Enrollment Form is approved by the Company.

If the Employee is not Actively at Work on his/her Certificate Effective Date, such Certificate Effective Date will be delayed until the date the Employee returns to Active Service.

### **DEPENDENT ELIGIBILITY**

An Employee is eligible to enroll eligible Dependents on the later of:

1. The date the Employee is eligible to be insured; or
2. The date the Employee first acquires an eligible Dependent.

The date acquired for eligible Dependents is as follows:

1. A spouse is deemed acquired on the date of marriage;
2. A natural child is deemed acquired on his/her date of birth;
3. A stepchild is deemed acquired on the date of marriage to the Employee's legal spouse;
4. An adopted child is deemed acquired on the date of placement for the purpose of adoption or the date of the entry of an order granting the adoptive parent custody of the child for purposes of adoption; or
5. The date of a court order requiring the Employee to cover eligible Dependents.

An Employee may enroll Dependents for coverage by submitting a completed Enrollment Form within 31 days of first acquiring a Dependent along with the appropriate payroll deduction authorization in accordance with Company policies.

### **DEPENDENT'S EFFECTIVE DATE**

An eligible Dependent's coverage under this Policy will become effective on the latest of the following dates:

1. this Policy's effective date;
2. the Employee's effective date of insurance;
3. the date the Employee elects dependent coverage under this Policy;
4. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
5. the date the Company approves the Employee's Enrollment Form for dependent coverage.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the Certificate Effective Date, the Dependent's Certificate Effective Date will be delayed until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

### **LATE ENTRANTS**

If an Employee or eligible Dependent is not enrolled within 31 days after first becoming eligible, he/she will be considered a Late Entrant and may have to meet additional Evidence of Insurability requirements. Late Entrants are subject to approval by the Company.

If the Company approves the Enrollment Form, the date that insurance takes effect will be assigned by the Company and shown in the Certificate Schedule of Benefits.

### **EVIDENCE OF INSURABILITY REQUIREMENTS**

Evidence of insurability is required for Employees and his/her eligible Dependents, at the Employee's cost, if he/she:

1. applies for coverage more than 31 days after the Employee or Dependent first become eligible;
2. voluntarily canceled insurance and reapplies;
3. is applying after coverage ended due to non-payment of premium;
4. is requesting additional coverage under this Policy; or
5. upon request by the Company.

### **EFFECTIVE DATE OF CHANGES**

Any change in coverage will take effect on the date approved by the Company.

If the Employee is not Actively at Work on his/her last scheduled work day coincident with or preceding the date that an approved increase in his/her coverage is to take effect, such increase will be effective on the date the Employee returns to Active Work.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the date an approved increase in his/her insurance would otherwise become effective, such increase will not be effective until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

### **NEWBORN CHILDREN**

The Employee's newborn child is automatically covered from the moment of birth for up to 90 days. Coverage for newborns will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within the greater of 90 days or the next premium due date of such birth and pay the required additional premium (if any), in order for coverage for the newborn child to continue beyond such 90 day period.

### **ADOPTED CHILDREN**

An adopted child is automatically covered for up to 60 days after filing petition for adoption. Coverage will begin from the moment of birth if the petition for adoption and application for coverage is received within 60 days after the birth of the minor. Coverage for such child will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within 60 days after the filing of the petition for adoption and pay additional premium (if any), in order for coverage of the adopted child to continue beyond such 60 day period. The coverage will terminate upon the dismissal or denial of a petition for adoption.

### **COURT ORDERED CUSTODY**

We will not restrict or deny coverage due to the fact that: 1) a Dependent child does not reside with the noncustodial parent; or 2) the parent-child relationship was established through a paternity action; or 3) the minor child is covered through the state-administered Medicaid program; or 4) the minor child is not claimed as a dependent on the noncustodial parent's federal or state income tax return.

## TERMINATION AND CONTINUATION

### POLICY TERMINATION

The Company or the Employer can terminate or non-renew coverage under this Policy under any of the following conditions:

1. the Company or the Employer requests termination of this Policy;
2. the Employer has failed to pay premiums in accordance with the terms of this Policy or We have not received timely premium payments;
3. the Employer has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact in applying for coverage or under the terms of this Policy, subject to the provision titled Time Limit on Certain Defenses[.]; or]
4. [the Employer fails to maintain the minimum Participation Requirements stated in the Policy Schedule.]

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the Insured's coverage was in force under this Policy.

### COVERED PERSON'S TERMINATION

Coverage under this Policy for a Covered Person ends on the earliest of:

1. the date this Policy is terminated by the Company or the Employer;
2. the date the Maximum Benefit Amount has been paid;
3. the premium due date if premiums are not paid when due, subject to the Grace Period;
4. the date a Covered Person performs an act or practice that constitutes fraud;
5. the date the Employee requests, in writing, that the coverage be terminated;
6. the date the Employee ceases to be in an eligible class of Employees; or
7. the date the Dependent does not meet the definition of an eligible Dependent.

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the coverage was in force under this Policy.

### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a mentally or physically handicapped Dependent child that is covered under this Policy and who became incapacitated prior to their 26th birthday will not end when scheduled if the child depends on the Employee for primary support and maintenance. Proof of the incapacity or dependency must be furnished to Us upon our request and at Our expense. The premium for such child's continued coverage will remain at the child rate until the child is no longer dependent or incapacitated. The Employee must notify Us if the incapacity or dependency is removed or terminated.

### [CONTINUATION OF COVERAGE

If an Employee or covered Spouse's coverage terminates for any reason except for: 1) non-payment of premium; 2) fraud; or 3) termination of this Policy, the Employee or covered Spouse may elect to continue coverage under this Policy. To elect continued coverage, the Employee or covered Spouse must make the election within 31 days of termination and timely pay all required premiums for the continued coverage to the Employer.

Continued coverage is subject to all of the provisions and limitations of this Policy. Coverage continued under this provision will end when this Policy terminates or the last period for which premium is paid, whichever comes first.]

**CONTINUATION - UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)**

Federal law requires that if an Employee's insurance would otherwise end because he/she enters into active military duty or inactive military duty for training, the Employee may elect to continue insurance (including Dependent's insurance) in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Employer is responsible for meeting all of the obligations under USERRA, including notifying all Employees and Dependents of their rights under USERRA.

**CONTINUATION - FAMILY AND MEDICAL LEAVE ACT (FMLA)**

(Applies to Employers with 50 or more Employees)

Federal law requires that if an Employee's insurance would otherwise end because of family and medical reasons, he/she may be entitled to continue insurance (including Dependent's insurance) in accordance with the Family and Medical Leave Act of 1993 (FMLA). The Employer is responsible for meeting all of the obligations under FMLA, including notifying all Employees and Dependents of their rights under FMLA.

**CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT ("COBRA")**

Applies to Employers with 20 or more Employees

**Applicability:** Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under this Policy and is not (1) already covered under this Policy by reason of another individual's election of COBRA, or (2) entitled to Medicare benefits under Title XVIII of the Social Security Act.

**Qualifying Event:** For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Covered Person, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

<u>Qualifying Events</u>	<u>Duration of Continued Coverage</u>
• death of an Insured	36 months
• termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage	18 months*
• divorce or legal separation	36 months
• Insured becomes eligible for Medicare	Dependents & spouse allowed 36 months
• Insured Dependent no longer meets Insured Dependent eligibility requirements	36 months

\*Coverage may be continued an additional 11 months if the Qualified Beneficiary:

- is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
- notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

**Notice and Election:** Covered Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation of dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of:

- the date on which coverage terminates under this Policy by reason of a Qualifying Event, or
- the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

**Premium Payment:** The Qualified Beneficiary must pay to the Employer the required monthly premium. Any Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

COBRA Termination occurs at the earlier of:

- the premium for continued coverage is not paid within 31 days from being due;
- the Qualified Beneficiary becomes covered under another group health plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
- the Qualified Beneficiary becomes eligible for Medicare;
- the Qualified Beneficiary, who is divorced from an Insured Employee, remarries and is covered under the new spouse's medical plan; or
- the Employer no longer provides medical benefits of any kind.

## CRITICAL ILLNESS COVERAGE

In accordance with all the terms and conditions of this Policy and upon Diagnosis providing evidence that a Covered Person has a Critical Illness First Occurring after the Covered Person's Certificate Effective Date, the Company will pay the Employee the percentage of the Initial Benefit Amount shown in the Certificate Schedule of Benefits for the Diagnosed Critical Illness.

Benefits will be paid to the Employee in a lump-sum. Benefits paid on behalf of each Covered Person will not exceed the Maximum Benefit Amount. Upon payment of the Maximum Benefit Amount on behalf of a Covered Person, coverage for such Covered Person will terminate.

Benefits are payable under this Policy for a Covered Person from each of the Benefit Categories shown in the Certificate Schedule of Benefits when such Covered Person is Diagnosed with a Critical Illness. However, the total benefit payable under each Category will not exceed the Initial Benefit Amount, also shown in the Certificate Schedule of Benefits.

If the first benefit paid from a Category is a 100% benefit, no further benefits for other Critical Illnesses under the same Category will be paid. If the first benefit paid under a Category is not a 100% benefit, subsequent benefits payable under the same Category will be paid as a percentage of the Initial Benefit Amount until the sum of all payments from that same Category equals the Initial Benefit Amount. Then, no further benefits will be paid under that Category, except as provided under the Recurrence Benefit.

**RECURRENCE BENEFIT** – In addition to all other benefits otherwise paid under this Policy, if a Category 2 & 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its First Occurrence and prior to the total paid benefits exceeding the Maximum Benefit Amount, We will pay a benefit of 25% of the Initial Benefit Amount paid for up to two (2) such recurrences.

However, for any benefit to be paid under this provision, coverage under this Policy must be in effect for the Covered Person on the date recurrence is Diagnosed and the Covered Person must have been treatment free (except for maintenance medication and follow-up visits) for 12 months prior to the recurrence.

**REDUCED BENEFIT PERIOD** - If a Category 1 Critical Illness is Diagnosed within [30 – 90] days of a Covered Person's Certificate Effective Date, the following Critical Illnesses will be limited to the respective maximum benefit percentage shown below. In addition, no other benefits for Category 1 Critical Illnesses will be paid.

Invasive Cancer - 10%  
Cancer In Situ - 2.5%

**ADDITIONAL BENEFIT** – If benefits under this Policy are paid when the Employee has been Diagnosed as having any of the following Critical Illnesses: Invasive Cancer; Heart Attack; Stroke; Major Organ Failure; Coma; or Paralysis, more than 90 days after the Certificate Effective Date, then an additional benefit equal to the value of 6 times the then current monthly premium for the Employee's coverage will be paid to the Employee.

This Additional Benefit is provided only as the result of the First Occurrence of a Employee's Critical Illness and does not apply to any claim made under the Recurrence Benefit or a claim made by any other Covered Person.

## EXCLUSIONS AND LIMITATIONS

[Benefits otherwise payable under this Policy are reduced 50% on the later of a Covered Person's Age 70 or his/her 5<sup>th</sup> Certificate Effective Date anniversary. ]

Unless the Covered Person's Critical Illness First Occurs or is Diagnosed while coverage is in force under this Policy, no benefit will be payable.

No benefit is payable for Coma or Paralysis if Coma or Paralysis is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

With the exception of benefits that may be paid on behalf of a Covered Person in accordance with the Recurrence Benefit:

1. The sum of benefits paid for a Covered Person under each Category shall not exceed 100% of the Initial Benefit Amount for each Category; and
2. The sum of all benefits payable for a Covered Person under this Policy shall not exceed the Maximum Benefit Amount shown in the Certificate Schedule of Benefits.

Benefits will not be paid for Critical Illnesses in more than a single Category during any 180-day period. However, this does not apply to multiple benefit payments for Critical Illnesses within the same category, unless the Initial Benefit Amount has been paid.

In the event benefits for a Covered Person are paid for a Critical Illness and within 180 days the Covered Person is Diagnosed with a Critical Illness from another Category with no benefit paid, any recurrence of the latter Critical Illness will be treated as an original Diagnosis with benefits paid accordingly.

If two or more Critical Illnesses are Diagnosed at the same proximate time, the benefit paid will be based upon the Diagnosed Critical Illness providing the largest benefit.

The Company will NOT pay benefits for a Critical Illness, if it is caused by or results from:

1. intentional self-inflicted injuries;
2. suicide, or any attempt at suicide, while sane or insane;
3. service in the armed forces or any auxiliary unit of the armed forces;
4. participation in the commission or attempted commission of a felony;
5. participation in a riot or insurrection;
6. alcoholism or drug addiction; or
7. being intoxicated or under the influence of alcohol, drugs, or any narcotic (including overdose) unless administered on the advice of a Physician and taken according to the Physician's instructions. The term "intoxicated" refers to that condition as defined by law and decisions of the jurisdiction in which the accident, cause of loss, or loss occurred.

The Company will NOT pay any benefit for a Critical Illness if:

1. A Critical Illness is Diagnosed outside the United States or a covered procedure is performed outside the United States; or
2. the Covered Person's date of birth, age or sex was misstated in the Enrollment Form and at the correct date of birth, age or sex the coverage would not have become effective or would have terminated.

**PREEXISTING CONDITION LIMITATION.** Critical Illness caused by or relating to a Preexisting Condition is not covered for the first 12 months after the Certificate Effective Date of each Covered Person.

## PREMIUMS

### PREMIUM DUE DATE

The initial premium is for the term shown on the [Enrollment Form][Application][Certificate Schedule of Benefits]. The renewal premium for later periods of coverage is due on the first day of the next term. The coverage will end (lapse) if the renewal premium in effect is not paid before the end of the Grace Period.

If payroll deduction facilities are available to the Employee, the premium will be deducted from the Employee's pay and remitted to Us by the Employer.

### PREMIUM ADJUSTMENT

The Company may change the premium rates from time to time with at least sixty (60) days advance written notice to the Employer. [No change in premium will take effect before the first Policy Anniversary unless the terms of the coverage change. ]

The Company reserves the right to change rates at any time if any of the following events take place:

1. the terms of this Policy change;
2. [the Participation Requirements stated in this Policy Schedule of Benefits are not met;] or
3. any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

The Company will not extend retroactive coverage, or termination, to Employees or Dependents due to clerical errors by the Employer, for a time period greater than sixty (60) days.

### GRACE PERIOD

A grace period may apply to any premium payments made in any mode other than a single premium. Premium payments after the initial premium payment may be paid within the grace period. The grace period will last for 31 days after the due date of the premium payment. During the Grace Period, the coverage will remain in force. However, the Company is not obligated to pay any claims incurred during the Grace Period until the premium due is received. If premium payments are not made by the end of the grace period, the coverage will immediately cease to be in force.

No Grace Period will be provided if the Company receives notice to terminate the Covered Person's coverage prior to a premium due date.

### UNPAID PREMIUM

Any due and unpaid premium may be deducted from any benefits then payable.

### PREMIUM REFUND AT DEATH

If a Covered Person's coverage terminates due to death, the Company will refund the pro rata unearned portion of any premium paid for such Covered Person.

### MISSTATEMENT OF AGE

If premiums for the Covered Person are based on age and the Covered Person's age has been misstated, there will be an adjustment of premiums based on his/her true age. If the benefits for which the Covered Person is eligible are based on age and the Covered Person's age has been misstated, there will be an adjustment of said benefit based on his/her true age. The Company may require satisfactory proof of age before paying any claim.

## **CLAIM PROVISIONS**

### **NOTICE OF CLAIM**

The Employee must give the Company written notice of a claim. It should be given within 60 days after the occurrence or commencement of any loss covered by this Policy, or as soon thereafter as is reasonably possible. Notice given by the Employee or on behalf of the Employee to Us at our Home Office, or to any authorized agent of the Company, with information sufficient to identify the Covered Person, will be deemed notice to the Company.

### **CLAIM FORMS**

The Company will send the Employee a claim form when a notice of claim is received. If the form is not furnished within 15 days from the time the Employee gives notice, the Employee may fulfill the proof of loss requirements by sending written proof covering the occurrence, the character and the extent of the loss for which claim is made within the time set in Proof of Loss.

### **PROOF OF LOSS**

The Employee must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny the Employee's claim for being late if proof is given as soon as reasonably possible. It must, however, be given within 15 months from the date of loss, unless the Employee is not legally capable.

### **TIME OF PAYMENT OF CLAIMS**

Benefits payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

### **PAYMENT OF CLAIMS**

Benefits for loss of life will be payable in accordance with the Beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such benefits will be payable to the estate of the Employee. Any other accrued indemnities unpaid at the Employee's death may, at Our option, be paid either to such Beneficiary or to such estate. All other indemnities will be payable to the Employee.

If any benefit is payable to the estate of the Employee, or to an Employee or Beneficiary who is a minor or otherwise not competent to give a valid release, We may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the Employee or Beneficiary who is deemed by Us to be equitably entitled thereto. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment.

### **ASSIGNMENT**

An Employee may assign all of his/her rights, privileges and benefits under this Policy without the consent of his/her designated Beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of this Policy.

### **CHANGE OF BENEFICIARY**

The right to change a Beneficiary is reserved for the Employee, and the consent of the Beneficiary or beneficiaries is not required for the surrender or assignment of the benefits, for any change of Beneficiary or beneficiaries, or for any other changes in the coverage.

### **PHYSICAL EXAMINATIONS AND AUTOPSY**

The Company may have a Covered Person examined at its own expense as often as it may reasonably require while their claim is pending under this Policy and to make an autopsy in case of death where it is not forbidden by law.

**LEGAL ACTIONS**

No action at law or in equity shall be brought to recover under this Policy for at least 60 days after the Employee has given the Company written proof of loss in accordance with the requirements of this Policy. The Employee cannot start such action more than 3 years after the date proof of loss is required to be furnished.

**RIGHT OF RECOVERY**

When an overpayment has been made by Us, We will have the right to: a) recover that overpayment from the person to whom or on whose behalf it was made; or b) offset the amount of that overpayment from a future claim payment.

## **GENERAL PROVISIONS**

### **ENTIRE CONTRACT; CHANGES**

This Policy, the Application(s), the Riders (if any), and any attached papers make up the entire contract between the Employer and the Company.

In the absence of fraud, all statements made by the Employer will be considered representations and not warranties. No written statement made by the Employer will be used in any contest unless a copy of the statement is furnished to the Employer or his/her Beneficiary or personal representative.

No change in this Policy will be valid until approved by an executive officer of the Company. The approval must be attached to this Policy. No agent may change this Policy or waive any of its provisions. The Company may amend or change this Policy by written agreement with the Employer. We may amend or change the Certificate at any time, without the consent of the Employer, the Employee, any Covered Person or beneficiary, if required by law. Any amendment will be without prejudice to any charge incurred prior to the effective date of the change.

### **TIME LIMIT ON CERTAIN DEFENSES**

After 2 years from this Policy's effective date, no misstatements, except fraudulent misstatements, made by the Employer in the Application for coverage will be used to void this Policy after the expiration of the two-year period.

A claim for loss incurred beginning [6-12] months after a Covered Person's Certificate Effective Date will not 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 existed before the Certificate Effective Date of coverage.

### **CONFORMITY WITH STATE STATUTES**

Any provision of this Policy which, on its effective date, is in conflict with the statutes of the state in which the Employer is located is hereby amended to conform to the minimum requirements of those statutes.

### **WORKERS' COMPENSATION**

This Policy is not in lieu of, is not in any way subject to, and does not affect any requirement for coverage by Workers' Compensation insurance.

### **CERTIFICATES OF COVERAGE**

A Certificate of Coverage will be delivered to each Employee, or to the Employer for delivery to the Employee. The Certificate of Coverage will describe insurance coverage to which that person is entitled, to whom the insurance benefits are payable and a statement of the Employee's dependent's coverage. The benefits and coverage terms described in the Certificate of Coverage are controlled by the provisions of this Policy and are subject to any changes in this Policy.

### **POLICY CHANGES**

We may agree with the Employer to modify a plan of benefits without the Employee's or Dependent's consent.

### **EXAMINATION OF THIS POLICY**

This Policy will be available for inspection at the Employer's office during regular business hours.

### **EXAMINATION OF RECORDS**

We will be permitted to examine all of the Employer's records relating to this Policy. Examination may occur at any reasonable time while the Group Policy is in force; or it may occur:

1. at any time for two years after the expiration of this Group Policy; or, if later,
2. upon the final adjustment and settlement of all Group Policy claims.

The Employer is acting as an agent of the Covered Person for transactions relating to this insurance. The actions of the Employer will not be considered Our actions.

### **ERISA**

The Employer has established and maintains an employee welfare benefit plan as defined in the Employee Retirement Security Act of 1974, as amended, to provide the benefits described in this Policy to its Employees and their Dependents. These benefits are insured by the Us under the Policy, which the Employer endorses. The Employer is the Plan Administrator, Plan Sponsor, named fiduciary, and, if applicable, Plan Trustee, for the Plan. For more information about the plan, consult the Policy. ERISA does not apply to certain plans, such as government plans and church plans.

# Standard Life

AND ACCIDENT  
INSURANCE COMPANY

A MEMBER OF THE AMERICAN NATIONAL FAMILY OF COMPANIES

**Standard Life and Accident Insurance Company**

A Member of the American National Family of Companies – A Texas Corporation

Home Office: One Moody Plaza, Galveston, Texas, 77550

Toll-Free Telephone Number: 1-888-350-1488

(A Stock Insurance Company hereafter referred to as "Standard Life", "We", "Us", "Our" or "the Company")

**GROUP CRITICAL ILLNESS INSURANCE  
CERTIFICATE OF COVERAGE**

This is the Employee's Certificate of Coverage (hereafter Certificate) while insured under the Group Policy (hereafter Policy). This Certificate replaces any prior Certificate for the benefits described inside. This is not a contract nor does it modify or amend the Policy. It explains the rights and benefits that are determined by the Policy. A copy of the Policy is kept at the principal office of the Employer. The Policy is non-participating. A Covered Person may inspect it during regular business hours. **READ THE CERTIFICATE CAREFULLY!**

**CONSIDERATION.** This Certificate is issued in consideration of the statements made in the Enrollment Form and payment of the Initial Premium. Coverage is not provided until the first full premium is paid. The first premium pays for the Initial Term of coverage. The Initial Term of coverage begins at 12:01 a.m. on the Certificate Effective Date shown on the Certificate Schedule of Benefits.

**TERMINATION.** The coverage may be terminated by the Company for reasons stated in the Termination provision.

**PREMIUMS.** Premiums may be changed and are due as stated in the **Premiums** provision.

**[30 DAY RIGHT TO EXAMINE CERTIFICATE.** Within 30 days after the Employee receives the Certificate, it may be returned in person or by regular mail to the Company, its agency office or the agent who sold it to the Employee for any reason. The Company will return the premium to the payee. Then the Employee and the Company will be in the same position as if a Certificate had never been issued.]

**THIS IS NOT A MEDICARE SUPPLEMENT POLICY.** If any Covered Person is eligible for Medicare, such person should review the "Guide to Health Insurance for People with Medicare" available from the Company.

Signed for Us on the Certificate Effective Date.



Secretary



President

**NOTICE TO BUYER:**

**POLICIES OF THIS CATEGORY ARE DESIGNED TO PROVIDE LUMP SUM PAYMENTS FOR ONLY CRITICAL ILLNESSES LISTED. THE POLICY DOES NOT PROVIDE FOR REIMBURSEMENT OF ANY MEDICAL EXPENSES.**

**BENEFITS PROVIDED ARE A SUPPLEMENT, AND NOT INTENDED AS A SUBSTITUTE FOR MEDICAL EXPENSE COVERAGE OR DISABILITY INSURANCE.**

**PLEASE READ THE POLICY CAREFULLY!**

**THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE.**

# TABLE OF CONTENTS

CERTIFICATE SCHEDULE OF BENEFITS .....	3
DEFINITIONS – GENERAL .....	6
ELIGIBILITY AND EFFECTIVE DATES .....	10
TERMINATION AND CONTINUATION .....	12
CRITICAL ILLNESS COVERAGE.....	14
EXCLUSIONS AND LIMITATIONS.....	15
PREMIUMS .....	16
CLAIM PROVISIONS.....	17
GENERAL PROVISIONS.....	19

# CERTIFICATE SCHEDULE OF BENEFITS

**EMPLOYER:** [ABC Employer]

**EMPLOYEE:** [John Doe]

**[CERTIFICATE NUMBER:** [SLA012345]

**TYPE:** [FAMILY]

**STATE OF ISSUE:** Arkansas

**COVERED PERSON(S):**

[John Doe]

[Baby Doe]

**CERTIFICATE EFFECTIVE DATE:**

[July 1, 2011]

[July 1, 2011]

**[PLAN:**

**[OPTION 1][OPTION 2][OPTION 3][LEVEL 1][LEVEL 2][LEVEL 3][CLASS 1][CLASS 2][CLASS 3 ]**

**[BENEFITS OTHERWISE PAYABLE ARE REDUCED 50% ON THE LATER OF A COVERED PERSON'S AGE 70 OR HIS/HER 5<sup>TH</sup> CERTIFICATE EFFECTIVE DATE ANNIVERSARY.]**

**EMPLOYEE –**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

**[EMPLOYEE'S SPOUSE -**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

**[EMPLOYEE'S CHILD –**

**Initial Benefit Amount –** [\$5,000 - \$500,000]

**Maximum Benefit Amount –** 3 TIMES THE INITIAL BENEFIT AMOUNT

## **CATEGORY 1 CRITICAL ILLNESSES -**

### **BENEFIT PERCENTAGE**

- Invasive Cancer (Diagnosis more than [30, 90] days after the Certificate Effective Date) 100%
- Invasive Cancer (Diagnosis during the first [30, 90] days after the Certificate Effective Date) 10%
- Cancer In Situ (Diagnosis more than [30, 90] days after the Certificate Effective Date) 25%
- Cancer In Situ (Diagnosis during the first [30, 90] days after the Certificate Effective Date) 2.5%

## **CATEGORY 2 CRITICAL ILLNESSES -**

- Heart Attack 100%
- Stroke 100%
- Heart Transplant or Combination Heart and Other Major Organ Transplant 100%
- Coronary Artery Bypass Surgery 25%
- Angioplasty 25%
- Aortic Surgery 25%
- Heart Valve Replacement/Repair Surgery 25%

## **CATEGORY 3 CRITICAL ILLNESSES -**

- Major Organ Transplant, not covered in Category 2 100%
- Coma 100%
- Paralysis 100%
- End-Stage Renal Failure 100%

**OPTIONAL BENEFITS:** [None]

[Mortgage Protection Benefit – [\$500 - \$1500]  
Maximum Rider Benefit - [\$6,000 - \$18,000]

**PREMIUM RATES:**

**Total Annual Premium:**.....[\$xxx.00]

Initial Term:..... [Monthly, Semi-Monthly, Bi-Weekly, Weekly Draft][Other]

Initial Premium.....[\$xxx.00]

[INTENTIONALLY LEFT BLANK]

## DEFINITIONS – GENERAL

**[ACTIVELY AT WORK OR ACTIVE SERVICE]** means an Employee who is [present for [20 – 30 hours per week] ] [a full-time Employee] at his/her usual place of employment for the Employer or at another location as assigned or directed by the Employer, and is mentally and physically capable of performing the regular duties of the job for which he or she is employed.

On any day that is not an Employee's regularly scheduled work day (vacation, personal days, and weekends/holidays) the Employee will be considered Actively at Work on such day provided he or she is not absent due to any type of leave and was Actively at Work on his/her last regularly scheduled work day.

An Employee who usually performs the regular duties of his/her job at their home is considered Actively at Work if they meet all the above requirements and could work at the Employer's usual place of employment if required to do so. ]

**AGE** means a Covered Person's Age as of his/her last birthday.

**ANGIOPLASTY** means the actual undergoing of a percutaneous transluminal angioplasty deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. A Physician, board-certified as a Cardiologist, must perform the Procedure. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**AORTIC SURGERY** means the actual undergoing of surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon, thoracic surgeon, or vascular surgeon. Aorta is limited to the thoracic and abdominal aorta, but not its branches.

**CANCER IN SITU** means a Diagnosis of Cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue. Cancer in Situ includes

1. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; and
2. melanoma not invading the dermis.

Cancer in Situ does not include

1. other skin malignancies; or
2. pre-malignant lesions (such as intraepithelial neoplasia); or
3. benign tumors or polyps.

Cancer in Situ must be Diagnosed pursuant to a Pathological or Clinical Diagnosis.

**CERTIFICATE EFFECTIVE DATE** is the date coverage begins for each Covered Person under the Policy. It will be different for a Covered Person added to the Policy after the original date of issue or when a change in coverage for any Covered Person occurs. Each Covered Person's Certificate Effective Date is shown in the Employee's Certificate of Coverage Schedule of Benefits.

**CLINICAL DIAGNOSIS** means a Diagnosis of Invasive Cancer or Cancer In Situ based on the study of symptoms and Diagnostic test results. We will accept a Clinical Diagnosis of Cancer only if the following conditions are met:

1. a Pathological Diagnosis cannot be made because it is medically inappropriate or life threatening;
2. there is medical evidence to support the Diagnosis; and
3. a Physician is treating the Covered Person for Invasive Cancer and/or Cancer In Situ.

**CLOSE RELATIVE** means anyone related to a Covered Person by blood, marriage, or adoption; or a court appointed representative.

**COMA** means the diagnosis, by a Legally Qualified Physician board-certified as a Neurologist, that a Covered Person is in a state of unconsciousness:

1. from which he/she cannot be aroused;
2. in which external stimulation will produce no more than primitive avoidance reflexes; and
3. such state has persisted continuously for at least 96 hours.

No benefit is payable for Coma if Coma is the result of a Critical Illness for which benefits are otherwise payable under this Policy.

**CORONARY BYPASS SURGERY** means the actual undergoing of coronary artery bypass surgery using either a saphenous vein or internal mammary artery graft for the treatment of coronary heart disease deemed Medically Necessary to correct a narrowing or blockage of one or more coronary arteries. The Procedure must be performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon. Other surgical or non-surgical techniques such as laser relief or any other intra-arterial procedures are excluded.

**COVERED PERSON** means an Employee, an Employee's spouse or Dependent children, listed as a Covered Person in the Certificate Schedule of Benefits and for whom premium has been paid.

**CRITICAL ILLNESS** means any of the medical conditions or procedures, shown in the Certificate Schedule of Benefits, that is first Diagnosed or first performed as the result of a Diagnosis, each made after the respective Covered Person's Certificate Effective Date.

**DATE OF DIAGNOSIS** means the date the Diagnosis is established by a Physician, through the use of clinical and/or laboratory findings as supported by the Covered Person's medical records. For a procedure, it is the date the Covered Person undergoes the procedure.

**DEPENDENT** means an Employee's family as follows:

1. The lawful Spouse[\*], if not legally separated or divorced;
2. Unmarried children (whether natural, adopted or stepchildren) under the limiting age of 26; or
3. Unmarried children for whom the Employee is required to provide insurance under a medical support order or an order enforceable by a court.

[\*The term "Spouse" as used throughout the Policy will also mean the Employee's legal Domestic Partner.]

**DIAGNOSIS** means the definitive establishment by a Physician of the Critical Illness through the use of clinical and/or laboratory findings.

*[DOMESTIC PARTNER means an opposite or same sex person with whom an Employee maintains a committed relationship and shares a familial relationship characterized by mutual caring and the sharing of a mutual residence and who has registered under the state law as domestic partners. Each partner must:*

1. *Be at least 18 years old and competent to contract;*
2. *Be the sole domestic partner of the other person; and*
3. *Not be married.]*

**EMPLOYEE** means the Employee designated in the Enrollment Form [who is [Actively at Work and] listed in an eligible class of Employees in the Employer's application]. The Employee must be listed as a Covered Person in the Certificate Schedule of Benefits and appropriate premium paid in order to be covered under the Policy. [An Employee does not include seasonal or temporary Employee's.]

**EMPLOYER** means the plan sponsor to whom the Group Policy is issued and shall include any affiliated entities or subsidiaries approved by the Company.

**END-STAGE RENAL FAILURE** means the chronic and irreversible failure of both of a Covered Person's kidneys, which requires the Covered Person to undergo periodic and ongoing dialysis. The Diagnosis must be made by a Physician.

**ENROLLMENT FORM** means the form(s) that the Employee (and Employee's spouse, if any) signed to apply for coverage under the Policy. It also includes any other document approved by the Company that the Employee uses to apply for or change coverage under the Policy.

**FIRST OCCUR(S)/FIRST OCCURRING/FIRST OCCURRENCE** means the occurrence, Diagnosis, or procedure is the first time ever in the Covered Person's lifetime that he/she has experienced such Critical Illness, been Diagnosed with that specific condition included as a Critical Illness, or undergone a specific procedure included as a Critical Illness.

**HEART ATTACK** means an Acute Myocardial Infarction resulting in:

1. the death of a portion of the heart muscle (myocardium) due to a blockage of one or more coronary arteries; and
2. resulting in the loss of the normal function of the heart.

The Diagnosis must be made by a Physician and based on both:

1. new clinical presentation and electrocardiographic changes consistent with an evolving heart attack; and
2. serial measurement of cardiac biomarkers showing a pattern and to a level consistent with a Diagnosis of Heart Attack.

Established (old) Myocardial Infarction is excluded.

**HEART VALVE REPLACEMENT/REPAIR SURGERY** means the actual undergoing of open heart surgery to replace or repair one or more valves. The surgery must be deemed Medically Necessary and performed by a Physician, board-certified as a cardiovascular surgeon or thoracic surgeon.

**INVASIVE CANCER** means a malignant neoplasm, which is characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue through the basement membrane or capsule. "Invasive Cancer" includes, but shall not be limited to any form of:

1. Leukemia;
2. Lymphoma; or
3. Multiple Myeloma

The following are not "Invasive Cancer":

1. pre-malignant lesions (such as intraepithelial neoplasia); or
2. benign tumors or polyps; or
3. early prostate cancer Diagnosed as T1N0M0 or equivalent staging; or
4. Cancer in Situ; or
5. any skin cancer (other than invasive malignant melanoma in the dermis or deeper or skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed by a Physician, board-certified as a pathologist pursuant to a Pathological or Clinical Diagnosis.

**MAJOR ORGAN** means a Covered Person's entire liver, kidney, lung, heart, small intestine, pancreas, pancreas-kidney, bone marrow, or stem-cells. No other organ or system is included.

**MAJOR ORGAN TRANSPLANT** means the placement of an entire Major Organ in a Covered Person, where such Major Organ:

1. originates in a person other than such Covered Person;
2. is somewhat independent from all other parts of the human body; and
3. performs a special or unique function.

A Major Organ Transplant does not include the placement of a mechanical or man-made device or substance which is intended to serve as a substitute for or aid in the performance of the failed Major Organ; nor does it include Major Organ parts such as valves, ducts, arteries, and any other part of a Major Organ, which in and of itself provides no life sustaining purpose. For purposes of this definition, a Major Organ Transplant is considered to have occurred on the date a Covered Person is added to the United Network of Organ Sharing (UNOS) or the National Marrow Donor Program (NMDP) transplant list.

**MAXIMUM BENEFIT AMOUNT** means the eligible total of Benefit Payments for all Critical Illnesses as stated in the Certificate Schedule of Benefits.

**MEDICALLY NECESSARY** means that, based on generally accepted current medical practice, a service is necessary and appropriate for the Diagnosis or treatment of a Critical Illness. We do not consider a service Medically Necessary if:

1. It is provided only as a convenience to the Covered Person or provider; or
2. It is not appropriate treatment for the Covered Person's Diagnosis or symptoms;
3. It exceeds (in scope, duration, or intensity) that level of care that is needed to provide safe, adequate, and appropriate diagnosis or treatment.

**PATHOLOGICAL DIAGNOSIS** means Diagnosis based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board certified pathologist and whose Diagnosis of malignancy conforms to the standards set by the American College of Pathology.

**PARALYSIS** means a Covered Person's complete and permanent loss of use, not including amputation, of two or more limbs through neurological injury for a continuous period of at least 180 days, confirmed by a Legally Qualified Physician board-certified as a Neurologist. No benefit is payable for Paralysis if Paralysis is the result of a Critical Illness for which benefits are otherwise payable under the Policy.

**PHYSICIAN** means a person, other than You, a Close Relative, or a business or professional partner who is:

1. duly licensed to practice medicine in the jurisdiction where the Diagnosis is made, or the procedure performed where such jurisdiction is a continuing member of the United States of America or a territory within the jurisdiction of the United States of America (embassies, military zones, and similarly designated non-domestic extensions of the United States government are not included); and
2. acting within the scope of his/her license.

**PRE-EXISTING CONDITION** means a medical condition relating to a Critical Illness, not otherwise excluded by name or specific description:

1. for which medical advice, testing, care, treatment or medication was given or was recommended by, or received from, a Physician within 12 months before the Covered Person's Certificate Effective Date; or
2. that would have caused a reasonably prudent person to seek medical Diagnosis or treatment within 12 months before his/her Certificate Effective Date.

Critical Illness related to such a medical condition is not covered within 12 months of a Covered Person's Certificate Effective Date

**STROKE** means any acute cerebrovascular accident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent. Transient ischemic attack (mini-stroke), head injury, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits are excluded. The Diagnosis must be made by a Physician.

**YOU, YOUR OR YOURS** means the Employee named on the Certificate Schedule of Benefits.

## ELIGIBILITY AND EFFECTIVE DATES

This plan is offered to You as an Employee of the Employer.

### EMPLOYEE ELIGIBILITY

An Employee is eligible to apply for coverage under the Policy if the Employee:

1. Is in Active Service;
2. Is part of an eligible class of Employees listed in the Employer's Application; and
3. Has completed the Employer's Waiting Period shown in the Employer's Application.

The Employer's Waiting Period is the time between the first day of employment in an eligible class of Employees and the first day that the Employee is eligible to apply for coverage under the Policy. The Employer's Waiting Period is chosen by the Employer and shown in the Policy Schedule of Benefits. The Employer's Waiting Period may differ for current Employees and new Employees. An Employee in an eligible class must enroll for coverage by submitting a completed Enrollment Form with the appropriate payroll deduction authorization within 31 days of completion of the Employer's Waiting Period.

No Employee may be eligible for insurance under the Policy as both an Employee and as a Spouse or Dependent Child at the same time. If an Employee and Spouse are both eligible to be covered as an Employee, one but not both, is eligible to cover the Dependent Children. The other Spouse may elect single coverage only.

### EMPLOYEE'S EFFECTIVE DATE

An Employee's coverage will become effective on the latest of the following dates:

1. The Policy effective date;
2. The Certificate Effective Date shown in the Certificate Schedule of Benefits; or
3. The date the Employee's Enrollment Form is approved by the Company.

If the Employee is not Actively at Work on his/her Certificate Effective Date, such Certificate Effective Date will be delayed until the date the Employee returns to Active Service.

### DEPENDENT ELIGIBILITY

An Employee is eligible to enroll eligible Dependents on the later of:

1. The date the Employee is eligible to be insured; or
2. The date the Employee first acquires an eligible Dependent.

The first acquired date for eligible Dependents is as follows:

1. A spouse is deemed acquired on the date of marriage;
2. A natural child is deemed acquired on his/her date of birth;
3. A stepchild is deemed acquired on the date of marriage to Your legal spouse;
4. An adopted child is deemed acquired on the date of placement for the purpose of adoption or the date of the entry of an order granting the adoptive parent custody of the child for purposes of adoption; or
5. The date of a court order requiring the Employee to cover eligible Dependents.

An Employee may enroll Dependents for coverage by submitting a completed Enrollment Form within 31 days of first acquiring a Dependent along with the appropriate payroll deduction authorization in accordance with Company policies.

### DEPENDENT'S EFFECTIVE DATE

An eligible Dependent's coverage under the Policy will become effective on the latest of the following dates:

1. the Policy effective date;
2. the Employee's effective date of insurance;
3. the date the Employee elects dependent coverage under the Policy;
4. the Certificate Effective Date shown in the Certificate Schedule of Benefits; or
5. the date the Company approves the Employee's Enrollment Form for dependent coverage.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the Certificate Effective Date, the Dependent's Certificate Effective Date will be delayed until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

## **LATE ENTRANTS**

If an Employee or eligible Dependent is not enrolled within 31 days after first becoming eligible, he/she will be considered a Late Entrant and may have to meet additional Evidence of Insurability requirements. Late Entrants are subject to approval by the Company.

If the Company approves the Enrollment Form, the date that insurance takes effect will be assigned by the Company and shown in the Certificate Schedule of Benefits.

## **EVIDENCE OF INSURABILITY REQUIREMENTS**

Evidence of insurability is required for Employees and his/her eligible Dependents, at the Employee's cost, if he/she:

1. applies for coverage more than 31 days after the Employee or Dependent first become eligible;
2. voluntarily canceled insurance and reapplies;
3. is applying after coverage ended due to non-payment of premium;
4. is requesting additional coverage under the Policy; or
5. upon request by the Company.

## **EFFECTIVE DATE OF CHANGES**

Any change in coverage will take effect on the date approved by the Company.

If the Employee is not Actively at Work on his/her last scheduled work day coincident with or preceding the date that an approved increase in his/her coverage is to take effect, such increase will be effective on the date the Employee returns to Active Work.

If an Employee's Dependent is unable to engage in the activities of a person in good health of like age and sex on the date an approved increase in his/her insurance would otherwise become effective, such increase will not be effective until the date such Dependent is able to engage in normal activities of a person in good health of like age and sex.

## **NEWBORN CHILDREN**

The Employee's newborn child is automatically covered from the moment of birth up to 90 days. Coverage for newborns will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within the greater of 90 days or the next premium due date of such birth and pay the required additional premium (if any), in order for coverage for the newborn child to continue beyond such 90 day period.

## **ADOPTED CHILDREN**

An adopted child is automatically covered for up to 60 days after filing petition for adoption. Coverage will begin from the moment of birth if the petition for adoption and application for coverage is received within 60 days after the birth of the minor. Coverage for such child will be the same as for all other covered Employee's Dependents. If the Employee does not have other covered Dependents and wants uninterrupted coverage, the Employee will have the option to add Dependent child coverage. The Employee must notify the Company in writing within 60 days after the filing of the petition for adoption and pay additional premium (if any), in order for coverage of the adopted child to continue beyond such 60 day period. The coverage will terminate upon the dismissal or denial of a petition for adoption.

## **COURT ORDERED CUSTODY**

We will not restrict or deny coverage due to the fact that: 1) a Dependent child does not reside with the noncustodial parent; or 2) the parent-child relationship was established through a paternity action; or 3) the minor child is covered through the state-administered Medicaid program; or 4) the minor child is not claimed as a dependent on the noncustodial parent's federal or state income tax return.

## TERMINATION AND CONTINUATION

### TERMINATION

Coverage under the Policy for a Covered Person ends on the earliest of:

1. the date the Policy is terminated by the Company or the Employer;
2. the date the Maximum Benefit Amount has been paid;
3. the premium due date if premiums are not paid when due, subject to the Grace Period;
4. the date a Covered Person performs an act or practice that constitutes fraud;
5. the date the Employee requests, in writing, that the coverage be terminated;
6. the date the Employee ceases to be in an eligible class of Employees; or
7. the date the Dependent does not meet the definition of an eligible Dependent.

If coverage is non-renewed by the Employer, the Employer is responsible for providing Employee's notice of such termination. If coverage is non-renewed by the Company, We will provide advance notice of termination in accordance with state law.

Termination of coverage will not affect a claim for a covered loss that occurred while the coverage was in force under the Policy.

### CONTINUATION OF COVERAGE FOR AN INCAPACITATED CHILD

Coverage for a mentally or physically handicapped Dependent child that is covered under the Policy and who became incapacitated prior to their 26th birthday will not end when scheduled if the child depends on the Employee for primary support and maintenance. Proof of the incapacity or dependency must be furnished to Us upon our request and at Our expense. The premium for such child's continued coverage will remain at the child rate until the child is no longer dependent or incapacitated. The Employee must notify Us if the incapacity or dependency is removed or terminated.

Satisfactory proof must be submitted to Us by the Employee within 31 days of such termination date. During the next two years we may, from time to time, require proof of the continuation of such condition and dependence. After that, we may require proof no more than once a year. The premium for such child's continued coverage will be the same as for an adult of like age and sex.

### [CONTINUATION OF COVERAGE

If an Employee or covered Spouse's coverage terminates for any reason except for: 1) non-payment of premium; 2) fraud; or 3) termination of the Policy, the Employee or covered Spouse may elect to continue coverage under the Policy. To elect continued coverage, the Employee or covered Spouse must make the election within 31 days of termination and timely pay all required premiums for the continued coverage to the Employer.

Continued coverage is subject to all of the provisions and limitations of the Policy. Coverage continued under this provision will end when the Policy terminates or the last period for which premium is paid, whichever comes first.]

### CONTINUATION - UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)

Federal law requires that if Your insurance would otherwise end because you enter into active military duty or inactive military duty for training, you may elect to continue insurance (including Dependent's insurance) in accordance with the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Employer is responsible for meeting all of the obligations under USERRA, including notifying all Employees and Dependents of their rights under USERRA. See Your Employer for further details on this continuation provision.

### CONTINUATION - FAMILY AND MEDICAL LEAVE ACT (FMLA)

(Applies to Employers with 50 or more Employees)

Federal law requires that if Your insurance would otherwise end because of family and medical reasons, You may be entitled to continue insurance (including Dependent's insurance) in accordance with the Family and Medical Leave Act of 1993 (FMLA). The Employer is responsible for meeting all of the obligations under FMLA, including notifying all Employees and Dependents of their rights under FMLA. See Your Employer for further details on this continuation provision.

### CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT ("COBRA")

Applies to Employers with 20 or more Employees

**Applicability:** Federal law requires that Employers of 20 or more Employees for at least 50% of the preceding year, offer a temporary extension of health coverage to Qualified Beneficiaries when coverage would otherwise end because of the occurrence of one or more of Qualifying Events listed below. Under COBRA, a Qualified Beneficiary is any individual who, on the day before a Qualifying Event, is covered under the Policy and is not (1) already covered under the Policy by reason of another individual's election of COBRA, or (2) entitled to Medicare benefits under Title XVIII of the Social Security Act.

**Qualifying Event:** For purposes of coverage under COBRA, the term "Qualifying Event" means, with respect to any Covered Person, any of the following events which, but for the continuation coverage required under this part, would result in the loss of coverage for a Qualified Beneficiary.

<u>Qualifying Events</u>	<u>Duration of Continued Coverage</u>
• death of an Insured	36 months
• termination of employment for any reason except gross misconduct, or the reduction in hours that would result in loss of coverage	18 months*
• divorce or legal separation	36 months
• Insured becomes eligible for Medicare	Dependents & spouse allowed 36 months
• Insured Dependent no longer meets Insured Dependent eligibility requirements	36 months

\*Coverage may be continued an additional 11 months if the Qualified Beneficiary:

- is determined disabled for Social Security purposes at the time of the Qualifying Event or within 60 days after continuation coverage begins; and
- notifies the plan administrator within 60 days from determination (but before the 18 month continuation period ends).

Beneficiaries may be covered by more than one Qualifying Event. However, in no event may the total continuation period exceed 36 months for all Qualifying Events.

**Notice and Election:** Covered Persons are responsible for notifying the Employer in the case of a divorce, legal separation, cessation of dependency or determination of disability by the Social Security Administration. The Employer must notify the plan administrator of the Qualifying Event. The Employer must notify the Qualified Beneficiaries of their COBRA election rights. The period during which the Qualified Beneficiary must elect or decline continuation of coverage under COBRA ends not earlier than 60 days after the later of:

- the date on which coverage terminates under the Policy by reason of a Qualifying Event, or
- the date the Qualified Beneficiary receives notice of their COBRA election rights from the plan administrator.

**Premium Payment:** The Qualified Beneficiary must pay to the Employer the required monthly premium. Any Grace Period applying to the Employer will also apply to the Qualified Beneficiary, except the first premium payment. Payment of premium for coverage under the period preceding the election must be made within 45 days of the date of election.

COBRA Termination occurs at the earlier of:

- the premium for continued coverage is not paid within 31 days from being due;
- the Qualified Beneficiary becomes covered under another group health plan, if that plan does not contain any exclusion or limitation on any Pre-existing Conditions of the Qualified Beneficiary;
- the Qualified Beneficiary becomes eligible for Medicare;
- the Qualified Beneficiary, who is divorced from an Insured Employee, remarries and is covered under the new spouse's medical plan; or
- the Employer no longer provides medical benefits of any kind.

## CRITICAL ILLNESS COVERAGE

In accordance with all the terms and conditions of the Policy and upon Diagnosis providing evidence that a Covered Person has a Critical Illness First Occurring after the Covered Person's Certificate Effective Date, the Company will pay the Employee the percentage of the Initial Benefit Amount shown in the Certificate Schedule of Benefits for the Diagnosed Critical Illness.

Benefits will be paid to the Employee in a lump-sum. Benefits paid on behalf of each Covered Person will not exceed the Maximum Benefit Amount. Upon payment of the Maximum Benefit Amount on behalf of a Covered Person, coverage for such Covered Person will terminate.

Benefits are payable under the Policy for a Covered Person from each of the Benefit Categories shown in the Certificate Schedule of Benefits when such Covered Person is Diagnosed with a Critical Illness. However, the total benefit payable under each Category will not exceed the Initial Benefit Amount, also shown in the Certificate Schedule of Benefits.

If the first benefit paid from a Category is a 100% benefit, no further benefits for other Critical Illnesses under the same Category will be paid. If the first benefit paid under a Category is not a 100% benefit, subsequent benefits payable under the same Category will be paid as a percentage of the Initial Benefit Amount until the sum of all payments from that same Category equals the Initial Benefit Amount. Then, no further benefits will be paid under that Category, except as provided under the Recurrence Benefit.

**RECURRENCE BENEFIT** – In addition to all other benefits otherwise paid under the Policy, if a Category 2 & 3 Critical Illness for which a 100% benefit has been previously paid recurs more than 18 months following its First Occurrence and prior to the total paid benefits exceeding the Maximum Benefit Amount, We will pay a benefit of 25% of the Initial Benefit Amount paid for up to two (2) such recurrences.

However, for any benefit to be paid under this provision, coverage under the Policy must be in effect for the Covered Person on the date recurrence is Diagnosed and the Covered Person must have been treatment free (except for maintenance medication and follow-up visits) for 12 months prior to the recurrence.

**REDUCED BENEFIT PERIOD** - If a Category 1 Critical Illness is Diagnosed within [30 – 90] days of a Covered Person's Certificate Effective Date, the following Critical Illnesses will be limited to the respective maximum benefit percentage shown below. In addition, no other benefits for Category 1 Critical Illnesses will be paid.

Invasive Cancer - 10%  
Cancer In Situ - 2.5%

**ADDITIONAL BENEFIT** – If benefits under the Policy are paid when the Employee has been Diagnosed as having any of the following Critical Illnesses: Invasive Cancer; Heart Attack; Stroke; Major Organ Failure; Coma; or Paralysis, more than 90 days after the Certificate Effective Date, then an additional benefit equal to the value of 6 times the then current monthly premium for the Employee's coverage will be paid to the Employee.

This Additional Benefit is provided only as the result of the First Occurrence of Your Critical Illness and does not apply to any claim made under the Recurrence Benefit or a claim made by any other Covered Person.

## EXCLUSIONS AND LIMITATIONS

[Benefits otherwise payable under the Policy are reduced 50% on the later of a Covered Person's Age 70 or his/her 5<sup>th</sup> Certificate Effective Date anniversary. ]

Unless the Covered Person's Critical Illness First Occurs or is Diagnosed while coverage is in force under the Policy, no benefit will be payable.

No benefit is payable for Coma or Paralysis if Coma or Paralysis is the result of a Critical Illness for which benefits are otherwise payable under the Policy.

With the exception of benefits that may be paid on behalf of a Covered Person in accordance with the Recurrence Benefit:

1. The sum of benefits paid for a Covered Person under each Category shall not exceed 100% of the Initial Benefit Amount for each Category; and
2. The sum of all benefits payable for a Covered Person under the Policy shall not exceed the Maximum Benefit Amount shown in the Certificate Schedule of Benefits.

Benefits will not be paid for Critical Illnesses in more than a single Category during any 180-day period. However, this does not apply to multiple benefit payments for Critical Illnesses within the same category, unless the Initial Benefit Amount has been paid.

In the event benefits for a Covered Person are paid for a Critical Illness and within 180 days the Covered Person is Diagnosed with a Critical Illness from another Category with no benefit paid, any recurrence of the latter Critical Illness will be treated as an original Diagnosis with benefits paid accordingly.

If two or more Critical Illnesses are Diagnosed at the same proximate time, the benefit paid will be based upon the Diagnosed Critical Illness providing the largest benefit.

The Company will NOT pay benefits for a Critical Illness, if it is caused by or results from:

1. intentional self-inflicted injuries;
2. suicide, or any attempt at suicide, while sane or insane;
3. service in the armed forces or any auxiliary unit of the armed forces;
4. participation in the commission or attempted commission of a felony;
5. participation in a riot or insurrection;
6. alcoholism or drug addiction; or
7. being intoxicated or under the influence of alcohol, drugs, or any narcotic (including overdose) unless administered on the advice of a Physician and taken according to the Physician's instructions. The term "intoxicated" refers to that condition as defined by law and decisions of the jurisdiction in which the accident, cause of loss, or loss occurred.

The Company will NOT pay any benefit for a Critical Illness if:

1. A Critical Illness is Diagnosed outside the United States or a covered procedure is performed outside the United States; or
2. the Covered Person's date of birth, age or sex was misstated in the Enrollment Form and at the correct date of birth, age or sex the coverage would not have become effective or would have terminated.

**PREEXISTING CONDITION LIMITATION.** Critical Illness caused by or relating to a Preexisting Condition is not covered for the first 12 months after the Certificate Effective Date of each Covered Person.

## **PREMIUMS**

### **PREMIUM DUE DATE**

The initial premium is for the term shown on the [Employer's Application][Enrollment Form][Certificate Schedule of Benefits]. The renewal premium for later periods of coverage is due on the first day of the next term. This coverage will end (lapse) if the renewal premium in effect is not paid before the end of the Grace Period.

If payroll deduction facilities are available to You, the premium will be deducted from Your pay and remitted to Us by the Employer.

### **PREMIUM ADJUSTMENT**

The Company may change the premium rates from time to time with at least sixty (60) days advance written notice to the Employer.

The Company reserves the right to change rates at any time if any of the following events take place:

1. the terms of the coverage changes;
2. [the Participation Requirements stated in the Policy Schedule of Benefits are not met;] or
3. any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

The Employer may request in writing a change in the Policy at any time without Your consent or the consent of any other interested party. Any such change is subject to Our approval and requires the signature of the Employer and an Officer of the Company in order to be effective. We will provide notice of any such change to You in a timely manner.

The Company will not extend retroactive coverage, or termination, to Employees or Dependents due to clerical errors by the Employer, for a time period greater than sixty (60) days.

### **GRACE PERIOD**

A grace period may apply to any premium payments made in any mode other than a single premium. Premium payments after the initial premium payment may be paid within the grace period. The grace period will last for 31 days after the due date of the premium payment. During the Grace Period, the coverage will remain in force. However, the Company is not obligated to pay any claims incurred during the Grace Period until the premium due is received. If premium payments are not made by the end of the grace period, the coverage will immediately cease to be in force.

No Grace Period will be provided if the Company receives notice to terminate the Covered Person's coverage prior to a premium due date.

### **UNPAID PREMIUM**

Any due and unpaid premium may be deducted from any benefits then payable.

### **PREMIUM REFUND AT DEATH**

If a Covered Person's coverage terminates due to death, the Company will refund the pro rata unearned portion of any premium paid for such Covered Person.

### **MISSTATEMENT OF AGE**

If premiums for the Covered Person are based on age and the Covered Person's age has been misstated, there will be an adjustment of premiums based on his/her true age. If the benefits for which the Covered Person is eligible are based on age and the Covered Person's age has been misstated, there will be an adjustment of said benefit based on his/her true age. The Company may require satisfactory proof of age before paying any claim.

## **CLAIM PROVISIONS**

### **NOTICE OF CLAIM**

The Employee must give the Company written notice of a claim. It should be given within 60 days after the occurrence or commencement of any loss covered by the Policy, or as soon thereafter as is reasonably possible. Notice given by the Employee or on behalf of the Employee to Us at our Home Office, or to any authorized agent of the Company, with information sufficient to identify the Covered Person, will be deemed notice to the Company.

### **CLAIM FORMS**

The Company will send the Employee a claim form when a notice of claim is received. If the form is not furnished within 15 days from the time the Employee gives notice, the Employee may fulfill the proof of loss requirements by sending written proof covering the occurrence, the character and the extent of the loss for which claim is made within the time set in Proof of Loss.

### **PROOF OF LOSS**

The Employee must give the Company written proof of loss within 90 days after such loss. If it is not reasonably possible to do so, the Company will not reduce or deny the Employee's claim for being late if proof is given as soon as reasonably possible. It must, however, be given within 15 months from the date of loss, unless the Employee is not legally capable.

### **TIME OF PAYMENT OF CLAIMS**

Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which the Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

### **PAYMENT OF CLAIMS**

Benefits for loss of life will be payable in accordance with the Beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such benefits will be payable to the estate of the Employee. Any other accrued indemnities unpaid at the Employee's death may, at Our option, be paid either to such Beneficiary or to such estate. All other indemnities will be payable to the Employee.

If any benefit is payable to the estate of the Employee, or to an Employee or Beneficiary who is a minor or otherwise not competent to give a valid release, We may pay such indemnity up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of the Employee or Beneficiary who is deemed by Us to be equitably entitled thereto. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment.

### **ASSIGNMENT**

An Employee may assign all of his/her rights, privileges and benefits under the Policy without the consent of his/her designated Beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of the Policy.

### **CHANGE OF BENEFICIARY**

The right to change a Beneficiary is reserved for the Employee, and the consent of the Beneficiary or beneficiaries is not required for the surrender or assignment of the benefits, for any change of Beneficiary or beneficiaries, or for any other changes in the coverage.

### **PHYSICAL EXAMINATIONS AND AUTOPSY**

The Company may have a Covered Person examined at its own expense as often as it may reasonably require while their claim is pending under the Policy and to make an autopsy in case of death where it is not forbidden by law.

### **LEGAL ACTIONS**

No action at law or in equity shall be brought to recover under the Policy for at least 60 days after the Employee has given the Company written proof of loss in accordance with the requirements of the Policy. The Employee cannot start such action more than 3 years after the date proof of loss is required to be furnished.

**RIGHT OF RECOVERY**

When an overpayment has been made by Us, We will have the right to: a) recover that overpayment from the person to whom or on whose behalf it was made; or b) offset the amount of that overpayment from a future claim payment.

## GENERAL PROVISIONS

### ENTIRE CONTRACT; CHANGES

The Policy, the Application(s), the Riders (if any), and any attached papers make up the entire contract between the Employer and the Company.

In the absence of fraud, all statements made by the Employee will be considered representations and not warranties. No written statement made by the Employee will be used in any contest unless a copy of the statement is furnished to the Employee or his/her Beneficiary or personal representative.

No change in the Policy will be valid until approved by an executive officer of the Company. The approval must be attached to the Policy. No agent may change the Policy or waive any of its provisions.

The Company may amend or change the Policy by written agreement with the Employer. We may amend or change the Certificate at any time, without the consent of the Employer, the Employee, any Covered Person or beneficiary, if required by law. Any amendment will be without prejudice to any charge incurred prior to the effective date of the change.

### TIME LIMIT ON CERTAIN DEFENSES

After 2 years from the Certificate Effective Date, no misstatements, except fraudulent misstatements, made by the Employee in the Enrollment Form for coverage will be used to void the coverage after the expiration of the two-year period.

A claim for covered loss incurred beginning [12] months after a Covered Person's Certificate Effective Date will not 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 existed before the Certificate Effective Date of coverage.

### CONFORMITY WITH STATE STATUTES

Any provision of the Policy which, on its effective date, is in conflict with the statutes of the state in which the Employer is located is hereby amended to conform to the minimum requirements of those statutes.

### WORKERS' COMPENSATION

This coverage is not in lieu of, is not in any way subject to, and does not affect any requirement for coverage by Workers' Compensation insurance.

### ERISA

The Employer has established and maintains an employee welfare benefit plan as defined in the Employee Retirement Security Act of 1974, as amended, to provide the benefits described in the Policy to its Employees and their Dependents. These benefits are insured by the Us under the Policy, which the Employer endorses. The Employer is the Plan Administrator, Plan Sponsor, named fiduciary, and, if applicable, Plan Trustee, for the Plan. For more information about the plan, consult the Policy. ERISA does not apply to certain plans, such as government plans and church plans.

