

# TRANSAMERICA LIFE INSURANCE COMPANY

Home Office: [Cedar Rapids, IA 52499]  
A Stock Company

**About Your Insurance** – This Certificate explains benefits provided under the Group Master Policy (“Policy”) issued to the Policyholder named on the Schedule of Benefits. The Policy is a legal contract between the Group Policyholder and the Company. **READ YOUR CERTIFICATE CAREFULLY.** Read it closely to become familiar with your coverage.

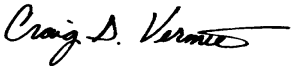
Terms important to understanding this Certificate are defined in the Definitions section or in separate Certificate provisions and are capitalized.


**Important Notice** – Benefits are payable only as described in this Certificate for a covered loss that occurs while the Covered Person is insured under the Policy.

The Policy may be amended or canceled as stated in its provisions. Such an action may be taken without the consent of or notice to any Covered Person. Premiums are subject to change.

The benefits for Dependents described in this Certificate, if available under the Policy, are applicable only if you are insured, apply for Dependent coverage, receive our approval of such Dependents, and pay the premium required for each Dependent.

This Certificate is signed for us at our Home Office to take effect on the same date coverage becomes effective.

[  ]  
[General Counsel and Secretary]

[  ]  
[President]

**THIS CERTIFICATE IS NOT A MEDICARE SUPPLEMENT CERTIFICATE.** If you are eligible for Medicare, review the [Guide to Health Insurance for People with Medicare](#) that is available from us.

**IMPORTANT CANCELLATION INFORMATION – PLEASE REFER TO THE “TERMINATION OF INSURANCE” SECTION OF THIS CERTIFICATE.**

**NO RECOVERY FOR PREEXISTING CONDITION – READ CAREFULLY.** No benefits will be provided during the first 12 months of coverage for loss caused by a Preexisting Condition unless the Waiver of Preexisting Condition Limitation Amendatory Rider is attached to the Policy.

[This Certificate of Insurance provides all of the benefits mandated by the North Carolina Insurance Code, but is issued under a group master policy located in another state and may be governed by that state's laws.]

## Group Certificate for Hospital Indemnity Insurance

### LIMITED BENEFIT – READ YOUR CERTIFICATE CAREFULLY

**THIS CERTIFICATE IS NOT MAJOR MEDICAL INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL INSURANCE. IT DOES NOT QUALIFY AS MINIMUM ESSENTIAL HEALTH COVERAGE UNDER THE FEDERAL AFFORDABLE CARE ACT. IF YOU PURCHASE THIS CERTIFICATE ONLY, YOU WILL NOT SATISFY THE FEDERAL REQUIREMENT THAT YOU HAVE HEALTH COVERAGE, WHICH IS IN EFFECT BEGINNING JANUARY 1, 2014.**

Administrative Office:  
[1400 Centerview Drive, PO Box 8063  
Little Rock, AR 72203-8063]  
Customer Service: [1-888-763-7474]  
E-Mail Address: [customer.service@Transamerica.com]  
Web Address: [www.transamericaemployeebenefits.com]

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SPECIMEN

## SCHEDULE OF BENEFITS

POLICYHOLDER: [ABC Eligible Group]  
 GROUP POLICY NUMBER: [1234567]  
 POLICY EFFECTIVE DATE: [January 1, 2013]  
 GOVERNING JURISDICTION: [STATE OF ISSUE]  
 MONTHLY PREMIUM: [\$XX.XX]

**BENEFIT COVERAGE**

**BENEFIT PER COVERED PERSON**

**DAILY IN-HOSPITAL INDEMNITY BENEFIT**

DAILY IN-HOSPITAL INDEMNITY BENEFIT AMOUNT [\$20 - \$2,500]  
 [MAXIMUM NUMBER OF DAYS PER CONFINEMENT: [31 - 60]]  
 [LIFETIME MAXIMUM NUMBER OF DAYS: [31 - 365]]  
 [CALENDAR YEAR MAXIMUM: [\$5,000 - \$150,000]]

**OPTIONAL RIDERS – The following Optional Riders are part of your coverage.**

**[CRAMB400 – AMBULANCE INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY FOR GROUND/WATER AMBULANCE [\$50 - \$1,500]  
 BENEFIT AMOUNT PER DAY FOR AIR AMBULANCE [\$50 - \$3,000]  
 MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1 - 3]  
 [LIFETIME MAXIMUM NUMBER OF DAYS [3 - 6]]

**[CRCI0400 – CRITICAL ILLNESS INDEMNITY BENEFIT RIDER**

CRITICAL ILLNESS BENEFIT-  
     INSURED [\$2,500 - \$50,000]  
     [DEPENDENT [25% - 100%] OF INSURED BENEFIT]  
 SKIN CANCER BENEFIT [1-10%] OF CRITICAL ILLNESS BENEFIT  
 CARCINOMA IN SITU BENEFIT [1-10%] OF CRITICAL ILLNESS BENEFIT  
 SUBSEQUENT CRITICAL ILLNESS BENEFIT 100% OF CRITICAL ILLNESS BENEFIT]

**[CRERS400 – EMERGENCY ROOM SICKNESS INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 - \$500]  
 MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [2 -4]]

**[CRHA0400 - HOSPITAL CONFINEMENT INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$250 - \$15,000]  
 MAXIMUM NUMBER OF DAYS PER CONFINEMENT [1 - 5]  
 MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1 - 5]]

**[CRDA0400 - INPATIENT DRUG AND ALCOHOL ADDICTION INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 - \$2,500]  
 [MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [20 - 31]]  
 [LIFETIME MAXIMUM NUMBER OF DAYS [60 - 90]]]

**[CRMN0400 - INPATIENT MENTAL AND NERVOUS DISORDER INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 - \$2,500]  
 [MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [20 - 31]]  
 [LIFETIME MAXIMUM NUMBER OF DAYS [60 - 90]]]

**[CRIPM400 – INPATIENT MISCELLANEOUS INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$10 - \$500]  
 MAXIMUM NUMBER OF DAYS PER CONFINEMENT [10 - 31]]

**[CRISRG00 – INPATIENT SURGICAL INDEMNITY BENEFIT RIDER**

SURGICAL BENEFIT AMOUNT PER DAY [\$50 - \$5000]  
 ANESTHESIA BENEFIT AMOUNT PER DAY [\$10 - \$1500]  
 [MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1 - 2]]]

**[CRCICU00 - INTENSIVE CARE INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$100 - \$2,500]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [10 – 30]]

**[CRACIN00 - OFF-THE-JOB ACCIDENTAL INJURY INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 - \$1,500]  
MAXIMUM NUMBER OF DAYS PER ACCIDENT [1 - 2]  
MAXIMUM NUMBER OF ACCIDENTS PER CALENDAR YEAR [1 – 5]]

**[CRASD400 - OUTPATIENT ADVANCED STUDIES DIAGNOSTIC TEST INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$100 - \$2,000]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1 - 3]]

**[CRLAB400 - OUTPATIENT DIAGNOSTIC LABORATORY TEST INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$10 - \$200]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [2 - 12]]

**[CROPV400 - OUTPATIENT PHYSICIAN OFFICE VISIT INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$20 - \$200]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1 – 10]]

**[CRSDT400 - OUTPATIENT SELECT DIAGNOSTIC TEST INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 - \$1000]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1 - 5]]

**[CROPS400 - OUTPATIENT SURGICAL INDEMNITY BENEFIT RIDER**

SURGICAL BENEFIT AMOUNT PER DAY [\$25 - \$2,000]  
ANESTHESIA BENEFIT AMOUNT PER DAY [\$5 - \$600]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [1-3]]

**[CRRX0400 –PRESCRIPTION DRUG INDEMNITY BENEFIT RIDER**

[BENEFIT AMOUNT PER DAY [\$5 - \$100]]  
[GENERIC PRESCRIPTION BENEFIT AMOUNT PER DAY [\$5 - \$100]  
[BRAND NAME PRESCRIPTION BENEFIT AMOUNT PER DAY [\$10 - \$150]]  
[MAXIMUM NUMBER OF DAYS PER MONTH [1 – 5]]  
MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR [5 – 36]]

**[CRSN0400 - SKILLED NURSING INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 – 2,500]  
MAXIMUM NUMBER OF DAYS PER CONFINEMENT [30 – 60]  
LIFETIME MAXIMUM NUMBER OF DAYS [60 – 120]]

**[CRSRGP00 – SURGICAL AND ANESTHESIA INDEMNITY BENEFIT RIDER**

INPATIENT SURGICAL BENEFIT PER DAY [\$500 - \$5,000]  
INPATIENT ANESTHESIA BENEFIT PER DAY [\$100 - \$1,500]  
MAXIMUM INPATIENT NUMBER OF DAYS PER CALENDAR YEAR [1 – 2]  
OUTPATIENT SURGICAL BENEFIT PER DAY [\$250 - \$2500]  
OUTPATIENT ANESTHESIA BENEFIT PER DAY [\$50 - \$750]  
MAXIMUM OUTPATIENT NUMBER OF DAYS PER CALENDAR YEAR [1 – 2]  
OUTPATIENT MINOR SURGICAL BENEFIT PER DAY [\$50 - \$500]  
OUTPATIENT MINOR SURGICAL ANESTHESIA BENEFIT PER DAY [\$10 - \$150]  
MAXIMUM OUTPATIENT MINOR SURGICAL NUMBER OF DAYS PER CALENDAR YEAR [1 – 3]  
[CALENDAR YEAR MAXIMUM FOR ALL OUTPATIENT BENEFITS [\$250 - \$3000]]

**[CRHWEL00 – WELLNESS INDEMNITY BENEFIT RIDER**

BENEFIT AMOUNT PER DAY [\$50 - \$500]  
[MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR PER COVERED PERSON OVER AGE 2 [1 - 3]]  
[MAXIMUM NUMBER OF DAYS PER CALENDAR YEAR FOR ALL COVERED PERSONS OVER AGE 2 [1 - 9]]  
MAXIMUM NUMBER OF WELL BABY DAYS PER CALENDAR YEAR PER COVERED PERSON AGE NEWBORN TO 12 MONTHS [1 – 4]  
PER COVERED PERSON AGE 13 MONTHS TO 2ND BIRTHDAY [1 – 2]]

**[CRPREX00 – WAIVER OF PREEXISTING CONDITION AMENDATORY RIDER]**

## DEFINITIONS

Terms important to understanding this Certificate are defined below and are capitalized in this Certificate.

**Accident or Accidental Injury** – A sudden, unexpected, and unintended injury that:

1. Is independent of any Sickness;
2. Is caused by or is the result of external means; and
3. Takes place while the Covered Person's coverage is in force.

**Active Service** – Performing in the usual manner all of the regular duties of your occupation on a scheduled work day at the normal place of business or other location as directed by your employer.

You are considered to be in Active Service on a day which is not a scheduled work day only if you would meet the requirements above if it were a scheduled work day and you were in Active Service on the last preceding regular work day.

Active Service does not apply if employment is not an eligibility requirement.

**Amendment, Endorsement, or Rider** – Any form issued by us which adds, modifies, changes, or deletes any Policy or Certificate provision or benefit.

**Application** – The form completed and signed to apply for this insurance coverage.

**Calendar Year** – The period from January 1 through December 31 of the same year.

**Child** – A Child of yours who is under the age of 26 and is:

1. A natural Child; or
2. A legally adopted Child or a Child who has been placed for adoption with you; or
3. A stepchild or foster Child from the moment of placement; or
4. A Child for whom you have been appointed legal guardian; or
5. A Child for whom you are legally required to provide support.

If applicable, Child will also include children of your Other Adult Dependent in the same manner as a stepchild.

Child also includes a Child who is incapable of self-support due to a mental or physical impairment. If a Child has reached age 26, but is incapable of self-support because of mental or physical impairment, we will continue the Child's coverage under the following conditions:

1. The Child must be incapacitated;
2. We must receive proof of incapacity within 31 days after coverage would otherwise terminate;
3. We may require additional proof of such incapacity from time to time, but not more often than once a year after the Child attains age 26; and
4. Your coverage must remain in force.

**Confinement or Confined** - That period of time the Covered Person is admitted into a Hospital as a resident bed patient. Confinement does not include that period of time during which a Covered Person is in a Hospital emergency room, an observation room, a freestanding surgical facility or an outpatient facility.

**Complications of Pregnancy** –

1. Conditions requiring Hospital stays when the pregnancy or childbirth is not terminated, whose diagnoses are distinct from pregnancy but are adversely affected by pregnancy or are caused by pregnancy, such as acute nephritis, nephrosis, cardiac decompensation, missed abortion and similar medical and surgical conditions of comparable severity; and
2. Non-elective caesarean section, ectopic pregnancy that is terminated and spontaneous termination of pregnancy that occurs during a period of gestation in which a live birth is not possible. A non-elective caesarean section is a caesarean delivery that:
  - a. Is done on an urgent or emergency basis when maternal or fetal problems or complications develop before or during labor; or
  - b. Is planned prior to the normal delivery date when a known medical problem would make labor dangerous for the mother or the baby.

Complications of Pregnancy do not include false labor, occasional spotting, Physician prescribed rest during the period of pregnancy, morning sickness, hyperemesis gravidarum, pre-eclampsia and similar conditions associated with the management of a difficult pregnancy not constituting a medically distinct Complication of Pregnancy.

**Covered Person** - You and your Dependents who have been accepted for coverage.

**Dependent** – Your Spouse or Other Adult Dependent or Child covered under this Certificate.

**Evidence of Insurability** – The correct and complete answers to the questions in the Application and medical history, if necessary, which will be used by us to base our acceptance of any proposed Covered Person.

**Hospital** - A licensed institution that has on its premises or in facilities available to the Hospital on a contractually prearranged basis and under the supervision of a staff of one or more duly licensed Physicians:

1. Laboratory, X-ray equipment and operating rooms where major surgical operations may be performed by licensed Physicians;
2. Permanent and full-time facilities for the care of overnight resident bed patients under the supervision of a licensed Physician;
3. 24-hour-a-day nursing service by graduate registered nurses; and
4. A patient's written history and medical records.

A State tax-supported institution will be considered a Hospital even if it does not have an operating room and related equipment for surgery on its premises or in facilities available on a contractually prearranged basis.

Notwithstanding the above, Hospital does not include an institution or that part of an institution operated as:

1. A nursing home;
2. An extended care facility;
3. A skilled nursing facility;
4. A mental institution or a facility for the treatment of mental disorders;
5. A rest home or home for the aged;
6. A rehabilitation center; or
7. A place for alcoholics or drug addicts.

**Immediate Family Member** – Anyone related to a Covered Person in the following manner: spouse, daughter, son, stepchild, father, mother, stepparent, sister, brother, stepsister, stepbrother, grandchild, grandparent, father-in-law, mother-in-law, or the spouse of any of these. The term "spouse" includes a common law marriage partner, domestic partner, or civil union partner, if legally recognized in the governing jurisdiction.

**Insured, you, or your** – The employee or member covered for this insurance.

**Observation Unit** – A specialized area within a Hospital, apart from the emergency room, where a patient can be monitored following outpatient surgery or treatment in the emergency room by a Physician. Such a unit must:

1. Be under the direct supervision of a Physician or registered nurse;
2. Be staffed by nurses assigned specifically to that unit; and
3. Provide care seven days per week, 24 hours per day.

**Other Adult Dependent** – Your common law marriage partner, domestic partner, or civil union partner, if legally recognized in the governing jurisdiction or as otherwise agreed upon between the Policyholder and us.

**Physician** - A person who is providing services within the scope of his or her license, and is either:

1. Licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
2. Legally qualified and licensed as a medical practitioner and is required to be recognized, according to the insurance statutes or the insurance regulations of the governing jurisdiction.

Such person must not be an Immediate Family Member of any Covered Person. Practitioners of homeopathic, naturopathic and related medicines are not considered eligible Physicians under the Policy.

**Policy** – The complete contract of insurance, which includes the Policy as issued to the Policyholder, the Policyholder Application, the Certificate Provisions, and any Amendments, Endorsements, and Riders.

**Policyholder** – The entity named on the Schedule of Benefits to whom the Policy is issued.

**[Preexisting Condition** – A Covered Person's Sickness or physical condition for which medical advice, diagnosis, care or treatment was recommended by or received from a Physician within 12 months before the date the Covered Person's coverage became effective.]

**Sickness** – Illness or disease which first manifests itself while the Covered Person's coverage is in force and is the direct cause of the loss.

**Spouse** – Your legally married Spouse.

**Transamerica Life Insurance Company, the Company, we, us, or our** – The insurer that underwrites this coverage.

## **ELIGIBILITY AND EFFECTIVE DATE**

Coverage will take effect at 12:01 a.m. at the main place of business of the Policyholder.

**Employee or Member Eligibility** – To be eligible for coverage under the Policy, you must:

1. Meet the eligibility requirements listed on the Policyholder Application;
2. Be in Active Service; and
3. Provide satisfactory Evidence of Insurability to us, if required.

**Employee or Member Effective Date** - Your insurance will take effect on the later of: (1) the Policy Effective Date; or (2) the first day of the calendar month which coincides with or next follows the date you are accepted for coverage; provided you are: (a) an eligible employee or member on such date; and (b) we have received your first premium payment.

If you do not meet the eligibility requirements on the date your coverage is to take effect, your coverage will take effect on the first day of the calendar month which coincides with or next follows the date you satisfy the requirements.

**Dependent Eligibility, if available under the Policy** – To be eligible under the Policy, a Dependent must:

1. Meet the definition of an eligible Dependent;
2. Be able to perform a majority of the normal activities of a person of like age in good health;
3. Not be eligible as an employee or member under the Policy; and
4. Provide satisfactory Evidence of Insurability to us, if required.

**Dependent Effective Date** – Insurance on each Dependent will take effect on the later of: (1) the date your coverage becomes effective; or (2) the first day of the calendar month which coincides with or next follows the date the Dependent is accepted for coverage, provided that: (a) the Dependent is an eligible Dependent on such date; and (b) we have received any additional premium.

If a Dependent does not meet the eligibility requirements on the date his or her coverage is to take effect, coverage on that Dependent will take effect on the first day of the calendar month which coincides with or next follows the date the Dependent satisfies the requirements.

If you and your Spouse or Other Adult Dependent are both eligible as an employee or member, any Children may be insured as a Dependent of either you or your Spouse or Other Adult Dependent, but not both.

**Child Enrollment; Noncustodial Parents** - If you are required by a court or administrative order to provide health benefit plan coverage for a Child, we will:

1. Allow the parent to enroll a Child who is otherwise eligible for the coverage without regard to any enrollment season restrictions.
2. Enroll the Child upon application of the Child's other parent or the Department of Health and Human Services in connection with its administration of the Medical Assistance or Child Support Enforcement Program if the parent is enrolled but fails to make application to obtain coverage for the Child.
3. Not disenroll or eliminate coverage of the Child unless we are provided satisfactory written evidence that: (a) The court or administrative order is no longer in effect; or (b) The Child is or will be enrolled in comparable health benefit plan coverage through another health insurer, which coverage will take effect not later than the effective date of disenrollment.

If a Child has coverage through a noncustodial parent, we will:

1. Provide such information to the custodial parent as may be necessary for the Child to obtain benefits.
2. Permit the custodial parent (or the health care provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent.
3. Make payments on claims directly to the custodial parent, the provider, or the Department of Health and Human Services.

**Coverage for Newborn Child, Newly Adopted Child, or Foster Child** - A newborn Dependent Child will become insured for coverage automatically on the day he or she is born, as long as your coverage is in force on that date. An adopted or foster Child will become insured for coverage automatically on the day he or she is placed for

adoption or placed in the foster home so long as such placement occurs while your coverage is in force on that day. The Child will be automatically covered for 31 days. If additional premium is required in order to continue the Child's coverage, you must notify us by the end of the 31-day period and pay the additional premium.

Coverage for a newly born or newly adopted Child will consist of coverage for Accident and Sickness including confinements for medically diagnosed congenital defects and birth abnormalities within the scope of the Policy.

The following definitions apply to this provision:

**Child** means, in connection with any adoption or placement for adoption, an individual who has not attained 18 years of age as of the date of the adoption or placement for adoption.

**Foster Child** means a minor:

1. Over whom a guardian has been appointed by the clerk of superior court of any county in North Carolina; or
2. The primary or sole custody of whom has been assigned by order of a court of competent jurisdiction.

**Placement for adoption** means the assumption and retention by you of a legal obligation for total or partial support of a Child in anticipation of the adoption of the Child. The Child's placement with you terminates upon the termination of such legal obligations.

**Placement in the foster home** means physically residing with a person appointed as guardian or custodian of a foster Child as long as that guardian or custodian has assumed the legal obligation for total or partial support of the foster Child with the intent that the foster Child reside with the guardian or custodian on more than a temporary or short-term basis.

## DAILY IN-HOSPITAL INDEMNITY BENEFIT

We will pay the Daily In-Hospital Indemnity Benefit amount shown in the Schedule of Benefits for each day the Covered Person is Confined to a Hospital as the result of a covered Accident or Sickness. This benefit is limited to any maximums shown in the Schedule of Benefits.

We will not pay this benefit for an emergency room stay, an outpatient stay, or a stay in an Observation Unit.

Confinement for the same or related condition within 30 days of discharge will be treated as a continuation of the prior Confinement. Successive Confinements separated by more than 30 days will be treated as a new and separate Confinement.

## EXCLUSIONS AND LIMITATIONS

With respect to benefits provided under this Certificate, no benefits will be payable as the result of:

1. A Covered Person's suicide or attempted suicide, while sane or insane.
2. A Covered Person's intentionally self-inflicted injury.
3. Rest care or rehabilitative care and treatment.
4. Immunization shots and routine examinations such as: physical examinations, mammograms, Pap smears, immunizations, flexible sigmoidoscopy, prostate-specific antigen tests and blood screenings. This exclusion does not apply to coverage under the optional Wellness Indemnity Benefit Rider, if attached as part of the contract.
5. Any pregnancy of a Dependent Child, except for Complications of Pregnancy, including Confinement rendered to her Child after birth.
6. Routine newborn care. This exclusion does not apply to coverage under the optional Wellness Indemnity Benefit Rider, if attached as part of the contract.
7. A Covered Person's abortion, except for medically necessary abortions performed to save the mother's life.
8. The treatment of:
  - a. A Covered Person's mental or emotional disorder. This exclusion does not apply to coverage under the optional Inpatient Mental and Nervous Disorder Indemnity Benefit Rider, if attached as part of the contract.
  - b. A Covered Person's alcoholism or drug addiction. This exclusion does not apply to coverage under the optional Inpatient Drug and Alcohol Addiction Indemnity Benefit Rider, if attached as part of the contract.
9. A Covered Person's active participation in a riot, or insurrection.
10. Dental care or treatment, except for such care or treatment due to Accidental Injury to sound natural teeth within 12 months of the Accident and except for dental care or treatment necessary due to congenital disease or anomaly.



11. Any Accident caused by the participation in any activity or event, including the operation of a vehicle, while under the influence of a controlled substance (unless administered by a Physician or taken according to the Physician's instructions) or while intoxicated (intoxicated means that condition as defined by the law of the jurisdiction in which the Accident occurred).
12. A Covered Person's sex change, reversal of tubal ligation or reversal of vasectomy.
13. Artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications or Physician's services, unless required by law.
14. Committing, attempting to commit, or taking part in a felony or assault, or engaging in an illegal occupation.
15. Traveling in or descending from any vehicle or device for aerial navigation, except as a fare-paying passenger in an aircraft operated by a commercial airline (other than a charter airline) on a regularly scheduled passenger trip.
16. Any loss incurred while a Covered Person is on active duty status in the armed forces. (If you notify us of such active duty, we will refund any premiums paid for any period for which no coverage is provided as a result of this exception.)
17. An Accident or Sickness arising out of or in the course of any occupation for compensation, wage or profit or for which benefits may be payable under an Occupational Disease Law or similar law, whether or not application for such benefits has been made. This exclusion does not apply to claims covered by the North Carolina Workers' Compensation Act, Article 1 of Chapter 97 of the General Statutes, unless the Insured, employer of the Insured, or the workers' compensation insurance carrier is liable or responsible according to a final adjudication of the claim under that Article or an order of the North Carolina Industrial Commission approving a settlement agreement entered into under that Article.
18. A Covered Person's involvement in any war or act of war, whether declared or undeclared.

**[Preexisting Condition Limitation** - No benefits are provided during the first 12 months this coverage is in force for a Preexisting Condition. After this 12-month period, loss due to such Preexisting condition will be payable unless specifically excluded from coverage. This 12-month period is measured from the date coverage becomes effective for each Covered Person.

No claim for a loss that starts 12 months after coverage becomes effective may be reduced or denied because of a physical condition, not excluded by name or specific description before the date of loss, that existed before the Covered Person's coverage become effective.]

## PREMIUMS

All premiums are payable on or before the date they are due.

**Premium Changes** - We have the right to change the premium rates on any premium due date in accordance with the terms of the Policy. If the rates are changed, we will give at least a 60-day advance written notice to the Policyholder.

If the premiums increase because a change in benefits increases our liability, premium rates may be changed on the date that our liability is increased, without regard to any premium rate guarantee. If such premium increase takes place on a date other than a premium due date, a pro rata premium for the increase will be due on the next premium due date. The pro rata premium will be for the period from the date of the increase to the next premium due date. If such premium is not paid when due, the coverage will automatically be terminated as of the date the pro rata premium was due. Any partial payment of premium will be refunded.

**Premium Refunds** - If your Spouse or Other Adult Dependent is covered and you divorce or legally terminate the Other Adult Dependent relationship or such Dependent dies and we are notified in writing at our Administrative Office, we will refund premiums for the period of time following the date of divorce/dissolution or death of such Dependent. Premiums will not be refunded for any period prior to 30 days before such notification is received in our Administrative Office.

If your Children are covered and coverage for all Children ends, we will refund premiums for the period of time following the last day of coverage. We must be notified in writing at our Administrative Office. Premiums will not be refunded for any time period prior to 30 days before such notification is received in our Administrative Office.

**Unpaid Premiums** - Any premium due and unpaid may be deducted from a claim payment.

## TERMINATION OF INSURANCE

Subject to the Portability Option, your insurance will cease on the earliest of:

1. The date the Policy terminates, subject to the Portability Option;
2. The date you cease to be eligible for coverage;
3. The date of your death;
4. The premium due date on which we fail to receive your premium, subject to the Grace Period provision; or
5. The date you send us a written notice that you want to cancel coverage.

The insurance on a Dependent will cease on the earliest of:

1. The date your coverage terminates;
2. The premium due date on which we fail to receive your premium, subject to the Grace Period provision;
3. The date the Dependent Child no longer meets the definition of Child;
4. The date a Covered Spouse or Other Adult Dependent no longer meets the definition of same;
5. The date the Policy is modified so as to exclude Dependent coverage; or
6. The date you send us a written notice that you want to cancel coverage on your Dependent.

We will have the right to terminate the coverage of any Covered Person who submits a fraudulent claim under the Policy.

Termination of your insurance will not affect any claim which begins before the date of termination.

## PORTABILITY OPTION

If you lose eligibility for this insurance for any reason other than nonpayment of premiums, you will have the option to continue this Certificate (including any Riders, if applicable) by paying the premiums directly to us at our Administrative Office within 31 days after this insurance terminates. We will bill you for these premiums after you notify us to continue this coverage. The premiums you pay directly to us may exceed the premiums that were paid through the Policyholder due to increased administrative costs for direct billing. If you stop paying the premiums under this option, this coverage will cease, subject to the terms of the Grace Period.

This Portability Option is only available for the Insured and the Insured's Dependents; it is not available for the Insured's Dependents without the Insured.

## CLAIM PROVISIONS

**Notice of Claim** – Written notice of claim must be given to us within 20 days after the occurrence or commencement of any loss covered by the contract or as soon thereafter as is reasonably possible. Notice given by or on behalf of the Covered Person or the beneficiary to us at the Administrative Office shown on Page 1 of this Certificate, or to any authorized agent of the Company, with information sufficient to identify the Covered Person will be deemed notice to us.

**Claim Forms** – Claim forms should be used for filing Proof of Loss. We will send such form to the claimant within 15 days of receipt of notice of claim. If we fail to supply the proper claim forms within 15 days, you can give proof in writing, setting forth the nature and extent of the loss within the time stated in the Proof of Loss provision. You or a personal representative may obtain a claim form by calling our toll-free telephone number listed on the cover page.

**Proof of Loss** – Due written Proof of Loss must be given to us at our Administrative Office. In case of a claim for loss for which a periodic payment is provided contingent upon continuing loss, such satisfactory written Proof of Loss must be sent within 180 days after the termination of the period for which we are liable. For any other loss, proof must be sent within 180 days after the date of such loss.

Failure to furnish such proof within such time will not invalidate nor reduce any claim if it was not reasonably possible to furnish such proof and it was furnished as soon as reasonably possible. In any event, the proof required must be given no later than one year from the time of loss, unless the claimant was legally incapacitated.

**Payment of Claim Benefits** – All benefits payable under your Certificate will be paid to you, unless you have assigned such benefits. Any benefits that are not paid at your death will be paid to your Spouse or Other Adult Dependent or if there is no Spouse or Other Adult Dependent, then to your estate.

If any benefit is payable to your estate or to a Covered Person or beneficiary who is a minor or otherwise not competent to give a valid release, we may pay such benefit, up to \$1,000, to one of your relatives by blood or connection by marriage who we deem to be equitable entitled to such benefit. Such payment, made in good faith, fully discharges us to the extent of the payment.

**Physical Examinations And Autopsy** - We have the right to have a Covered Person examined by a Physician of our choice as often as reasonably necessary while a claim is pending. In case of death, we may request an autopsy where it is not forbidden by law. We will pay for such examination or autopsy.

**Time of Payment of Claims** – Benefits for a covered loss will be paid as soon as we receive due written Proof of Loss. We will acknowledge a claim within 30 days after receiving written Notice of Claim. Acknowledgement will include one of the following: (1) a statement advising that the claim is being investigated or that Proof of Loss is required; (2) payment of the claim; (3) a written offer of settlement; or (4) a written denial of the claim.

## GENERAL PROVISIONS

**Clerical Error** – A clerical error by us will not invalidate insurance otherwise in force, nor continue insurance otherwise not validly in force.

**Conformity with State Laws** – A provision of the Policy or Certificate that conflicts with a law of the governing jurisdiction is hereby changed to meet the minimum standards of that law.

**Entire Contract; Changes** – The Entire Contract consists of the Policy as issued to the Policyholder, the Policyholder Application, the Certificate Provisions, and any attached Amendments, Endorsements, and Riders. Only our President, Vice President, Secretary, or an Assistant Secretary may make any changes to the Policy or this Certificate and then only in writing. No agent or Policyholder has authority to change the Policy or this Certificate or to waive any of its provisions. Any changes are subject to the laws of the governing jurisdiction.

**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 and/or Certificate will terminate at the end of the Grace Period if the premium has not been paid.

If coverage is canceled on a premium due date and the premium has been paid through that date, the Grace Period will not apply. If cancellation is during the Grace Period, you will be liable for any unpaid premium including the pro rata premium for that part of the Grace Period during which coverage was in force. Benefits may be reduced by the amount of any due but unpaid premiums.

**Legal Action** – No legal action may be brought to recover under the Policy or Certificate within 60 days after written Proof of Loss has been provided to us as required nor more than three years from the time written Proof of Loss is required to be furnished.

**Misstatement of Age** – If the Covered Person's age has been misstated, the Covered Person's true age will be used to adjust the premium or adjust the benefits paid.

**Other Insurance With Us** - If you have more than one hospital indemnity policy, certificate, or similar coverage with us, only the one chosen by you will remain in effect. We will refund all premiums paid for any other such coverage.

**Reinstatement** – If any renewal premium is not paid within the time granted for payment, a subsequent acceptance of premium by us or by any of our authorized agents, without requiring an application for reinstatement, will reinstate the Certificate. However, if we or our agent require an application for reinstatement and issue a conditional receipt, the Certificate will be reinstated upon our approval of such application, or, lacking such approval, upon the 45th day following the date of such conditional receipt; unless we have previously notified the Insured in writing of our disapproval of such application. The reinstated Certificate will only cover loss resulting from an Accident sustained after the date of reinstatement. The reinstated Certificate will only cover loss due to a covered Sickness that begins more than 10 days after the reinstatement date. In all other respects you and the Company will have the same rights as each had under the Certificate immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement will be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement.

### Time Limit on Certain Defenses

Misstatements in the Application - We will not use any misstatement to void or reduce benefits after coverage has been in effect for two years. Any such statement would have to be in a signed form. This also applies to all Riders. Any increase in benefit amounts is subject to a new two year contestable period for the increased amount only.

All statements made are considered representations and not warranties. No such statement will be used in any contest, unless a copy of such statement has been furnished to you.

**Notices Given by Us** – Any notice to you will be sent to your last known address.