

# Blanket Accident Policy



## LIBERTY INSURANCE UNDERWRITERS INC.

(A Stock Insurance Company, hereinafter the Company)  
175 Berkeley Street, Boston, MA 02116

The Company will pay the benefits of this Policy subject to its provisions. This page and the pages that follow are part of this Policy.

**Blanket Policy No.:** SPA-20000000-00

**Policyholder:** American Better Health Organization

**Policy Term** September 1, 2019 to January 1, 2021

### PREMIUM PAYMENTS

This Policy is issued in return for the payment by the **Policyholder** of required premiums. Premiums are payable at the Home Office of the Company or to its authorized agent. The first premium is due on the effective date of this Policy. Later premiums are due as stated in the Premium Rate Page. These dates are the premium due dates.

### EFFECTIVE DATE

This Policy will take effect on September 1, 2019. The Insurance Company agrees to provide insurance benefits in consideration of the **Policyholder's** application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown herein.

### POLICY ANNIVERSARIES

Policy anniversaries will be January 1, 2021 and each subsequent January.

### APPLICABLE LAW

This Policy is a legal contract between the **Policyholder** and the Company. This Policy is issued in and governed by the laws of Pennsylvania.

The President and Secretary of the Company witness this Policy.

\_\_\_\_\_  
President  
Christopher L. Peirce

\_\_\_\_\_  
Secretary  
Kristin Kelley

Signed by: \_\_\_\_\_  
(A licensed resident agent where required by law)

**BLANKET ACCIDENT POLICY**  
**THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENT ONLY.**  
**IT DOES NOT PAY BENEFITS FOR LOSS CAUSED BY SICKNESS OR DISEASE.**  
**THIS POLICY MAY CONTAIN A DEDUCTIBLE. EXCESS INSURANCE FOR**  
**ACCIDENTAL MEDICAL EXPENSE BENEFIT ONLY**  
**PLEASE READ THIS POLICY CAREFULLY**  
**NON-PARTICIPATING**

**LIBERTY INSURANCE UNDERWRITERS INC.**  
 (A Stock Insurance Company, hereinafter "Liberty")  
 175 Berkeley Street, Boston, MA 02116

**Policy Effective Date:** September 1, 2019  
**Policy Number:** SPA – 20000000-00  
**Policyholder:** American Better Health Organization

**AMENDATORY RIDER #X**

This Rider is attached to and made part of the Policy as of the Policy Effective Date. It is subject to all of the provisions, limitations and exclusions of the Policy except as they are specifically modified by this Rider.

The terms of this Policy are hereby amended to read as follows:

**Eligible Persons:** An Eligible Person is an individual who meets all of the requirements of one of the covered classes shown below:

Class X	<b>Principal Sum</b>
All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Single \$XXX or Premier – Single \$XXX level of membership.	\$XXX
Class X All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Couple \$XXX or Premier – Couple \$XXX level of membership, as well as their <b>Spouse</b> or <b>Domestic Partner</b> .	\$XXX
Class X All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Single Parent \$XXX or Premier – Single Parent \$XXX level of membership, as well as their Dependent Children.	\$XXX
Class X All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Family \$XXX or Premier – Family \$XXX level of membership, as well as their <b>Spouse</b> or <b>Domestic Partner</b> , and Dependent Children.	\$XXX

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## SCHEDULE OF BENEFITS

This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits. PLEASE READ ALL THE POLICY PROVISIONS CAREFULLY.

The Schedule of Benefits provides a brief outline of the coverage and benefits provided by this Policy. Please read the **Conditions of Coverage** and Description of Benefits sections for full details.

**Eligible Persons:** An Eligible Person is an individual who meets all of the requirements of one of the covered classes shown below:

Class	<b>Principal Sum</b>
Class 1 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Single \$2,500 or Premier – Single \$2,500 level of membership.	\$2,500
Class 2 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Couple \$2,500 or Premier – Couple \$2,500 level of membership, as well as their <b>Spouse</b> or <b>Domestic Partner</b> .	\$2,500
Class 3 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Single Parent \$2,500 or Premier – Single Parent \$2,500 level of membership, as well as their Dependent Children.	\$2,500
Class 4 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Family \$2,500 or Premier – Family \$2,500 level of membership, as well as their <b>Spouse</b> or <b>Domestic Partner</b> , and Dependent Children.	\$2,500
Class 5 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Single \$5,000 or Premier – Single \$5,000 level of membership.	\$5,000
Class 6 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus – Couple \$5,000 or Premier – Couple \$5,000 level of membership, as well as their <b>Spouse</b> or <b>Domestic Partner</b> .	\$5,000
Class 7 All <b>Active Members</b> of the <b>Policyholder</b> enrolled in the Plus –	

Single Parent \$5,000 or Premier –  
Single Parent \$5,000 level of membership,  
as well as their Dependent Children. \$5,000

Class 8  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Family \$5,000 or Premier – Family \$5,000 level of membership,  
as well as their **Spouse** or **Domestic Partner**, and  
Dependent Children. \$5,000

Class 9  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single \$7,500 or Premier – Single \$7,500 level of membership. \$7,500

Class 10  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Couple \$7,500 or Premier – Couple \$7,500 level of membership,  
as well as their **Spouse** or **Domestic Partner**. \$7,500

Class 11  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single Parent \$7,500 or Premier – Single Parent \$7,500  
level of membership, as well as their Dependent Children. \$7,500

Class 12  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Family \$7,500 or Premier – Family \$7,500 level of membership,  
as well as their **Spouse** or **Domestic Partner**, and Dependent Children. \$7,500

Class 13  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single \$10,000 or Premier – Single \$10,000 level of membership. \$10,000

Class 14  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
Couple \$10,000 or Premier – Couple \$10,000 level of membership,  
as well as their **Spouse** or **Domestic Partner**. \$10,000

Class 15  
All **Active Members** of the **Policyholder** enrolled in the Plus –  
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Single Parent \$10,000 or Premier – Single Parent \$10,000  
level of membership, as well as their Dependent Children. \$10,000

Class 16

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Family \$10,000 or Premier – Family \$10,000 level of membership,  
as well as their **Spouse** or **Domestic Partner**,  
and Dependent Children. \$10,000

Class 17

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single \$15,000 or Premier – Single \$15,000 level of membership. \$15,000

Class 18

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Couple \$15,000 or Premier – Couple \$15,000 level of membership,  
as well as their **Spouse** or **Domestic Partner**. \$15,000

Class 19

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single Parent \$15,000 or Premier – Single Parent \$15,000  
level of membership, as well as their Dependent Children. \$15,000

Class 20

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Family \$15,000 or Premier – Family \$15,000 level of membership,  
as well as their **Spouse** or **Domestic Partner**, and Dependent Children. \$15,000

Class 21

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single \$25,000 or Premier – Single \$25,000 level of membership. \$25,000

Class 22

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Couple \$25,000 or Premier – Couple \$25,000 level of membership,  
as well as their **Spouse** or **Domestic Partner**. \$25,000

Class 23

All **Active Members** of the **Policyholder** enrolled in the Plus –  
Single Parent \$25,000 or Premier – Single Parent \$25,000

level of membership, as well as their Dependent Children. \$25,000

Class 24

All **Active Members** of the **Policyholder** enrolled in the Plus – Family \$25,000 or Premier – Family \$25,000 level of membership, as well as their **Spouse** or **Domestic Partner**, and Dependent Children.

\$25,000

**CONDITIONS OF COVERAGE**

The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions, under the following coverages:

**24 HOUR COVERAGE**

**ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

Loss, (except Accidental Death) must occur within 365 days of the **Covered Loss**

**SCHEDULE OF BENEFITS**

<b>Loss</b>	<b>Benefit Amount</b>
Loss of Life	up to 100% of the Principal Sum
Loss of Two or More Hands or Feet	up to 100% of the Principal Sum
Loss of Sight of Both Eyes	up to 100% of the Principal Sum
<b>Loss of Speech</b> and Hearing (in Both Ears)	up to 100% of the Principal Sum
Loss of One Hand or Foot and Sight in One Eye	up to 100% of the Principal Sum
Loss of One Hand or Foot	up to 50% of the Principal Sum
<b>Loss of Sight</b> in One Eye	up to 50% of the Principal Sum
<b>Loss of Speech</b>	up to 50% of the Principal Sum
<b>Loss of Hearing</b> (in Both Ears)	up to 50% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	up to 25% of the Principal Sum

**EXPOSURE AND DISAPPEARANCE COVERAGE**

**Benefit Amount** 10% to 100% of the Principal Sum

**ACCIDENT MEDICAL EXPENSE BENEFIT**

**CLASS 1, 2, 3, 4**

Full Excess Accident Expense Benefit Maximum \$2,500

**CLASS 5, 6, 7, 8**

Full Excess Accident Expense Benefit Maximum \$5,000

**CLASS 9, 10, 11, 12**

Full Excess Accident Expense Benefit Maximum \$7,500

**CLASS 13, 14, 15, 16**

Full Excess Accident Expense Benefit Maximum \$10,000

**CLASS 17, 18, 19, 20**

Full Excess Accident Expense Benefit Maximum \$15,000



CLASS 21, 22, 23, 24

Full Excess Accident Expense Benefit Maximum                   \$25,000

First Covered Expenses must be received within	90 days after the <b>Covered Injury</b>
Benefit Period	1 year from the date of the <b>Covered Injury</b>
<b>Deductible</b>	\$0
	applies to <b>each Covered Injury</b>

**COVERED EXPENSES 0% CO-INSURANCE AND OTHER LIMITS**

**INPATIENT BENEFITS**

**Inpatient Hospital Services**

Room and Board Expenses

Private / Semi-Private Room	100% of the <b>Usual and Customary Charges</b>
Intensive Care Unit/Critical Care Unit	100% of the <b>Usual and Customary Charges</b>
Hospital Miscellaneous Expenses	100% of the <b>Usual and Customary Charges</b>
Ambulatory Medical Center	100% of the <b>Usual and Customary Charges</b>

**OUTPATIENT BENEFITS**

<b>Physician</b> Office Visits	100% of the <b>Usual and Customary Charges</b>
Hospital Outpatient Surgery Facilities Payment	100% of the <b>Usual and Customary Charges</b>

## GENERAL DEFINITIONS

Please note that certain words used in the Policy have specific meanings. The words defined below and capitalized and bolded within the text of the Policy have the meanings set forth below. References to he, his and him in this General Definitions section and throughout the Policy refer to any individual, male or female.

**Accident** or **Accidental** means a sudden, unexpected, specific and abrupt event that occurs by chance at an identifiable time and place while the **Insured Person** or **Insured Dependent** is covered under the Policy.

### **Active Member**

means a **Member** in good standing according to the rules of the **Policyholder**.

### **Aircraft**

means a vehicle which:

1. has a valid certificate of airworthiness; and
2. is being flown by a pilot with a valid license to operate the **Aircraft**.

### **Condition of Coverage**

means the circumstances under which the **Policy** provides benefits as stated in the Schedule of Benefits. Classes of individuals to which a **Condition of Coverage** applies are shown in the Schedule of Benefits.

### **Conveyance**

means a motorized craft, vehicle or mode of transportation licensed or registered by a governmental authority.

### **Covered Accident**

means a sudden, unexpected, specific and abrupt event that results directly and independently of all other causes, in a **Covered Injury** or **Covered Death** and meets all of the following conditions:

1. occurs while the **Insured Person's** or **Insured Dependent's** coverage under the **Policy** is in force; and
2. is not otherwise excluded under the terms of the **Policy**.

### **Covered Activity(ies)**

means any recurring activity that is shown in the Schedule of Benefits and:

1. takes place under one of the **Conditions of Coverage** specified in the Schedule of Benefits;

### **Covered Death**

means **Accidental** death:

1. which is the direct result of a **Covered Accident**;
2. which results directly and independently from all other causes from a **Covered Accident** and independent of **Sickness**, disease, mental incapacity, bodily infirmity or any other cause; and
3. suffered by the **Insured Person** or **Insured Dependent** within the applicable time period specified in the Schedule of Benefits.

### **Covered Injury**

means **Accidental** bodily injury:

1. which is sustained by an **Insured Person** or **Insured Dependent** as a direct result of a **Covered Accident**;

2. which results directly and independently from all other causes from a **Covered Accident** (independent of **Sickness**, disease, mental incapacity, or bodily infirmity that causes a **Covered Loss**; and
3. suffered by the **Insured Person** or **Insured Dependent** within the applicable time period specified in the Schedule of Benefits.

The **Covered Injury** must be caused through **Accidental** means. All injuries sustained by an **Insured Person** or **Insured Dependent** in any one **Accident**, including related conditions and recurrent symptoms of these injuries, are considered a single injury.

### **Covered Loss**

means a loss which results from a **Covered Injury** or **Covered Death**, and for which benefits are payable under the Policy. **Covered Loss** includes any expenses arising from services or supplies rendered or obtained by the **Insured Person** or **Insured Dependent** when such services and supplies are covered by the Policy.

### **Dependent Child**

means all of the **Insured Person's** children who are unmarried and less than 26 years of age. However, if any **Dependent Child** is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, such age limit of 26 shall not apply. Proof of such incapacity and dependency must be furnished to the Company within 31 days following the child's 26<sup>th</sup> birthday, and not more frequently than annually from then forward.

Child(ren) means the **Insured Person's** biological children, stepchildren, adopted children, foster children or any child for whom the **Insured Person** is required by a court or administrative order to provide health coverage.

### **Domestic Partner**

means an opposite or same sex partner who, for at least 12 consecutive months, has resided with the **Insured Person** and shared financial assets/obligations with the **Insured Person**. Both the **Insured Person** and the **Domestic Partner** must be at least the age of consent in the state in which they reside and mentally competent to contract. Neither the **Insured Person** nor the **Domestic Partner** can be related by blood to a degree of closeness that would prohibit a legal marriage, be married to or legally separated from anyone else, or have any other domestic partner.

In addition to the above requirements, consent of either party due to the domestic partner relationship must not have been obtained by force, duress or fraud.

### **Eligible Person**

means an individual as defined in the Schedule of Benefits.

### **Hospital**

means an institution that meets all of the following:

1. it is operated pursuant to law and is licensed or approved as a **Hospital** by the responsible state agency;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
4. it charges for its services.

**Hospital** shall include a Veteran's Administration Hospital or Federal Government.

The term **Hospital** does not include a clinic, facility, or unit of a **Hospital** for:

1. rehabilitation, convalescent, custodial, educational or nursing care; or
2. the aged, drug addicts or alcoholics.

### **Immediate Family Member**

means a person who is related to the **Insured Person** or **Insured Dependent** in any of the following ways: **Spouse, Domestic Partner**, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

### **Injury**

means **Accidental** bodily injury:

1. That is the direct result of an **Accident**;
2. Which results directly and independently from all other causes of an **Accident** (independent of **Sickness**, disease, mental incapacity, bodily infirmity or any other causes).

### **Inpatient**

means confined overnight as a registered bed patient in a **Hospital** or other medical facility where at least one day's room and board is charged. The confinement must be on the advice of a **Physician**.

### **Insured Dependent**

means an **Insured Dependent Child** or an **Insured Spouse** for whom premium is paid while covered under the Policy.

### **Insured Person**

means an **Eligible Person**, as defined in the Schedule of Benefits, for whom the required premium has been paid when due and for whom coverage under the Policy remains in force. **Insured Person** may include **Insured Spouse** and /or **Insured Dependent Child** covered under this Policy.

### **Loss of a Hand or Foot**

means complete **Severance** through or above the wrist or ankle joint.

### **Loss of Hearing**

means total and permanent loss of ability to hear any sound in both ears which is irrecoverable by natural, surgical or artificial means.

### **Loss of Sight**

means the total, permanent **Loss of Sight** of one eye. The **Loss of Sight** must be irrecoverable by natural, surgical or artificial means.

### **Loss of Speech**

means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.

### **Loss of a Thumb and Index Finger of the Same Hand**

means complete **Severance** through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).

### **Member**

for eligibility purposes, a **Member** is: a person who meets all of the conditions of membership of a **Policyholder**; and who is in one of the Covered Classes of Eligible Persons.

### **Necessary Treatment**

means medical services that:

1. are essential for diagnosis, treatment or care for which it is prescribed or performed;
2. meets generally accepted standards of medical practice; and

3. are ordered by a **Physician** and performed under his care, supervision or order.

**Outpatient**

means an **Insured Person** who is a patient and is not hospitalized overnight but who visits a **Hospital**, clinic, or associated facility for diagnosis or treatment.

**Physician**

means a **licensed** health care provider practicing **within** the scope of his license and rendering care and treatment to the **Insured Person** that is appropriate for the condition and locality, and who is not:

1. the **Insured Person**;
2. an **Immediate Family Member** of either the **Insured Person** or the **Insured Person's Spouse**;
3. a **Resident of the Same Household**;
4. a person employed or retained by the **Policyholder**; or
5. a person providing homeopathic, aroma-therapeutic, or herbal therapeutic services.

**Policyholder**

means the entity, named on the Policy's face page, to which the Company issues the Policy.

**Policy Term**

means the time period defined for the **Policyholder** shown in the Schedule of Benefits.

**Private Passenger Automobile**

means a validly registered, four wheel private passenger car, including **Policyholder**-owned cars, campers, motor homes, station wagons, sport utility vehicles, pick-up trucks and van-type cars that are not licensed commercially or being used for commercial purposes. Any vehicle being used as a taxicab, bus, or other **Public Conveyance** will not be considered a **Private Passenger Automobile**.

**Resident of the Same Household**

means a person who maintains residence at the same address as the **Insured Person**.

**Severance**

means complete separation and dismemberment of the part from the body.

**Sickness**

means a physical or mental illness including pregnancy.

**Spouse**

means the **Insured Person's** lawful spouse. The term **Spouse** will include **Domestic Partner**.

**Usual and Customary Charges**

means the average amount charged by most providers for treatment, service or supplies in the geographic area where the treatment, service or supply is provided.

**We, Us, Our**

means Liberty Insurance Underwriters Inc.

**You, Your**

means the person to whom the Certificate is issued.

## INCORPORATION PROVISIONS

1. From the effective date of the Policy, changes in the following items will be made a part of this Policy:
  - a. the name of the **Policyholder**;
  - b. the premium rates;
  - c. amounts of insurance, eligibility, benefit descriptions, or any other provisions incorporated into the Policy.
2. Any change in item "1" above will be given on the Company's forms.
3. The effective date of incorporation of a provision or another change that affects the insurance of any person insured under this Policy will be the later of:
  - a. the effective date of this Policy;
  - b. the date of any amendment to this Policy that changes the Company's obligation to pay benefits under this Policy.

## ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

### **Eligibility**

An **Eligible Person** becomes eligible for insurance under the Policy on the date he meets all of the requirements of one of the Covered Classes. An **Eligible Person** may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class. A **Spouse** and **Dependent Children** of an **Eligible Person** become eligible for any dependent insurance provided by the Policy on the later of the date the **Eligible Person** becomes eligible and the date the **Spouse** or **Dependent Child** meets the applicable definition shown in the General Definitions section of the Policy. No person may be eligible for insurance under the Policy as both an **Eligible Person** and a **Spouse** or **Dependent Child** at the same time.

### **Effective Date for Individuals**

1. the effective date of the **Policyholder's** participation under the Policy; and
2. the date the **Eligible Person** becomes eligible based on **Policyholder** requirements;

## **DATE INSURANCE ENDS**

### **Termination of Insurance**

Insurance for the **Insured Person** will end on the earliest of:

1. the date the person is no longer in an Eligible Class;
2. the end of the period for which the last premium is made;
3. the date this Policy ends;
4. the date the Subscriber with which the **Insured Person** is affiliated ceases to be a Subscriber under this Policy;

Termination does not affect a claim for a **Covered Loss** due to an **Accident** that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit, as shown in the Schedule of Benefits, have been paid;

### **Insured Dependent's Termination Date.**

An **Insured Dependent's** coverage under the Policy ends on the earliest of the following dates:

1. the date the person ceases to qualify as an **Insured Dependent**;
2. the premium due date, if premiums are not paid when due (subject to the grace period);
3. the date the **Primary Insured** is no longer eligible for dependent coverage;
4. the date dependent coverage is no longer provided by the Policy;
5. the date the **Primary Insured** notifies the Company in writing to discontinue his dependent coverage;
6. the date the coverage terminates; or
7. the date the Policy terminates.

## COMMON EXCLUSIONS

In addition to any benefit or coverage specific exclusion, benefits will not be paid for any loss which directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the policy.

1. Intentionally self-inflicted injury, suicide, or any attempt while sane or insane;
2. Commission or attempt to commit a felony or an assault;
3. Commission of or active participation in a riot or insurrection;
4. Declared or undeclared war or act of war or any act of declared or undeclared war unless specifically provided by the Policy;
5. The **Insured Person's** intoxication as determined according to the laws of the jurisdiction in which the **Covered Loss** occurred or the laws of the **Home Country**;
6. Voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a **Physician** and taken in accordance with the prescribed dosage;
7. A **Covered Loss** that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon the Company's receipt of proof of service, the Company will refund, on a pro rata basis, any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days;
8. Flight in, boarding or alighting from an **Aircraft**, except as:
  - a. a fare-paying passenger on a regularly scheduled commercial airline;
9. **Sickness**, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, including exposure, whether or not accidental, to viral, bacterial or chemical agents whether the loss results directly or non-directly from the treatment except for any bacterial infection resulting from an accidental cut or wound or accidental ingestion of contaminated food;
10. Injuries compensable under Workers' Compensation law or any similar law;
11. Medical or surgical treatment, diagnostic procedure, administration of anesthesia, or medical mishap or negligence, including malpractice unless it occurs during treatment of injuries sustained in a **Covered Injury**;
12. An **Accident** if the **Insured Person** is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license, unless: (a) the **Insured Person** holds a valid learners permit and (b) the **Insured Person** is receiving instruction from a driver's education instructor;

In addition, benefits will not be paid for services or treatment rendered by any person who is:

1. employed or retained by the **Policyholder**;
2. a **Resident of the Same Household**;
3. an **Immediate Family Member** including **Domestic Partner** of either the **Insured Person** or the **Insured Person's Spouse**;
4. the **Insured Person**.



## CLAIM PROVISIONS

### **Beneficiary**

The beneficiary is the person or persons the **Insured Person** names or changes on a form executed by him and satisfactory to the Company. This form may be in writing or by any electronic means agreed upon between the Company and the **Policyholder**. Consent of the beneficiary is not required to affect any changes, unless the beneficiary has been designated as an irrevocable beneficiary. The beneficiary is barred from recovery if the **Covered Loss** is caused by his willful or negligent actions or he is otherwise criminally responsible for the **Covered Loss**.

A beneficiary designation or change will become effective on the date the **Insured Person** executes it. However, the Company will not be liable for any action taken or payment made before the Company records notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the **Insured Person** has specified otherwise. The share of any beneficiary who does not survive the **Insured Person** will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary or if the **Insured Person** dies while benefits are payable to him, the Company may make direct payment to the first surviving class of the following classes of persons:

1. **Spouse**;
2. Child or Children;
3. Parents;
4. Siblings; or
5. the estate of the **Insured Person**.

### **Claim Forms**

The Company will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not furnished within fifteen (15) days after the Company received notice of claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Insured Person's** name, the **Policyholder's** name and the Policy number. Any forms that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Economic Sanctions Provision**

This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit the Company from providing insurance, including, but not limited to, the payment of claims.

### **Notice of Claim**

Written notice of claim must be given to the Company within 90 days after the occurrence or commencement of the **Insured Person's Covered Loss**, or as soon thereafter as reasonably possible. Failure to give notice within such time does not invalidate nor reduce any claim if it was not reasonably possible to give such notice and the notice was given as soon as reasonably possible. Notice given by or on behalf of the claimant to the Company at *Health Special Risk, Inc., HSR Plaza II, 4100 Medical Parkway, Suite 200, Carrollton, Texas 75007*, or any authorized agent of the Company, with information sufficient to identify the **Insured Person**, is deemed notice to the Company. Any notices that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Payment of Claims**

All benefits will be paid in United States Currency. Upon receipt of due written proof of death, payment for loss of life of an **Insured Person** will be made to the **Insured Person's** beneficiary as described in the Beneficiary Provision and these Claims Provisions.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Insured Person** suffering the loss. If an **Insured Person** dies before all payments due have been made, the amount still payable will be paid to his beneficiary as described in the Beneficiary Provision.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his property, a payment not exceeding \$1,000 may be made, at the Company's option, to any relative by blood or connection by marriage of the payee, who has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment the Company makes in good faith fully discharges liability to the extent of the payment made.

#### **Time of Payment of Claims**

Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon receipt of due written proof of the loss.

#### **Legal Actions**

No action at law or in equity will be brought to recover benefits under the Policy less than 60 days after satisfactory proof of loss has been furnished as required by the Policy. No such action will be brought after three years from the time proof of loss is required to be furnished under the Policy.

#### **Physical Examination And Autopsy**

The Company, at its own expense, has the right and opportunity to examine the **Insured Person** when and as often as the Company may reasonably require while a claim is pending and to make an autopsy in case of death, where it is not prohibited by law.

#### **Proof of Loss**

Written proof of loss must be furnished to the Company within 90 days after the date of the **Covered Loss**.

Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to furnish proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required. Any forms that may be required to be provided under this subsection may be provided in electronic or paper form.

#### **Subrogation**

The Company may recover any benefits paid under the Policy to the extent an **Insured Person** is paid for the same injury by a third party, or another insurer. The Company may only be reimbursed to the amount of the **Insured Person's** recovery. The **Insured Person** has a right to be fully compensated before any recovery by the Company or reimbursement to the Company. Further, the Company has the right to offset future benefits payable to the **Insured Person** under the Policy against such recovery.

Upon request the **Insured Person** must complete the required forms and return them to the Company or its authorized agent. The **Insured Person** must cooperate fully with the Company or its representative in asserting its right to recover.

A refund from any recovery will only be made to the Company if the amount of the recovery exceeds the amount of the **Insured Person's** actual damages.

#### **Recovery of Overpayment**

If benefits are overpaid, the Company has the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under the Policy.

If there is an overpayment due when the **Insured Person** dies, the Company may recover the overpayment from the **Insured Person's** estate.

## ADMINISTRATIVE PROVISIONS

### PREMIUM PROVISIONS

#### **Grace Period**

A Grace Period of 31 days will be provided for the payment of any premium due after the first. During the Grace Period, the Policy shall continue in force, unless the **Policyholder** has given written notice of discontinuance in advance of the premium due date and in accordance with the terms of this Policy. If the required premium is not paid during the Grace Period, coverage will terminate on the last day of the grace period. The **Policyholder** will be liable for the payment of a pro rata premium for the time the Policy was in force during the Grace Period.

#### **Premiums**

Premium rates are expressed in, and premiums are payable in United States Currency. The premiums for this Policy will be based on the rates set forth in the Premium Rate Table, the plan and amounts of insurance in effect for **Insured Persons** and the premium mode selected, as shown in the Premium Rate Table. The Company will provide authorized electronic notifications of premiums due or premium changes, by mail to the most current address in the Company files, to the **Policyholder**.

#### **Premium Payment**

The total premium paid by the **Policyholder** is the sum of premiums for all **Insured Persons**. The initial premium is due on the Policy Effective Date and each succeeding premium is due on the next succeeding Premium Due Date, as shown in the Premium Rate Table, unless the **Policyholder** and The Company agree to another mode of premium payment. Premiums are paid at the Company's Home Office or to the Company's authorized agent.

If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premium, except as provided in any applicable Policy Grace Period section.

#### **Premium Rate Guarantee Period**

Premium rates may be guaranteed for a period of 1.4 years. During this time, no change may be made to the premium unless one of the events stated in the Premium Rate Changes provision occurs.

#### **Premium Rate Changes**

**We** may change premium rates at the end of any **Policy Term** or any Premium Rate Guarantee Period with at least 90 days advance notice mailed to the last known address of the **Policyholder**.

**We** may change the premium rate during a **Policy Term** or during any applicable Premium Rate Guarantee Period if any one of the following occurs:

1. the terms of this Policy change;
2. the number of **Insured Persons** increases or decreases by more than 25% since the later of the Policy Effective Date and the date of the last renewal of this Policy;
3. coverage is reinstated following failure to pay premium during the Grace Period;
4. an acquisition, merger, consolidation, divestiture, corporate reorganization or purchase or sale of assets affecting, increasing or decreasing by 25% or more the number of **Insured Persons**;
5. a change in **Insured Persons** which would, on a manual rate basis, require a change of 10% or more in the premium rate;
6. a change in any federal or state law or regulation is enacted, adopted or amended to the extent it affects the Company's benefit obligations under this Policy;
7. the **Policyholder** fails to provide sufficient information, as required by The Company, to confirm adequacy of premiums and rates currently being paid; or

#### **Premium Audit**

The Company will have the right to audit books and records of the **Policyholder** at its place of business and during its regularly scheduled business hours, in order to determine the accuracy of premiums paid.

## Reinstatement

This Policy may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are written application of the **Policyholder** satisfactory to the Company and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to a period for which premium was not previously paid, but not to any period more than 60 days prior to the date of reinstatement.

## CANCELLATION PROVISION

### Cancellation and Non-Renewal

The **Policyholder** may cancel this Policy by giving the Company advance written or authorized electronic notice. The Company may cancel the Policy, after the first year or **Policy Term**, as of any Premium Due Date by giving the **Policyholder** 60 days advance written or authorized electronic notice. Any premium rate guarantee will not affect the Company's or the **Policyholder's** right to cancel this Policy. The **Policyholder** has the sole responsibility to notify **Insured Persons** of the cancellation.

Cancellation or non-renewal by the Company will be for one of the following reasons:

1. non-payment of premium;
2. the **Policyholder** has performed an act or practice constituting fraud, or made an intentional misrepresentation of material fact;
3. the **Policyholder** has failed to comply with a material provision of the Policy related to **Policyholder** contribution or group participation; or
4. claims experience or overall case performance.

If a premium is not paid when due, the Company will cancel this Policy at the end of the last period for which premium was paid, subject to the Grace Period provision. Premium Due Dates are shown in the Schedule of Benefits.

Cancellation does not affect a claim for a **Covered Loss** when the **Covered Loss** occurs before the cancellation date.

## GENERAL PROVISIONS

### **Addition of New Individuals**

All person added to the Classes of **Eligible Persons** in the Schedule of Benefits are eligible for insurance under the Policy.

### **Assignment**

The rights and benefits under the Policy may not be assigned and any attempt to assign will be void.

This insurance may not be levied on, attached, garnished, or otherwise taken for a person's debts unless contrary to law.

### **Clerical Error**

A person's coverage will not be affected by error or delay in keeping records of insurance under the Policy. If such error or delay is found, the Company will adjust the premium fairly.

### **Conformity with State Statutes**

Any provision in the Policy that is in conflict with the requirements of any state or federal law that apply to the Policy are automatically changed to satisfy the minimum requirements of such laws.

### **Entire Contract; Changes**

The Policy, the Master Application and any attached papers make up the entire contract between the **Policyholder** and the Company. In the absence of fraud, all statements made by the **Policyholder** or any **Insured Person** will be considered representations and not warranties. No written statement made by an **Insured Person** will be used in any contest unless a copy of the statement is furnished to the **Insured Person** or, in the event of the death or incapacity of the **Insured Person**, to his beneficiary or personal representative.

No change in the Policy will be valid until approved by one of the Company's executive officers and endorsed on or attached to the Policy. No agent has authority to change the Policy or to waive any of its provisions.

If an enrollment form for an **Insured Person** is required, it may also be made a part of the Policy at the Company's option.

### **Examination of the Policy**

The Policy will be available for inspection at the **Policyholder's** office during regular business hours.

### **Incontestability**

The validity of the Policy will not be contested after it has been in force for three years from the Policy Effective Date, except for non-payment of premium, misrepresentation or fraud.

After an **Insured Person** has been insured under the Policy for three years during his lifetime, no statement made by the **Insured Person**, except a fraudulent one, will be used to contest a claim under the Policy. The Company may only contest coverage if the misstatement is made in a written instrument signed by the **Insured Person** and a copy is given to the **Policyholder**, the **Insured Person**, his beneficiary or personal representative.

### **Misstatement of Fact**

If the **Policyholder** has misstated any fact, all amounts payable under the Policy will be such as the premium paid would have purchased had such fact been correctly stated.

### **Noncompliance with Policy Requirements**

Any express or implied waiver by the Company of any requirements of the Policy is not a continuing waiver of such requirements. Any failure by the Company to enforce any policy provision will not be a waiver or amendment of that provision.

### **Policy Changes**

No change in the Policy will be valid until approved by one of the Company's executive officers, and endorsed on or attached to the Policy. The Company may agree with the **Policyholder** to modify a plan of benefits without the **Insured Person's** consent.

**Records**

The **Policyholder** or its authorized Administrator will maintain the records of the **Insured Person's** insurance under the Policy. The Company will be permitted to examine the **Policyholder's** records relating to the insurance under the Policy at any reasonable time. The **Policyholder** is acting as an agent of the **Insured Person** for transactions relating to this insurance. The actions of the **Policyholder** will not be considered the actions of the Insurance Company.

**Reporting Requirements**

The **Policyholder** or its authorized agent must report all of the following to the Company by the premium due date:

1. The names of all persons insured on the Policy Effective Date;
2. The names of all persons who are insured after the Policy Effective Date;
3. The names of those persons whose insurance has terminated;
4. Additional information required by The Company.

The Company may, at the Company's sole discretion, waive reporting of any information specified above.

**Workers' Compensation**

The Policy is not in lieu of and does not affect any requirements for coverage by any Workers' Compensation Act or similar law.

## DESCRIPTION OF CONDITIONS OF COVERAGE

### **24 HOUR COVERAGE**

The Company will pay the Benefit Amount shown in the Schedule of Benefits, subject to all applicable conditions and exclusions, when the **Insured Person** or **Insured Dependent** suffers a **Covered Loss** that occurs any time while insured by this Policy.

## DESCRIPTION OF BENEFITS

Please read these and the Common Exclusions section in order to understand all of the terms, conditions, and limitations applicable to these Benefits.

If the **Insured Person** sustains more than one **Covered Loss** as a result of the same **Covered Accident**, the Company will pay the Benefit for the **Covered Loss** for which the largest benefit is payable.

### ACCIDENTAL DEATH BENEFIT

The Company will pay the Benefit Amount shown in the Schedule of Benefits, subject to all applicable conditions and exclusions, if the **Insured Person** or **Insured Dependent** suffers a **Covered Death**.

### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

#### **Covered Losses**

The Company will pay the Benefit Amount for any one of the **Covered Losses** listed in the Schedule of Benefits, subject to all applicable conditions and exclusions, if the **Insured Person** or **Insured Dependent** suffers a **Covered Loss**, other than **Covered Death**, within the applicable time period specified in the Schedule of Benefits.

If the **Insured Person** or **Insured Dependent** suffers a **Covered Death**, the Company will pay for **Accidental Death** and any other **Covered Losses** will not exceed the largest Benefit payable for a **Covered Loss**.

### EXPOSURE AND DISAPPEARANCE COVERAGE

Benefits as shown in the Schedule of Benefits will be payable if an **Insured Person** or **Insured Dependent** suffers a **Covered Loss** which results from unavoidable exposure to the elements following a **Covered Accident**.

If the **Insured Person** or **Insured Dependent** disappears and is not found within one year after the **Insured Person's Spouse** or personal representative has exhausted all law enforcement resources following the date of the an avalanche, or wrecking, sinking or disappearance of the **Conveyance** in which the **Insured Person** or **Insured Dependent** was riding in the course of a trip which would otherwise be covered under the Policy, it will be presumed that the **Insured Person's** or **Insured Dependent's** death resulted directly and independently of all other causes from a **Covered Accident**.

## ACCIDENT MEDICAL EXPENSE BENEFIT

**Covered Expenses** and any applicable **Deductible** are shown in the Schedule of Benefits.

### Other Insurance Benefits

When **Other Insurance** provides benefits in the form of services rather than cash payments, the Company will consider the reasonable cash value of such service in determining whether any **Deductible** has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

### Full Excess Medical Expense

The Company will pay **Covered Expenses**:

1. after the **Insured Person** satisfies any **Deductible**; and
2. only when they are in excess of amounts payable by any **Other Insurance** whether or not claim has been made for benefits it provides.

The Company will pay benefits without regard to any Coordination of Benefits provision in such **Other Insurance**.

The Company will pay the benefits shown in Schedule of Benefits for the **Insured Person's Necessary Treatment Covered Expenses**, subject to all applicable conditions and exclusions, for treatment of a **Covered Injury**.

Benefits will be paid:

- The Company shall not pay more than the Maximum Benefit Amount shown in the Schedule of Benefits.
- The **Covered Expenses** must be provided within the Maximum **Benefit Period** shown in the Schedule of Benefits.
- The Company will multiply the **Covered Expenses** by the Co-Insurance percentage contained in the Schedule of Benefits to determine the amount payable.
- The Company may impose limits on certain types or categories of **Covered Expenses**. These limits are contained in the Schedule of Benefits.

## LIMITATIONS AND EXCLUDED ACCIDENT MEDICAL BENEFIT EXPENSES

### Non-Duplication of Benefits When This Policy and Other Plans Are Excess

This provision applies if benefits under any **Other Insurance Plan** are covered under this Benefit and coverage under this Benefit and the other Plan are excess.

We pay a pro rata share of the total amount of **Covered Expenses**. In no case will the total benefits payable exceed 100% of the **Covered Expenses**.

Our pro rata share equals the total of benefits payable under this Policy multiplied by a fraction, of which the numerator is the benefits **We** pay and the denominator is the total of benefits payable by an **Other Insurance** for the same **Covered Injury**.



## Excluded Expenses

The following will not be considered **Covered Expenses** unless coverage is specifically provided.

1. Injury sustained while participating in professional athletics;
2. Routine physical and care of any kind;
3. Routine dental care and treatment;
4. Cosmetic or plastic surgery, except as the result of a **Covered Injury**;
5. Routine nursery or routine child care;
6. Services, supplies, or treatment including any period of **Hospital Confinement** which is not recommended, approved, and certified as **Necessary Treatment** and reasonable by a **Physician**, or expenses which are non-medical in nature;
7. In connection with alcoholism and drug addiction, or use of any drug or narcotic agent;
8. Charges for **Covered Medical Expenses** for which the **Insured Person** would not be responsible in the absence of this Policy;
9. Any expense paid or payable by any **Other Insurance**;
10. **Injury or Sickness** for which benefits are payable under any worker's compensation or occupational disease law or act, or similar legislation, whether United States federal or foreign law;
11. Any elective or routine treatment, surgery, health treatment, or examination, including any service, treatment or supplies that: (a) are deemed by the Company to be experimental or investigational; and (b) are not recognized and generally accepted medical practice in the United States;
12. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay;
13. Expenses payable by any automobile insurance policy without regard to fault;
14. Treatment of injuries that result over a period of time (such as blisters, tennis elbow, etc.), and that are a normal, foreseeable result of participation in the **Covered Activity**;

Other Exclusions and Limitation that apply to this Benefit are in the Common Exclusions Section of the Policy.

## DEFINITIONS FOR THIS BENEFIT

**Benefit Period** means the maximum period that benefits are payable under this Benefit.

**Co-insurance** means the out of pocket expenses to be paid by the **Insured Person**. This percentage is the Co-Insurance Rate shown in the Schedule of Benefits.

**Covered Expenses** means the **Usual and Customary Charges** for the following services, provided such following services are **Necessary Treatment** of a **Covered Injury**:

### **Inpatient Hospital services**

- Room and board in a semi-private/Private room;
- Intensive Care Unit (Critical Care Unit);
- **Hospital** Miscellaneous Services;
- **Inpatient** medical and surgical services, physiotherapy prescription drugs and other medical supplies commonly used for therapeutic or diagnostic services;
- **Inpatient** X Ray, CT Scan MRI and Laboratory Test includes charges for reading;
- **Ambulatory Medical Center**;

- **Physician** services, Surgery, Assistant Surgeon, **Physician's** Surgical Facilities, Second Opinion, or consultation, Anesthesia and its administration, In **Physician Hospital** Visits, **Physician** Office visits;
- Emergency Room;
- **Outpatient Services**;
- **Outpatient** X Ray, CT Scan MRI, and Laboratory Test includes charges for reading;
- **Outpatient** physiotherapy;
- **Outpatient** Nursing services;
- Orthopedic Appliances and Artificial Limbs;
- Chiropractic Treatments;
- Ambulance Services: one trip to the nearest **Hospital** by air ground;
- Medical Equipment;
- Dental Services;
- **Outpatient** prescription drugs;
- Medical equipment rental or if less than the purchase of equipment;

#### **Hospital Miscellaneous Expenses:**

means the **Necessary Treatment** expenses charged by a **Hospital** or **Ambulatory Surgical Center** for **Outpatient** surgery. The Miscellaneous Expenses include, but are not limited to the expenses shown in the Schedule of Benefits and all necessary charges other than room and board, for services received during a **Hospital** stay.

#### **Other Insurance**

means any reimbursement for or recovery of any element of **Covered Injury** as a result of an **Accident** available from any other source whatsoever, except gifts and donations, but including without limitations:

- any individual, group, blanket or franchise policy of **Accident**, disability or health insurance or any similar type of arrangement that provides for payments or reimbursement of medical expenses or disability payments;
- Social Security Disability Benefits; and
- any benefits payable under any program provided or sponsored solely or primarily by and federal, state or local governmental unit or agency or subdivision or through operation of law or regulation; except Medicaid.