



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina
800.433.3036

Endorsement to Policy and Certificate of Insurance

This Endorsement alters the Policy and the Certificate to which it is attached. Unless specifically addressed by this Endorsement, all other Policy and Certificate provisions, definitions, and terms continue to apply.

Continental American Insurance Company's mailing addresses for claims and premium payments are changed as listed below.

Notice of Claim and **Proof of Loss** should be mailed to the Company at:

P.O. Box 84075, Columbus, Georgia, 31993-9103

Premium Payments should be mailed to the Company at:

P.O. Box 84069, Columbus, Georgia, 31908-4069

If applicable, references to 2801 Devine Street, Columbia, SC 29205 are deleted.

Signed for the Company at its Home Office,

Teresa White, President

J. Matthew Loudermilk, Secretary

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Continental American Insurance Company's toll-free telephone number for information or to make a complaint at:

1-800-433-3036

You may also write to Continental American Insurance Company at:

Post Office Box 427
Columbia, South Carolina 29202

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORANTE

Para obtener información o para presentar una queja:

Usted puede llamar al número de teléfono gratuito de Continental American Insurance Company's para obtener información o para presentar una queja al:

1-800-433-3036

Usted también puede escribir a Continental American Insurance Company:

Post Office Box 427
Columbia, South Carolina 29202

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:

1-800-252-3439

Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007
Sitio web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:

Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con la compañía primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

ADJUNTE ESTE AVISO A SU PÓLIZA:

Este aviso es solamente para propósito informativos y no se convierte en parte o en condición del documento adjunto.



CONTINENTAL AMERICAN INSURANCE COMPANY

Columbia, South Carolina

800.433.3036

GROUP SHORT-TERM DISABILITY INSURANCE CERTIFICATE

This coverage only pays benefits for short-term Disability as listed in the Benefit Schedule of this Certificate. Benefits are paid for short-term Disability that is caused by Sickness or Off-the-Job Injury. This Certificate does not provide benefits for any other Sickness or condition.

IF YOU HAVE ANY OTHER DISABILITY BENEFIT IN FORCE WITH US, ONLY ONE DISABILITY BENEFIT IS PAYABLE.

Your Union (“the Policyholder”) applied for coverage under this Group Short-Term Disability Insurance Policy (the “Plan”). This Plan is issued by Continental American Insurance Company (the “Company,” “we,” “us,” or “our”). For the purpose of this Plan, “you” (including “your” and “yours”) refers to you. Based on the Application and based on the timely payment of premiums, the Company agrees to pay the benefits provided on the following pages. Your Application is maintained on file and made part of this Certificate. (Please note that male pronouns—such as *you*, *you*, and *your*—are used for both males and females, unless the context clearly shows otherwise.)

You will notice that certain words and phrases (including some medical terms and the names of Plan documents) in this document are capitalized. These refer to terms with very specific definitions as they apply to this insurance Plan.

**Please read your Certificate carefully.
This certificate is not a Medicare supplement policy.**

We certify that you are insured under the Group Short-Term Disability Insurance Policy (the “Plan”). The Plan was issued to your Union, the Policyholder. This coverage provides benefits for loss resulting from short-term disability. The Certificate is subject to the definitions, exclusions, and other provisions of the Plan.

Certain provisions of the Plan are summarized in this Certificate. All provisions of the Plan, whether contained in your Certificate or not, apply to the insurance referred to by the Certificate.

The Certificate Effective Date is shown in the Certificate Schedule. The Certificate will terminate as provided in the provision titled “Termination of A Member’s Insurance” in Section I. This Certificate will remain in effect for the period for which the premium has been paid. This Certificate may be continued for further periods as stated in the Plan.

This Certificate, on its Effective Date, automatically replaces any Certificate or Certificates previously issued to you under the Plan.

THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. YOU SHOULD CONSULT YOUR EMPLOYER TO DETERMINE WHETHER YOUR EMPLOYER IS A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM.

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Section I – Eligibility, Effective Date, Termination, and Continuation Privilege

Eligibility

You are an eligible Member under this Plan if you meet **all** the following requirements:

- You are A Member of the Policyholder.
- You are engaged in full-time work.
- You are included in the class of Members that are eligible for coverage, as shown on the Application.

Effective Date

The Effective Date of the Plan is shown on Page 1.

Your Certificate Effective Date is the date your insurance takes effect. That date is **one of** the two following dates:

- The date that is shown on the Certificate Schedule if you are Actively at Work on that date.
- The date you return to an Actively-at-Work status if you are not Actively at Work on the date that is shown on the Certificate Schedule.

Plan Termination

The Plan may terminate for any of the following reasons:

- The premium is not paid before the end of the Grace Period.
- The Company cancels the Plan any time after the end of the first Policy year. To do this, the Company must give 31 days' written notice.
- The number of participating Members is less than the number that was agreed upon by the Company and the Policyholder in the signed Master Application.

The Policyholder has the sole responsibility to notify you of the termination of the Plan. If the Plan terminates, it — as well as all Certificates and Riders issued under the Plan — will end on the stated termination date. The termination occurs as of 12:01 a.m. at the Policyholder's address.

If the Plan ends, we will provide coverage for claims arising from Disabilities that were first Diagnosed while the Plan was in force.

Termination of a Member's Insurance

Your insurance will terminate on whichever occurs first:

- The date the Company terminates the Plan.
- The 31st day after the premium due date, if the premium has not been paid.
- The date you no longer meet the Plan's definition of a Member.
- The date you no longer belong to an eligible class.

If your coverage ends, we will provide coverage for claims that arise from short-term Disability that was first Diagnosed while your coverage was in force.

Continuation Privilege

When you end membership with the Policyholder and your coverage would otherwise end, you may choose to continue your coverage under this Plan. You may continue the coverage that you had on the date your membership ended.

To keep your Certificate in force, you must meet the following three requirements:

- You must apply to the Company in writing within 31 days after the date your insurance would otherwise terminate.

- You must pay the required premium — the premium in effect at the time of port — to the Company no later than 31 days after the date the Certificate would otherwise terminate and on each premium due date thereafter.
- You must be engaged in full-time work.

Coverage will end:

- 31 days after the date you fail to pay any required premium, **or**
- The date this Group Plan is terminated, whichever occurs first.

If you qualify for this Continuation Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate that are shown in your previously issued Certificate.

Section II – Premium Provisions

Premium Calculations

The Schedule of Premiums determines the premium amount that is payable on any premium due date. The rates that are shown in this Schedule can be changed each year after the rate guarantee period has expired. The Company will give the Policyholder written notice 60 days before any change in rates becomes effective.

Premium Payments

The first premiums are due on this Plan’s Effective Date. After that, premiums are due on the first day of each month that the Plan remains in effect.

Aggregate premiums for this Plan should be paid to the Company at its Home Office in Columbia, South Carolina. Payment of any premium will not keep the Plan in force beyond the due date of the next premium, except as set forth in the Grace Period.

Grace Period

This Plan has a 31-day Grace Period. If a renewal premium is not paid on or before its due date, the premium may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given the Company written notice of its intention to discontinue the Plan.

Section III – Definitions

When the terms below are used in this Plan, the following definitions will apply:

Actively at Work refers to your ability to perform your regular employment duties for a full normal workday. You may perform these activities either at your employer’s regular place of business or at a location where you may be required to travel to perform the regular duties of your employment.

Base Annual Pay is the annual income from your Full-Time Job with your employer. This pay excludes overtime pay, bonuses, or any other special pay.

Benefit Period is the maximum number of days *after* the Elimination Period, if any, for which you can be paid benefits for any Period of Disability. Each new Benefit Period is subject to a new Elimination Period. See the Benefit Schedule for the Benefit Period.

For the purposes of this calculation, a “month” is defined as 30 days for which benefits are paid.

Complications of Pregnancy refers to:

- Conditions that require Medical Treatment that comes before or comes after the termination of a pregnancy. The diagnoses for this Medical Treatment must be distinct from pregnancy but either adversely affected by pregnancy or caused by pregnancy. For a condition to be a Complication of Pregnancy, it must constitute a classifiably distinct pregnancy complication. Examples of such Complications of Pregnancy are:
 - Acute nephritis,
 - Nephrosis,
 - Cardiac decompensation,
 - Missed abortion,
 - Disease of the vascular, hemopoietic, nervous, or endocrine systems, and
 - Similar medical and surgical conditions of comparable severity.
- Further Complications of Pregnancy include:
 - Hyperemesis gravidarum and pre-eclampsia requiring hospital confinement,
 - Ectopic pregnancy that is terminated, and
 - Spontaneous termination of pregnancy that occurs during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy *do not include* the following conditions:

- Multiple gestation pregnancy.
- False labor.
- Occasional spotting.
- Morning sickness.

Complications of Pregnancy do not include other similar conditions associated with the management of a difficult pregnancy not constituting a nosologically distinct complication of pregnancy.

Elective cesarean deliveries are not considered Complications of Pregnancy.

Daily Disability Benefit is one-thirtieth of the applicable monthly Disability benefit that is shown on the Benefit Schedule.

Disability

- **Total Disability** refers to your being under the care and attendance of a Doctor due to a condition that causes your inability to perform the material and substantial duties of your Full-Time Job. To qualify as Total Disability, you may not be working at any job.
- **Partial Disability** refers to your being under the care and attendance of a Doctor due to a condition that causes your inability to perform the material and substantial duties of your Full-Time Job. To qualify as Partial Disability, you are able to work at any job earning less than 80 percent of the Annual Income of your Full-Time Job at the time you became disabled.

Doctor is defined as a person who meets **all** the following criteria:

- A person who is legally qualified to practice medicine.
- A person who is licensed as a physician by the state where Treatment is received.

A Doctor does **not** include you or your Family Member.

Elimination Period is the number of continuous days at the beginning of your Period of Disability for which there are no benefits payable. See the Benefit Schedule for the Elimination Period. Each new Benefit Period is subject to a new Elimination Period.

Member is a person who meets the eligibility requirements that are under Section I – Eligibility, and who is covered under this Plan. The Member under this Plan is you.

Family Member includes anyone related to you in the following manner: spouse, brothers or sisters (includes stepbrothers and stepsisters); children (includes stepchildren); parents (includes stepparents); grandchildren, father- or mother-in-law; as applicable.

Full-Time Job refers to a job at which you work, performing your job-related duties for pay or benefits, for the required number of hours per week. This requirement appears under the Eligibility section of the Benefit Schedule.

Injury refers to an Off-the-Job bodily injury that is not otherwise excluded. An Injury meets **all** the following criteria:

- It is directly caused by a covered accident.
- It is not caused by Sickness, disease, bodily infirmity, or any other cause.
- It occurs on or after the Effective Date of coverage and while coverage is in force.

Insured means the eligible person whose coverage under the Certificate becomes effective.

Medically Necessary refers to Treatment, services, or supplies that are necessary and appropriate for the diagnosis or Treatment of a Sickness or an Injury based upon generally accepted medical practice.

Mental Illness is defined as a Total Disability resulting from psychiatric or psychological conditions, regardless of the cause. Mental Illness includes but is not limited to the following: bipolar affective disorder (manic-depressive syndrome), delusional (paranoid) disorders, psychotic disorders, somatoform disorders (psychosomatic illness), eating disorders, schizophrenia, anxiety disorders, depression, stress, post-partum depression, personality disorders as well as adjustment disorders. It also includes any other condition that is usually treated by a Doctor, mental health provider, or other qualified provider using psychotherapy, psychotropic drugs or other similar modalities used in the treatment of the conditions stated above.

Off-the-Job Injury means an Injury that occurs while you are not working at any job for pay or benefits.

On-the-Job Injury means an Injury that occurs while you are working at any job for pay or benefits.

Period of Disability means the length of time that you are either Totally Disabled or Partially Disabled from one or more causes. It starts the first full day of Total Disability or Partial Disability after you cease to be Actively at Work for the Policyholder. It ends on the **earlier** of the following two dates:

- The date you cease to be Totally Disabled, or Partially Disabled.
- The date you return to an Actively at Work status for any employer.

Sickness refers to a covered illness, disease, infection, or any other abnormal physical condition. Sickness must meet **all** the following criteria:

- It must not be caused by an Injury.
- It first manifested and was first treated after the Effective Date of coverage.
- It occurs while coverage is in force.

Treatment or Medical Treatment is the consultation, care, or services that are provided by a Doctor. This includes receiving any diagnostic measures as well as taking prescribed drugs and medicines.

Section IV – Benefit Provisions

The benefit amounts payable that are under this section are shown in the Benefit Schedule.

We will pay the following benefits, as applicable, if your Disability is caused by a covered Sickness or covered Injury and if it occurs while this coverage is in force. All benefits are subject to the Limitations and Exclusions, Pre-existing Condition Limitations, and other Policy terms.

Benefits will be paid for only one Disability at a time, even if the Disability is caused by more than one Sickness, more than one Injury, or a Sickness and an Injury. **We reserve the right to meet with you while a claim is pending, or to use an independent consultant and Doctor’s statement to determine whether you are qualified to receive Disability benefits.**

You must be under the care and attendance of a Doctor for these benefits to be payable. Benefits will cease on the date of your death.

Separate Periods of Disability

SAME OR RELATED CONDITION

Separate Periods of Disability resulting from the **same condition or a related condition** are considered a continuation of the prior Disability if they are not separated by 180 days or more.

Once the maximum *Total Disability Benefit Period* or maximum *Partial Disability Benefit Period* has been paid, you will not be eligible for a new *Total Disability Benefit Period* or for a new *Partial Disability Benefit Period* for Disability due to the **same condition or a Related condition**, until 180 days after **all** the following conditions are met:

- You have been released by a Doctor from the prior Disability.
- You are no longer disabled.
- You are no longer qualified to receive any Disability benefits under this Certificate.

After your Disability Benefit Period, you may continue your coverage if **all** the following conditions are met:

- You return to work within 90 days after your Benefit Period ends.
- Premium payments for your coverage resume upon your return to work.
- The group Policy is still in force upon your return to work.

UNRELATED CAUSES

Separate Periods of Disability resulting from **unrelated causes** are considered a continuation of the prior Disability if they are not separated by your returning to work at a Full-Time Job for 30 consecutive days, during which you are performing the material and substantial duties of that job.

Once the maximum *Total Disability Benefit Period* or maximum *Partial Disability Benefit Period* has been paid, you will not be eligible for a new *Total Disability Benefit Period* or for a new *Partial Disability Benefit Period* for Disability due to an **unrelated cause**, until 30 consecutive days after **all** the following conditions are met:

- You have been released by a Doctor from a prior Disability.
- You are no longer disabled.
- You are no longer qualified to receive any Disability benefits under this Certificate.

After your Disability Benefit Period, you may continue your coverage if **all** the following conditions are met:

- You return to work within 90 days after your Benefit Period ends.
- Premium payments for your coverage resume upon your return to work.
- The group Policy is still in force upon your return to work.

Periods of Disability meeting either of these separation requirements will begin a new *Total Disability Benefit Period* or a new *Partial Disability Benefit Period* (a maximum of 3 months), subject to a new Elimination Period.

The Partial Disability Benefit has its own Benefit Period; it isn't subject to the Total Disability Benefit Period. You may be eligible for the Partial Disability Benefit even if you have not received the Total Disability Benefit.

TOTAL DISABILITY BENEFIT: SICKNESS or OFF-THE-JOB INJURY

If you have a Full-Time Job at the time of your Sickness or Off-the-Job Injury, we will insure you as follows while coverage is in force:

If your covered Sickness or covered Off-the-Job Injury causes your Total Disability within 90 days of your last Treatment for your covered Sickness or covered Off-the-Job Injury, we will pay you the Daily Disability Benefit for each day of your Total Disability. This benefit is payable up to the Total Disability Benefit Period. It is subject to the Elimination Period shown in the Benefit Schedule. The Total Disability Benefit Period begins after the Elimination Period has been satisfied.

You will no longer be qualified to receive this benefit upon the earlier of your: (1) being released by your Doctor to perform the material and substantial duties of your Full-Time Job, or (2) working at any job earning 80 percent or more of your pre-Disability Annual Income.

PARTIAL DISABILITY BENEFIT: SICKNESS or OFF-THE-JOB INJURY

If you have a Full-Time Job at the time of your Sickness or Off-the-Job Injury, we will insure you as follows while coverage is in force:

If your covered Sickness or covered Off-the-Job Injury causes your Partial Disability within 90 days of your last Treatment for your covered Sickness or covered Off-the-Job Injury, we will pay 50 percent of the Daily Disability Benefit for each day of your Partial Disability. This benefit is payable up to the Partial Disability Benefit Period (a maximum period of 3 months). It is subject to the Elimination Period. The Partial Disability Benefit Period and the Elimination Period both appear in the Benefit Schedule. The Partial Disability Benefit Period begins after the Elimination Period has been satisfied and after you return to work earning less than 80 percent of the Base Annual Pay of your Full-Time job.

You will no longer be qualified to receive this benefit upon the earlier of your: (1) being released by your Doctor to perform the material and substantial duties of your Full-Time Job, or (2) working at any job earning 80 percent or more of your pre-Disability Annual Income.

WAIVER OF PREMIUM BENEFIT

If your covered Sickness or covered Off-the-Job Injury causes your Total Disability or Partial Disability for more than 90 consecutive days while this coverage is in force, we will waive, from month to month, the premium for the Certificate and any applicable rider(s) for as long as you remain disabled, up to the applicable Benefit Period shown in the Benefit Schedule.

For premiums to be waived, we will require both the statement of an employer and the statement of a Doctor certifying that you are unable to perform your customary duties or activities. We may each month thereafter require a Doctor's statement that your inability to perform those duties or activities continues. We may ask for and use an independent consultant to determine your Disability when this benefit is in force.

All premiums must be paid to keep the Certificate and any applicable rider(s) in force until we approve your claim for this Waiver of Premium Benefit. Premium payments for your coverage must resume the earlier of your returning to work or within 90 days after you no longer qualify for Disability benefits.

The Waiver of Premium Benefit is not available with a three-month Total Disability Benefit Period.

EXTENSION OF BENEFITS

If your coverage ends, we will provide coverage for claims that arise from a short-term Disability that was first Diagnosed while your coverage was in force. If you are Totally Disabled on the date your coverage ends, we will provide benefits for at least the lesser of:

- 90 days; or
- The duration of the Total Disability.

Section V – Limitations & Exclusions Provisions

Pre-Existing Conditions Limitation

Pre-existing Condition is an illness, disease, infection, disorder, pregnancy, or injury that existed within the 12-month period before your Effective Date. For a condition to have been Pre-existing:

- a Doctor must have advised, diagnosed, or treated you, **or**
- it must be a condition that would ordinarily cause a prudent person to seek medical advice or treatment.

We will **not** pay benefits for any Disability resulting from or affected by a Pre-existing Condition if the Disability began within the 12-month period after your Effective Date.

This limitation does **not** apply to a loss incurred or a Disability beginning *after* the end of 12 consecutive months, beginning on the Insured's Effective Date of coverage, during which the Insured has not received medical advice or treatment in connection with the Pre-Existing Condition.

Pregnancy Limitation

Within the first nine months of the Effective Date of coverage, we will *not* pay benefits for a Disability that is caused by, or occurs as a result of, your Pregnancy or childbirth. Disability due to Complications of Pregnancy will be covered to the same extent as a covered Sickness.

After this coverage has been in force for nine months from the Effective Date of coverage, Disability benefits for childbirth *will be* payable. The maximum Period of Disability allowed for Disability due to childbirth is **six weeks for noncesarean delivery** and **eight weeks for cesarean delivery**, less the Elimination Period, unless you furnish proof that your Disability continues beyond these time frames due to Complications of Pregnancy.

Replacement

If this Plan replaces another carrier's Short Term Disability plan, we will provide coverage for individuals who were covered under the preceding plan provided that:

- They are a member of a class eligible for coverage under this Plan;
- They satisfy this Plan's Actively at Work and non-confinement requirements; and
- They elect to be covered under this Plan.

If an individual who would otherwise be covered under this Plan does not satisfy this Plan's Actively at Work and non-confinement requirements, that individual may be covered under this Plan when he satisfies those requirements.

If this Plan replaces another carrier's Short-Term Disability plan, we will provide the lesser of:

- Extended benefit coverage that the previous carrier would have been required to provide under Texas law;
- Extended benefit coverage that we are required to provide under Texas law.

The extended benefit coverage may be reduced by any benefits actually payable under the previous carrier's health benefit plan.

CONTINUITY OF COVERAGE UPON REPLACEMENT

When we replace another carrier's plan, we provide the following Continuity of Coverage protection. We provide this coverage for loss due to a Pre-existing Condition for covered Members who were insured under the prior plan at the time of transfer.

Benefits may be payable for a loss due to a pre-existing condition for a Member if **all** of the following conditions are met:

- He was insured by the prior carrier at the time of transfer.
- He was actively employed and insured under this Plan on its Effective Date.
- His Benefit Period and Elimination Period under his prior coverage is the same as, or less than, his Benefit Period and Elimination Period under this Plan.

The benefits will be determined as follows:

- We will apply this Plan's Pre-existing Conditions Limitation. If the Member qualifies for benefits, he will be paid according to his Certificate's Benefit Schedule.
- If the Member cannot satisfy this Plan's Pre-existing Conditions Limitation, the prior carrier's pre-existing condition limitation will be applied:
 - If the Member satisfies the prior carrier's pre-existing condition limitation, giving consideration towards continuous time insured under both policies, he will be paid according to the prior carrier's benefit schedule (including benefit period, elimination period, and maximum monthly benefit).
 - If he cannot satisfy the Pre-existing Conditions Limitation of this Policy, or that of the prior carrier, no benefit will be paid.

Limitations and Exclusions

- A. We will not pay benefits whenever coverage provided by this Policy is in violation of any U.S. economic or trade sanctions. If the coverage violates U.S. economic or trade sanctions, such coverage shall be null and void.
- B. We will not pay benefits whenever fraud is committed in making a claim under this coverage.
- C. We will not pay benefits for a Disability that is caused by or occurs as a result of:
 1. Any act of war, declared or undeclared; insurrection; rebellion; or act of participation in a riot.
 2. Actively serving in any of the armed forces, or units auxiliary thereto, including the National Guard or Reserve.
 3. An intentionally self-inflicted Injury.
 4. A commission of a crime for which the Insured has been convicted; we will not pay a benefit for any Period of Disability during which the Insured is incarcerated.
 5. Travel in, or jumping or descent from any aircraft, except when a fare-paying passenger in a licensed passenger aircraft.
 6. Mental Illness as defined in **Section III – Definitions**.
 7. Alcoholism or drug addiction.
 8. An Injury that arises from any employment.
 9. Injury or Sickness that is covered by Worker's Compensation.

Benefits will be paid for only one Disability at a time, even if the Disability is caused by more than one Sickness, more than one Injury, or a Sickness and an Injury.

Section VI – Claim Provisions

Notice of Claim

You must give written notice of claim:

- Not later than the 20th day after a diagnosis of Disability **or**
- As soon as is reasonably possible.

Notice must include your name and your Certificate number. Notice can be mailed to the Company at:

P.O. Box 427, Columbia, South Carolina, 29202.

Claim Forms

When the Company receives notice of a claim, we will send forms to you so that you can file Proof of Loss. (Details are included in the **Proof of Loss** section below.)

If the Company does not provide the forms before the 16th day after the date we received notice of claim, you can meet Proof of Loss requirements by providing a written statement about the nature and extent of the loss. You will also need to provide a statement by the treating Doctor. You must provide this information within the time limit stated in the **Proof of Loss** section.

Proof of Loss

Proof of Loss refers to all documentation that supports a claim (this information is often found in standardized medical documents, such as hospital bills and operative reports). You must provide Proof of Loss to the Company at:

P.O. Box 427, Columbia, South Carolina, 29202.

You must provide Proof of Loss documentation not later than the 90th day after the beginning of the period for which the insurer is liable. However, the Company will not invalidate or reduce any claim if it was not reasonably possible for you to provide this proof within the required time.

You must provide the proof as soon as is reasonably possible. The Company will not accept proof any later than one year and three months after diagnosis of the Disability, except in the absence of your legal mental capacity.

Prompt Payment of Benefits

For benefits other than for loss of time, the Company will, once we receive the required Proof of Loss, pay, deny, or settle each submitted claim not later than the 60th day after the date proof of loss is received. Subject to written Proof of Loss, all accrued benefits payable under the policy for loss of time will be paid at least monthly during the period for which the insurer is liable. Any balance remaining unpaid at the end of that time will be paid as soon as possible after the proof of loss is received.

Payment of Claims

We will pay all benefits to you unless otherwise assigned. For any benefits that remain unpaid at the time of your death, we will pay those benefits in the following order:

1. To the beneficiary designated by the Insured or the beneficiary's assignee.
2. To your surviving spouse.
3. To your estate.

Changing of Beneficiary

You can ask us to change your beneficiary at any time. The request must be in writing and it will go into effect the day you sign the request. The change will not have any bearing on payments made before we approved the request.

Unpaid Premium

When a claim is paid, we may deduct any premium due and unpaid from the claim payment.

Physical Examination and Autopsy

The Company may have you examined as often as reasonably necessary while a claim is pending. In the case of death, the Company may also require an autopsy, unless prohibited by law. The Company will cover all costs for exams or for an autopsy.

Legal Action

You cannot take legal action against us for benefits under this Plan:

- Within 60 days after you have sent us written Proof of Loss; **or**
- More than 3 years from the time written proof is required to be given.

Notice of Acceptance or Denial of Claim

CAIC will notify the Insured in writing of the acceptance or denial of a claim no later than the fifteenth business day after the date we receive all items, statements, and forms we require to secure final proof of loss. However, if we are unable to accept or deny the claim within that time period, we will, within the same period, notify the Insured of the reasons we need additional time. CAIC shall accept or deny the claim not later than the 45th day after the date we notify the Insured of the need for additional time.

If CAIC denies a claim, the reason for the denial will appear in the denial notification.

Section VII – General Provisions

Assignment

We will not assume responsibility for determining the validity of an assignment of your benefits to a provider of services. No such assignment of benefits will be recognized until we receive notice that you have specifically assigned the benefits of your Group Short-Term Disability Insurance Certificate.

Other Insurance With Continental American Insurance Company

If you are covered under more than one Continental American Insurance Certificate with Disability benefits, only one Disability benefit chosen by you or your estate, as the case may be, will be effective.

We will return all premiums paid for the canceled benefits from the date of duplication, less any benefits paid under these policies from such date.

Entire Contract Changes

The *Entire Contract of Insurance* is made up of:

- this Policy
- the Master Application
- Certificates
- endorsements
- benefit agreements **and**
- riders (if any).

All statements (excluding fraudulent ones) that you or the Policyholder have made in the Application will be considered representations, **not** warranties. A statement made by you or the Policyholder may not be used in any contest under the Plan, unless a copy of the written instrument containing the statement is or has been provided to:

- The person making the statement; or

- If the statement was made by you and you have died or become incapacitated, your beneficiary or personal representative.

This will ensure that Policyholders or Insureds have an opportunity to review the information they have provided in their Applications. The Company *will not* void insurance or reduce benefits (as a result of statements made on the Application) without sending Application copies as outlined above.

Changes to this Plan:

- will not be valid unless approved in writing by an executive officer of the Company.
- must be noted on or attached to the Contract.
- may not be made by any agent (nor can an agent waive any Plan provisions).

Any Rider, Endorsement, or Application that modifies, limits, or excludes coverage under this Plan must be signed by you to be valid.

Time Limit on Certain Defenses

After two years from the Effective Date of your coverage, no misstatements, except fraudulent misstatements, made by you in the Application shall be used to void your coverage or to deny a claim for Disability starting after the expiration of such two-year period.

No claim for loss incurred or Disability starting after 12 months from the Effective Date of coverage shall be reduced on the grounds that a Sickness or physical condition, not excluded from coverage by name or specific description, had existed before the Effective Date of coverage. Coverage for Pre-existing Conditions will not be reduced or denied after your coverage has been in force 12 months.

Misstatement of Age

If your age has been misstated on the Application, the benefits will be those the premium paid would have purchased at the correct age. We will refund all unearned premiums paid, less any benefits paid, if your misstated age at the time of Application was outside the age limits for your coverage.

Misstatement of Occupation or Income

If your occupation has been misstated, the benefits will be those that the premiums paid would have purchased for your correct occupation. If your income has been misstated, the benefit payable will be that which would have been allowed for your true income level. Any overpayment of premium will be refunded.

Clerical Error

Clerical error by the Policyholder will not end coverage or continue terminated coverage. If a clerical error occurs, we will make a premium adjustment.

Individual Certificates

We will give the Policyholder a Certificate for each Member. The Certificate will set forth:

- The coverage,
- To whom benefits will be paid, **and**
- The rights and privileges under the Plan.

Required Information

The Policyholder will furnish all information and proofs which we may reasonably require with regard to the Plan.

Conformity With State Statutes

This Plan was issued on its Effective Date in the state noted on the Master Application. Any Plan provision that conflicts with that state's statutes is amended to conform to the minimum requirements of those statutes.

**IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE
TEXAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**
(For insurers declared insolvent or impaired on or after September 1, 2011)

Texas law establishes a system to protect Texas Policyholders if their life or health insurance company fails. The Texas Life and Health Insurance Guaranty Association (the "Association") administers this protection system. Only the policyholders of insurance companies that are members of the Association are eligible for this protection which is subject to the terms, limitations and conditions of the Association law. (The law is found in the *Texas Insurance Code*, Chapter 463.)

It is possible that the Association may not protect all or part of your policy because of statutory limitations.

Eligibility for Protection by the Association

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas (**regardless of where the policyholder lived when the policy was issued**)
- Residents of other states, **ONLY** if the following conditions are met:
 1. The policyholder has a policy with a company domiciled in Texas;
 2. The policyholder's state of residence has a similar guaranty association; and
 3. The policyholder is *not eligible* for coverage by the guaranty association of the policyholder's state of residence.

Limits of Protection by the Association

Accident, Accident and Health, or Health Insurance:

- For each individual covered under one or more policies: up to a total of \$500,000 for basic hospital, medical-surgical, and major medical insurance, \$300,000 for disability or long term care insurance, and \$200,000 for other types of health insurance.

Life Insurance:

- Net cash surrender value or net cash withdrawal value up to a total of \$100,000 under one or more policies on a single life; or
- Death benefits up to a total of \$300,000 under one or more policies on a single life; or
- Total benefits up to a total of \$5,000,000 to any owner of multiple non-group life policies.

Individual Annuities:

- Present value of benefits up to a total of \$250,000 under one or more contracts on any one life.

Group Annuities:

- Present value of allocated benefits up to a total of \$250,000 on any one life; or
- Present value of unallocated benefits up to a total of \$5,000,000 for one contract holder regardless of the number of contracts.

Aggregate Limit:

- \$300,000 on any one life with the exception of the \$500,000 health insurance limit, the \$5,000,000 multiple owner life insurance limits, and the \$5,000,000 unallocated group annuity limit.

These limits are applied for each insolvent insurance company.

Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage. For additional questions on Association protection or general information about an insurance company, please use the following contact information.

Texas Life and Health Insurance Guaranty Association
515 Congress Avenue
Suite 1875
Austin, TX 78701
(800)-982-6362 or www.txlifega.org

Texas Department of Insurance
Post Office Box 149104
Austin, Texas 78714-9104
(800)-252-3439 or www.tdi.texas.gov