

Human Resource Services

Lakeside Plaza Building
1405 Lakeside Drive
Oakland, CA 94612-4305
TDD: (510) 272-3703

February 28, 2012

Honorable Board of Supervisors
County of Alameda
1221 Oak Street, Suite 536
Oakland, CA 94612-4305

Subject: Adoption of 2012 Voluntary Benefit Plan Contracts for Aflac

Dear Board Members:

Recommendations:

It is recommended that your Board:

1. Approve the 2012 Voluntary Benefit Plan for Aflac Accident, Critical Illness & Hospital Indemnity contracts (Principal: Carter M. Scott, Marketing Manager, Location: Columbia, SC) effective July 1, 2012 through December 31, 2013, for eligible employee and dependent access to Group Accident, Critical Illness & Hospital Indemnity benefit plans.
2. Authorize the President to sign the 2012 Voluntary Benefits Plan contract agreements for AFLAC Accident, Critical Illness & Hospital Indemnity.

Summary/Discussion:

After conducting a formal Request for Proposal, we will offer the Aflac Accident, Critical Illness & Hospital Indemnity Plans as part of the new County Voluntary Benefit Plans.

These voluntary benefits help employees and dependents with the out-of-pocket living expenses that occur due to an accident or illness that Medical Plans do not cover, such as car payments, rent or mortgage payments, credit cards, etc. All three plans offer incentives encouraging employees to obtain annual Wellness visits.

- **Accident:** Group Accident insurance pays a benefit for the treatment of injuries suffered as the result of a covered accident. Benefits are paid regardless of any other health insurance benefits the insured may receive. Based on a schedule of identified payments, this benefit would cover items such as fractures, dislocations, paralysis, lacerations, injuries requiring surgery, and burns. This insurance also covers annual Wellness Health Screening benefits.
- **Critical Illness:** Group Critical Illness insurance provides a lump-sum benefit upon the diagnosis of each covered illness. Some of the illnesses covered under this plan are: cancer, heart attack, major organ transplant, renal failure, and stroke. This insurance also covers annual Wellness Health Screening benefits.

- **Hospital Indemnity:** Group Hospital Indemnity insurance provides benefits for inpatient and outpatient services as a result of a covered accident and sickness. Hospital confinement, hospital admission, intensive care, surgical, and anesthesia are examples of some of the covered services. This insurance also covers annual Wellness Health Screening benefits.

Contracts for these plans are effective July 1, 2012 through December 31, 2013.

PROGRAM COSTS: The cost of the various insurances described under Group Voluntary Accident, Critical Illness and Hospital Indemnity will vary depending on the insurance selected and the individual's circumstances, such as age and amount of coverage elected; however, the individual will benefit from the group discount.

Selection Criteria/Process:

The Health and Welfare Benefits Consulting Services contract with Hay Group, Inc. was awarded by your Board on June 15, 2009. As part of the Hay Group's scope of services, they provide consulting and management of the RFP process to add additional voluntary benefits. The County of Alameda (COA) worked with Hay Group, Inc. to conduct a voluntary benefit plan request for proposal (RFP). Based on the plans and services of interest to COA, Hay Group prepared and distributed RFP's. Outlined below are the RFP key dates, the carriers invited to participate, the criteria used to choose a carrier and the winning carrier of each RFP.

The RFP was developed and issued to six responding vendors on March 23, 2011. The RFP response deadline to submit was April 6, 2011 and the results were presented to COA on June 3, 2011. RFP responses were received from, Aflac, Allstate, Colonial, ING, Transamerica and Unum. No local carriers responded to the RFP.

Once the RFP responses were received, Hay Group and COA used the following criteria to select the winning carrier.

Accident	Critical Illness	Hospital Indemnity
<ul style="list-style-type: none"> • Financial Ratings • Participation Requirement • Issue Age Limit • Pre-Tax Premium Deduction Support • Portability • Pre-Existing Condition Limitation • Rate Guarantee • Schedule of Benefits • Benefit Levels • Price <ul style="list-style-type: none"> ▪ 24-Hour ▪ Off-Job Only • Value 	<ul style="list-style-type: none"> • Financial Ratings • Guaranteed Issue Offer • Maximum Coverage Available • Participation Requirement • Issue Age Limit • Pre-Tax Premium Deduction Support • Portability • Pre-Existing Condition Limitation • Rate Guarantee • Number of Conditions Covered • Strength of Benefits • Price • Value 	<ul style="list-style-type: none"> • Financial Ratings • Guaranteed Issue Offer • Participation Requirement • Issue Age Limit • Pre-Tax Premium Deduction Support • Portability • Pre-Existing Condition Limitation • Rate Guarantee • Strength of Benefits • Price Value

Finalist Presentations

Based on the criteria detailed above, Aflac and Allstate were chosen as the finalist. The finalist presentations were held on June 20, 2011 at the COA offices in Oakland.

Winning Carrier: Aflac

Aflac was ultimately chosen because of their combination of superior financial ratings, best-in-class products and pricing, top-notch claims and administration capabilities and support, and superior benefit education and communication capabilities.

Financing:

There is no County cost for the AFLAC Voluntary Benefits Plans as this group benefit is 100% employee paid.

Very truly yours,

A handwritten signature in black ink that reads "Cynthia Barton". The signature is written in a cursive style with a large initial "C".

Mary Welch, Interim Director
Human Resource Services

cc: Susan Muranishi, County Administrator
Patrick O'Connell, Auditor-Controller
Donna Ziegler, County Counsel



February 27, 2012

Ms. Ava Lavender
Manager, Employee Benefits & Service Center
Alameda County HRS
1405 Lakeside Drive
Oakland, CA 94612

Re: County of Alameda – Aflac Group Product and Rate Confirmation

Dear Ms. Lavender,

Thank you for the opportunity to provide you with the 2012 Aflac Group contracts. Enclosed please find the Master Policies for the four products for County of Alameda – Group Critical Illness Insurance, Group Non Occupational Accident Insurance, Group Hospital Indemnity Insurance Plans One and Three, for the contract period of July 1, 2012 through December 31, 2013.

As part of this offering, we will provide Alameda County's benefit eligible employees, on an individual basis at no additional cost to the County, a Total Compensation & Benefits Statement that reflect benefits that the County has contributed towards for the 2011 benefits plan year. This will help employees better understand and appreciate the value of their total benefits.

Thank you very much for the opportunity to be of service to the County of Alameda.

A handwritten signature in black ink that reads "Carter M. Scott".

Carter M. Scott
Marketing Manager
Continental American Life Insurance Company/Aflac Group

Alameda County
Authorized Group Officer Signature

Approved as to Form

DONNA R. ZIEGLER, County Counsel

By RES

Print Name M Gormley

GROUP ACCIDENT INSURANCE
 Policy Series CA7700-MP

AC^G

California	
HIGH OPTION - NON-OCCUPATIONAL PLAN	Semimonthly (24pp/yr)
Employee	\$6.32
Employee & Spouse	\$9.23
Employee & Dependent Children	\$12.95
Family	\$15.86

Wellness Benefit included in Rates



Please Note: Premiums shown are accurate as of publication. They are subject to change.

We've got you under our wing.

aflacgroupinsurance.com 1.800.433.3036

Underwritten by
 Continental American Life Insurance Company
 201 DeWitt Street, Columbia, South Carolina 29201

GROUP CRITICAL ILLNESS



California - Semimonthly (24pp/yr)

NON-TOBACCO - Employee

AGES	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
18-29	\$ 2.11	\$ 3.33	\$ 4.56	\$ 5.78	\$ 7.01	\$ 8.23	\$ 9.46	\$ 10.68	\$ 11.91	\$ 13.13
30-39	\$ 2.96	\$ 5.03	\$ 7.11	\$ 9.18	\$ 11.26	\$ 13.33	\$ 15.41	\$ 17.48	\$ 19.56	\$ 21.63
40-49	\$ 5.38	\$ 9.88	\$ 14.38	\$ 18.88	\$ 23.38	\$ 27.88	\$ 32.38	\$ 36.88	\$ 41.38	\$ 45.88
50-59	\$ 8.49	\$ 16.10	\$ 23.71	\$ 31.31	\$ 38.92	\$ 46.53	\$ 54.14	\$ 61.75	\$ 69.36	\$ 76.96
60-64	\$ 13.06	\$ 25.23	\$ 37.41	\$ 49.58	\$ 61.76	\$ 73.93	\$ 86.11	\$ 98.28	\$ 110.46	\$ 122.63

NON-TOBACCO Spouse

AGES	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
18-29	\$ 2.11	\$ 2.72	\$ 3.33	\$ 3.94	\$ 4.56	\$ 5.17	\$ 5.78	\$ 6.39	\$ 7.01
30-39	\$ 2.96	\$ 3.99	\$ 5.03	\$ 6.07	\$ 7.11	\$ 8.14	\$ 9.18	\$ 10.22	\$ 11.26
40-49	\$ 5.38	\$ 7.63	\$ 9.88	\$ 12.13	\$ 14.38	\$ 16.63	\$ 18.88	\$ 21.13	\$ 23.38
50-59	\$ 8.49	\$ 12.29	\$ 16.10	\$ 19.90	\$ 23.71	\$ 27.51	\$ 31.31	\$ 35.12	\$ 38.92
60-64	\$ 13.06	\$ 19.14	\$ 25.23	\$ 31.32	\$ 37.41	\$ 43.49	\$ 49.58	\$ 55.67	\$ 61.76

TOBACCO - Employee

AGES	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
18-29	\$ 2.91	\$ 4.93	\$ 6.96	\$ 8.98	\$ 11.01	\$ 13.03	\$ 15.06	\$ 17.08	\$ 19.11	\$ 21.13
30-39	\$ 4.46	\$ 8.03	\$ 11.61	\$ 15.18	\$ 18.76	\$ 22.33	\$ 25.91	\$ 29.48	\$ 33.06	\$ 36.63
40-49	\$ 10.36	\$ 19.83	\$ 29.31	\$ 38.78	\$ 48.26	\$ 57.73	\$ 67.21	\$ 76.68	\$ 86.16	\$ 95.63
50-59	\$ 16.11	\$ 31.33	\$ 46.56	\$ 61.78	\$ 77.01	\$ 92.23	\$ 107.46	\$ 122.68	\$ 137.91	\$ 153.13
60-64	\$ 25.23	\$ 49.58	\$ 73.93	\$ 98.28	\$ 122.63	\$ 146.98	\$ 171.33	\$ 195.68	\$ 220.03	\$ 244.38

TOBACCO - Spouse

AGES	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
18-29	\$ 2.91	\$ 3.92	\$ 4.93	\$ 5.94	\$ 6.96	\$ 7.97	\$ 8.98	\$ 9.99	\$ 11.01
30-39	\$ 4.46	\$ 6.24	\$ 8.03	\$ 9.82	\$ 11.61	\$ 13.39	\$ 15.18	\$ 16.97	\$ 18.76
40-49	\$ 10.36	\$ 15.09	\$ 19.83	\$ 24.57	\$ 29.31	\$ 34.04	\$ 38.78	\$ 43.52	\$ 48.26
50-59	\$ 16.11	\$ 23.72	\$ 31.33	\$ 38.94	\$ 46.56	\$ 54.17	\$ 61.78	\$ 69.39	\$ 77.01
60-64	\$ 25.23	\$ 37.41	\$ 49.58	\$ 61.76	\$ 73.93	\$ 86.11	\$ 98.28	\$ 110.46	\$ 122.63

Rates include cancer benefit.

Rates include: \$50 Health Screening Benefit, Heart Rider - No additional riders

Please Note: Premiums shown are accurate as of publication. They are subject to change.




**We've got you
under our wing.**

aflacgroupinsurance.com 1.800.433.3036

Underwritten by
Continental American Life Insurance Company
2801 Daring Street, Columbia, South Carolina 29205

GROUP HOSPITAL INDEMNITY



California - Semimonthly (24pp/yr)

PLAN I	Employee	\$17.52
	Employee & Spouse	\$34.84
	Employee & Dependent Children	\$27.04
	Family	\$44.37



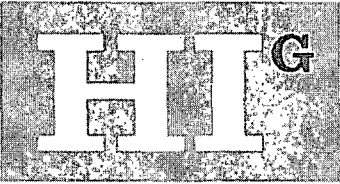
Please Note: Premiums shown are accurate as of publication. They are subject to change.

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Underwritten by
 Continental American Life Insurance Company
 2401 Davne Street | Columbia, South Carolina 29205

GROUP HOSPITAL INDEMNITY



California - Semimonthly (24pp/yr)

PLAN III

Employee	\$27.30
Employee & Spouse	\$54.28
Employee & Dependent Children	\$41.07
Family	\$68.04



Please Note: Premiums shown are accurate as of publication. They are subject to change.

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aflacgroupinsurance.com 1.800.433.3036

Underwritten by:
 Continental American Life Insurance Company
 2801 Davine Street | Columbia, South Carolina 29205



CONTINENTAL AMERICAN LIFE INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205
(herein called Continental American)

Based on the application for this Group Accidental Injury Insurance Policy (herein called the Plan) made by

County of Alameda
(herein called the Policyholder)

and based on the payment of the premium when due, Continental American agrees to pay the benefits provided on the following pages.

This Plan becomes effective at 12:01 a.m. Standard Time at the policyholder's address on the Effective Date shown below. It may be continued in effect by the payment of premiums as provided in Section II. The Plan will terminate as provided in the provision titled "Termination of the Plan" in Section I.

The first anniversary of this Plan will be the Anniversary Date shown below. Subsequent anniversaries of the Plan will be the same date each year thereafter.

All matter printed or written by Continental American on the following pages forms a part of this Plan as if recited over the signatures below. This Plan is a legal contract between Continental American and the Policyholder.

This Plan is delivered in and is governed by the laws of the jurisdiction shown below.

In witness whereof Continental American has caused this Plan to be executed at its Home Office in Columbia, South Carolina on the Effective Date.

READ YOUR POLICY CAREFULLY.

Warning: Any person who knowingly and with the intent to injure, defraud, or deceive any Insurer, makes any claim for the proceeds of an insurance Policy containing any false, incomplete or misleading information is guilty of a felony.

READ YOUR POLICY CAREFULLY.

Signed for the Company at its Home Office.

President

Countersigned By _____

Group Policy Number- XXXX
Effective Date - July 1, 2012
Anniversary Date - July 1, 2013
Jurisdiction - California
Non-Participating

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
- SECTION II** - Premium Provisions
- SECTION III** - Definitions
- SECTION IV** - Benefit Provisions
- SECTION V** - Limitations and Exclusions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedule
- SECTION IX** - Occupational Classifications and Schedule of Premiums
- SECTION X** - Incorporation of Rider Provisions

SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

Employee as used in this Plan, means a person insured under this Plan:

1. who is an employee of the Policyholder;
2. who is under age 70; and
3. who is engaged in full-time work; and
4. who is included in the class of employees eligible for coverage as shown on the Application.

EFFECTIVE DATE

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

The Effective Date for an employee is as follows:

1. An employee's insurance will be effective on the date shown on the Certificate Schedule provided the employee is then actively at work.
2. If an employee is not actively at work on the date coverage would otherwise become effective, the Effective Date of his or her coverage will be the date on which such employee is first thereafter actively at work.

TERMINATION OF THE PLAN

The Plan will cease if the policyholder fails to pay the premium before the end of the Grace Period.

After the end of the first Plan year, Continental American has the right to cancel the Plan on the day prior to the date any premium is due by giving 31 days written notice.

The Plan will terminate when the number of participating employees is less than the number mutually agreed upon by the Policyholder and Continental American in writing.

In these events, this Plan and all certificates issued hereunder will terminate on such date at 12:01 A.M. Standard Time at the Policyholder's address. This will be without prejudice to the rights of any employee as respects any claim arising during the period the Plan is in force.

The Policyholder has the sole responsibility to notify employees of such termination.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An employee's insurance will terminate on the earliest of:

1. the date the Plan is terminated;
2. on the 31st day after the premium due date if the required premium has not been paid;
3. on the date an employee ceases to meet the definition of an employee as defined in the Plan;
4. on the premium due date which falls on or first follows the employee's 70th birthday; or
5. on the date he or she is no longer a member of the class eligible.

Termination of the insurance on any employee shall be without prejudice to his or her rights as regarding any claim arising prior thereto.

SECTION II PREMIUM PROVISIONS

PREMIUM CALCULATIONS

Premiums payable on any premium due date for insurance on employees will be calculated in accordance with the Schedule of Premiums. The rates shown in this schedule can be changed annually. Continental American will give the Policyholder written notice 31 days prior to the date any change in rates is to be effective.

PREMIUM PAYMENTS

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

Aggregate premiums for this Plan are to be paid by the Policyholder to Continental American at our 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. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the next 31 days. During the Grace Period, the Plan will stay in force, unless the Policyholder has given Continental American written notice of discontinuance of the Plan.

SECTION III DEFINITIONS

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

We, Us, Our - means Continental American Insurance Company.

You and Your - refer to an employee as defined in this Plan.

Accidental Injury or Injuries - means bodily injury or injuries caused solely by or as the result of a covered accident.

Covered Accident - means an accident which occurs on or after your Effective Date, while your certificate is in force and which is not specifically excluded.

Doctor or Physician - means a person, other than yourself or a member of your immediate family, who:

1. is licensed by the state to practice a healing art;
2. performs services which are allowed by his or her license; and
3. performs services for which benefits are provided by this Plan.

Under the Fractures and Dislocations Benefit, a doctor means a person, other than yourself or a member of your immediate family, who is licensed by the state to practice medicine or osteopathy.

Hospital - means a place which:

1. is legally licensed and operated as a hospital;
2. provides overnight care of injured and sick people;
3. is supervised by a doctor;
4. has full-time nurses supervised by a registered nurse;
5. has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities; and
6. maintains permanent medical history records.

A Hospital is not:

1. a nursing home;
2. an extended care facility;
3. a convalescent home;
4. a rest home or a home for the aged;
5. a place for alcoholics or drug addicts; or
6. a mental institution.

Hospital Intensive Care Unit - means a specifically designed facility of the hospital that provides the highest level of medical care which is restricted to those patients who are critically ill or injured. Such facilities must be separate and apart from the surgical recovery room and from rooms, beds, and wards customarily used for patient confinement. They must be permanently equipped with special life-saving equipment for the care of the critically ill or injured. They must be under constant and continuous observation by nursing staffs assigned on a full-time basis, exclusively to the Intensive Care Unit.

Immediate Family - means your spouse, son, daughter, mother, father, sister or brother.

Your Occupation - means the occupation in which you are regularly engaged at the time you become disabled.

Actively at Work - to be considered actively at work, you must perform for a full normal workday the regular duties of your employment at the regular place of business of the Policyholder or at a location to which you may be required to travel to perform the regular duties of your employment.

Full-Time Work - means spending at least 16 hours per week performing your occupational duties.

Treatment or Medical Treatment - means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Elimination Period - means the number of days of hospital confinement that must elapse before benefits become payable. The number of days is shown in the Benefit Schedule. Benefits are not payable, nor do they accrue during an Elimination Period.

ON-JOB BENEFITS - On-job benefits means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits.

OFF-JOB BENEFITS - Off-job benefits means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits.

SECTION IV BENEFIT PROVISIONS

The benefit amounts payable under this section are shown in the Benefit Schedules. Coverage terminates on the premium due date which falls on or first follows your 70th birthday; at that time all benefits cease regardless of the maximum benefit period.

FRACTURES

Fractures - A fracture is a break in a bone which can be seen by x-ray. If you fracture a bone in a covered accident, and it is diagnosed and treated by a physician within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

If the fracture requires open reduction, we will pay 150% of the amount shown in the Benefit Schedule.

Multiple Fractures - If more than one fracture requiring either open or closed reduction occurs in any one covered accident, we will pay the amounts shown in the Benefit Schedule for each fracture. However, we will pay no more than 150% of the benefit amount for the bone fractured which has the higher dollar value.

Chip Fracture - A chip fracture is a piece of bone which is completely broken off near a joint. If a physician diagnoses the fracture as a chip fracture, we will pay 10% of the amount shown in the Benefit Schedule for the affected bone.

DISLOCATIONS

Dislocation - A dislocation is a completely separated joint. If you dislocate a joint in a covered accident, and it is diagnosed and treated by a physician within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

If the dislocation requires open reduction, we will pay 150% of the amount shown in the Benefit Schedule.

We will pay benefits only for the first dislocation of a joint. We will not pay for recurring dislocations of the same joint. If you dislocated a joint before the Effective Date of this Certificate and you dislocate the same joint again, it will not be covered by this Certificate.

Multiple Dislocations - If more than one dislocation requiring either open or closed reduction occurs in any one covered accident, we will pay the amounts shown in the Benefit Schedule for each dislocation. However, we will pay no more than 150% of the benefit amount for the joint dislocated which has the higher dollar value.

Partial Dislocation - A partial dislocation is one in which the joint is not completely separated. If a physician diagnoses and treats the accidental injury as a partial dislocation, we will pay 25% of the amount shown in the Benefit Schedule for the affected joint.

Fracture and Dislocation - If you fracture a bone and dislocate a joint in the same accident, we will pay for both. However, we will pay no more than 150% of the benefit amount for the bone fractured or joint dislocated which has the higher dollar value.

LACERATIONS

Lacerations - If you receive laceration in a covered accident and the laceration is repaired with stitches by a physician within 72 hours after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the length of the laceration.

If you receive a laceration in a covered accident and the laceration does not require stitches but is treated by a physician within 72 after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

If you suffer multiple lacerations in a covered accident and the lacerations are repaired with stitches by a physician within 72 hours after the accident, we will pay this benefit based on the largest single laceration which requires stitches, as shown in the Benefit Schedule.

CONCUSSIONS

Concussions - If you are injured in a covered accident and the injury causes you to have a concussion, we will pay this benefit in the amount shown in the Benefit Schedule. Concussion means a head injury resulting in electroencephalogram abnormality.

COMA

Coma - If you suffer a coma lasting 30 days or more as the result of a covered accident, we will pay this benefit as shown in the Benefit Schedule. Coma means a state of profound unconsciousness caused by a covered accident.

EMERGENCY DENTAL WORK

Emergency Dental Work - We will pay this benefit if you receive an injury to sound natural teeth as the result of a covered accident. We will pay for repair with a crown or for extraction as shown in the Benefit Schedule.

INJURIES REQUIRING SURGERY

Eye Injuries - If you injure an eye in a covered accident and surgical repair is performed by a physician within 90 days after the accident, we will pay the amount shown in the Benefit Schedule. If a physician removes a foreign body from your eye, with or without anesthesia, we will pay the amount shown in the Benefit Schedule.

Tendons and Ligaments - If you tear, sever or rupture a tendon or ligament in a covered accident, receive treatment from a physician within 60 days, and have surgical repair within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the number (single or multiple) of tendons or ligaments repaired.

If you are in a covered accident and fracture a bone or dislocate a joint, and tear, sever or rupture a tendon or ligament, we will pay only one benefit. We will pay the largest of the fracture benefit, the dislocation benefit, or the tendon and ligament benefit.

Ruptured Disc - If you rupture a disc in your spine in a covered accident, receive treatment from a physician within 60 days after the accident and have surgical repair by a physician within one year after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on when the accident occurred.

Torn Knee Cartilage - We will pay this benefit in the amount shown in the Benefit Schedule if you are injured in a covered accident and:

1. Accidental injuries result in torn knee cartilage;
2. Such injury requires treatment by a physician within 60 days from the date of the covered accident; and
3. Such injury requires repair by surgical operation within one year from the date of the covered accident.

The amount paid will be based on when the accident occurred.

Internal Injuries - We will pay this benefit as shown in the Benefits Schedule if you have internal injuries as the result of a covered accident which result in open abdominal or thoracic surgery.

Exploratory Surgery - If as the result of an injury in a covered accident you have exploratory surgery (without repair), we will pay the amount shown on the Benefit Schedule.

PARALYSIS

Paralysis - Paralysis means the permanent loss of movement of two or more limbs. If you are injured in a covered accident and the injury causes paralysis which lasts more than 90 days and is diagnosed by a physician within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule. The amount paid will be based on the number of limbs paralyzed.

If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate Death Benefit, less any amounts paid under the Paralysis Benefit.

BURNS

Burns - If you are burned in a covered accident and are treated by a physician within 72 hours after the accident, we will pay the burn benefit shown in the Benefit Schedule according to the percentage of body surface burned.

First-degree burns are not covered.

SERVICES

Blood/Plasma - If you are injured in a covered accident and receive blood or plasma as a result of the injury within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

Ambulance - If you are injured in a covered accident and require transportation to a hospital by a professional ambulance service (including "air ambulance" service) within 90 days after the accident, we will pay the appropriate amount shown in the Benefit Schedule.

Transportation - We will pay this benefit if you are injured in a covered accident and the injury causes the attending physician to recommend hospital treatment or diagnostic study which is not available in your city of residence. We will pay the applicable amount shown in the Benefit Schedule for transportation by train, plane, or bus for each covered accident. Use of such transportation must begin within 90 days from the date of the covered accident. The distance to the location of the hospital treatment or diagnostic study must be greater than 50 miles from your residence.

Family Member Lodging - We will pay this benefit in amount and for the number of days shown in the Benefit Schedule, for each night's lodging in a motel/hotel room for an adult member of your immediate family when you are confined to a hospital for treatment of an injury due to a covered accident. The Hospital and motel/hotel must be more than 100 miles from your residence. The treatment must be prescribed by your local physician.

Medical Fees - If you are injured in a covered accident and receive treatment within one year after the accident, we will pay the amount shown in the Benefit Schedule for:

1. emergency room services and supplies;
2. x-rays;
3. physician services.

We will pay for these services up to the total amount shown for medical fees in the Benefit Schedule, for each covered accident.

This benefit is payable if you received initial treatment within 60 days after the accident.

Prosthesis - We will pay the amount shown in the Benefit Schedule for each prosthetic device you use as the result of an injury received in a covered accident. Hearing aids, wigs, or dental aids including but not limited to false teeth are not covered.

Appliances - If you are advised by a physician to use a medical appliance as an aid in personal locomotion as the result of an injury received in a covered accident, we will pay the amount shown in the Benefit Schedule. Medical appliance means crutches, wheelchairs, leg braces, back braces and walkers.

Accident Follow-up Treatment - We will pay this benefit when you receive follow-up treatment for an injury received as a result of a covered accident. We will pay for a maximum of 6 (six) treatments per covered accident. You must have received initial treatment within 72 hours of a covered accident and follow-up treatment must begin within 30 days of the covered accident or discharge from the hospital.

Physical Therapy - If you are injured in a covered accident and that injury requires physical therapy, we will pay this benefit for a maximum of six physical therapy sessions per covered accident. You must have received initial treatment for the injury within 72 hours of the covered accident and physical therapy must begin within 30 days of the covered accident or discharge from the hospital. Treatment must take place within 6 months after the accident. We will not pay this benefit for the same visit that the Accident Follow-up Treatment benefit is paid.

Wellness - After premiums have been paid for 12 months and while your coverage is in force, we will pay the amount shown in the Benefit Schedule for annual physical exams, mammograms, pap smears, eye examinations, immunizations, flexible sigmoidoscopy, PAS tests, ultrasounds and blood screening. This benefit is payable once each 12-month period.

HOSPITAL BENEFITS

Hospital Admission - We will pay this benefit when you are injured in a covered accident and the injury requires hospital confinement as a resident bed patient within 6 months of the date of the accident.

We will pay the Hospital Admission benefit amount shown in the Benefit Schedule. We will not pay this benefit for confinement to an observation unit, or for emergency room treatment or outpatient treatment.

We will pay this benefit once per calendar year.

Hospital Confinement - If you are injured in a covered accident and the injury causes you to be confined to a hospital within 90 days after the accident, we will pay the amount shown in the Benefit Schedule, subject to the elimination period if any, for each day that you are confined to a hospital. The length of time shown for hospital confinement in the Benefit Schedule is the maximum period for which you can collect benefits for hospital confinements resulting from the same injury.

This benefit is payable once per hospital confinement even if the confinement is caused by more than one accidental injury.

Hospital Intensive Care - If you are injured in a covered accident and the injury causes you to be confined to a hospital intensive care unit, we will pay this benefit in amount and for the number of days shown in the Benefit Schedule per covered accident. This benefit is payable in addition to the Hospital Confinement benefit above.

DISMEMBERMENT

Dismemberment - If you are injured in a covered accident and the injury causes loss of a hand, foot or sight within 90 days after the accident, we will pay the amount shown in the Benefit Schedule.

If you lose one hand, foot or the sight of one eye in a covered accident, we will pay the single loss benefit shown in the Benefit Schedule.

If you lose both hands, feet, the sight of both eyes or a combination of any two, we will pay the double loss benefit shown in the Benefit Schedule.

If you lose one or more finger or toe in a covered accident, we will pay the finger/toe benefit shown in the Benefit Schedule.

Dismemberment means:

1. **Loss of a hand:** the hand is cut off at or above the wrist joint; or
2. **Loss of a foot:** the foot is cut off at or above the ankle; or
3. **Loss of sight:** at least 80% of the vision in one eye is lost. Such loss of sight must be permanent and irrecoverable or
4. **Loss of a finger/toe:** the finger or toe is cut off at or above the joint where it is attached to the hand or foot.

If you do not qualify for the Dismemberment Benefit but loose at least one joint of a finger or toe, we will pay the Partial Dismemberment shown in the Benefit Schedule.

If this benefit is paid and you later die as a result of the same covered accident, we will pay the appropriate death benefit, less any amounts paid under this benefit.

ACCIDENTAL DEATH

Accidental Death - If you are injured in a covered accident and the injury causes you to die within 90 days after the accident, we will pay the Accidental Death Benefit shown in the Benefit Schedule. If the Accidental Death Benefit is paid, we will not pay the Accidental Common Carrier Death Benefit.

Accidental Common Carrier Death - If you are injured in a covered accident and the injury causes you to die within 90 days after the accident, we will pay the Accidental Common Carrier Death Benefit in the amount shown in the Benefit Schedule if the injury is the result of traveling as a fare-paying passenger on a common carrier, as defined below.

Common Carrier means:

1. an airline carrier which is licensed by the United States Federal Aviation Administration and operated by a licensed pilot on a regular schedule between established airports;
2. a railroad train which is licensed and operated for passenger service only; or
3. a boat or ship which is licensed for passenger service and operated on a regular schedule between established ports.

If the Accidental Common Carrier Death Benefit is paid, we will not pay the Accidental Death Benefit.

SECTION V

LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - Pre-existing Condition means within the 12-month period prior to the Effective Date of the Certificate and attached Riders, as applicable, those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss, injury or total disability which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of the Certificate and attached riders, as applicable.

A claim for benefits for loss starting after 12 months from the Effective Date of a certificate and attached riders, as applicable, will not be reduced or denied on the grounds that it is caused by a pre-existing condition.

This certificate may have been issued as a replacement for a certificate previously issued to you under the Plan. If so, then the pre-existing condition limitation provision of the employee's certificate applies only to any increase in benefits over the prior certificate. Any remaining period of pre-existing condition limitation of the prior certificate would continue to apply to the prior level of benefits.

EXCLUSIONS

We will not pay benefits for loss caused by pre-existing conditions (except as stated in the previous provision).

We will not pay benefits for loss, injury, total disability or death contributed to, caused by, or resulting from:

1. **War** - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. **Suicide** - committing or attempting to commit suicide, while sane or insane.
3. **Sickness** - having any disease or bodily/mental illness or degenerative process. We also will not pay benefits for any related medical/surgical treatment or diagnostic procedures for such illness.
4. **Self-Inflicted Injuries** - injuring or attempting to injure yourself intentionally.
5. **Traveling** - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica, except under the Accidental Common Carrier Death Benefit.
6. **Racing** - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
7. **Aviation** - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
8. **Intoxication** - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
9. **Illegal Acts** - participating or attempting to participate in an illegal activity, or working at an illegal job.
10. **Sports** - participating in any organized sport: professional or semi-professional.
11. **Driving** - driving any taxi or intrastate or interstate long-distance vehicle for wage, compensation or profit.
12. **Avocations** - mountaineering using ropes and/or other equipment, parachuting or hand-gliding.
13. **Cosmetic Surgery** - having cosmetic surgery or other elective procedures that are not medically necessary or having dental treatment except as a result of covered accident.
14. an injury arising from any employment;
15. injury or sickness covered by Worker's Compensation.

SECTION VI

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or as soon as reasonably possible. The notice must be sent to us at our Home Office in Columbia, South Carolina. The notice should include the name of the Insured and the Certificate number.

Claim Forms - When we receive notice of a claim, we will send you the forms for filing proof of loss. If these forms are not sent to you within 15 working days, you will meet the proof of loss requirements by giving us a written statement of the nature and extent of the loss within the time limit stated on the Proof of Loss Section.

Proof of Loss - You must give us written proof within 90 days after the loss for which you are seeking benefits. If it is not reasonably possible to give written proof in the time required, we shall not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the covered accident unless you were legally incapacitated during that time.

Time of Payment of Claims: After we receive written proof of loss and process your claim, we will pay monthly all benefits then due for the claims providing a periodic payment. Benefits for any other loss covered by this Plan will be paid as soon as we receive proper written proof.

Payment of Claims - Benefits will be paid to you. All of the benefits due will be paid to you unless you assign them elsewhere. Any benefits unpaid at the time of your death will be paid in the following order:

1. to any approved assignee;
2. your beneficiary;
3. your surviving spouse;
4. your estate.

Changing Your Beneficiary - You can ask us to change your beneficiary at any time. The request must be in writing and the change must be approved by us. If approved, 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, any premium due and unpaid may be deducted from the claim payment.

Physical Examination And Autopsy - At our expense, we can require you to have a physical examination as often as reasonably necessary while a claim is pending, or an autopsy in the case of death, where allowed by law. This will be done at our expense.

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

1. within 60 days after you have sent us written proof of loss; or
2. more than 3 years from the time written proof is required to be given.

If this three (3) year limit is deemed too short by the laws of the state in which the Covered Persons lives, it will be increased to the limit allowed by the laws of that state.

SECTION VII

GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. the Plan;
2. the Application of the Policyholder; and
3. if applicable, your Application(s).

All statements made in such Application(s) shall, in the absence of fraud, be deemed representations and not warranties. No statement will be used in defense of a claim under this Plan unless:

- a. the statement is in writing signed by the Policyholder or by you; and
- b. a copy of that statement is given to the Policyholder or to you or to your beneficiary.

Contract Changes - No change in this Plan is valid unless approved by our Home Office and unless such approval is endorsed by an officer and attached to this Plan. No agent has the authority to change this Plan or to waive any of its provisions.

Misstatements of Age - If you incorrectly stated your age or the ages of your dependents, if any, in the Application, the benefits will be such as the premium paid would have purchased at the correct age. If, based on the correct ages, we would not have issued your Certificate or insured certain dependents under this Certificate, then our responsibility will be to refund the excess premium paid, if any.

Time Limit on Certain Defenses - After this Plan has been in force for two years as respects an employee, only fraudulent misstatements in the application of that employee may be used to void his or her coverage or to deny any claim for loss incurred or disability that starts after the two-year period.

Clerical Error- Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

Individual Certificate - Continental American will give the Policyholder a Certificate for each employee. The Certificate will set forth:

1. the coverage;
2. to whom benefits will be paid; and
3. the rights and privileges under the Plan.

Data Required - The Policyholder will furnish all information and proofs which Continental American may reasonably require with regard to the Plan.

Conformity with State Statutes - Any provision of this Plan which, on the Effective Date, is in conflict with the laws of the state in which the Plan was issued, will be amended to conform to the minimum requirements of those laws.

SECTION VIII**BENEFIT SCHEDULE****FRACTURES**

Hip/thigh	\$4,500
Vertebrae	4,050
Pelvis	3,600
Skull (depressed)	3,375
Skull (simple)	1,575
Leg	2,700
Foot/ankle/knee cap	2,250
Forearm/hand	2,250
Lower jaw	1,800
Shoulder blade/collar bone	1,800
Upper arm/upper jaw	1,575
Facial bones (except teeth)	1,350
Vertebral processes	900
Coccyx/rib/finger/toe	360

DISLOCATIONS

Hip	3,600
Knee (not knee cap)	2,600
Shoulder	2,000
Foot/ankle	1,600
Hand	1,400
Lower jaw	1,200
Wrist	1,000
Elbow	800
Finger/toe	320

LACERATIONS

Over 6"	400
2" to 6"	200
Under 2"	50

Lacerations not requiring stitches 25

CONCUSSIONS 200

COMA 10,000

EMERGENCY DENTAL WORK

Repair with crown	150
Extraction	50

INJURIES REQUIRING SURGERY**Eye injuries**

Requiring surgical repair	250
Removal of foreign body	50

Tendons/ligaments

Single	400
Multiple	600

Ruptured disc	
Date of injury occurs during first certificate year	100
Date of injury occurs after first certificate year	400
Torn knee cartilage	
Date of injury occurs during first certificate year	100
Date of injury occurs after first certificate year	400
Internal Injuries	1,000
Exploratory Surgery (without repair)	250
PARALYSIS	
Four limbs (quadriplegia)	10,000
Two limbs (paraplegia)	5,000
BURNS	
Second Degree	
Less than 10%	100
At least 10% but less than 25%	200
At least 25% but less than 35%	500
35% or more	1,000
Third Degree	
Less than 10%	500
At least 10% but less than 25%	3,000
At least 25% but less than 35%	7,000
35% or more	10,000
SERVICES	
Blood/plasma	100
Ambulance	100
Air ambulance	500
Transportation	
Train or Plane	300
Bus	150

Family Member Lodging	100/per night
Maximum Benefit - 30 days	
Medical fees	
Maximum per accident	125
Prosthesis	500
Appliances	100
Accident Follow-up Treatment	25
Maximum of 6 treatments per covered accident	
Physical Therapy	25
Maximum of 6 treatments per covered accident	
Wellness	60
Once per 12-month period	
HOSPITAL ADMISSION	\$1,000
Payable once per calendar year	
HOSPITAL CONFINEMENT	\$200 /day
Maximum Benefit - 365 days	
0 Day elimination Period	
HOSPITAL INTENSIVE CARE	\$400 /day
Maximum Benefit - 30 days	
0 Day elimination Period	
ACCIDENTAL DISMEMBERMENT	
Loss of hand, foot or sight	
Single loss	6,250
Double loss	25,000
Loss of one or more finger or toe	1,250
Partial Amputation of finger or toe	100
ACCIDENTAL DEATH	50,000
ACCIDENTAL COMMON CARRIER DEATH	100,000

SECTION IX OCCUPATIONAL CLASSIFICATIONS AND SCHEDULE OF PREMIUMS

All Full-Time employees, who are actively at work, working at least 16 hours per week, and have completed at least 3 months of continuous employment with the Policyholder.

California	
HIGH OPTION - NON-OCCUPATIONAL PLAN	Semimonthly (24pp/yr)
Employee	\$6.32
Employee & Spouse	\$9.23
Employee & Dependent Children	\$12.95
Family	\$15.86

SECTION X INCORPORATION OF RIDER PROVISIONS

The attached listed Certificate Riders are made a part of this Policy.

INCORPORATED RIDERS

RIDER NAME	FORM NUMBER
Dependent Accident Rider	CA 7700-DAR(CA)
Portability Rider	CAI-PR-09



CONTINENTAL AMERICAN LIFE INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205
(herein called Continental American)

IMPORTANT NOTICE GROUP CRITICAL ILLNESS

THE FOLLOWING CONDITIONS ARE NOT CONSIDERED
"CRITICAL ILLNESS" UNDER THIS POLICY:

Pre-malignant conditions or conditions with malignant potential.

Any disease or injury involving the cardiovascular system other than heart attack as defined herein.

Cardiac arrest not caused by a myocardial infarction.

Balloon angioplasty, laser relief, stints or other non-surgical procedures used to correct narrowing or blockage of coronary arteries.

Head injury, transient ischemic attack or cerebrovascular insufficiency.

Renal failure caused by a traumatic event, including surgical traumas.

An insured person will not receive any benefits under this critical illness coverage for any of the above named conditions

Please note only the diseases, illnesses and conditions defined in this policy are covered. Refer to BENEFIT DEFINITIONS beginning on page 6 for the definitions of the "critical illnesses" that are covered.

THE CONDITIONS LISTED ARE NOT COVERED UNDER THIS POLICY

Carcinoma in Situ provides a reduced benefit under this Plan. Benefits payable for Carcinoma in Situ will be payable at 25%. Please see the Insured's Benefit Schedule for specific dollar amounts.

Example- If an insured had a tumor removed from any organ (such as breast or prostate) and that tumor had not spread (Carcinoma in Situ), the benefit payable would be 25% of the Cancer benefit.

Maximum benefit payable for most Critical Illnesses until age 70- \$10,000

Maximum benefit payable at and after age 70 - \$5,000

Reduced benefit payable for Carcinoma in situ—

Before age 70 - \$2,500

At and after age 70 - \$1,250

However, if that tumor had spread (metastasized) to other tissue (such as lymph nodes), the full benefit would be payable.

PLEASE CONSULT A MEDICAL PROFESSIONAL FOR A COMPREHENSIVE EXPLANATION OF THESE MEDICAL TERMS.

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
- SECTION II** - Premium Provisions
- SECTION III** - General Definitions / Benefit Definitions
- SECTION IV** - Benefit Provisions
- SECTION V** - Limitations and Exclusions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedules
- SECTION IX** - Occupational Classifications
- SECTION X** - Schedule of Premiums

SECTION I - ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

Employee as used in this Plan, means a person insured under this Plan who is:

1. an Employee of the Policyholder, or an eligible Spouse of the Employee;
2. under age 65; and
3. engaged in full-time work; and
4. included in the class of employees eligible for coverage as shown on the application.

EFFECTIVE DATE

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

The Effective Date for an Employee is as follows:

An Employee's insurance will be effective on the date shown on the Certificate Schedule.

The Effective Date for a Spouse or Dependent Child is the date shown on the Schedule Page subject to the following:

1. The date the Employees insurance is effective for a Spouse or Dependent Child who is eligible on that date; for whom coverage is applied for and premium paid; and who are not hospital confined.
2. At 12:00 a.m. Standard Time, on the day a Spouse or Dependent Child is no longer hospital confined if the Spouse or Dependent Child was otherwise eligible for coverage on the date the Employee's insurance became effective.
3. For a Spouse or Dependent Child eligible on or first acquired after the Employee's Effective Date, the Effective Date will be:
 - a. For newborn children, the Effective Date is the moment of birth, but we must be given notice of the birth within 31 days for coverage to continue beyond 31 days (see Section III, Definitions, Insured).
 - b. For other than newborn children, the date we assign after approving the application for such coverage.

TERMINATION OF THE PLAN

The Plan will cease if the premium is not paid before the end of the Grace Period.

After the end of the first Plan year, the Company has the right to cancel the Plan on the day prior to the date any premium is due by giving 31 days written notice. The Plan will terminate when the number of participating Employees is less than the number mutually agreed upon by the Policyholder and the Company in writing.

In these events, this Plan and all certificates issued hereunder will terminate on such date at 12:01 a.m. Standard Time at the Policyholder's address. This will be without prejudice to the rights of any Insured as respects any claim arising during the period the Plan is in force.

The Policyholder has the sole responsibility to notify Employees of such termination.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of:

1. the date the Plan is terminated;
2. on the 31st day after the premium due date if the required premium has not been paid;
3. on the date he ceases to meet the definition of an Employee as defined in the Plan; or
4. on the date he is no longer a member of the class eligible.

Insurance for an insured Spouse or Dependent Child will terminate the earliest of:

1. the date the Plan is terminated;
2. on the 31st day after the premium due date if the required premium has not been paid;
3. the premium due date following the date the Spouse or Dependent Child ceases to be a dependent;
4. the premium due date following the date we receive your written request to terminate coverage for your Spouse and/or all Dependent Children.

Termination of the insurance on any Insured shall be without prejudice to his rights as regarding any claim arising prior thereto.

Portability Privilege

When coverage would otherwise terminate under this Plan because an Employee ends employment with the Employer, they may elect to continue coverage. The coverage that may be continued is that which the Employee had on the date their employment terminated, including Dependent coverage then in effect.

1. Coverage may not be continued for any of the following reasons:
 - a. the Employee failed to pay any required premium;
 - b. this Group Policy terminates.
2. To keep the Certificate in force the Employee must:
 - a. make written Application to the Company within 31 days after the date their insurance would otherwise terminate;
 - b. pay the required premium to the Company no later than 31 days after the date the Certificate would otherwise terminate.
3. Insurance will cease on the earliest of these dates:
 - a. the date the Employee fails to pay any required premium;
 - b. the date this Group Policy is terminated.

If an Employee qualifies for this Portability Privilege as described, then the same Benefits, Plan Provisions, and Premium Rate as shown in their Certificate as previously issued will apply.

SECTION II - PREMIUM PROVISIONS

PREMIUM CALCULATIONS

Premiums payable on any premium due date for insurance will be calculated in accordance with the Schedule of Premiums. The rates shown in this Schedule can be changed annually. The Company will give the Policyholder written notice 31 days prior to the date any change in rates is to be effective.

PREMIUM PAYMENTS

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

Aggregate premiums for this Plan are to be paid to the Company at our 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. This means that if a renewal premium is not paid on or before the date it is due, it 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 discontinuance of the Plan.

SECTION III - GENERAL DEFINITIONS / BENEFIT DEFINITIONS

Whenever a male pronoun is used, it includes the female unless the context clearly shows otherwise.

Actively at Work to be considered “actively at work”, an Employee must perform for a full normal workday the regular duties of his employment at the regular place of business or at a location to which he may be required to travel to perform the regular duties of his employment.

Cervical Cancer Screening means conventional Pap test, a human papillomavirus screening test that is approved by the federal Food and Drug Administration, and any cervical cancer screening test approved by the federal Food and Drug Administration.

Clark Level is a measurement of the thickness of a melanoma in relation to the layers of the skin. The Clark Level uses a scale of I to V (1-5) to describe which layers of the skin are involved. Example- Clark Level I would only involve the first layer of skin.

Critical Illness means such illness shown in the Schedule and as defined in this Plan.

Date of Diagnosis means for:

Cancer: The day the tissue specimen, blood samples and/or titer(s) are taken on which the first diagnosis of cancer or carcinoma in situ is based. For clinical diagnosis, it is the date which a qualified medical professional first diagnoses the cancer.

Heart attack: The date that the death (infarction) of a portion of the heart muscle occurred based on the criteria listed under the Heart Attack definition.

Stroke: The date a stroke occurred based on documented neurological deficits and neuroimaging studies.

Kidney failure: The date that a doctor or physician recommends that an Insured begin renal dialysis.

Major organ transplant surgery or coronary artery bypass surgery: The date the surgery occurs for covered transplants or covered coronary artery bypass surgery.

Dependent Child(ren) means your natural children, step-children, legally adopted children or children placed for adoption, who are unmarried, chiefly dependent on you or your Spouse for support; and younger than age 25. Existing children of a domestic partner will be covered the same as step-children.

However, if any child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, the above age of twenty-five (25) shall not apply. Proof of such incapacity and dependency must be furnished to the Company within thirty-one (31) days following such 25th birthday.

Doctor or Physician means any licensed practitioner of the healing arts acting within the scope of his license in treating a Critical Illness. It doesn't include an Insured or their family member.

Employee means the Insured as shown in the Certificate Schedule.

Family Member means an Insured's spouse, son, daughter, mother, father, sister, or brother.

Full-time Work means an Employee is spending at least 16 hours per week performing his occupational duties.

Illness means sickness or disease which first manifests while the Insured's coverage is in force and after any applicable Waiting Period. Any loss due to illness must begin while the Insured's coverage is in force.

Injury means bodily injury solely due to an accident. It includes all complications of and all injuries from the same accident.

Insured(s) -

1. If Employee coverage is shown in the Certificate Schedule, we insure the Employee.
2. If coverage is for the Spouse of an eligible Employee, we insure the Insured as shown on the Certificate Schedule.
3. Coverage for Dependent Children may be included in an attached rider (if applicable).
4. If any person who would otherwise be an Insured is specifically excluded from coverage by endorsement to the Certificate or by the application, then such person shall not be an Insured.
5. Any other additions to the Insured class must be added by endorsement after applying to the Company.

Pathologist means a doctor, other than an Insured or a family member, who is licensed to practice medicine and who is also licensed to practice pathologic anatomy by the American Board of Pathology. A Pathologist also means an Osteopathic Pathologist who is certified by the Osteopathic Board of Pathology.

Spouse means your legal wife or husband who is between the ages of 18 and 64, or registered domestic partner (As defined in California Family Code Section 297).

Successor Insured - If an Employee dies while covered under a Certificate, then their surviving Spouse shall become the Insured if such Spouse is an Insured. If there is no surviving Spouse covered under the Certificate, then the Certificate shall terminate on the next premium due date.

Treatment means consultation, care, or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Treatment free means a period of time without the consultation, care, or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

Waiting Period means the number of days after the Effective Date before we will pay benefits for loss due to a Critical Illness. We won't pay benefits for a Critical Illness that begins during the Waiting Period.

BENEFIT DEFINITIONS

Cancer means a disease manifested by the uncontrolled growth and spread of malignant cells, the invasion of tissue, leukemia or Hodgkin's Disease. Pre-malignant conditions or conditions with malignant potential are not to be construed as cancer for the purposes of this Plan.

In this Plan, we pay benefits according to the type of Cancer as defined below:

Skin Cancer- is cancer on the surface of the body (Skin) that may be a malignant tumor, ulcer, pimple or mole. Malignant melanomas classified as Clark's Level I and II are included in the definition of skin cancer. The diagnosis of skin cancer must be consistent with professional medical standards after a study of the histocytologic architecture or pattern of the suspect tumor, tissue, or specimen.

Internal Cancer- is cancer which is not skin cancer or carcinoma in situ, but includes malignant melanomas of Clark's Level III and higher.

Carcinoma in situ- is cancer whose cells are localized or confined to the site of origin and show no tendency to invade or metastasize to other tissues.

Example- should an insured person have a tumor removed from an organ (such as a breast or prostate) and that tumor has not spread, the insured person is eligible for only the limited benefit shown on the Benefit Schedule. However, if that tumor has spread (metastasized) to other tissue (such as lymph nodes), benefits may be payable for Internal Cancer.

Cancer must be diagnosed in one of two ways:

1. **Pathological Diagnosis** - A Pathological Diagnosis of cancer is based on a microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of diagnosis must be done by a Certified Pathologist whose diagnosis of malignancy is in keeping with the standards set up by the American Board of Pathology.
2. **Clinical Diagnosis** - A Clinical Diagnosis of Cancer or Carcinoma in Situ is based on the study of symptoms. A clinical diagnosis of cancer will be accepted when such diagnosis is consistent with professional medical standards, and provided medical evidence substantially documents the diagnosis of cancer or the Insured Person receives care for cancer from a doctor.

Heart Attack (Myocardial Infarction) means the death of a portion of the heart muscle (myocardium) resulting from a blockage of one or more coronary arteries. Heart Attack does not include any other disease or injury involving the cardiovascular system. Cardiac Arrest not caused by a Myocardial Infarction is not a Heart Attack. The diagnosis must include all of the following criteria:

1. New and serial Electrocardiographic (EKG) findings consistent with Myocardial Infarction;
2. Elevation of cardiac enzymes above generally accepted laboratory levels of normal in case of creatine phosphokinase (CPK), a CPK-MB measurement must be used; and
3. Confirmatory imaging studies such as thallium scans, MUGA scans, or stress echocardiograms.

Coronary Artery Bypass Surgery means undergoing open heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts, but excluding procedures such as, but not limited to balloon angioplasty, laser relief, stents or other non-surgical procedures.

Major Organ Transplant means undergoing surgery as a recipient of a transplant of a human heart, lung, liver, kidney, or pancreas.

Stroke means apoplexy (due to rupture or acute occlusion of a cerebral artery), or a cerebral vascular accident or incident, which is first manifested on or after an Insured's Effective Date. Stroke does not include Transient Ischemic Attacks and attacks of Vertebrobasilar Ischemia. We will pay a benefit for Stroke which produces permanent clinical neurological sequela following an initial diagnosis made after any applicable Waiting Period. We must receive evidence of the permanent neurological damage provided from Computed Axial Tomography (CAT scan) or magnetic Resonance Imaging (MRI). **Stroke does not mean head injury, transient ischemic attack or chronic cerebrovascular insufficiency.**

Kidney Failure (Renal Failure) means the end stage renal failure presenting as chronic, irreversible failure of both kidneys to function. The Kidney Failure must necessitate regular renal dialysis, hemo-dialysis or peritoneal dialysis (at least weekly); or which results in kidney transplantation. Renal failure is covered, provided it is not caused by a traumatic event, including surgical traumas.

SECTION IV - BENEFITS

Critical Illness Benefit

We will pay this benefit when an Insured is diagnosed with one of the Critical Illnesses shown on the Certificate Schedule if:

1. The date of diagnosis is after the Waiting Period;
2. The date of diagnosis is while the his coverage is in force; and
3. It is not excluded by name or specific description in the Certificate.

If the date of diagnosis of a Critical Illness occurs during the Waiting Period, the Certificate may be returned for a full refund of premium.

The Certificate's Initial Maximum Benefit amount is shown in the Schedule. If the Schedule shows a Maximum Benefit Reduction Date, a Certificate's Maximum Benefit will be reduced to the Reduced Maximum Benefit Amount, also shown in the Schedule, on that date. Benefits will be based on the Maximum Benefit amount in effect on the Critical Illness Date of Diagnosis. Any partial benefits paid will be deducted from the appropriate Critical Illness.

Payment of benefits is subject to the following:

1. We will pay benefits for a Critical Illness in the order the events occur.
2. No benefits are payable for each different Critical Illness after the first unless its date of diagnosis is separated from the prior different Critical Illness by at least 6 months and it is not caused by or contributed to by a Critical Illness for which benefits have been paid.
3. Once benefits have been paid for a Critical Illness, no additional benefits are payable for that same Critical Illness unless the dates of diagnosis are separated by at least 12 months or for cancer 12 months treatment free) Cancer that has spread (metastasized) even though there is a new tumor, will not be considered an additional occurrence unless you have been treatment free for 12 months.

Mammography

We will pay this benefit for mammography tests performed after the Waiting Period and while this Policy is in force. We will pay the amount shown in the Benefit Schedule for these tests. This benefit is payable as follows:

- a. A baseline mammogram for women age 35 to 39, inclusive;
- b. A mammogram for women age 40 to 49, inclusive, every two years or more frequently based on the women's physician's recommendations;
- c. A mammogram every year for women age 50 and over.

Payment of this benefit will not reduce the face amount of the certificate.

Health Screening Benefit (Calendar Year Limit)

We will pay the amount shown in the Benefit Schedule for Health Screening Tests performed after the Waiting Period and while an Insured's coverage is in force. This Benefit is payable once per calendar year up to the Maximum Benefit amount shown in the Benefit Schedule. Payment of this benefit will not reduce the benefit amount payable for Critical Illness.

Health Screening Tests include but are not limited to:

1. Stress test on a bicycle or treadmill,
2. Fasting blood glucose test,
3. Blood test for triglycerides,
4. Serum cholesterol test to determine level of HDL and LDL,
5. Bone marrow testing,
6. Breast ultrasound,
7. CA 15-3 (blood test for breast cancer),
8. CA 125 (blood test for ovarian cancer),
9. CEA (blood test for colon cancer),
10. Chest X-ray,
11. Colonoscopy,
12. Flexible sigmoidoscopy,
13. Hemocult stool analysis,
14. Cervical Cancer Screening,
15. PSA (blood test for prostate cancer),
16. Serum Protein Electrophoresis (blood test for myeloma),
17. Thermography.

There is no limit to the number of years an Insured can receive benefits for Health Screening Tests, as long as this Plan is in force. We will pay this benefit regardless of the results of the test.

SECTION V - LIMITATIONS AND EXCLUSIONS

This Plan contains a 30-day "Waiting Period". This means no benefits are payable for any Insured who has been diagnosed before their coverage has been in force 30 days from their Effective Date. If an Insured is first diagnosed during the "Waiting Period", benefits for treatment of that Critical Illness will apply only to loss commencing after 12 months from their Effective Date; or, at the Employee's option, they may elect to void the Certificate from the beginning and receive a full refund of premium.

PRE-EXISTING CONDITIONS LIMITATION

"Pre-existing Condition" means a sickness or physical condition which, within the 6-month period prior to an Insured's Effective Date resulted in the Insured receiving medical advice or treatment.

We will not pay benefits for any Critical Illness starting within 12 months of an Insured's Effective Date which is caused by, contributed to, or resulting from a Pre-existing Condition.

A claim for benefits for loss starting after 12 months from an Insured's Effective Date will not be reduced or denied on the grounds that it is caused by a Pre-existing Condition.

A Critical Illness will no longer be considered Pre-existing at the end of 12 consecutive months starting and ending after an Insured's Effective Date.

EXCLUSIONS

We won't pay for loss due to:

1. Intentionally self inflicted injury or action.
2. Suicide or attempted suicide while sane or insane.
3. Participation in a felony.
4. War -declared or undeclared or military conflicts, participation in an insurrection or riot.
5. Substance Abuse.

Diagnosis must be made and treatment received in the United States.

SECTION VI - CLAIM PROVISIONS

Notice of Claim: Written notice of claim must be given within sixty (60) days after a covered loss starts, or as soon as reasonably possible. The notice can be given to the Company at P.O. Box 427, Columbia, South Carolina 29202. Notice should include the name of the Insured and the Certificate number.

Claim Forms: When we receive a notice of claim, we will send the Claimant forms for filing proof of loss. If the forms are not given within 15 working days, proof of loss requirements can be met by giving us a written statement of the nature and extent of the loss within the time limit stated in the Proof of Loss Section.

Proof of Loss: Written Proof of Loss must be furnished to the Company at P.O. Box 427, Columbia, South Carolina 29202 within ninety (90) days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time. However, such proof must be furnished as soon as reasonably possible and in no event (except in the absence of legal capacity) later than one year from the time proof is otherwise required.

Time of Payment of Claims: Benefits payable under this Plan will be paid immediately upon receipt of acceptable Proof of Loss.

Payment of Claims: All benefits will be payable to the employee unless assigned by them or by operation of law. Any accrued benefit unpaid at the Insured's death may be paid to their estate.

Conformity with State Statutes: Any provision of this Plan which, on its Effective Date, is in conflict with the statutes of the state in which it was issued is hereby amended to conform to the minimum requirements of such statutes.

Additional Coverage with the Company: We will only pay benefits for covered Illness, Condition or Procedure under one Specified Illness, Condition or surgical Procedure Policy or certificate if an Insured is covered by more than one of our Specified Illness, Condition or Surgical Procedure Policies or Certificates. An Insured may choose which Certificate they wish to keep in force by sending us written notice of their choice. We will return the premiums paid plus 2% interest for any of our other Specified Illness, Condition or Surgical Procedure Policies or Certificates during the period there was more than one Policy or Certificate in force.

SECTION VII - GENERAL PROVISIONS

Questions or Comments: If you have any questions about this Plan, its benefits, the filing of claims, a complaint or a compliment, please call us at the toll free number listed on the front of this Plan.

Entire Contract, Changes: This Policy together with the application, endorsements, benefit agreements, certificates and riders, if any, is the Entire Contract of Insurance. No change in this Plan shall be valid until approved in writing by an

Executive Officer of the Company. Any change must be noted on or attached hereto. No agent may change this Plan or waive any of its Provisions. Any Rider, Endorsement or Application that modifies, limits or excludes coverage under this Plan must be signed by the Employee to be valid.

Physical Examination and Autopsy: We, at our expense, have the right to have an Insured examined as often as reasonable necessary while a claim is pending. In the case of death, we may also have any autopsy done unless prohibited by law.

Legal Action: No legal action may be brought to recover on this Plan within 60 days after written Proof of Loss has been given as required by this Plan. No such action may be brought after 3 years from the time written Proof of Loss is required to be given.

Time Limit on Certain Defenses: (1) After two years from an Insured's effective date of coverage, no misstatements, except fraudulent misstatements, made by the applicant in the application shall be used to void the coverage or to deny a claim for loss incurred commencing after the expiration of such two-year period; (2) No claim for loss incurred commencing after two years from an Insured's Effective Date of coverage shall be reduced or denied on the grounds that a disease or physical condition, not excluded from coverage by name or specific description, had existed prior to such Effective Date.

Clerical Error: Clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

Misstatement of Age: If an age has been misstated on the application, the benefits will be those the premium paid would have purchased at the correct age.

SECTION VIII - BENEFIT SCHEDULE

Initial Maximum Benefit:	See Certificates
Reduced Maximum Benefit Amount:	See Certificates
Reduced Benefit Date:	First Renewal Date after age 70
Waiting Period:	30 Days
Percentage for Partial Benefits:	25% of applicable Maximum Benefit

The applicable Maximum Benefit (Initial or Reduced) is payable for the following Critical Illnesses

Cancer (internal or invasive)

- Stroke
- Kidney Failure
- Heart Attack
- Major Organ Transplant

PARTIAL BENEFITS

CANCER (internal or invasive)

Carcinoma in situ - When this Partial Benefit is paid, it will reduce the cancer benefit by 25%.

HEART ATTACK

Coronary Artery Bypass Surgery - When this Partial Benefit is paid, it will reduce the Heart Attack Benefit by 25%.

Skin Cancer- 10%

Mammography Benefit \$200

Maximum Health Screening Benefit Amount: \$50 per insured Employee and Spouse per calendar year.

SECTION IX - OCCUPATIONAL CLASSIFICATIONS

All Full-Time employees, who are actively at work, working at least 16 hours per week, and have completed at least 3 months of continuous employment with the Policyholder.

SECTION X - SCHEDULE OF PREMIUMS

California - Semimonthly (24pp/yr)										
NON-TOBACCO - Employee										
AGES	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
18-29	\$ 2.11	\$ 3.33	\$ 4.56	\$ 5.78	\$ 7.01	\$ 8.23	\$ 9.46	\$ 10.68	\$ 11.91	\$ 13.13
30-39	\$ 2.96	\$ 5.03	\$ 7.11	\$ 9.18	\$ 11.26	\$ 13.33	\$ 15.41	\$ 17.48	\$ 19.56	\$ 21.63
40-49	\$ 5.38	\$ 9.88	\$ 14.38	\$ 18.88	\$ 23.38	\$ 27.88	\$ 32.38	\$ 36.88	\$ 41.38	\$ 45.88
50-59	\$ 8.49	\$ 16.10	\$ 23.71	\$ 31.31	\$ 38.92	\$ 46.53	\$ 54.14	\$ 61.75	\$ 69.36	\$ 76.96
60-64	\$ 13.06	\$ 25.23	\$ 37.41	\$ 49.58	\$ 61.76	\$ 73.93	\$ 86.11	\$ 98.28	\$ 110.46	\$ 122.63

NON-TOBACCO Spouse									
AGES	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
18-29	\$ 2.11	\$ 2.72	\$ 3.33	\$ 3.94	\$ 4.56	\$ 5.17	\$ 5.78	\$ 6.39	\$ 7.01
30-39	\$ 2.96	\$ 3.99	\$ 5.03	\$ 6.07	\$ 7.11	\$ 8.14	\$ 9.18	\$ 10.22	\$ 11.26
40-49	\$ 5.38	\$ 7.63	\$ 9.88	\$ 12.13	\$ 14.38	\$ 16.63	\$ 18.88	\$ 21.13	\$ 23.38
50-59	\$ 8.49	\$ 12.29	\$ 16.10	\$ 19.90	\$ 23.71	\$ 27.51	\$ 31.31	\$ 35.12	\$ 38.92
60-64	\$ 13.06	\$ 19.14	\$ 25.23	\$ 31.32	\$ 37.41	\$ 43.49	\$ 49.58	\$ 55.67	\$ 61.76

TOBACCO - Employee										
AGES	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
18-29	\$ 2.91	\$ 4.93	\$ 6.96	\$ 8.98	\$ 11.01	\$ 13.03	\$ 15.06	\$ 17.08	\$ 19.11	\$ 21.13
30-39	\$ 4.46	\$ 8.03	\$ 11.61	\$ 15.18	\$ 18.76	\$ 22.33	\$ 25.91	\$ 29.48	\$ 33.06	\$ 36.63
40-49	\$ 10.36	\$ 19.83	\$ 29.31	\$ 38.78	\$ 48.26	\$ 57.73	\$ 67.21	\$ 76.68	\$ 86.16	\$ 95.63
50-59	\$ 16.11	\$ 31.33	\$ 46.56	\$ 61.78	\$ 77.01	\$ 92.23	\$ 107.46	\$ 122.68	\$ 137.91	\$ 153.13
60-64	\$ 25.23	\$ 49.58	\$ 73.93	\$ 98.28	\$ 122.63	\$ 146.98	\$ 171.33	\$ 195.68	\$ 220.03	\$ 244.38

TOBACCO - Spouse									
AGES	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
18-29	\$ 2.91	\$ 3.92	\$ 4.93	\$ 5.94	\$ 6.96	\$ 7.97	\$ 8.98	\$ 9.99	\$ 11.01
30-39	\$ 4.46	\$ 6.24	\$ 8.03	\$ 9.82	\$ 11.61	\$ 13.39	\$ 15.18	\$ 16.97	\$ 18.76
40-49	\$ 10.36	\$ 15.09	\$ 19.83	\$ 24.57	\$ 29.31	\$ 34.04	\$ 38.78	\$ 43.52	\$ 48.26
50-59	\$ 16.11	\$ 23.72	\$ 31.33	\$ 38.94	\$ 46.56	\$ 54.17	\$ 61.78	\$ 69.39	\$ 77.01
60-64	\$ 25.23	\$ 37.41	\$ 49.58	\$ 61.76	\$ 73.93	\$ 86.11	\$ 98.28	\$ 110.46	\$ 122.63

Rates include benefits for Additional Occurrence, Reoccurrence, Cancer and Health Screening Benefit, and Heart Benefit Rider.



CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205
(herein called Continental American)

Based on the application for this Group Supplemental Hospital Indemnity Insurance Policy (herein called the Plan) made by

County of Alameda
(herein called the Policyholder)

and based on the payment of the premium when due, Continental American agrees to pay the benefits provided on the following pages.

This Plan becomes effective at 12:01 a.m. Standard Time at the policyholder's address on the Effective Date shown below. It may be continued in effect by the payment of premiums as provided in Section II. The Plan will terminate as provided in the provision titled "Termination of the Plan" in Section I.

The first anniversary of this Plan will be the Anniversary Date shown below. Subsequent anniversaries of the Plan will be the same date each year thereafter.

All matter printed or written by Continental American on the following pages forms a part of this Plan as if recited over the signatures below. This Plan is a legal contract between Continental American and the policyholder.

This is supplemental to health insurance. It is not a substitute for hospital or medical expense insurance, a health maintenance organization (HMO) contract, or major medical expense insurance.

This Plan is delivered in and is governed by the laws of the jurisdiction shown below.

In witness whereof Continental American has caused this Plan to be executed at its Home Office in Columbia, South Carolina, on the Effective Date.

READ YOUR POLICY CAREFULLY.
Signed for the Company at its Home Office.

President

Signed for the Company at its Home Office.

Group Policy Number - XXXX
Effective Date - July 1, 2012
Anniversary Date - July 1, 2013
Jurisdiction - California
Non-Participating

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
- SECTION II** - Premium Provisions
- SECTION III** - Definitions
- SECTION IV** - Benefit Provisions
- SECTION V** - Limitations and Exclusions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedule
- SECTION IX** - Schedule of Operations
- SECTION X** - Incorporation of Rider Provisions
- SECTION XI** - Occupational Classifications and Schedule of Premiums

SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

Employee as used in this Plan, means a person insured under this Plan who is:

1. an Employee of the policyholder, and has served 90 days continuous employment;
2. under age 64; and
3. engaged in full-time work; and
4. included in the class of employees eligible for coverage as shown on the application.

EFFECTIVE DATE

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

The Effective Date for an Employee is as follows:

1. An Employee's insurance will be effective on the date shown on his or her Certificate Schedule provided the Employee is then actively at work.
2. If an Employee is not actively at work on the date coverage would otherwise become effective, the Effective Date of his or her coverage will be the date on which such Employee is first thereafter actively at work.

TERMINATION OF THE PLAN

The Plan will cease if the policyholder fails to pay the premium before the end of the grace period.

After the end of the first Plan year, Continental American has the right to cancel the Plan on the day prior to the date any premium is due by giving 31 days written notice.

The Plan will terminate when the number of participating Employees is less than the number mutually agreed upon by the policyholder and Continental American in writing. Continental American will give 31 days written notice prior to termination.

In these events, this Plan and all certificates issued hereunder will terminate on such date at 12:01 a.m. Standard Time at the policyholder's address. This will be without prejudice to the rights of any Employee as respects any claim arising during the period the Plan is in force.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of:

1. the date the Plan is terminated;
2. on the 31st day after the premium due date if the required premium has not been paid;
3. on the date an Employee ceases to meet the definition of an Employee as defined in the Plan;
4. on the premium due date which falls on or first follows the Employee's 70th birthday; or
5. on the date he or she is no longer a member of an eligible class.

Termination of the insurance on any Employee shall be without prejudice to his or her rights as regarding any claim arising prior thereto.

Continental American will provide written notice 31 days prior to termination of coverage.

SECTION II

PREMIUM PROVISIONS

PREMIUM CALCULATIONS

Premiums payable on any premium due date for insurance on Employees will be calculated in accordance with the Schedule of Premiums. The rates shown in this schedule can be changed annually. Continental American will give the policyholder and certificate holder written notice 31 days prior to the date any change in rates is to be effective.

PREMIUM PAYMENTS

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

Aggregate premiums for this Plan are to be paid by the policyholder to Continental American 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. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the next 31 days. During the grace period, the Plan will stay in force, unless the policyholder has given Continental American written notice of discontinuance of the plan.

SECTION III

DEFINITIONS

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

We, Us, Our - means Continental American.

You and Your - refer to an employee as defined in this Plan.

Injury or Injuries - means accidental bodily injury or injuries caused solely by or as the result of a covered accident.

Covered Accident - means an accident, which occurs on or after your Effective Date, while your certificate is in force, and which is not specifically excluded.

Sickness - means an illness, infection, disease or any other abnormal condition, which is not caused solely by or the result of an injury.

Covered Sickness - means an illness, infection, disease or any other abnormal physical condition which is not caused solely by or the result of any injury which:

1. occurs while this Plan is in force; and
2. was not treated or for which you did not receive advice within 12 months before the effective date of this Plan; and

3. is not excluded by name or specific description in this Plan.

Calendar Year – means the period beginning on the Plan Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

On-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under On-The-Job.

Off-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under Off-The-Job.

Monthly Benefit - means a specified amount paid for a period of one month, with any periods of less than one month paid at the daily rate of 1/30th of the monthly amount.

Doctor or Physician - means a person, other than yourself, or a member of your immediate family, who:

1. is licensed by the state to practice a healing art;
2. performs services which are allowed by his or her license; and
3. performs services for which benefits are provided by this Plan.

Family Member means an insured person's spouse, son, daughter, mother, father, sister, or brother.

Hospital - means a place which:

1. is legally licensed and operated as a hospital;
2. provides overnight care of injured and sick people;
3. is supervised by a doctor;
4. has full-time nurses supervised by a registered nurse;
5. has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities; and
6. maintains permanent medical history records.

A hospital is not:

1. a nursing home;
2. an extended care facility;
3. a convalescent home;
4. a rest home or a home for the aged;
5. a place for alcoholics or drug addicts; or
6. a mental institution.

Hospital Intensive Care Unit - means a place which:

1. is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care and is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
2. is separate and apart from the surgical recovery room and from rooms, beds and wards

- customarily used for patient confinement;
3. is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
 4. is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a twenty four hour basis; and
 5. has a doctor assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit is not any of the following step down units:

1. a progressive care unit;
2. a sub-acute intensive care unit;
3. an intermediate care unit;
4. a private monitored room;
5. a surgical recovery room;
6. an observation unit; or
7. any facility not meeting the definition of a hospital intensive care unit as defined in this Plan.

Your Occupation - means the occupation in which you are regularly engaged at the time you become insured.

Actively at Work - to be considered actively at work, you must perform for a full normal workday the regular duties of your employment at the regular place of business of the group policyholder or at a location to which you may be required to travel to perform the regular duties of your employment.

Full-Time Work - means spending at least 16 hours per week performing your occupational duties.

Elimination Period - means the number of days of hospital confinement that must elapse before benefits become payable. The number of days is shown in the Benefit Schedule. Benefits are not payable, nor do they accrue, during an Elimination Period.

Treatment - means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

SECTION IV

BENEFIT PROVISIONS

The benefit amounts payable are shown in the Benefit Schedule. Coverage terminates on the premium due date which falls on or first follows your 70th birthday; at that time all benefits cease regardless of the maximum benefit.

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the elimination period if any, when you are confined to a hospital as a resident bed patient as the result of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, you must be confined to a hospital within 6 months of the date of the covered accident.

The length of time shown for hospital confinement in the Benefit Schedule is the maximum period for which you can collect benefits for hospital confinements resulting from covered sickness or from injuries received in the same covered accident. If you are not confined to the hospital for a full month, we will pay

benefits on a daily basis; daily benefits will be paid at the rate of 1/30th of the monthly amount.

This benefit is payable for only one hospital confinement at a time even if caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

Hospital Admission - We will pay this benefit when you are admitted to a hospital and confined as a resident bed patient because of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, you must be admitted to a hospital within 6 months of the date of the covered accident.

We will pay the Hospital Admission benefit amount shown in the Benefit Schedule. We will not pay benefits for confinement to an observation unit, or for emergency room treatment or outpatient treatment.

We will pay this benefit once for a period of confinement. We will only pay this benefit once for each covered accident or covered sickness. If you are confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Hospital Intensive Care - If you are confined in a hospital intensive care unit due to an injury received in a covered accident or because of a covered sickness, we will pay the daily benefit amount shown on the Benefit Schedule. In order to receive this benefit for a covered accident, you must be admitted to a hospital intensive care unit within 6 months of the date of the covered accident.

We will pay this amount for each day of such confinement, but not to exceed the maximum benefit period shown on the Benefit Schedule during any one period of confinement.

We will pay benefits for only one confinement in a hospital's intensive care unit at a time, even if it is caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

If we pay benefits for confinement in a hospital's intensive care unit and you become confined to a hospital's intensive care unit again within 6 months because of the same or related condition, we will treat this confinement as the same period of confinement.

Surgical Benefit - If surgery due to an injury received in a covered accident or because of a covered sickness is performed by a Physician, We will pay the amount for the Surgical Operation shown opposite the procedure listed in the Schedule of Operations up to the maximum shown on the Benefit Schedule per surgical procedure. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Physician's office.

If an operation is not listed in the Schedule of Operations, We will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

Mammography Benefit - We will pay this benefit for mammography tests performed while your coverage is in force. We will pay for mammography tests as follows:

1. A baseline mammogram for women age 35 to 39, inclusive;
2. A mammogram for women age 40 to 49, inclusive, every two years or more frequently based on the women's doctors recommendation;
3. A mammogram every year for women age 50 and over.

This benefit is payable up to the maximum amount per test shown in the Benefit Schedule.

We will pay this benefit regardless of the results of the test.

Pap Smear Benefit - We will pay this benefit for pap smear tests performed the while your coverage is in force. We will pay the amount shown in the Benefit Schedule for these tests. This benefit is payable once per calendar year up to the maximum benefit amount per test shown in the Benefit Schedule.

We will pay this benefit regardless of the results of the test.

Anesthesia Benefits - When a surgical procedure is performed that is covered under the Surgical Benefit, We will pay the amount shown in the Schedule Of Operations for anesthesia administered by a Physician in connection with such procedure. Benefits, however, will be 25% of the amount paid under Surgical Benefit.

Hospital Emergency Room/Physician Benefit – If you are injured in a covered accident or have treatment as the result of a covered sickness, We will pay the benefit as shown in the Benefit Schedule for Physician's charges, Laboratory fees, X-rays and Injections/Medications. This benefit is subject to the calendar year maximum shown in the Benefit Schedule.

ADDITIONAL BENEFITS

Out-of-hospital Prescription Drug Benefit - We will pay an indemnity benefit, as shown in the Schedule, for each prescription filled for you. Prescription drugs must meet three criteria; (1) be ordered by a doctor; (2) be dispensed by a licensed pharmacist; and (3) be medically necessary for the care and treatment of the patient. This benefit is subject to the Out-of-hospital Prescription Drug Benefit Maximum, as shown in the Schedule.

This benefit does not include benefits for: (a) therapeutic devices or appliances; (b) experimental drugs; (c) drugs, medicines or insulin used by or administered to a person while they are confined to a hospital, rest home, extended care facility, convalescent home, nursing home or similar institution; (d) immunization agents, biological sera, blood or blood plasma; or (e) contraceptive materials, devices or medications or infertility medication, except where required by law.

SECTION V LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - Pre-existing Condition means within the 12-month period prior to the Effective Date of this Certificate and attached riders, as applicable, those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss or injury which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of a Certificate and attached riders, as

applicable, or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

A claim for benefits for loss starting after 12 months from the Effective Date of a certificate, as applicable, will not be reduced or denied on the grounds that it is caused by a pre-existing condition.

Pregnancy is a “pre-existing condition” if conception was before the effective date of a certificate.

Treatment means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

If certificate is issued as a replacement for a certificate previously issued under this Plan, then the pre-existing condition limitation provision of the new certificate applies only to any increase in benefits over the prior certificate. Any remaining period of pre-existing condition limitation of the prior certificate would continue to apply to the prior level of benefits.

EXCLUSIONS

We will not pay benefits for loss caused by pre-existing conditions (except as stated in the previous provision).

We will not pay benefits for loss contributed to, caused by, or resulting from:

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica, except under the Accidental Common Carrier Death Benefit.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in a felony, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.

12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness covered by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

SECTION VI

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or covered sickness, or as soon as reasonably possible. The notice must be sent to us at our administrative office in Columbia, South Carolina. The notice should include the name of the insured and the certificate number.

Claim Forms - When we receive notice of a claim, we will send you the forms for filing proof of loss. If these forms are not sent to you within 15 days, you will meet the proof of loss requirements by giving us a written statement of the nature and extent of the loss within the time limit stated on the Proof of Loss Section.

Proof of Loss - You must give us written proof within 90 days after the loss for which you are seeking benefits. If it is not reasonably possible to give written proof in the time required, we shall not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the covered accident unless you were legally incapacitated during that time.

Time Of Payment Of Claims - After we receive written proof of loss and process your claim, we will pay monthly all benefits then due for the claims providing a periodic payment. Benefits for any other loss covered by this Plan will be paid as soon as we receive proper written proof.

Payment Of Claims - Benefits will be paid to you. All of the benefits due will be paid to you unless you assign them elsewhere. Any benefits unpaid at the time of your death will be paid in the following order:

1. to any approved assignee;
2. your beneficiary;
3. your surviving spouse;
4. your estate.

Changing Your Beneficiary - You can ask us to change your beneficiary at any time. The request must be in writing and the change must be approved by us. If approved, 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, any premium due and unpaid may be deducted from the claim payment.

Physical Examination And Autopsy - At our expense, we can require you to have a physical examination as often as reasonably necessary while a claim is pending, or an autopsy in the case of death, where allowed by law. This will be done at our expense.

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

1. within 60 days after you have sent us written proof of loss; or
2. more than 6 years from the time written proof is required to be given.

SECTION VII GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. the Plan;
2. the application of the policyholder; and
3. your application(s).

All statements made in such application(s) shall, in the absence of fraud, be deemed representations and not warranties. No statement will be used in defense of a claim under this Plan unless:

- a. the statement is in writing signed by the policyholder or by you; and
- b. a copy of that statement is given to the policyholder or to you or to your beneficiary.

Contract Changes - No change in this Plan is valid unless approved by our administrative office and unless such approval is endorsed by an officer and attached to this Plan. No agent has the authority to change this Plan or to waive any of its provisions.

Misstatements of Age - If you incorrectly stated your age or the ages of your dependents, if any, in the application, the benefits will be such as the premium paid would have purchased at the correct age. If, based on the correct ages, we would not have issued your certificate or insured certain dependents under this certificate, then our responsibility will be to refund the excess premium paid, if any.

Time Limit On Certain Defenses - After this Plan has been in force for two years as respects an Employee, only fraudulent misstatements in the application of that Employee may be used to void his or

her coverage or to deny any claim for loss incurred that starts after the two year period.

No claim for loss incurred that starts after two years from the employee's Effective Date shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description on the date of loss had existed prior to the Employee's Effective Date.

Clerical Error - Clerical error by the policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

Individual Certificate - Continental American will give the policyholder a certificate for each Employee. The certificate will set forth:

1. the coverage;
2. to whom benefits will be paid; and
3. the rights and privileges under the Plan.

Data Required - The policyholder will furnish all information and proofs which Continental American may reasonably require with regard to the Plan.

Conformity With State Statutes - Any provision of this Plan which, on the Effective Date, is in conflict with the laws of the state in which the Plan was issued, will be amended to conform to the minimum requirements of those laws.

SECTION VIII

**BENEFIT SCHEDULE
PLAN I**

HOSPITAL CONFINEMENT Maximum 180 days per confinement	\$150	per day
HOSPITAL ADMISSION Payable once per admission	\$250	per admission
HOSPITAL INTENSIVE CARE Maximum 30 days per confinement	\$150	per day
SURGICAL BENEFIT Maximum \$1,500	See Surgical Schedule	per surgical procedure
MAMMOGRAPHY	\$100.00	per test
PAP SMEAR	\$50.00	per test per calendar year
ANESTHESIA BENEFIT Maximum \$375	25% of the amount paid under Surgical Benefit	per surgical procedure
HOSPITAL EMERGENCY ROOM/ PHYSICIAN		
Maximum \$250/ Insured		per calendar year
Maximum \$1,000/Family		per calendar year
Maximum \$50/per visit		
Physician Charges	\$50	per visit
Laboratory	\$25	per visit
X-Ray	\$50	per visit
Injections/Medications	\$25	per visit
OUT-OF-HOSPITAL PRESCRIPTION DRUG BENEFIT	\$ 10	per prescription
Benefit Maximum per year	5	prescriptions
OUT-OF-HOSPITAL PRESCRIPTION DRUG BENEFIT	\$ 10	per prescription
Benefit Maximum per year	5	prescriptions

SECTION IX

SCHEDULE OF OPERATIONS

PLAN I

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 15.00	Shoulder or Elbow Arthrotomy	\$ 375.00
Acne Surgery	\$ 11.25	Arthroplasty	\$ 600.00
Biopsy	\$ 22.50	Wrist Arthrotomy	\$ 300.00
Excision of Benign Tumor	\$ 30.00	Arthroplasty	\$ 600.00
Excision of Malignant Tumor		Hip Arthrotomy	\$ 525.00
(Trunk, Arms or Legs)	\$ 45.00	Arthroplasty	\$ 750.00
Excision of Malignant Tumor		Knee Arthrotomy	\$ 375.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 750.00
Feet, Gcnetalia)	\$ 75.00	Ankle Arthrotomy	\$ 375.00
Excision of Malignant Tumor		Arthroplasty	\$ 562.50
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 150.00
Membrane)	\$ 112.50		
Excision of Nail	\$ 75.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 15.00	Jaw	\$ 37.50
Repair – Complex Wounds (Linear Repair)	\$ 52.50	Collar Bone (requiring reduction)	\$ 75.00
Repair – Skin Grafts (Single Stage)	\$ 37.50	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 112.50	Or Elbow	\$ 37.50
Electro – surgical destruction of		Wrist	\$ 37.50
Chemocautery	\$ 15.00	Fingers or Toes	\$ 15.00
Chemosurgery – malignancies of skin	\$ 150.00	Hip or Knee	\$ 150.00
		Ankle	\$ 75.00
BREAST			
Biopsy	\$ 112.50	TENDONS	
Excision of Cyst or Benign Tumor	\$ 112.50	Repair or Suture	\$ 90.00
Excision of Chest Wall Tumor	\$ 525.00	Lengthening or Shortening	
Mastectomy, simple	\$ 225.00	(e.g. Achilles tendon)	\$ 225.00
Mastectomy, radical	\$ 525.00		
Mammoplasty, Reconstructive	\$ 1,125.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 562.50
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 262.50
		Finger	\$ 112.50
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 600.00
Spinal Fusion	\$ 600.00	Leg at Knee	\$ 300.00
Spinal Fusion with removal of		Leg above or below knee	\$ 375.00
Intervertebral disc	\$ 600.00	Toe	\$ 75.00
Spinal Fusion of Scoliosis	\$ 900.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 562.50	NOSE	
Nose	\$ 37.50	Excision of Nasal Polyps	
Jaw	\$ 225.00	Submucous resection, Classic Nasal Sept	
Vertabrae, one or more	\$ 225.00		
Collar Bone	\$ 112.50	SINUSES	
Shoulder blade (Scapula)	\$ 412.50	Frontal Sinusotomy – simple	\$ 150.00
Upper Arm	\$ 187.50	Frontal Sinusotomy – radical	\$ 450.00
Lower Arm	\$ 112.50	LARYNX	
Hand	\$ 75.00	Laryngectomy	\$ 750.00
Fingers or Toes	\$ 37.50	Laryngoscopy	\$ 30.00

SECTION X

INCORPORATION OF RIDER PROVISIONS

Dependent Spouse Rider CA18500-DSR(CA)
Dependent Children Rider CA18521-DCR(CA)
Portability Privilege Rider CA1-PR-09
Children Definition Rider CA10040CA

SECTION XI OCCUPATIONAL CLASSIFICATIONS AND SCHEDULE OF PREMIUMS

OCCUPATIONAL CLASSIFICATION

Full-time, benefit eligible employees working at least 16 hours or more per week, and have completed at least 3 months of continuous employment with the Policyholder.

SCHEDULE OF PREMIUMS

California - Semimonthly (24pp/yr)		
PLAN I	Employee	\$17.52
	Employee & Spouse	\$34.84
	Employee & Dependent Children	\$27.04
	Family	\$44.37



CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205
(herein called Continental American)

Based on the application for this Group Supplemental Hospital Indemnity Insurance Policy (herein called the Plan) made by

County of Alameda
(herein called the Policyholder)

and based on the payment of the premium when due, Continental American agrees to pay the benefits provided on the following pages.

This Plan becomes effective at 12:01 a.m. Standard Time at the policyholder's address on the Effective Date shown below. It may be continued in effect by the payment of premiums as provided in Section II. The Plan will terminate as provided in the provision titled "Termination of the Plan" in Section I.

The first anniversary of this Plan will be the Anniversary Date shown below. Subsequent anniversaries of the Plan will be the same date each year thereafter.

All matter printed or written by Continental American on the following pages forms a part of this Plan as if recited over the signatures below. This Plan is a legal contract between Continental American and the policyholder.

This is supplemental to health insurance. It is not a substitute for hospital or medical expense insurance, a health maintenance organization (HMO) contract, or major medical expense insurance.

This Plan is delivered in and is governed by the laws of the jurisdiction shown below.

In witness whereof Continental American has caused this Plan to be executed at its Home Office in Columbia, South Carolina, on the Effective Date.

READ YOUR POLICY CAREFULLY.
Signed for the Company at its Home Office.

A handwritten signature in cursive script, appearing to read "Eugene C. Smith".

President

Signed for the Company at its Home Office.

Group Policy Number - XXXX
Effective Date - July 1, 2012
Anniversary Date - July 1, 2013
Jurisdiction - California
Non-Participating

GROUP POLICY PROVISIONS

- SECTION I** - Eligibility, Effective Date and Termination
- SECTION II** - Premium Provisions
- SECTION III** - Definitions
- SECTION IV** - Benefit Provisions
- SECTION V** - Limitations and Exclusions
- SECTION VI** - Claim Provisions
- SECTION VII** - General Provisions
- SECTION VIII** - Benefit Schedule
- SECTION IX** - Schedule of Operations
- SECTION X** - Incorporation of Rider Provisions
- SECTION XI** - Occupational Classifications and Schedule of Premiums

SECTION I ELIGIBILITY, EFFECTIVE DATE AND TERMINATION

ELIGIBILITY

Employee as used in this Plan, means a person insured under this Plan who is:

1. an Employee of the policyholder, and has served 90 days continuous employment;
2. under age 64; and
3. engaged in full-time work; and
4. included in the class of employees eligible for coverage as shown on the application.

EFFECTIVE DATE

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

The Effective Date for an Employee is as follows:

1. An Employee's insurance will be effective on the date shown on his or her Certificate Schedule provided the Employee is then actively at work.
2. If an Employee is not actively at work on the date coverage would otherwise become effective, the Effective Date of his or her coverage will be the date on which such Employee is first thereafter actively at work.

TERMINATION OF THE PLAN

The Plan will cease if the policyholder fails to pay the premium before the end of the grace period.

After the end of the first Plan year, Continental American has the right to cancel the Plan on the day prior to the date any premium is due by giving 31 days written notice.

The Plan will terminate when the number of participating Employees is less than the number mutually agreed upon by the policyholder and Continental American in writing. Continental American will give 31 days written notice prior to termination.

In these events, this Plan and all certificates issued hereunder will terminate on such date at 12:01 a.m. Standard Time at the policyholder's address. This will be without prejudice to the rights of any Employee as respects any claim arising during the period the Plan is in force.

TERMINATION OF AN EMPLOYEE'S INSURANCE

An Employee's insurance will terminate on the earliest of:

1. the date the Plan is terminated;
2. on the 31st day after the premium due date if the required premium has not been paid;
3. on the date an Employee ceases to meet the definition of an Employee as defined in the Plan;
4. on the premium due date which falls on or first follows the Employee's 70th birthday; or
5. on the date he or she is no longer a member of an eligible class.

Termination of the insurance on any Employee shall be without prejudice to his or her rights as regarding any claim arising prior thereto.

3. is not excluded by name or specific description in this Plan.

Calendar Year – means the period beginning on the Plan Effective Date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

On-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under On-The-Job.

Off-The-Job Benefits - means the benefits we will pay if a covered accident occurs while you are not working at any job for pay or benefits. These benefits are shown in the Benefit Schedule under Off-The-Job.

Monthly Benefit - means a specified amount paid for a period of one month, with any periods of less than one month paid at the daily rate of 1/30th of the monthly amount.

Doctor or Physician - means a person, other than yourself, or a member of your immediate family, who:

1. is licensed by the state to practice a healing art;
2. performs services which are allowed by his or her license; and
3. performs services for which benefits are provided by this Plan.

Family Member means an insured person's spouse, son, daughter, mother, father, sister, or brother.

Hospital - means a place which:

1. is legally licensed and operated as a hospital;
2. provides overnight care of injured and sick people;
3. is supervised by a doctor;
4. has full-time nurses supervised by a registered nurse;
5. has on-site or pre-arranged use of X-ray equipment, laboratory and surgical facilities; and
6. maintains permanent medical history records.

A hospital is not:

1. a nursing home;
2. an extended care facility;
3. a convalescent home;
4. a rest home or a home for the aged;
5. a place for alcoholics or drug addicts; or
6. a mental institution.

Hospital Intensive Care Unit - means a place which:

1. is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care and is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care;
2. is separate and apart from the surgical recovery room and from rooms, beds and wards

- customarily used for patient confinement;
3. is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
 4. is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a twenty four hour basis; and
 5. has a doctor assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit is not any of the following step down units:

1. a progressive care unit;
2. a sub-acute intensive care unit;
3. an intermediate care unit;
4. a private monitored room;
5. a surgical recovery room;
6. an observation unit; or
7. any facility not meeting the definition of a hospital intensive care unit as defined in this Plan.

Your Occupation - means the occupation in which you are regularly engaged at the time you become insured.

Actively at Work - to be considered actively at work, you must perform for a full normal workday the regular duties of your employment at the regular place of business of the group policyholder or at a location to which you may be required to travel to perform the regular duties of your employment.

Full-Time Work - means spending at least 16 hours per week performing your occupational duties.

Elimination Period - means the number of days of hospital confinement that must elapse before benefits become payable. The number of days is shown in the Benefit Schedule. Benefits are not payable, nor do they accrue, during an Elimination Period.

Treatment - means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

SECTION IV

BENEFIT PROVISIONS

The benefit amounts payable are shown in the Benefit Schedule. Coverage terminates on the premium due date which falls on or first follows your 70th birthday; at that time all benefits cease regardless of the maximum benefit.

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the elimination period if any, when you are confined to a hospital as a resident bed patient as the result of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, you must be confined to a hospital within 6 months of the date of the covered accident.

The length of time shown for hospital confinement in the Benefit Schedule is the maximum period for which you can collect benefits for hospital confinements resulting from covered sickness or from injuries received in the same covered accident. If you are not confined to the hospital for a full month, we will pay

benefits on a daily basis; daily benefits will be paid at the rate of 1/30th of the monthly amount.

This benefit is payable for only one hospital confinement at a time even if caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

Hospital Admission - We will pay this benefit when you are admitted to a hospital and confined as a resident bed patient because of injuries received in a covered accident or because of a covered sickness. In order to receive this benefit for injuries received in a covered accident, you must be admitted to a hospital within 6 months of the date of the covered accident.

We will pay the Hospital Admission benefit amount shown in the Benefit Schedule. We will not pay benefits for confinement to an observation unit, or for emergency room treatment or outpatient treatment.

We will pay this benefit once for a period of confinement. We will only pay this benefit once for each covered accident or covered sickness. If you are confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Hospital Intensive Care - If you are confined in a hospital intensive care unit due to an injury received in a covered accident or because of a covered sickness, we will pay the daily benefit amount shown on the Benefit Schedule. In order to receive this benefit for a covered accident, you must be admitted to a hospital intensive care unit within 6 months of the date of the covered accident.

We will pay this amount for each day of such confinement, but not to exceed the maximum benefit period shown on the Benefit Schedule during any one period of confinement.

We will pay benefits for only one confinement in a hospital's intensive care unit at a time, even if it is caused by more than one covered accident, more than one covered sickness or a covered accident and a covered sickness.

If we pay benefits for confinement in a hospital's intensive care unit and you become confined to a hospital's intensive care unit again within 6 months because of the same or related condition, we will treat this confinement as the same period of confinement.

Surgical Benefit - If surgery due to an injury received in a covered accident or because of a covered sickness is performed by a Physician, We will pay the amount for the Surgical Operation shown opposite the procedure listed in the Schedule of Operations up to the maximum shown on the Benefit Schedule per surgical procedure. The surgery can be performed in a Hospital (on an inpatient or outpatient basis), in an Ambulatory Surgical Center, or in a Physician's office.

If an operation is not listed in the Schedule of Operations, We will pay an amount comparable to that which would be payable for the operation listed in the Schedule of Operations which is most nearly similar in severity and complexity.

If two or more surgical procedures are performed at the same time through the same or different incisions, only one benefit, the largest, will be provided.

Mammography Benefit - We will pay this benefit for mammography tests performed while your coverage is in force. We will pay for mammography tests as follows:

1. A baseline mammogram for women age 35 to 39, inclusive;
2. A mammogram for women age 40 to 49, inclusive, every two years or more frequently based on the women's doctors recommendation;
3. A mammogram every year for women age 50 and over.

This benefit is payable up to the maximum amount per test shown in the Benefit Schedule.

We will pay this benefit regardless of the results of the test.

Pap Smear Benefit - We will pay this benefit for pap smear tests performed the while your coverage is in force. We will pay the amount shown in the Benefit Schedule for these tests. This benefit is payable once per calendar year up to the maximum benefit amount per test shown in the Benefit Schedule.

We will pay this benefit regardless of the results of the test.

Anesthesia Benefits - When a surgical procedure is performed that is covered under the Surgical Benefit, We will pay the amount shown in the Schedule Of Operations for anesthesia administered by a Physician in connection with such procedure. Benefits, however, will be 25% of the amount paid under Surgical Benefit.

Hospital Emergency Room/Physician Benefit – If you are injured in a covered accident or have treatment as the result of a covered sickness, We will pay the benefit as shown in the Benefit Schedule for Physician's charges, Laboratory fees, X-rays and Injections/Medications. This benefit is subject to the calendar year maximum shown in the Benefit Schedule.

ADDITIONAL BENEFITS

Out-of-hospital Prescription Drug Benefit - We will pay an indemnity benefit, as shown in the Schedule, for each prescription filled for you. Prescription drugs must meet three criteria; (1) be ordered by a doctor; (2) be dispensed by a licensed pharmacist; and (3) be medically necessary for the care and treatment of the patient. This benefit is subject to the Out-of-hospital Prescription Drug Benefit Maximum, as shown in the Schedule.

This benefit does not include benefits for: (a) therapeutic devices or appliances; (b) experimental drugs; (c) drugs, medicines or insulin used by or administered to a person while they are confined to a hospital, rest home, extended care facility, convalescent home, nursing home or similar institution; (d) immunization agents, biological sera, blood or blood plasma; or (e) contraceptive materials, devices or medications or infertility medication, except where required by law.

SECTION V LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - Pre-existing Condition means within the 12-month period prior to the Effective Date of this Certificate and attached riders, as applicable, those conditions for which medical advice or treatment was received or recommended.

We will not pay benefits for any loss or injury which is caused by, contributed to by, or resulting from a pre-existing condition for 12 months after the Effective Date of a Certificate and attached riders, as

applicable, or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

A claim for benefits for loss starting after 12 months from the Effective Date of a certificate, as applicable, will not be reduced or denied on the grounds that it is caused by a pre-existing condition.

Pregnancy is a "pre-existing condition" if conception was before the effective date of a certificate.

Treatment means consultation, care or services provided by a physician including diagnostic measures and taking prescribed drugs and medicines.

If certificate is issued as a replacement for a certificate previously issued under this Plan, then the pre-existing condition limitation provision of the new certificate applies only to any increase in benefits over the prior certificate. Any remaining period of pre-existing condition limitation of the prior certificate would continue to apply to the prior level of benefits.

EXCLUSIONS

We will not pay benefits for loss caused by pre-existing conditions (except as stated in the previous provision).

We will not pay benefits for loss contributed to, caused by, or resulting from:

1. War - participating in war or any act of war, declared or not, or participating in the armed forces of or contracting with any country or international authority. We will return the prorated premium for any period not covered by this certificate when you are in such service.
2. Suicide - committing or attempting to commit suicide, while sane or insane.
3. Self-Inflicted Injuries - injuring or attempting to injure yourself intentionally.
4. Traveling - traveling more than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahamas, Virgin Islands, Bermuda, and Jamaica, except under the Accidental Common Carrier Death Benefit.
5. Racing - Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
6. Aviation - operating, learning to operate, serving as a crew member on, or jumping or falling from any aircraft, including those which are not motor-driven.
7. Intoxication - being legally intoxicated, or being under the influence of any narcotic, unless such is taken under the direction of a physician.
8. Illegal Acts - participating or attempting to participate in a felony, or working at an illegal job.
9. Sports - participating in any organized sport: professional or semi-professional.
10. Routine physical exams and rest cures.
11. Custodial care. This is care meant simply to help people who cannot take care of themselves.

12. Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including complications.
13. Services performed by a relative.
14. Services related to sex change, sterilization, in vitro fertilization, reversal of a vasectomy or tubal ligation.
15. A service or a supply furnished by or on behalf of any government agency unless payment of the charge is required in the absence of insurance.
16. Elective abortion.
17. Treatment, services, or supplies received outside the United States and its possessions or Canada.
18. Injury or Sickness covered by Worker's Compensation.
19. Dental services or treatment.
20. Cosmetic surgery, except when due to medically necessary reconstructive plastic surgery.
21. Mental or emotional disorders without demonstrable organic disease.
22. Alcoholism, drug addiction, or chemical dependency.

SECTION VI

CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given within 60 days after the covered accident or covered sickness, or as soon as reasonably possible. The notice must be sent to us at our administrative office in Columbia, South Carolina. The notice should include the name of the insured and the certificate number.

Claim Forms - When we receive notice of a claim, we will send you the forms for filing proof of loss. If these forms are not sent to you within 15 days, you will meet the proof of loss requirements by giving us a written statement of the nature and extent of the loss within the time limit stated on the Proof of Loss Section.

Proof of Loss - You must give us written proof within 90 days after the loss for which you are seeking benefits. If it is not reasonably possible to give written proof in the time required, we shall not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the covered accident unless you were legally incapacitated during that time.

Time Of Payment Of Claims - After we receive written proof of loss and process your claim, we will pay monthly all benefits then due for the claims providing a periodic payment. Benefits for any other loss covered by this Plan will be paid as soon as we receive proper written proof.

Payment Of Claims - Benefits will be paid to you. All of the benefits due will be paid to you unless you assign them elsewhere. Any benefits unpaid at the time of your death will be paid in the following order:

1. to any approved assignee;
2. your beneficiary;
3. your surviving spouse;
4. your estate.

Changing Your Beneficiary - You can ask us to change your beneficiary at any time. The request must be in writing and the change must be approved by us. If approved, 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, any premium due and unpaid may be deducted from the claim payment.

Physical Examination And Autopsy - At our expense, we can require you to have a physical examination as often as reasonably necessary while a claim is pending, or an autopsy in the case of death, where allowed by law. This will be done at our expense.

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

1. within 60 days after you have sent us written proof of loss; or
2. more than 6 years from the time written proof is required to be given.

SECTION VII GENERAL PROVISIONS

Entire Contract - The entire contract consists of:

1. the Plan;
2. the application of the policyholder; and
3. your application(s).

All statements made in such application(s) shall, in the absence of fraud, be deemed representations and not warranties. No statement will be used in defense of a claim under this Plan unless:

- a. the statement is in writing signed by the policyholder or by you; and
- b. a copy of that statement is given to the policyholder or to you or to your beneficiary.

Contract Changes - No change in this Plan is valid unless approved by our administrative office and unless such approval is endorsed by an officer and attached to this Plan. No agent has the authority to change this Plan or to waive any of its provisions.

Misstatements of Age - If you incorrectly stated your age or the ages of your dependents, if any, in the application, the benefits will be such as the premium paid would have purchased at the correct age. If, based on the correct ages, we would not have issued your certificate or insured certain dependents under this certificate, then our responsibility will be to refund the excess premium paid, if any.

Time Limit On Certain Defenses - After this Plan has been in force for two years as respects an Employee, only fraudulent misstatements in the application of that Employee may be used to void his or

her coverage or to deny any claim for loss incurred that starts after the two year period.

No claim for loss incurred that starts after two years from the employee's Effective Date shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description on the date of loss had existed prior to the Employee's Effective Date.

Clerical Error - Clerical error by the policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

Individual Certificate - Continental American will give the policyholder a certificate for each Employee. The certificate will set forth:

1. the coverage;
2. to whom benefits will be paid; and
3. the rights and privileges under the Plan.

Data Required - The policyholder will furnish all information and proofs which Continental American may reasonably require with regard to the Plan.

Conformity With State Statutes - Any provision of this Plan which, on the Effective Date, is in conflict with the laws of the state in which the Plan was issued, will be amended to conform to the minimum requirements of those laws.

SECTION VIII

**BENEFIT SCHEDULE
PLAN III**

HOSPITAL CONFINEMENT Maximum 180 days per confinement	\$250	per day
HOSPITAL ADMISSION Payable once per admission	\$500	per admission
HOSPITAL INTENSIVE CARE Maximum 30 days per confinement	\$250	per day
SURGICAL BENEFIT Maximum \$2,500	See Surgical Schedule	per surgical procedure
MAMMOGRAPHY	\$100.00	per test
PAP SMEAR	\$50.00	per test per calendar year
ANESTHESIA BENEFIT Maximum \$625	25% of the amount paid under Surgical Benefit	per surgical procedure
HOSPITAL EMERGENCY ROOM/ PHYSICIAN Maximum \$250/ Insured		per calendar year
Maximum \$1,000/Family		per calendar year
Maximum \$50/per visit		
Physician Charges	\$50	per visit
Laboratory	\$25	per visit
X-Ray	\$50	per visit
Injections/Medications	\$25	per visit
OUT-OF-HOSPITAL PRESCRIPTION DRUG BENEFIT Benefit Maximum per year	\$ 20 5	per prescription prescriptions

SECTION IX

SCHEDULE OF OPERATIONS

PLAN III

INTEGUMENTARY SYSTEM	Maximum		Maximum
	Surgical		Surgical
	Benefit		Benefit
SKIN		JOINTS	
Incision and Drainage of Cyst	\$ 25.00	Shoulder or Elbow Arthrotomy	\$ 625.00
Acne Surgery	\$ 18.75	Arthroplasty	\$ 1000.00
Biopsy	\$ 37.50	Wrist Arthrotomy	\$ 500.00
Excision of Benign Tumor	\$ 50.00	Arthroplasty	\$ 1000.00
Excision of Malignant Tumor		Hip Arthrotomy	\$ 875.00
(Trunk, Arms or Legs)	\$ 75.00	Arthroplasty	\$ 1250.00
Excision of Malignant Tumor		Knee Arthrotomy	\$ 625.00
(Face, Scalp, Ears, Neck, Hands		Arthroplasty	\$ 1250.00
Feet, Genitalia)	\$ 125.00	Ankle Arthrotomy	\$ 625.00
Excision of Malignant Tumor		Arthroplasty	\$ 937.50
(Eyelids, Nose, Lips, Mucous		Hammertoe	\$ 250.00
Membrane)	\$ 187.50		
Excision of Nail	\$ 125.00	DISLOCATIONS	
Repair – Simple Wounds	\$ 25.00	Jaw	\$ 62.50
Repair – Complex Wounds (Linear Repair)	\$ 87.50	Collar Bone (requiring reduction)	\$ 125.00
Repair – Skin Grafts (Single Stage)	\$ 62.50	Shoulder (humerus with anesthesia)	
Repair – Skin Grafts (Multiple Stage)	\$ 187.50	Or Elbow	\$ 62.50
Electro – surgical destruction of		Wrist	\$ 62.50
Chemocautery	\$ 25.00	Fingers or Toes	\$ 25.00
Chemosurgery – malignancies of skin	\$ 250.00	Hip or Knee	\$ 250.00
		Ankle	\$ 125.00
BREAST			
Biopsy	\$ 187.50	TENDONS	
Excision of Cyst or Benign Tumor	\$ 187.50	Repair or Suture	\$ 150.00
Excision of Chest Wall Tumor	\$ 875.00	Lengthening or Shortening	
Mastectomy, simple	\$ 375.00	(e.g. Achilles tendon)	\$ 375.00
Mastectomy, radical	\$ 875.00		
Mammoplasty, Reconstructive	\$ 1875.00	AMPUTATIONS	
		Arm at Shoulder Joint	\$ 937.50
MUSCULOSKELETAL SYSTEM		Arm below Shoulder Joint	\$ 437.50
		Finger	\$ 187.50
BONE OR CARTILAGE GRAFT		Leg at Hip Joint	\$ 1000.00
Spinal Fusion	\$ 1000.00	Leg at Knee	\$ 500.00
Spinal Fusion with removal of		Leg above or below knee	\$ 625.00
Intervertebral disc	\$ 1000.00	Toe	\$ 125.00
Spinal Fusion of Scoliosis	\$ 1500.00		
		RESPIRATORY SYSTEM	
FRACTURES (Requiring Reduction)			
Skull	\$ 937.50	NOSE	
Nose	\$ 62.50	Excision of Nasal Polyps	
Jaw	\$ 375.00	Submucous resection, Classic Nasal Sept	
Vertabrae, one or more	\$ 375.00		
Collar Bone	\$ 187.50	SINUSES	
Shoulder blade (Scapula)	\$ 687.50	Frontal Sinusotomy – simple	\$ 250.00
Upper Arm	\$ 312.50	Frontal Sinusotomy – radical	\$ 750.00
Lower Arm	\$ 187.50	LARYNX	

Hand	\$ 125.00	Laryngectomy	\$ 1250.00
Fingers or Toes	\$ 62.50	Laryngoscopy	\$ 50.00
Upper Leg	\$ 500.00		
Lower Leg	\$ 187.50	TRACHEA AND BRONCHI	
Ankle	\$ 312.50	Tracheotomy	\$ 250.00
Foot	\$ 125.00	Bronchoscopy	\$ 187.50
		Closure of Tracheotomy	\$ 312.50
LUNGS			
Thoracotomy	\$ 625.00	Fistulotomy	\$ 125.00
Pneumonotomy	\$ 750.00	Sphincterotomy	\$ 62.50
Pneumonocentesis	\$ 62.50	Fissurectomy or Hemorrhoidectomy	\$ 250.00
Thoracentesis	\$ 37.50	Removal of External Hemorrhoids	\$ 37.50
Pneumonectomy, total	\$ 1250.00	Aspiration biopsy of liver, pancreas	
Wedge Resection of Lung,		Or bile duct	\$ 62.50
Single or Multiple	\$ 1000.00	Cholecystotomy	\$ 625.00
Thoracoscopy (including biopsy)	\$ 250.00	Cholecystectomy	\$ 750.00
		Pancreatectomy – partial	\$ 1000.00
CARDIOVASCULAR SYSTEM		Pancreatectomy – total	\$ 1750.00
		Laparotomy	\$ 500.00
HEART		Hemiotomy	\$ 437.50
Heart Transplant	\$ 2500.00		
Catheterization of Heart	\$ 187.50	URINARY SYSTEM	
Suture of Heart wound or injury	\$ 1250.00	Nephrolithotomy	\$ 1000.00
Valvotomy, aortic and pulmonic valve	\$ 1875.00	Renal Biopsy	\$ 62.50
Valvotomy, mitral valve	\$ 1,750.00	Nephrectomy	\$ 1000.00
Valvutoplasty or Replacement		Lithotripsy	\$ 625.00
Aortic and mitral valve	\$ 2,500.00	Kidney Transplant	\$ 1562.50
Coronary Bypass, single or multiple	\$ 2,500.00	Cystotomy	\$ 625.00
Repair of Myocardial Aneurysm	\$ 2,500.00	Cystectomy – partial	\$ 875.00
Repair of Septal Defect	\$ 2,250.00	Cystectomy – complete	\$ 1250.00
Angioplasty, percutaneous	\$ 1,250.00	Urethroscopy or Cystoscopy	\$ 62.50
Pervenous or Transvenous insertion of		Cystoplasty	\$ 1000.00
Pacemaker	\$ 625.00	Dilation of Urethra	\$ 25.00
ARTERIES		GENTAL SYSTEM	
Arterlotomy, extramity	\$ 750.00		
Thromboendarterectomy	\$ 1500.00	MALE	
Carotid endurterectomy	\$ 1500.00	Circumcision	\$ 37.50
Excision and graft, Abdominal Aortic		Orchlectomy	\$ 250.00
Aneurysm	\$ 1,875.00	Reduction of Torsion of Testis	\$ 375.00
Injection – Varicose Veins	\$ 12.50	Excision of Epididymis, Hydrocele,	
		Varicocale	\$ 375.00
HEMIC AND LYPHATIC SYSTEMS		Vasectomy	\$ 187.50
Splenectomy	\$ 750.00	Biopsy, Prostate	\$ 208.33
Biopsy of Lymph Node	\$ 62.50	Prostatectomy – partial	\$ 1000.00
Radical Lymphadenectomy	\$ 637.50	Prostatectomy – radical	\$ 1250.00
DIGESTIVE SYSTEM		FEMALE	
Gastrotomy	\$ 625.00	Hysterectomy, Vaginal or Abdominal	\$ 750.00
Gastrectomy, Total	\$ 1250.00	Hysterectomy, radical for cancer	
Gastrectomy, Partial	\$ 1000.00	Including lymph nodes	\$ 1250.00
Gastrosocopy	\$ 187.50	Salpingo – oophorectomy	\$ 562.50
Gastro		Repair of cystocele or rectocele	\$ 437.50

Gastrorrhaphy	\$ 625.00	Repair of cystocele and rectocele	\$ 650.00
Enterectathy	\$ 750.00	Tubal Ligation	\$ 500.00
Enterectomy	\$ 875.00	Biopsy or removal of cervical lesion	
Colostomy	\$ 1000.00	Or polyp	
Enterostomy	\$ 625.00	Dilation and curettage	\$ 187.50
Enterolysis	\$ 500.00	Myomectomy	\$ 625.00
Diverticulectomy	\$ 625.00	Repair of utrine suspension	\$ 500.00
Appendectomy	\$ 500.00	Cesarian Section	\$ 625.00
Proctectomy	\$ 1250.00	Obstetrical Delivery	\$ 250.00
Protosigmoidoscopy	\$ 37.50	Amniocentesis	\$ 62.50
Proctoplasty	\$ 500.00		
ENDOCRINE SYSTEM			
Incision and drainage of			
Thyroid Gland	\$ 37.50		
Local excision of thyroid cyst			
Or adenoma	\$ 500.00		
Thyroidectomy or parathyroidectomy	\$ 875.00		
Adrenalectomy	\$ 1000.00		
NERVOUS SYSTEM			
Burr Holes	\$ 375.00		
Cranioplasty	\$ 1250.00		
Craniotomy or Craniectomy	\$ 500.00		
Laminectomy	\$ 1250.00		
Spinal Puncture	\$ 25.00		
Paravertebral block, lumbar,			
Or thoracic nerve	\$ 62.50		
Median nerve decompression (Carpal Tunnel)	\$ 375.00		
EYE			
Removal of eye	\$ 500.00		
Excision of pteryglum	\$ 312.50		
Sclerotomy – anterior	\$ 625.00		
Sclerotomy – posterior	\$ 375.00		
Iridectomy	\$ 625.00		
Extraction of lens (including			
Cataract extraction)	\$ 1000.00		
Reattachment of retina	\$ 1250.00		
Muscle operation (one or more muscles)	\$ 750.00		
Excision of lacrimal gland or sac	\$ 625.00		
EAR			
Drainage of abscess	\$ 25.00		
Otoscopy	\$ 25.00		
Myringotomy	\$ 37.50		
Tympanotomy (diagnostic)	\$ 625.00		
Tympanotomy with insertion of			
Collar Button Tube	\$ 312.50		
Mastoidectomy – simple	\$ 625.00		
Tympanoplasty	\$ 1250.00		
Labyrinthotomy or Labyrinthectomy	\$ 1250.00		

SECTION X

INCORPORATION OF RIDER PROVISIONS

Dependent Spouse Rider CA18500-DSR(CA)
Dependent Children Rider CA18521-DCR(CA)
Portability Privilege Rider CAI-PR-09
Children Definition Rider CA10040CA

SECTION XI OCCUPATIONAL CLASSIFICATIONS AND SCHEDULE OF PREMIUMS

OCCUPATIONAL CLASSIFICATION

Full-time, benefit eligible employees working at least 16 hours or more per week, and have completed at least 3 months of continuous employment with the Policyholder.

SCHEDULE OF PREMIUMS

California - Semimonthly (24pp/yr)		
PLAN III	Employee	\$27.30
	Employee & Spouse	\$54.28
	Employee & Dependent Children	\$41.07
	Family	\$68.04