



Companion Life Insurance Company
PO Box 100102
Columbia, South Carolina 29202-3102

Companion Life Insurance Company, herein called the Company, hereby certifies that it has issued and delivered to the Policyholder a group Policy, described on the Schedule of Benefits page. The group Policy covers certain eligible persons as described in the Policy.

This Certificate describes the benefits and provisions of the group Policy. This Certificate becomes effective only if: (1) the Insured is eligible for insurance; (2) the Insured is on Active Service on the date it is to take effect; and (3) the Insured becomes insured in accordance with all of the provisions of the Policy.

The insurance is to be effective only if the required premium payments are made by the Insured or on the Insured's behalf to the Company. (See Section 2, Eligibility and Effective Date provisions.)

No agent may change the Policy or waive its provisions.

This Certificate takes the place of any other Certificate previously issued to the Insured under the group Policy. It should be kept in a safe place.

IN WITNESS WHEREOF Companion Life Insurance Company caused this Certificate to be executed on the Date of Issue to take effect on the Effective Date.

M. Edmund Sellers

President

For service or complaints about the policy, please address any inquiries to the address shown above or call [1-800-736-7872].

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**[BANK OF NEWPORT, TRUSTEE FOR THE
ABAS PLANS TRUST]**

Schedule of Benefits

DEFINITION OF ELIGIBLE PERSONS: All active employees working the minimum number of hours per week required for eligibility (as determined by the Company for each Subscribing Unit) and their eligible Dependents (unless specified otherwise), under age 70. (Compliance with ADEA (Age Discrimination in Employment Act) is observed, where applicable.)

LIFE INSURANCE

	<u>DEATH BENEFIT</u>		
	PLAN I	PLAN II	PLAN III
Employee	\$10,000.00*	\$10,000.00*	\$10,000.00*
Dependent Spouse	\$2,500.00**	\$2,500.00**	\$2,500.00**
Each Dependent Child 14 days or older	\$1,000.00**	\$1,000.00**	\$1,000.00**

* For persons age 65 or older, the Death Benefit will be 65% of the amount shown.

** At no time may a covered Dependent's amount of Life Insurance exceed 50% of the Employee's Face Amount or the maximum amount permitted by law, whichever is lesser. Any necessary reduction in a Dependent's amount of coverage will be effective on the same date that the Employee's Face Amount reduces.

ACCIDENTAL DEATH & DISMEMBERMENT

Not Applicable

**[BANK OF NEWPORT, TRUSTEE FOR THE
ABAS PLANS TRUST]**

Schedule of Benefits (continued)

HEALTH INDEMNITY INSURANCE

	<u>PLAN I</u>	<u>PLAN II</u>	<u>PLAN III</u>
Daily In-Hospital Indemnity Benefit:	\$250.00	\$500.00	\$1,000.00
Maximum Number of Days of Confinement	30	30	30
Surgical Indemnity Benefit – Based on the Payment Factor, shown in the Schedule of Surgical Indemnity Benefits, times the Surgical Procedure Units, as follows:			
Surgical Procedure Units:	8	12	16
Anesthesia Indemnity Benefit:	20% of the Surgical Indemnity Benefit	20% of the Surgical Indemnity Benefit	20% of the Surgical Indemnity Benefit
Outpatient Physician Office Visit Indemnity Benefit:	\$50.00	\$50.00	\$75.00
Maximum Number of Office Visits per Covered Person per Calendar Year:	5	5	7
Outpatient Diagnostic X-Ray and Laboratory Indemnity Benefit:	N/A	\$100.00	\$100.00
Maximum Number of Testing days per Covered Person per Calendar Year:	N/A	3	5
Outpatient Prescription Drug Indemnity Benefit:	N/A	\$20.00	\$20.00
Outpatient Prescription Drug Indemnity Benefit Maximum Prescriptions (per Covered Person per Calendar Year):	N/A	10	15
Pre-Existing Conditions:	No benefits will be payable for expenses incurred as a result of a Pre-Existing Condition until the Covered Person has been insured under the Policy for 12 months from the Effective Date.		
Supplemental Accident Benefit (per Accident)			
100% of Remaining Expenses Incurred, if any, for Covered Accident up to Maximum Benefit:	\$500.00	\$1,000.00	\$1,000.00

SECTION 1 DEFINITIONS

1.01 “Accident” means sudden, unexpected and unintended injury which is independent of any Sickness and which takes place while the Covered Person’s coverage is in force.

1.02 “Active Service” means that the Insured is:

- (a) doing in the usual manner all of the regular duties of his or her employment on a scheduled work day; and
- (b) these duties are being done at one of the places of business where he or she normally does such duties or at some location to which his or her employment sends him or her.

An Insured will be said to be on Active Service on a day which is not a scheduled work day only if he or she would be able to perform in the usual manner all of the regular duties of his or her employment if it were a scheduled work day and was actively at work on the last preceding regular work day.

1.03 “Calendar year” means the period from January 1 through December 31 of the same year.

1.04 “Certificate” means the individual certificate issued to the Insured. It describes the coverage under the Policy.

1.05 “Company” means Companion Life Insurance Company, located in Columbia, South Carolina.

1.06 “Confinement (or Confined)” means that period of time during any Hospital stay that the Covered Person is actually admitted on an inpatient basis. “Confinement” does not include that period of time during which a Covered Person is in a Hospital emergency room, an observation room, a free-standing surgical facility, or outpatient facility.

1.07 “Covered Benefits” means those services or supplies shown in the Health Indemnity Benefit(s), if included in this policy, that:

- (a) are for necessary treatment and recommended by a Physician;
- (b) are received while the Covered Person is insured under the Policy, subject to any Extension of Benefits; and
- (c) are not excluded under Section 4.

1.08 “Covered Person(s)” means the Insured and his or her Dependents insured under the Policy.

1.09 “Dependent” means an Insured’s:

- (a) married spouse who lives with the Insured and is under age 70; or
- (b) unmarried child (natural, step or adopted) who is not eligible for medical coverage as an Insured under the Policy or any other group policy and who:
 - (1) is less than 21 years old and is dependent on the Insured; or
 - (2) is less than 23 and going to an accredited school full time. Such child must be dependent on the Insured for principal support and maintenance; or
 - (3) becomes incapable of self-support because of mental retardation or physical handicap while insured under the Policy and prior to reaching the limiting age for dependent children. The child must be dependent on the Insured for support and maintenance. The Company must receive proof of incapacity within 31 days after coverage would otherwise terminate. Then, coverage will continue for as long as the Insured’s insurance stays in force and the child remains incapacitated. Additional proof may be required from time to time but not more often than once a year after the child attains age 23; or
 - (4) is not living with the Insured, but the Insured is legally required to support such child, and the child would otherwise qualify under (1), (2) or (3) above.

The term Dependent does not include:

**SECTION 1
DEFINITIONS**

- (a) a grandchild of the Insured (except where required by law); or
- (b) a child who engages for compensation, profit or gain in any employment or business for 30 or more hours per week, unless such child is a full-time student as described in (b)(2) above.

1.10 “Effective Date” means the date coverage takes effect under the Policy. The Effective Date of the Insured will be the first day after the Normal Pay Date for which the first payroll deduction is taken for this coverage. The “Effective Date” will start at 12:01 a.m. at the main place of business of the Subscribing Unit.

1.11 “Hospital” means a licensed institution that has on its premises:

- (a) permanent and full-time facilities for the care of overnight resident bed patients under the supervision of a licensed Physician;
- (b) 24-hour-a-day nursing service by graduate registered nurses; and
- (c) the patient’s written history and medical records.

It shall also have (or have available on a pre-arranged basis) laboratory, x-ray equipment and operating rooms where major surgical operations may be performed by licensed Physicians, or be accredited by the Joint Commission on Accreditation of Hospitals.

“Hospital” shall not include any institution or portion thereof used as a place for rehabilitation, rest, the aged, education or training; or a nursing or convalescent home or an extended care facility for the care of convalescent patients.

1.12 “Immediate Family” means the parents, spouse, children, or siblings of a Covered Person, or any person residing with a Covered Person.

1.13 “Insured” means any person who is eligible for insurance under Section 2 and is insured under the Policy by virtue of employment by a Subscribing Unit.

1.14 “Normal Pay Date” means the day of the week the Insured’s employer normally issues payroll. This date will remain the same regardless of a change in the payday which may occur due to holidays.

1.15 “Physician” means a practitioner of the healing arts who:

- (a) is practicing within the scope of his or her license in the state where so licensed; and
- (b) is not a member of the Covered Person’s Immediate Family.

1.16 “Policy” means the policy issued to the Policyholder.

1.17 “Policyholder” means the Trustee who holds the Master Policy.

1.18 “Pre-Existing Condition” means a disease, Accident, Sickness or physical condition for which a Covered Person:

- (a) had treatment;
- (b) incurred expense;
- (c) took medication; or
- (d) received a diagnosis or advice from a Physician,

during the 12-month period immediately before the Effective Date of his or her coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Accident, Sickness or physical condition.

1.19 “Schedule of Benefits (or Schedule)” means the benefit schedule set forth in the Policy or Certificate.

SECTION 1
DEFINITIONS

1.20 “Sickness” means illness or disease which begins while the Covered Person’s coverage is in force and is the direct cause of the loss.

1.21 “Subscribing Unit” means an employer or an Employer who is a member of an association who has elected in writing to participate in the coverage under the Policy.

1.22 “Total Disability” or (Totally Disabled) means the Insured is disabled and prevented from performing the material and substantial duties of his or her occupation. For Dependents, “Totally Disabled” means the inability to perform a majority of the normal activities of a person of like age in good health.

SECTION 2
ELIGIBILITY AND EFFECTIVE DATE

2.01 All persons who:

- (a) are on Active Service as employees of a Subscribing Unit; and
- (b) qualify as eligible Insureds as defined in the master application; and
- (c) meet the definition of eligible Employee as stated in the Schedule, are eligible to be insured under the Policy. Evidence of insurability acceptable to the Company may be required.

2.02 The insurance on eligible employees will take effect on the Effective Date of the Subscribing Unit if:

- (a) an application is completed on or before said Effective Date;
- (b) the underwriting rules of the Company are met;
- (c) such person is on Active Service; and
- (d) the first premium is paid and received by the Company.

After the Effective Date of the Subscribing Unit, the insurance of eligible employees will take effect on the first day after the Normal Pay date for which the first payroll deduction is taken for this coverage, subject to (a), (b), (c) and (d) above and the rules stated in the master application.

2.03 If and where Dependent coverage is available under the Policy, each Insured will be eligible for such coverage on the latest of the following dates:

- (a) the day the Insured becomes eligible for insurance; or
- (b) the day the Insured acquires his or her first Dependent.

With respect to Health Indemnity coverages, if both husband and wife are eligible for coverage under the Policy and have no Dependent children, the husband and wife may only elect individual coverage. If both husband and wife are eligible for coverage under the Policy and they have Dependent child(ren), either spouse, but not both, may elect Dependent coverage.

2.04 Dependent coverage may be elected by:

- (a) Completing and signing an application within 31 days of the date the Dependent becomes eligible; and
- (b) By completing any required form of payroll deduction.

2.05 The Effective Date of coverage for each eligible Dependent will be the first day after the Normal pay date for which the first payroll deduction is taken for this coverage, following:

- (a) the Company's acceptance of the application; and
- (b) receipt of the first premium by the Company.

However, if on such date the coverage for the eligible employee has not yet taken effect, the Effective Date for Dependent coverage will be the same as the Effective Date for such employee.

SECTION 2
ELIGIBILITY AND EFFECTIVE DATE (continued)

A newborn child will become insured for Accident or Sickness automatically on the day he or she is born as long as the Insured's coverage was in force on that date. Accident or Sickness includes prematurity, congenital defects and birth abnormalities. The newborn child's coverage will not continue past the 31-day period following birth unless:

- (a) the Company is notified by the end of that 31-day period of the addition of such newborn child; and
- (b) any applicable additional premium is paid.

An adopted child who has not attained 18 years of age, will become insured for Accident and Sickness automatically as of the date of adoption or placement for adoption. Placement for adoption means the assumption and retention by a person of legal obligation for total or partial support of a child in anticipation of the child's adoption. Coverage for an adopted child will not continue past the 31-day period following birth unless:

- (a) the Company is notified by the end of the 31-day period of the addition of such adopted child; and
- (b) any applicable additional premium is paid.

In all other instances if a Dependent is Totally Disabled on the date coverage (with respect to that particular Dependent) would otherwise take effect, the coverage of the Dependent will be deferred until the first of the month following the Dependent's cessation of Total Disability.

2.06 If a Covered Person is Totally Disabled when his or her coverage would otherwise take effect, coverage will take effect on the earlier of the following dates:

- (a) with respect to coverage for the disabling condition:
 - (1) the day following the expiration of any extension of benefits or continuation of coverage provided under the plan this plan replaces; or
 - (2) the day coverage would otherwise take effect if the plan this plan replaces does not provide an extension of benefits or continuation of coverage;
- and
- (b) with respect to coverage for conditions other than the disabling condition:
 - (1) the day following the expiration of any continuation of coverage provided under the plan this plan replaces; or
 - (2) the day coverage would otherwise take effect if the plan this plan replaces does not provide for continuation of coverage.

SECTION 3 BENEFIT PROVISION

[3.01 LIFE INSURANCE. If a Covered Person dies, the Company will pay the Death Benefit, subject to the provisions of the Policy. This benefit is shown in the Schedule. Payment will be made in one lump sum to the Beneficiary (or to the Insured in the event of a covered Dependent's death).

Beneficiary Provision

Each Insured will name a Beneficiary to whom the Death Benefit will be paid. An Insured may name a new Beneficiary from time to time. The consent of the existing Beneficiary is not needed to make this or any other change in the Policy. (If the Beneficiary has been named irrevocable, see the next paragraph.) The Insured must file a written request for the change. The change will not take effect until the Company receives and approves the request at its home office. When received and approved, the change goes back to and takes effect as of the date such request was made. This will happen even if the Insured dies between the time the request is made and it is received and approved by the Company. However, any amount paid prior to receiving such request will not be subject to the request for change.

If an irrevocable Beneficiary designation is in effect, the rules about changing the Beneficiary stated above do not apply.

An Insured can make an irrevocable Beneficiary designation. This means that the Insured gives up the right to change the Beneficiary. The Insured can get this right back if:

- (a) the Beneficiary gives written consent; or
- (b) the Beneficiary dies.

If the Insured applies for a conversion policy or applies for a different amount of insurance and names a new Beneficiary on that application, this will be considered a request for a change of Beneficiary. This means that the change in Beneficiary will apply to the Policy as well as the conversion policy even though the conversion policy itself or the changed amount may not yet have taken effect. (For more details about the conversion, see the following Conversion Privilege provision.)

The Company may pay benefits to someone other than the Insured or Beneficiary if:

- (a) such Insured or Beneficiary is a minor or cannot give a valid release; and
- (b) no request for payment has been made by a duly appointed guardian; and
- (c) the person to whom payment will be made appears to have assumed the care and main support of such Insured or Beneficiary.

Such benefits will be paid as follows:

- (a) A maximum first payment of \$500.00 will be made.
- (b) After that, monthly payments of not more than \$200.00 each will be made until benefits are exhausted.

The Company may pay up to \$2,000.00 to any person appearing to be entitled to such payment by reason of having incurred funeral or other expenses incident to the last illness or death of the Covered Person.

Any payment the Company makes is done so in good faith; it will fully discharge the Company for the amount of such payment.]

SECTION 3
BENEFIT PROVISION (continued)

[Conversion Privilege

If insurance on any Covered Person stops because of the Insured's termination of employment or termination of membership in a class eligible for coverage, such person may convert to an individual life policy if:

- (a) written application is made within 31 days of the date of termination; and
- (b) the first premium is paid to the Company in that time.

Proof of good health will not be required. The policy will not have any disability, accidental death or dismemberment, or other supplementary benefits. The Insured can choose any form, except term insurance, then in use by the Company. The amount cannot be more than the amount of life insurance which ceases. The rate will be the Company's customary rate. The rate and policy will be based on the form, the amount, the Covered Person's class of risk, and age at the time the individual policy takes effect.

Subject to the above conditions, the conversion privilege will also be available:

- (a) to a surviving Dependent, if any, at the death of the Insured. (This applies only to coverage under the policy which terminates by reason of such death.)
- (b) to a Dependent of the Insured if termination of coverage is due to the Dependent no longer meeting the definition of Dependent as defined. (This applies only if Dependent coverage terminates while the Insured remains covered under the Policy.)

If insurance on any Covered Person stops because:

- (a) the Policy terminates; or
- (b) the Policy is changed so that a class of insured persons is terminated, such person can convert; however, the Covered Person must have been insured under the Policy for at least three years immediately preceding the date of termination of insurance. Conversion is subject to the same rules outlined above, except the amount will not exceed the lesser of:
 - (a) the amount of insurance ceasing, less the amount such person is or becomes eligible for under any group policy issued within 31 days of the date this insurance stops; or
 - (b) \$2,000.00 (in Nebraska, \$3,000.00; in Wisconsin, \$5,000.00; and in Arkansas, Illinois, Florida, Montana, Oklahoma, South Carolina and Utah, \$10,000.00).

If the Covered Person dies during the 31-day period in which he or she is entitled to a conversion plan but before such plan takes effect, an amount of life insurance shall be payable. The amount shall be that which the Covered Person would have been entitled to have issued under the conversion plan. The amount shall be payable as a claim under this Policy; and application or premium payment on the conversion plan need not have been made.

This conversion privilege is in lieu of all other benefits under the Policy. The effective date of this conversion plan will be the 32nd day after the date that premiums were paid to under the Policy.

If the Insured has assigned all ownership rights absolutely to an assignee, then, the assignee (instead of the Insured) is entitled to exercise the conversion privilege.

The Insured shall be given notice of his or her conversion right at least 15 days before the end of the time in which he or she has to apply for the conversion policy. If such notice is not given, he or she has an additional period of time to exercise his or her right. This period ends 15 days after the date the Insured is given notice; and it will not go past 60 days after the original 31-day period. (In Utah, 60 days is changed to 90 days.) Notice shall mean written notice that is given or mailed to the Insured.

In no event, however, will the Insured's insurance under the Policy be continued beyond the original 31-day period.]

SECTION 3
BENEFIT PROVISION (continued)

[3.02 ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE. If an Insured suffers loss of life, sight or limb(s) due to an accidental bodily injury, the Company will pay an Accidental Death and Dismemberment Benefit for such loss if the following conditions are met:

- (a) The loss must result directly from an injury. The injury must be caused by an accident that occurs while the Policy is in force.
- (b) The loss must occur no later than 90 days after the date the injury was received.
- (c) The loss must not be excluded.
- (d) The loss of a hand or foot means the severance at or above the wrist or ankle joint.
- (e) The loss of sight means total and irrecoverable loss of sight.

The benefit amount payable for a loss which meets the conditions stated above is as follows:

For Loss of Life	100% of the Principal Sum
For Loss of One Hand.....	50% of the Principal Sum
For Loss of One Foot	50% of the Principal Sum
For Loss of Sight of One Eye.....	50% of the Principal Sum
For Loss of more than one of the above in any one Accident.....	100% of the Principal Sum

The “Principal Sum” is the amount shown in the Schedule. Only one of the amounts, the greatest, will be paid for more than one loss resulting from the same accident.

The following are not covered under this Accidental Death and Dismemberment Benefit:

- (a) Infection or disease, whether the infection or disease is the proximate or contributing cause of the loss; (This does not apply to: (i) pyogenic infections which occur through an accidental wound or cut; or (ii) bacterial infections which result from the accidental ingestion of contaminated substances); or
- (b) Voluntary self-administration of any drug or chemical substance not prescribed by, and taken according to the directions of a licensed physician. (Unintentional or involuntary inhalation of gas or ingestion of a poisonous substance is not excluded.)]

[3.03 HEALTH INDEMNITY BENEFITS. Subject to the provisions of the Policy, the Company will pay Covered Benefits for one or more of the following:

Daily In-Hospital Indemnity Benefit

If a Covered Person, while insured, is Confined in a Hospital as a result of Accident or Sickness, the Company will pay the Daily In-Hospital Indemnity Benefit amount, as shown in the Schedule, for each day of Confinement, for up to the Maximum Number of Days of Confinement, as shown in the Schedule. No benefit will be paid during any period the Covered Person is not under the regular care and attendance of a Physician.

Surgical Indemnity Benefit If a Covered Person has a covered surgery performed, the Company will pay the Surgical Indemnity Benefit amount. This amount is based on the Payment Factor amount, as shown in the Schedule of Surgical Indemnity Benefits, times the number of Surgical Procedure Units, as shown in the Schedule.

If two or more procedures are performed through the same incision or operative field, payment will be made only for the procedure of the larger benefit. If more than one procedure is performed but each through separate incisions or in a separate operative field, the amount payable shall be the specified amount for the primary procedure plus 50% of the amount payable for all other surgical procedures performed.

Unlisted Procedures: In addition to the procedures listed in the Schedule of Surgical Indemnity Benefits, amounts shall be payable for any other covered operations. The amounts for such procedures shall be determined by the Company in amounts consistent with those listed in the Schedule of Surgical Benefits.

SECTION 3
BENEFIT PROVISION (continued)

Anesthesia Indemnity Benefit

If the Surgical Indemnity Benefit is payable, the Company will pay the Anesthesia Indemnity Benefit amount, as shown in the Schedule, for the administration of anesthesia.

Outpatient Physician Office Visit Indemnity Benefit

(Applicable only if the benefit is not excluded on the Schedule.)

The Company will pay the Outpatient Physician Office Visit Indemnity Benefit, as shown in the Schedule, for a Physician office visit as a result of Sickness or Accident, not to exceed the Maximum Number of Office Visits per Calendar Year, as shown in the Schedule.

Outpatient Diagnostic X-Ray and Laboratory Indemnity Benefit

(Applicable only if this benefit is not excluded on the Schedule.)

The Company will pay the Outpatient Diagnostic X-Ray and Laboratory Indemnity Benefit, as shown in the Schedule, when a Covered Person has diagnostic x-ray and laboratory tests performed. This benefit is limited to once per day of testing, not to exceed the Maximum Number of Testing Days per Calendar Year, as shown in the Schedule. These include tests that show a need for treatment or that are made because of definite symptoms of Accident or Sickness.

Outpatient Prescription Drug Indemnity Benefit Option

(Applicable only if this benefit is not excluded on the Schedule.)

The Company will pay the Outpatient Prescription Drug Indemnity Benefit, as shown in the Schedule, for each prescription filled for a Covered Person. This benefit is subject to the Outpatient Prescription Drug Indemnity Benefit Maximums, as shown in the Schedule.]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[1. ABDOMINAL SURGERY	
Abdomen, paracentesis	\$ 10.00
Herniotomy, single, inguinal, femoral or umbilical	\$ 45.00
Herniotomy, hiatus or diaphragmatic	\$ 120.00
Herniotomy, ventral or incisional	\$ 65.00
Esophageal diverticulum	\$ 90.00
Gastrotomy or gastrostomy	\$ 100.00
Gastrectomy, total	\$ 150.00
Gastro-enterostomy	\$ 135.00
Peptic ulcer, perforated, closure	\$ 75.00
Peptic ulcer, subtotal gastrectomy	\$ 125.00
Pyloric stenosis (Ramstedt's in infant)	\$ 55.00
Intestines anastomosis	\$ 80.00
Intestines (small) resection	\$ 95.00
Laparotomy	\$ 80.00
Colon, resection	\$ 140.00
Colonoscopy	\$ 40.00
Colostomy	\$ 95.00
Appendectomy	\$ 60.00
Diverticulum intestinal (Meckel's)	\$ 70.00
Common duct with or without Cholecystectomy	\$ 105.00
Appendiceal, abscess, drainage	\$ 60.00
Subdiaphragmatic abscess	\$ 70.00
Cholecystectomy	\$ 75.00
Cholecystoduodenostomy	\$ 110.00
Pancreas Drainage	\$ 95.00
Splenectomy	\$ 85.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[2. OPHTHALMOLOGY	
Foreign body removal within anterior or posterior chamber	\$ 90.00
Cornea, paracentesis	\$ 15.00
Conjunctival suture	\$ 30.00
Conjunctival flap for corneal ulcer, etc.	\$ 60.00
Chalazion (excision) Simple	\$ 10.00
Chalazion (excision) Multiple	\$ 15.00
Lacrimal sac, plastic	\$ 50.00
Entropion or ectropion or ectropion, Zeigler's puncture	\$ 50.00
Entropion or ectropion, plastic operation	\$ 30.00
Entropion or ectropion, plastic operation graphs of flaps	\$ 45.00
Symblepharon, release	\$ 25.00
Pterygium	\$ 40.00
Corneal ulcer cauterization	\$ 35.00
Tarsorrhaphy, orbicularis paralysis	\$ 55.00
Ptosis (single)	\$ 55.00
Strabismus, one or more muscles	\$ 55.00
Cataract, needling	\$ 40.00
Cataract, removal	\$ 95.00
Iridectomy	\$ 75.00
Removal foreign body of cornea	\$ 5.00
Glaucoma, filtration operation	\$ 75.00
Enucleation or evisceration	\$ 65.00
Enucleation with implant	\$ 65.00
Tumor, exenteration of orbit	\$ 120.00
Dacryosystorhinostomy	\$ 70.00
Detached retina	\$ 120.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[3. ORTHOPEDIC	
Spinal fusion	\$ 145.00
Cartilage of condyle of femur removal	\$ 110.00
Bone plate removal	\$ 40.00
Talipes metatarsus vargus, calcaneus valgus, eqinovarus	\$ 5.00
Semilunar cartilage removal from joint	\$ 70.00
Tenotomy simple open	\$ 75.00
Tenotomy simple Closed	\$ 45.00
Claw foot, except bone surgery (see foot stabilization)	\$ 45.00
Coccyx, excision	\$ 55.00
Arthrotomy, any major joint	\$ 80.00
Hallux valgus radical operation	\$ 70.00
Exostosectomy	\$ 45.00
Osteomyelitis, sequestrum removal	\$ 85.00
Foot stabilization	\$ 25.00
Hammer toe, operation	\$ 45.00
Arthrodisis of knee, hip, shoulder, or elbow	\$ 135.00
Torticollis, operation	\$ 65.00
Arthorplasty, any major joint	\$ 140.00
Hip joint, resection	\$ 130.00
Any major joint resection	\$ 100.00
Any joint resection of fingers or toes	\$ 40.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[4. AMPUTATIONS	
Upper Arm	\$ 85.00
Forearm	\$ 90.00
Hand	\$ 75.00
Finger, single	\$ 80.00
Hip	\$ 150.00
Thigh	\$ 100.00
Knee	\$ 90.00
Leg	\$ 95.00
Toe	\$ 55.00
Foot	\$ 70.00
Scapulothoracic amputation	\$ 145.00
5. DISLOCATIONS	
Carpal bone, one	\$ 50.00
Clavicle	\$ 65.00
Elbow	\$ 35.00
Finger, one	\$ 25.00
Hip	\$ 105.00
Knee	\$ 85.00
Mandible	\$ 80.00
Metacarpal bone, one	\$ 65.00
Metatarsal bone, one	\$ 45.00
Patella	\$ 95.00
Shoulder	\$ 40.00
Tarsal bone, one	\$ 35.00
Thumb	\$ 55.00
Toe, one	\$ 30.00
Vertebra, one or more	\$ 75.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[6. SIMPLE FRACTURES	
Lower jaw	\$ 70.00
Carpal bone, one	\$ 40.00
Clavicle	\$ 30.00
Coccyx	\$ 15.00
Femur	\$ 135.00
Tibia or fibula or both	\$ 60.00
Pott's or Cotton's fracture	\$ 45.00
Finger, one simple	\$ 50.00
Finger, Extension with traction	\$ 25.00
Humerus	\$ 85.00
Metacarpal bone, one	\$ 50.00
Metatarsal bone, one	\$ 35.00
Patella, closed	\$ 25.00
Nasal bone or bones, reduced	\$ 15.00
Pelvis	\$ 115.00
Radius of ulna, or bone	\$ 65.00
Rib, one or more	\$ 10.00
Sacrum	\$ 35.00
Skull	\$ 75.00
Sternum	\$ 75.00
Tarsal bone, one (exclude os calsis and astragalus)	\$ 30.00
Toe, one	\$ 25.00
Vertebra, one or more	\$ 135.00
Oscalsis or astragalus, or both	\$ 60.00
7. COMPOUND FRACTURES	Two times Simple Fracture Payment Factor, not to Exceed \$150.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[8. SKULL	
Simple fracture (non-operable) with brain injury	\$ 5.00
Depressed	\$ 75.00
Compound	\$ 115.00
Brain Tumors	\$ 150.00
9. INFECTIONS AND TRAUMATA	
Abcess incision and drainage	\$ 5.00
Carbuncle	\$ 5.00
Ulcer, surface, excision	\$ 85.00
Tendon, repair, one	\$ 85.00
Tendon, repair, each additional	\$ 85.00
Septic finger, hand (tendon sheath involvement)	\$ 60.00
Lacerations, extensive	\$ 25.00
Lacerations, minor	\$ 10.00
10. CYSTS	
Removal of ganglion cyst	\$ 35.00
Pilonidal cyst or sinus	\$ 20.00
Thyroglossal cyst, removal	\$ 50.00
Branchial cyst, removal	\$ 30.00
11. TUMORS	
Tumors, benign external removal	\$ 20.00
Tumors, benign removal	\$ 40.00
Parotid tumor, removal	\$ 100.00
Epithelioma of face, surgical removal	\$ 50.00
Cancer of tongue (resection or removal)	\$ 85.00
Cancer of lip (local operation)	\$ 65.00
Cancer of lip same with neck dissection	\$ 150.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[12. BIOPSY	
Biopsy, superficial	\$ 5.00
Biopsy, bone, or bone marrow	\$ 30.00
13. GLANDS	
Glands, superficial, removal	\$ 20.00
Dissection glands	\$ 125.00
Radical axilla or groin	\$ 70.00
14. THYROID	
Thyroidectomy	\$ 75.00
Thyroidectomy, two-stage, subtotal (with or without ligation) complete procedure	\$ 100.00
Parathyroidectomy	\$ 110.00
15. OBSTETRICS	
Pregnancy, delivery (does not include prenatal and postnatal care)	\$ 90.00
Miscarriage (curretage)	\$ 25.00
Caesarean section, vaginal, abdominal	\$ 105.00
Pregnancy, ectopic	\$ 80.00
16. PROCTOLOGY	
Hemorrhoids, injections, each	\$ 10.00
Hemorrhoids, external, single, thrombosis, incision	\$ 10.00
Complete Hemorrhoidectomy	\$ 30.00
Fistulectomy, single, excision of tract	\$ 45.00
Fissurectomy, office, hospital	\$ 25.00
Abcess, ischio-rectal or peri-rectal drainage	\$ 35.00
Carcinoma of rectum resection	\$ 85.00
Propapsed rectum, repair or injection	\$ 45.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[17. UROLOGY]	
Circumcision, infant not requiring anesthesia	\$ 15.00
Circumcision, other	\$ 15.00
Ureterotomy	\$ 105.00
Prostatic abscess	\$ 55.00
Prostatectomy, perineal	\$ 115.00
Prostatectomy, Radical	\$ 150.00
Prostatectomy suprapubic including vasectomy	\$ 100.00
Prostatectomy, transurethral	\$ 60.00
Punch operation with suprapubic drainage	\$ 10.00
Perineoplasty with urethral repair	\$ 30.00
Hydrocele, radical operation	\$ 40.00
Litholapaxy	\$ 40.00
Epididymectomy	\$ 45.00
Vasectomy (when no preliminary to prostatectomy)	\$ 25.00
18. GYNECOLOGY	
Bartholin's gland, incision	\$ 10.00
Bartholin's gland, excision	\$ 25.00
Fistula recto-vaginal	\$ 90.00
Fistula vesico-vaginal	\$ 90.00
Cul-de-sac, drainage	\$ 20.00
Cauterization, electric	\$ 15.00
Dilation and curettage with or without cauterization	\$ 25.00
Uterine polyp removal with dilation and curettage	\$ 30.00
Cervical polyp removal	\$ 5.00
Trachelorrhaphy	\$ 30.00
Cervix amputation	\$ 35.00
Oophorectomy or resection of ovaries	\$ 50.00
Hysterectomy (subtotal)	\$ 125.00
Hysterectomy (total)	\$ 100.00
Myomectomy	\$ 95.00
Uterine flexions, etc., correction (plus surgery of tubes and ovaries)	\$ 45.00
Uterine flexions, with vaginal plastic work	\$ 90.00
Salpingectomy	\$ 45.00
Tubal ligation (independent procedure)	\$ 30.00
Salpingo-oophorectomy	\$ 75.00
Cystocele	\$ 45.00
Rectocele	\$ 55.00
Vulvectomy	\$ 115.00
Vulvectomy with groin dissection	\$ 150.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[19. PRELIMINARY ENDOSCOPY	
Bronchoscopy, diagnostic, preceding surgery	\$ 20.00
Bronchoscopy, Operative	\$ 35.00
Cystoscopy, observation	\$ 10.00
Cystoscopy Ureteral catheterization	\$ 15.00
Cystoscopy Operative	\$ 30.00
Gastrosocopy	\$ 15.00
Gastrosocopy Operative	\$ 25.00
Laryngoscopy, diagnostic (by Laryngoscopy)	\$ 10.00
Laryngoscopy, Operative	\$ 30.00
Sigmoidoscopy and biopsy	\$ 10.00
Esophagoscopy	\$ 15.00
Vesiculectomy	\$ 75.00
Variocolectomy	\$ 40.00
Orchidectomy, simple	\$ 40.00
Orchidectomy, bilateral, with gland dissection	\$ 65.00
Cystotomy or cystostomy	\$ 85.00
Cystostomy with fulguration	\$ 50.00
Cystectomy	\$ 150.00
Ureter transplantation, single	\$ 105.00
Bladder tumor, diverticula, etc, (resection) open operation	\$ 55.00
Urethra-lithotomy	\$ 65.00
Nephrotomy	\$ 105.00
Nephrostomy	\$ 50.00
Nephrectomy	\$ 145.00
Nephropexy	\$ 125.00
Plastic on pelvis and ureter	\$ 105.00
Heminephrectomy	\$ 150.00
Excision and suture of urinary Fistula-suprapubic	\$ 95.00
Vaginal	\$ 10.00
Penis amputation	\$ 70.00
Penis amputation with groin dissection	\$ 135.00
Plastic hypospadias or epispadias	\$ 90.00
Meatotomy	\$ 10.00
Caruncle excision, fulguration	\$ 20.00]

**SECTION 3
BENEFIT PROVISION (continued)**

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[20. THORACIC SURGERY	
Pneumolysis	\$ 145.00
Pleura, paracentesis	\$ 10.00
Empyema, closed drainage	\$ 30.00
Empyema, rib section	\$ 60.00
Phrenic nerve crushing	\$ 50.00
Thoracoplasty (First stage or partial), complete	\$ 150.00
Lobectomy	\$ 140.00
Induction of artificial pneumothorax	\$ 10.00
21. OTOLOGY (Science of the Ear)	
Aural polyp	\$ 10.00
Paracentesis, tympani	\$ 10.00
Mastoidectomy, acute single, bilateral	\$ 100.00
Mastoidectomy, radical single	\$ 105.00
Myringotomy	\$ 10.00
Fenestration for otosclerosis	\$ 80.00
22. NOSE AND THROAT	
Nasal polyps, removal	\$ 10.00
Antrum, Caldwell-Luc	\$ 45.00
Ethmoidectomy	\$ 65.00
Frontal sinus, radical	\$ 85.00
Turbinectomy	\$ 30.00
Submucous resection	\$ 50.00
Palatorrhaphy	\$ 90.00
Tonsillectomy and adenoidectomy under age 12	\$ 30.00
Tonsillectomy and adenoidectomy age 12 and over	\$ 35.00
Laryngectomy	\$ 150.00
Tracheotomy	\$ 10.00
Malignant disease accessory sinuses, radical operation, one sinus	\$ 110.00
Malignant disease, tonsil and pharynx, radical operation	\$ 70.00
Antrum puncture and irrigation	\$ 5.00
Antrum window	\$ 25.00]

SECTION 3
BENEFIT PROVISION (continued)

SCHEDULE OF SURGICAL INDEMNITY BENEFITS

Procedure	Payment Factor
[23. BREASTS	
Breast abscess	\$ 25.00
Breast cyst or abscess, aspiration	\$ 5.00
Breast tumor or benign, removal	\$ 40.00
Breast, radical removal, including auxiliary dissection	\$ 110.00
Breast, simple removal	\$ 65.00
24. OPERABLE BRAIN INJURIES	
Extradural hematoma, subdural hematoma	\$ 120.00
Exploratory trephination, one and two sides	\$ 80.00
Arterio-venous fistula, intracranial	\$ 150.00]

SECTION 3
BENEFIT PROVISION (continued)

[3.04] If an Insured is not on Active Service on the date a change in benefits takes effect, such change, with respect to that Insured, will be deferred until the first of the month following the date of return to Active Service.

If a Dependent is Totally Disabled on a date a change in benefits takes effect, such change, with respect to that Dependent, will be deferred until the date of cessation of such disability.

[3.05] A charge is incurred on the date that treatment is given, service is rendered or a supply is furnished.

SECTION 4
EXCLUSIONS AND LIMITATIONS

4.01 With respect to all of the benefits provided under the Policy, no benefits will be payable as the result of:

- (a) suicide or any attempt thereat, while sane or insane. [If any Covered Person, sane or insane, should die by suicide within two years (one year in Colorado and North Dakota) of his or her Effective Date of coverage, Life Insurance benefits will not be payable; (In Missouri, the reference to insanity does not apply and suicide is no defense to payment under this Policy where the Covered Person is a Missouri citizen unless the Company can show that the Covered Person intended suicide when he or she applied for coverage, regardless of any language to the contrary in the Policy.)]
- (b) any intentionally self-inflicted injury or Sickness;
- (c) rest care or rehabilitative care and treatment;
- (d) cosmetic surgery or care or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to cosmetic surgery resulting from a covered Accident if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
- (e) immunization shots and routine examinations such as: health exams; periodic check-ups; pre-marital exams; and routine physicals;
- (f) routine newborn care, including routine nursery charges;
- (g) voluntary abortion, except with respect to the Insured or covered Dependent spouse:
 - (1) where such person's life would be endangered if the fetus were carried to term; or
 - (2) where medical complications have arisen from an abortion;
- (h) pregnancy of a Dependent child, unless required by law;
- (i) the treatment of:
 - (1) mental illness;
 - (2) functional or organic nervous disorder, regardless of cause;
 - (3) alcohol abuse;
 - (4) drug use, unless such drugs were taken on the advice of a Physician and taken as prescribed, for more than 10 days in any Calendar Year, with respect to payment of the Daily In-Hospital Indemnity Benefit;
- (j) participation in a riot, civil commotion, civil disobedience, or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority;
- (k) committing, attempting to commit, or taking part in a felony or assault, or engaging in an illegal occupation;
- (l) participation in a contest of speed in power driven vehicles, parachuting, parasailing, bungee-jumping, or hang gliding;
- (m) air travel, except:
 - (1) as a fare-paying passenger on a commercial airline on a regularly scheduled route; or
 - (2) as a passenger for transportation only and not as a pilot or crew member;
- (n) any Accident occurring as a result of the Covered Person being intoxicated (where the blood alcohol content meets the legal presumption of intoxication under the law of the state where the Accident took place);
- (o) sex changes;
- (p) experimental treatments or surgery;
- (q) the reversal of tubal ligation and vasectomies;
- (r) artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications, or Physician's services, unless required by law;
- (s) treatment of exogenous obesity or weight control;
- (t) an act of war, whether declared or undeclared, or while performing police duty as a member of any military or naval organization. This exclusion includes Accident sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war. The Company will refund the pro rata unearned premium for any such period the Covered Person is not covered;
- (u) accident or sickness arising out of and in the course of any occupation for compensation, wage or profit. Expenses which are payable under Occupational Disease Law or similar law, whether or not application for such benefits have been made;
- (v) Pre-Existing Conditions, except as described in the Schedule; or

SECTION 4
EXCLUSIONS AND LIMITATIONS (continued)

- (w) air or ground ambulance service.

[4.02 In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Out-Patient Physician Office Visit Indemnity Benefit and the Outpatient Diagnostic X-Ray and Laboratory Indemnity Benefit:

- (a) visits made, examinations given, or x-rays or laboratory tests performed as an in-patient while Confined to a Hospital;
- (b) routine eye examinations or fitting of glasses;
- (c) fitting of hearing aids;
- (d) dental examinations or dental care other than expenses resulting from accidental injury; and
- (e) benefits which are provided under any other part of the Policy.]

[4.03 In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Outpatient Prescription Drug Indemnity Benefit, if applicable:

- (a) drugs and medicines which may be lawfully obtained without a Physician's prescription; except insulin;
- (b) therapeutic devices or appliances. This includes hypodermic needles, syringes, support garments and other non-medical items;
- (c) drugs labeled "Caution – limited by federal law to investigational use" or experimental drugs;
- (d) drugs, medicines or insulin, in whole or in part, used by or administered to a Covered Person while Confined in a Hospital, rest home, sanatorium, extended care facility, convalescent hospital, nursing home or similar institution;
- (e) immunization agents, biological sera, blood or blood plasma; or
- (f) contraceptive materials, devices or medications or infertility medication, except where required by law.]

SECTION 5
TERMINATION OF INSURANCE

- 5.01** The insurance on an Insured will cease on the earliest of:
- (a) the last day of the payroll deduction period during which the Insured ceases to be a member of a class eligible for coverage as shown in the Schedule;
 - (b) the end of the last period for which premium payment has been made to the Company;
 - (c) the date the Policy terminates;
 - (d) the last day of the payroll deduction period during which the Insured is retired or pensioned;
 - (e) with respect to those Insureds working for employers with less than 20 employees on a typical work day in the preceding Calendar Year, the last day of the payroll deduction period during which the Insured attains age 70; or
 - (f) the last day of the payroll deduction period during which the Insured terminates employment.

- 5.02** The insurance on a Dependent will cease on the earliest of:
- (a) the date the Insured's coverage terminates;
 - (b) the end of the last period for which premium payment has been made to the Company;
 - (c) the date the Dependent no longer meets the definition of Dependent, as defined in the Policy; or
 - (d) the date the Policy is modified so as to exclude Dependent coverage.

5.03 The Company shall have the right to terminate the coverage of any Covered Person who submits a fraudulent claim under the Policy.

5.04 TERMINATION OF POLICY AND PARTICIPATION THEREUNDER: The Policy, and the coverage of a Subscribing Unit under the Policy, may be terminated as described below.

A Subscribing Unit may terminate coverage under the Policy by giving written notice to the Company. Termination will be effective on the latter of:

- (a) the date we receive the notice; or
- (b) the requested termination date.

After the first anniversary date of the Policy, the Company may terminate any or all of the insurance under the Policy, as of any premium due date, by giving written notice to the Policyholder, or each Subscribing Unit, at least 60 days prior to the termination date.

5.05 EXTENSION OF BENEFITS: Whenever termination of coverage under this section occurs because of termination of the Insured's employment, such termination shall be without prejudice to:

- (a) any Hospital Confinement which commenced while the Policy was in force, with respect to In-Hospital Indemnity Benefits; or
- (b) any covered treatment or service for which benefits would be provided under the Health Indemnity Benefits of the Policy and which commenced while the Policy was in force; provided; however, that the Covered Person is and continues to be Hospital Confined or Totally Disabled. Such Extension of Benefits shall continue for up to 30 days.

SECTION 6 PREMIUMS

6.01 All premiums are payable on or before the date they are due. Premiums are payable by a mode of payment that has been agreed upon between the Subscribing Unit and the Company.

6.02 The premium rates may be changed by the Company. If the rates are changed, the Company will give at least 31 days advance written notice. If an increase takes place on other than a premium due date, they will be due on the date of the increase to the next premium due date. If such premium is not paid when due, the coverage will automatically be discontinued as of the date the pro rata premium was due. Any partial payment of premium will be refunded.

6.03 If a change in benefits increases the Company's liability, premium rates may be changed on the date that the liability is increased.

**SECTION 7
GENERAL PROVISIONS**

7.01 ENTIRE CONTRACT-CHANGES: The entire contract shall include:

- (a) the Policy;
- (b) the application of the Policyholder;
- (c) the Insured's application, if any, attached to the Certificate; and
- (d) all endorsements and amendments.

Statements made by the Policyholder, Subscribing Unit or the Insured are representations and not warranties, if fraud was not intended. (The words "if fraud was not intended" do not apply in Georgia or North Carolina.) No such statements will be used to avoid the insurance, reduce benefits, or defend a claim under the Policy unless:

- (a) the statement is in writing; and
- (b) a copy of that statement is given to the Insured or his or her beneficiary.

The terms of the Policy can be changed only by endorsement or amendment signed by the President or Secretary of the Company. No agent may change the Policy or waive its provisions.

7.02 TIME LIMIT ON CERTAIN DEFENSES: The validity of the Policy cannot be contested after two years from its date of issue, except for nonpayment of premiums. After coverage for a Covered Person has been in force for two years, the Company cannot:

- (a) void the coverage; or
- (b) deny a claim for loss that starts after the two-year period, because of statements in the application unless they were fraudulent misstatements.

7.03 GRACE PERIOD: A grace period of 31 days will be allowed for each premium payment after the first premium. Coverage will stay in force during this time. The coverage under the Policy will terminate at the end of the grace period if the premium has not been paid. The Subscribing Unit must still pay all unpaid premium due for the grace period.

The Policyholder or Subscribing Unit may, by writing to the Company, cancel the coverage under the Policy:

- (a) on any future premium due date; or
- (b) on any date during the grace period.

If coverage is cancelled on a premium due date, the grace period will not apply. If cancellation is during the grace period, the Policyholder or Subscribing Unit will be liable for any unpaid premium including the pro rata premium for that part of the grace period coverage was in force.

7.04 NOTICE OF CLAIM: Written notice of claim must be given to the Company at our home office, or to any third party administrator authorized by the Company. Such notice should be made within 30 days after any loss covered by the Policy (60 days in Kentucky, six months in Montana). If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay.

SECTION 7
GENERAL PROVISIONS (continued)

7.05 CLAIM FORMS: Claim forms should be used for filing proof of loss. They will be sent to the claimant within 15 days of receipt of notice of claim. If claim forms are not supplied within 15 days, a claimant can give proof as follows:

- (a) in writing;
- (b) setting forth the nature and extent of the loss; and
- (c) within the time stated in the Proof of Loss provision.

(If the Insured resides in Georgia, the reference to 15 days is changed to 10 working days.)

7.06 PROOF OF LOSS: Proof of loss for which the Policy provides any periodic payment contingent upon continuing loss must be given to the Company within 90 days after termination of the period for which the Company is liable. For any other loss, proof of loss must be given to the Company within 90 days after such loss. Late proof may be accepted if:

- (a) it was not reasonably possible to give proof in that time; and
- (b) the proof is given within one year from the date proof of loss was otherwise required. This one year limit will not apply in the absence of legal capacity.

7.07 TIME OF PAYMENT OF CLAIMS: All accrued benefits for loss for which the Policy provides periodic payment will be paid each month, subject to written proof of loss. Any balance not paid when liability ends will be paid immediately upon receipt of written proof. Benefits for any other covered loss will be paid as soon as the Company receives written proof of such loss.

7.08 PAYMENT OF BENEFITS: All benefits payable under the Policy will be paid to the Insured. Accrued benefits that are not paid at the Insured's death will be paid to his or her beneficiary or estate. If a benefit is to be paid to the Insured's estate, or to an Insured or beneficiary who is not competent to give a valid release, the Company may pay up to \$1,000.00 of such benefit to one of the Insured's relatives who is deemed by the Company to be justly entitled to it. Such payment, made in good faith, fully discharges the Company to the extent of the payment.

7.09 PHYSICAL EXAMINATION: The Company has the right to have a Covered Person examined by a Physician of its choice as often as reasonably necessary while a claim is pending. The Company will pay for such examination. In case of death, the Company may request an autopsy where it is not forbidden by law.

7.10 LEGAL ACTIONS: No legal action may be brought to recover under the Policy:

- (a) within 60 days after written proof of loss has been furnished as required; or
- (b) more than three years (five years in Kansas, six years in South Carolina and the applicable statute of limitations in Florida) from the time written proof of loss is required to be furnished.

7.11 CONFORMITY WITH STATE LAWS: A provision of the Policy that, on the Effective Date, conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law as of the Effective Date.

7.12 MISSTATEMENT OF AGE: If the age of any Covered Person is incorrectly stated, the amount of benefits payable will be the amount shown on the Schedule. The premium will be adjusted so that the Company will be paid any amount due based on such Covered Person's true age.

7.13 NEW INSUREDS: To the group or class originally insured, there will be added from time to time all persons eligible and applying for insurance in such group or class.

SECTION 7
GENERAL PROVISIONS (continued)

7.14 CERTIFICATES: The Company will supply individual Certificates for each Insured. This Certificate will describe:

- (a) the insurance benefits;
- (b) to whom benefits will be paid;
- (c) any limitations of the Policy; and
- (d) all other essential features of the Policy.

If more than one Certificate is issued under the Policy to an Insured, only the last one issued will be in effect.