

## **ACE INA PRIVACY STATEMENT**

The ACE INA group of companies strongly believes in maintaining the privacy of information we collect about individuals. We want you to understand how and why we use and disclose the collected information. The following provides details of our practices and procedures for protecting the security of nonpublic personal information that we have collected about individuals. This privacy statement applies to policies underwritten by the ACE INA group member companies listed below.

### **INFORMATION WE COLLECT**

The information we collect will vary depending on the type of product or service individuals seek or purchase, and may include:

- Information we receive from individuals, such as their name, address, age, phone number, social security number, assets, income, or beneficiaries;
- Information about individuals' transactions with us, with our affiliates, or with others, such as policy coverage, premium, payment history, motor vehicle records; and
- Information we receive from a consumer reporting agency, such as a credit history.

### **INFORMATION WE DISCLOSE**

We do not disclose any personal information to anyone except as is necessary in order to provide our products or services to a person, or otherwise as we are required or permitted by law.

We may disclose any of the information that we collect to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

### **THE RIGHT TO VERIFY THE ACCURACY OF INFORMATION WE COLLECT**

Keeping information accurate and up to date is important to us. Individuals may see and correct their personal information that we collect except for information relating to a claim or a criminal or civil proceeding.

### **CONFIDENTIALITY AND SECURITY**

We restrict access to personal information to our employees, our affiliates' employees, or others who need to know that information to service the account or in the course of conducting our normal business operations. We maintain physical, electronic, and procedural safeguards to protect personal information.

### **CONTACTING US**

If you have any questions about this privacy statement or would like to learn more about how we protect privacy, please write to us at ACE INA Customer Services, P.O. Box 1000, 436 Walnut Street, WA04F, Philadelphia, PA 19106. Please include the policy number on any correspondence with us.



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ACE American Insurance Company

**NOTICE CONCERNING  
COVERAGE LIMITATIONS AND EXCLUSIONS  
UNDER THE LIFE AND HEALTH INSURANCE  
GUARANTY CORPORATION SUBTITLE**

Residents of this state who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Maryland Life and Health Insurance Guaranty Corporation. The purpose of this is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Corporation will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the guaranty corporation is not unlimited, however. And, as noted in the box below, the protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

**The Maryland Life and Health Insurance Guaranty Corporation may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Maryland Life and Health Insurance Guaranty Corporation in selecting an insurance company or in selecting an insurance policy.**

**Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the Insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.**

**Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Corporation to induce you to purchase any kind of insurance policy.**

**The Maryland Life and Health Insurance  
Guaranty Corporation  
9199 Reisterstown Road  
P.O. Box 671 - Suite 216C  
Owings Mills, Maryland 21117  
(410) 998-3907**

The state law that provides for this safety-net coverage is called the Maryland Life and Health Insurance Guaranty Corporation Act.

The Corporation is not a department or unit of the State of Maryland and the liabilities or debts of the Life and Health Insurance Guaranty Corporation are not liabilities or debts of the State of Maryland.

Following is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the law or the rights or obligations of the guaranty corporation.

## **COVERAGE**

Generally, individuals will be protected by the Life and Health Insurance Guaranty Corporation if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are NOT protected by this Corporation if:

- they are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state;
- the insurer was not authorized to do business in this state;
- their policy was issued by a Health Maintenance Organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessment, or by an insurance exchange.

The Corporation also does NOT provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance unless assumption certificates have been issued;
- interest rate yields that exceed an average rate;
- any portion of a policy or contract to the extent that it provides dividends;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals).

## **LIMITS ON AMOUNT OF COVERAGE**

The statute also limits the amount that the corporation is obligated to pay. The Corporation cannot pay more than the amount the insurance company would owe under a policy or contract. Also, with respect to any one life, regardless of the number of policies or contracts with the member insurer, the corporation will pay maximum of \$300,000 even if the policies or contracts provide different types of coverage. Within this overall \$300,000 limit, the corporation will not pay more than \$100,000 in cash surrender values, \$300,000 in health insurance benefits, \$100,000 in present value of annuities, or \$300,000 in life insurance death benefits -- again, no matter how many policies and contracts the insured has with the member company, and no matter how many different types of coverage.



ACE American Insurance Company  
Philadelphia, PA 19106  
800.352.4462

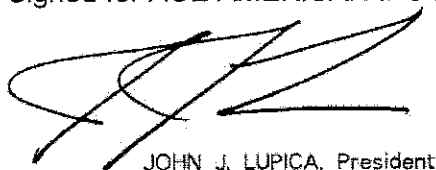
**Blanket Accident Policy**

**POLICYHOLDER:** Baltimore City Auxiliary Police  
**POLICY NUMBER:** PTP N01883471  
**POLICY EFFECTIVE DATE:** April 18, 2006  
**POLICY TERM:** April 18, 2006 to April 18, 2007  
**STATE OF DELIVERY:** Maryland

This policy takes effect at 12:01 A.M. Eastern Standard Time on the Policy Effective Date shown above. It will remain in effect for the duration of the Policy Term shown above if the premium is paid according to the agreed terms. This Policy terminates at 12:00 A.M. Eastern Standard Time, on the last day of the Policy Term and unless the Policyholder and We agree to continue coverage under this Policy for an additional Policy Term. If coverage is continued for an additional Policy Term and the required premiums are paid on or before the premium due date, We will issue a rider to identify the new Policy Term.

This Policy is governed by the laws of the state in which it is delivered.

Signed for ACE AMERICAN INSURANCE COMPANY at Philadelphia, Pennsylvania



JOHN J. LUPICA, President



GEORGE D. MULLIGAN, Secretary

**THIS IS A BLANKET ACCIDENT INSURANCE POLICY. IT PAYS BENEFITS FOR SPECIFIC  
LOSSES FROM ACCIDENT ONLY.  
BENEFITS ARE NOT PAID FOR LOSS DUE TO SICKNESS.  
PLEASE READ THE POLICY CAREFULLY.**

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## SCHEDULE OF BENEFITS

**PREMIUM DUE DATE:** On or before the Policy Effective Date, and subsequently, on the Renewal Date, if the Policy is renewed for an additional term.

**AGGREGATE LIMIT:**

Benefit Maximum: \$500,000

We will not pay more than the Benefit Maximum for all losses per Covered Accident. If, in the absence of this provision, We would pay more than Benefit Maximum for all losses from one Covered Accident, then the benefits payable to each person with a valid claim will be reduced proportionately, so the total amount We will pay is the Benefit Maximum.

**CLASSES OF ELIGIBLE PERSONS:**

A person may be insured only under one Class of Eligible Persons even though he or she may be eligible under more than one class.

Class 1 All Volunteer Auxiliary Police Members and Chaplains of the Policyholder.

**COVERED ACTIVITIES:** Volunteer Activities Coverage

**SCOPE OF COVERAGE:** Coordination of Benefits

**A. ACCIDENTAL DEATH & DISMEMBERMENT BENEFITS**

Principal Sum: \$50,000

Time Period for Accident: 365 days from the date of a Covered Accident

**B. ACCIDENT MEDICAL EXPENSE BENEFITS**

Benefit Maximum: \$50,000

Maximum Benefit Period: 104 weeks from the date of the Covered Accident

Dental Maximum: \$100 per tooth up to a maximum of \$1,000

Deductible: \$100

**C. DISABILITY BENEFITS (Temporary Total Disability)**

Benefit Waiting Period: 7 days from the date of the Covered Accident

Maximum Benefit Period: 104 weeks from the date of the Covered Accident

Weekly Benefit Amount: \$200

**INITIAL PREMIUM RATES:** \$2,962.00 for the Policy Term

## DEFINITIONS

Please note, certain words used in this document have specific meanings. These terms will be capitalized throughout the document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the *Schedule of Benefits*.

**“Covered Accident”** means an accident that occurs while coverage is in force for a Covered Person and results directly and independently of all other causes in a loss or Injury covered by the Policy for which benefits are payable.

**“Covered Activity”** means any activity that the Policyholder requires the Covered Person to attend, or that is under its supervision and control listed in the *Schedule of Benefits* and insured under the Policy.

**“Covered Expenses”** means expenses actually incurred by or on behalf of a Covered Person for treatment, services and supplies covered by the Policy. Coverage under the Policyholder's Policy must remain continuously in force from the date of the Covered Accident until the date treatment, services or supplies are received for them to be a Covered Expense. A Covered Expense is deemed to be incurred on the date such treatment, service or supply, that gave rise to the expense or the charge, was rendered or obtained.

**“Covered Loss” or “Covered Losses”** means an accidental death, dismemberment or other Injury covered under the Policy.

**“Covered Person”** means any eligible person, including Dependents if eligible for coverage under the Policy, who applies for coverage and for whom the required premium is paid. If the cost for this insurance is paid for by the Policyholder, individual applications are not required for an eligible person to be a Covered Person.

**“Deductible”** means the dollar amount of Covered Expenses that must be incurred as an out-of-pocket expense by each Covered Person per Injury basis before Accident Medical Expense Benefits and/or other Additional Benefits paid on an expense incurred basis are payable under the Policy.

**“Doctor”** means a licensed health care provider acting within the scope of his or her license and rendering care or treatment to a Covered Person that is appropriate for the conditions and locality. It will not include a Covered Person or a member of the Covered Person's Immediate Family or household.

**“Hospital”** means an institution that: 1) operates as a Hospital pursuant to law for the care, treatment, and providing of in-patient services for sick or injured persons; 2) provides 24-hour nursing service by Registered Nurses on duty or call; 3) has a staff of one or more licensed Doctors available at all times; 4) provides organized facilities for diagnosis, treatment and surgery, either: (i) on its premises; or (ii) in facilities available to it, on a pre-arranged basis; 5) is not primarily a nursing care facility, rest home, convalescent home, or similar establishment, or any separate ward, wing or section of a Hospital used as such; and 6) is not a place for drug addicts, alcoholics, or the aged.

**“Injury”** means accidental bodily harm sustained by an Insured that results directly and independently from all other causes, except terrorism, from a Covered Accident. The Injury must be caused solely through external, violent and accidental means. All injuries sustained by

one person in any one Covered Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

**"Insured"** means a person in a Class of Eligible Persons for whom the required premium is paid making insurance in effect for that person.

**"Medical Emergency"** means a condition caused by an Injury that manifests itself by symptoms of sufficient severity that a prudent lay person possessing an average knowledge of health and medicine would reasonably expect that failure to receive immediate medical attention would place the health of the person in serious jeopardy.

**"Medically Necessary"** means a treatment, service or supply that is: 1) required to treat an Injury; 2) prescribed or ordered by a Doctor or furnished by a Hospital; 3) performed in the least costly setting required by the Covered Person's condition; and 4) consistent with the medical and surgical practices prevailing in the area for treatment of the condition at the time rendered. Purchasing or renting 1) air conditioners; 2) air purifiers; 3) motorized transportation equipment; 4) escalators or elevators in private homes; 5) eye glass frames or lenses; 6) hearing aids; 7) swimming pools or supplies for them; and 8) general exercise equipment are not Medically Necessary. A service or supply may not be Medically Necessary if a less intensive or more appropriate diagnostic or treatment alternative could have been used. We may, at Our discretion, consider the cost of the alternative to be the Covered Expense.

**"Usual and Customary Charge"** means the average amount charged by most providers for treatment, service or supplies in the geographic area where the treatment, service or supply is provided.

**"We", "Our", "Us"** means the insurance company underwriting this insurance or its authorized agent.



## **ELIGIBILITY FOR INSURANCE**

Each person in one of the Classes of Eligible Persons shown in the *Schedule of Benefits* is eligible to be insured on the Policy Effective Date, or the day after he or she becomes eligible, if later. We maintain the right to investigate eligibility status and attendance records to verify eligibility requirements are met. If We discover the eligibility requirements are not met, Our only obligation is to refund any premium paid for that person.

## **EFFECTIVE DATE OF INSURANCE**

An Eligible Person will be insured on the later of Policy Effective Date or the date he or she is eligible, if not required to contribute to the cost of this insurance.

If an Eligible Person or Dependent is not in Active Service on the date insurance would otherwise be effective, it will be effective on the date he or she returns to Active Service. Any Dependent's insurance will not be in effect prior to the date an Eligible Person is insured.

## **TERMINATION DATE OF INSURANCE**

An Insured's coverage will end on the earlier of the date:

1. the policy terminates;
2. the Insured is no longer eligible; or
3. the period ends for which premium is paid.

## **EXTENSION OF BENEFITS**

Termination does not affect a claim for Covered Loss due to a Covered Accident that occurs before the termination date. We will extend benefits under the Policy for a Covered Person if coverage would otherwise end if, on that date he or she is confined in a hospital or Totally Disabled as a result of a condition covered by the Policy until the earlier of:

1. The date the Covered Person is discharged from the hospital, ceases to be Totally Disabled; or
2. 12 months after the date coverage terminates.

"Total Disability" or "Totally Disabled" means, a Covered Person, because of a Covered Accident, is unable to perform the substantial and material duties of his or her occupation for a period of at least twelve (12) months. After the initial benefit period, total disability means the Covered Person's inability to perform the duties of any occupation for which he or she is or may reasonably become qualified based on education, training or experience.

Any benefits payable under this provision will not exceed the benefit maximums shown in the Schedule of Benefits.

## **DESCRIPTION OF BENEFITS**

The following Provisions explain the benefits available under the Policy. Please see the *Schedule of Benefits* for the applicability of these benefits on a class level.

## A. ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

If Injury to the Covered Person results, within the Time Period for Accident shown in the *Schedule of Benefits*, in any one of the losses shown below, We will pay the Benefit Amount shown below for that loss. The Principal Sum is shown in the *Schedule of Benefits*. If multiple losses occur, only one Benefit Amount, the largest, will be paid for all losses due to the same Covered Accident.

### Schedule of Covered Losses

Covered Loss	Benefit Amount
Life .....	100% of the Principal Sum
Two or more Members .....	100% of the Principal Sum
Heart Failure .....	100% of the Principal Sum
One Member .....	50% of the Principal Sum
Thumb and Index Finger of the Same Hand .....	25% of the Principal Sum

"Heart Failure" means death because the heart ceases to beat due to failure of the heart to maintain adequate circulation of blood provoked by participation in a Covered Activity.

"Member" means Loss of Hand or Foot, and Loss of Sight. "Loss of Hand or Foot" means complete Severance through or above the wrist or ankle joint. "Loss of Sight" means the total, permanent Loss of Sight of one eye. "Loss of a Thumb and Index Finger of the Same Hand" means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand). "Severance" means the complete separation and dismemberment of the part from the body.

## B. ACCIDENT MEDICAL EXPENSE BENEFITS

We will pay Accident Medical Expense Benefits for Covered Expenses that result directly, and from no other cause, from a Covered Accident. These benefits are subject to the Deductible, Maximum Benefit Period, Benefit Maximum and other terms or limits shown in the *Schedule of Benefits*.

Accident Medical Expense Benefits are only payable:

1. for Usual and Customary Charges incurred after the Deductible has been met;
2. for those Medically Necessary Covered Expenses that the Covered Person receives; and
3. if the first incurred expenses are within 60 days from the date of the Covered Accident.

No benefits will be paid for any expenses incurred that, in Our judgment, are in excess of Usual and Customary Charges.

### Covered Medical Expenses

1. Hospital Room and Board Expenses: the daily room rate when a Covered Person is Hospital Confined and general nursing care is provided and charged for by the Hospital. In computing the number of days payable under this benefit, the date of admission will be counted but not the date of discharge.
2. Ancillary Hospital Expenses: services and supplies including operating room, laboratory tests, anesthesia and medicines (excluding take home drugs) when Hospital Confined.

3. Medical Emergency Care (room and supplies) Expenses: incurred within 72 hours of a Covered Accident and including the attending Doctor's charges, X-rays, laboratory procedures, use of the emergency room and supplies.
4. Outpatient Surgical Room and Supply Expenses for use of the surgical facility.
5. Outpatient diagnostic X-rays, laboratory procedures and tests.
6. Doctor Non-Surgical Treatment/Examination Expenses (excluding medicines) including the Doctor's initial visit, each necessary follow-up visit and consultation visits when referred by the attending Doctor.
7. Doctor's Surgical Expenses (as shown in the *Schedule of Benefits*). If an Injury requires multiple surgical procedures through the same incision, We will pay only one benefit, the largest of the procedures performed. If multiple surgical procedures are performed during the same operative session but through different incisions, We will pay as shown in the *Schedule of Benefits* for the most expensive procedure and 50% of covered expenses for the additional surgeries.
8. Assistant Surgeon Expenses when Medically Necessary.
9. Anesthesiologist Expenses for pre-operative screening and administration of anesthesia during a surgical procedure whether on an inpatient or outpatient basis.
10. Outpatient Laboratory Test Expenses
11. Physiotherapy Expenses on an inpatient or outpatient basis limited to one visit per day (as shown in the *Schedule of Benefits*); Expenses include treatment and office visits connected with such treatment when prescribed by a Doctor, including diathermy, ultrasonic, whirlpool, or heat treatments, adjustments, manipulation, massage or any form of physical therapy.
12. X-ray Expenses (including reading charges) but not for dental X-rays.
13. Diagnostic Imaging Expenses: including Magnetic Resonance Imaging (MRI) and CAT Scan.
14. Dental Expenses including dental x-rays for the repair or treatment of each injured tooth that is whole, sound and a natural tooth at the time of the Covered Accident.
15. Ambulance Expenses for transportation from the emergency site to the Hospital.
16. Rehabilitative braces or appliances prescribed by a Doctor. It must be durable medical equipment that 1) is primarily and customarily used to serve a medical purpose; 2) can withstand repeated use; and 3) generally is not useful to a person in the absence of Injury. No benefits will be paid for rental charges in excess of the purchase price.
17. Prescription Drug Expenses (for injuries only) prescribed by a Doctor and administered on an outpatient basis.

18. Medical Equipment Rental Expenses for a wheelchair or other medical equipment that has therapeutic value for a Covered Person. We will not cover computers, motor vehicles or modifications to a motor vehicle, ramps and installation costs, eyeglasses and hearing aids.
19. Medical Services and Supplies: expenses for blood and blood transfusions; oxygen and its administration.
20. Home Health Care Expenses for care and treatment including: a) part-time nursing care by or supervised by a registered graduate nurse; b) part-time home health aid services; c) physical, speech and occupational therapies when ordered by an attending Doctor and approved by Us; d) nutritional counseling; e) medical social services by a qualified social worker. Home Health care must begin within 5 straight days after discharge from a Hospital, Extended Care Facility or Rehabilitation Care Facility.

### **C. Disability Benefit**

We will pay the Disability Benefit shown in the *Schedule of Benefits* if the Covered Person is Totally Disabled as a direct result of, and from no other cause but, a Covered Accident within 30 days from the date of the Covered Accident. Disability Benefits will begin when:

1. the applicable Benefit Waiting Period shown in the *Schedule of Benefits* for this benefit is satisfied; and
2. the Covered Person provides satisfactory proof of Temporary Total Disability to Us.

Benefit Payments will end on the first of the following dates:

1. the date the Covered Person dies; or
2. the date the Covered Person is no longer Temporarily Totally Disabled; or
3. the date the Maximum Benefit Period for this benefit ends; or
4. the date the Covered Person fails to submit satisfactory proof of continuing Temporary Total Disability or is no longer under the care of a Doctor; or
5. the date the Covered Person reaches age 70.

"Total Disability" or "Totally Disabled" means, due to an Injury from a Covered Accident, the Covered Person:

1. if employed, cannot do any work for which the Covered Person is, or may become, qualified by reason of education, experience or training; and
2. if not employed, cannot perform the normal and customary activities of a healthy person of like age and sex.

## **SCOPE OF COVERAGE**

### **Coordination Of Benefits**

If a Covered Person is eligible for benefits under this policy and any other plan, We will pay benefits as explained in this provision.

"Plan" means a group insurance plan or health service corporation group membership plan or any other group benefit plan providing medical or dental care benefits or services. These group coverages include: a) group or blanket insurance coverage, or any other group type contract or provision; b) service plan contracts, group practice and other pre-payment group coverage; c) any coverage under labor-management trustee plans, union welfare plans, employer and

employee plans; and coverage under any government program, including Medicare, and any coverage required or provided by law. A primary plan pays benefits first. A secondary plan pays a reduced amount of benefits that when added to the benefits paid by the primary plan will not be more than the Allowable Expenses.

"Allowable Expenses" means any necessary, reasonable and customary item of expense, a part of which is covered by at least one of the Plans covering the Covered Person.

During any Policy year or benefit period, the sum of the benefits that are payable by Us and those benefits that are payable from another Plan may not be more than the Allowable Expenses. During any Policy year or benefit period, We may reduce the amount We pay so that this reduced amount plus the amount payable by the other Plans will not be more than the Allowable Expenses.

Allowable Expenses under the other Plan include benefits that would have been payable if a claim had been made.

However, if: 1) the other Plan contains a section that provides for determining its benefits after Our benefits have been determined; and 2) the order of benefit determination stated in this Policy would require Us to determine benefits before the other Plan, then the benefits of such other Plan will be ignored in determining the benefits We will pay.

This Policy determines its order of benefits using the first of the following rules that applies:

1. If the other Plan does not have a Coordination of Benefits, that Plan pays first.
2. The benefits of the Plan that covers the person as an employee, member or subscriber are determined before those of the Plan that covers the person as a Dependent.
3. If this Policy and another Plan cover the same child as a Dependent of different parents who are not divorced or who are separated or divorced:
  - a. the benefits of the Plan of the parent whose birthday falls earlier in the year (without regard to the year of birth) are paid before the benefits of the Plan of the parent whose birthday falls later in the year;
  - b. if both parents have the same birthday, the benefits of the Plan that covered the parent longer pays benefits before the benefits of the Plan that covered the other parent for a shorter time.

However, if the Plans do not agree on the order of benefits, the rule of the other Plan will determine the order of benefits.

4. If two or more Plans cover a person as a Dependent child of divorced or separated parents, benefits will be determined in this order:
  - a. first, the Plan of the parent with custody of the child;
  - b. then, the Plan of the spouse of the parent with custody of the child; and
  - c. finally, the Plan of the parent not having custody of the child.
5. If none of the above rules determines the order of benefits, the benefits of the Plan that covered an employee, member or subscriber longer are determined before those of the Plan that covered that person for the shorter time.

In order to determine how this provision should apply, We may without further consent or notice release to, or obtain from, any other insurance company or organization, any necessary information. Any person claiming benefits under the Policy shall give Us the information We need to implement this provision. We will give the Covered Person notice of this exchange of claim and benefit information when the claim is filed.

Whenever payments are made by another Plan that should have been paid under this Policy, We shall pay any amount required to satisfy our share of the benefits paid. Any amounts paid in this way will be considered benefits paid under the Policy. Any payment made in good faith will end our liability to the extent of the payment.

If We pay benefits for Allowable Expenses that exceed our obligation under this provision, We may recover the excess payment. We may recover these excess payments from any person for whom benefits were paid, or from any person or organization to which benefits were paid, or from any other insurer, service plan, or other organization.

### **HAZARDS INSURED AGAINST**

We will pay benefits described in this Policy when a Covered Person suffers a loss or Injury as a result of a Covered Accident during one of the Covered Activities listed in the *Schedule of Benefits*. We will only pay benefits if the Insured is engaged in one of the hazards described below when the Covered Accident occurs. Unless otherwise specified, We pay benefits only once for any one Covered Accident, even if it is covered by more than one hazard.

#### **Volunteer Activities Coverage**

The Covered Accident must take place while:

1. participating in activities sponsored and supervised by the organization; or
2. traveling with a group in connection with such activities.

#### **Aircraft Restrictions**

If the Covered Accident happens while a Covered Person is riding in, or getting on or off of, an aircraft, We will pay benefits, but only if:

- a) he or she is riding as a passenger only, and not as a pilot or member of the crew; and
- b) the aircraft has a valid certificate of airworthiness; and
- c) the aircraft is flown by a pilot with a valid license; and
- d) the aircraft is not being used for: (i) crop dusting, spraying, or seeding; fire fighting; sky writing; sky diving or hang gliding; pipeline or power line inspection; aerial photography or exploration; racing, endurance tests, stunt or acrobatic flying; or (ii) any operation which requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on).
- e) the aircraft is a military transport aircraft flown by the U.S. Military Airlift Command (MAC), or a similar air transport service of another country.

**Owned Aircraft Not Covered** – Benefits will not be paid if the aircraft is owned, leased or controlled by the Policyholder, or any of the Policyholder's affiliates. An aircraft will be deemed "controlled" by the Policyholder if the Policyholder may use it for more than 10 straight days, or more than 15 days in any year.

### **EXCLUSIONS**

We will not pay benefits for any loss or Injury that is caused by, or results from:

1. intentionally self-inflicted Injury.
2. suicide or attempted suicide.
3. war or any act of war, whether declared or not.

4. service in the military, naval or air service of any country.
5. sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food.
6. piloting or serving as a crewmember or riding in any aircraft except as a fare-paying passenger on a regularly scheduled or charter airline (except as provided by the Policy).
7. the Covered Person's commission of, or attempt to commit, a felony.
8. alcoholism, drug addiction or the use of any drug or narcotic except as prescribed by a Doctor.

In addition to the exclusions above, We will not pay Accident Medical Expense Benefits for any loss, treatment or services resulting from or contributed to by:

1. Treatment by persons employed or retained by a Policyholder, or by any Immediate Family or member of the Covered Person's household.
2. Treatment of sickness, disease or infections except pyogenic infections or bacterial infections that result from the accidental ingestion of contaminated substances.
3. Treatment of hernia, Osgood-Schlatter's Disease, osteochondritis, appendicitis, osteomyelitis, cardiac disease or conditions, pathological fractures, congenital weakness, hernia, detached retina unless caused by an Injury, or mental disorder or psychological or psychiatric care or treatment (except as provided in the Policy), whether or not caused by a Covered Accident.
4. Pregnancy, childbirth, miscarriage, abortion or any complications of any of these conditions.
5. Mental and Nervous Disorders (except as provided in the Policy).
6. Damage to or loss of dentures or bridges, or damage to existing orthodontic equipment (except as specifically covered by the Policy).
7. Expense incurred for treatment of temporomandibular or craniomandibular joint dysfunction and associated myofascial pain (except as provided by the Policy).
8. Injury covered by Workers' Compensation, Employer's Liability Laws or similar occupational benefits or while engaging in activity for monetary gain from sources other than the Policyholder.
9. Injury or loss contributed to by the use of drugs unless administered by a Doctor.
10. Cosmetic surgery, except for reconstructive surgery needed as the result of an Injury.
11. Any elective treatment, surgery, health treatment, or examination, including any service, treatment or supplies that: (a) are deemed by Us to be experimental; and (b) are not recognized and generally accepted medical practices in the United States.
12. Eyeglasses, contact lenses, hearing aids, wheelchairs, braces, appliances, examinations or prescriptions for them, or repair or replacement of existing artificial limbs, orthopedic braces, or orthotic devices.
13. Expenses payable by any automobile insurance policy without regard to fault. (This exclusion does not apply in any state where prohibited).
14. Conditions that are not caused by a Covered Accident.
15. Participation in any activity or hazard not specifically covered by the Policy.
16. Any treatment, service or supply not specifically covered by the Policy.

### **CLAIM PROVISIONS**

**Notice Of Claim:** A claimant must give Us or Our authorized representative written (or authorized electronic or telephonic) notice of claim within 90 days after any loss covered by the

Policy occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible. This notice should identify the Covered Person and the Policy Number.

**Claim Forms:** Upon receiving written notice of claim, We will send claim forms to the claimant within 15 days after Notice of Claim is received. If We do not furnish such claim forms, the claimant will satisfy the requirements of written proof of loss by sending the written (or authorized electronic or telephonic) proof as shown below. The proof must describe the occurrence, extent and nature of the loss.

**Proof Of Loss:** Written (or authorized electronic or telephonic) proof of loss must be sent to the agent authorized to receive it. Written (or authorized electronic or telephonic) proof must be given within 90 days after the date of loss. The Insured must provide written proof of Disability within 90 days after the beginning of the period for which We are liable. The Insured must provide written proof of continuing Disability at intervals that We may reasonably require.] If it cannot be provided within that time, it should be sent as soon as reasonably possible.

**Claimant Cooperation Provision:** Failure of a claimant to cooperate with Us in the administration of a claim may result in the termination of a claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

**Time Payment Of Claims:** Any benefits due will be paid immediately when We receive written (or authorized electronic or telephonic) proof of loss.

**Payment Of Claims:** If the Insured dies, any death benefits or other benefits unpaid at the time of the Insured's death will be paid to the beneficiary our records indicate the Insured designated for these plan benefits.

If there is no named beneficiary or surviving beneficiary on record with us or Our authorized agent, We pay benefits in equal shares to the first surviving class of the following: 1) Spouse; 2) Children; 3) Parents; 4) Brothers and sisters. If there are no survivors in any of these classes, We will pay the Insured's estate.

All other benefits will be paid to the Insured. If the Insured is: (1) a minor; or (2) in Our opinion unable to give a valid release because of incompetence, We may pay any amount due to a parent, guardian, or other person actually supporting him or her. Any payment made in good faith will end Our liability to the extent of the payment.

**Payment of Hospital Services:** the benefit paid for hospital services will be based on the rate approved by the Health Services Cost Review Commission.

**Beneficiary:** The Insured may designate a beneficiary. The Insured has the right to change the beneficiary at any time by written (or electronic and telephonic) notice. If the Covered Person is a minor, his or her parent or guardian may exercise this right for him or her. The change will be effective when We or Our authorized agent receive it. When received, the effective date is the date the notice was signed. We are not liable for any payments made before the change was received. We cannot attest to the validity of a change.

The Insured is the beneficiary for any covered Dependent.



**Assignment:** At the request of the Covered Person or his or her parent or guardian, if the Covered Person is a minor, medical benefits may be paid to the provider of service. Any payment made in good faith will end our liability to the extent of the payment.

**Physical Examinations And Autopsy:** We have the right to have a Doctor of Our choice examine the Covered Person as often as is reasonably necessary. This section applies when a claim is pending or while benefits are being paid. We also have the right to request an autopsy in the case of death, unless the law forbids it. We will pay the cost of the examination or autopsy.

**Legal Actions:** No lawsuit or action in equity can be brought to recover on this Policy: (1) before 60 days following the date proof of loss was given to Us; or (2) after 3 years following the date proof of loss is required.

### **ADMINISTRATIVE PROVISIONS**

**Premiums:** The premiums for this Policy will be based on the rates currently in force, the plan and amount of insurance in effect.

**Changes In Premium Rates:** We may change the premium rates from time to time with at least 45 days advanced written, or authorized electronic or telephonic notice. No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12 month period. However, We reserve the right to change rates at any time if any of the following events take place.

1. The terms of the Policy change.
2. A division, subsidiary, affiliated organization or eligible class is added or deleted from the Policy.
3. There is a change in the market factors or factors bearing on the risk assumed.
4. Any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

If an increase or decrease in rates takes place on a date that is not a Premium Due Date, a pro rata adjustment will apply from the date of the change to the next Premium Due Date.

**Payment of Premium:** The first Premium is due on the Policy Effective Date. If any premium is not paid when due, the Policy will be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

**Policy Grace Period:** A Policy Grace Period of 31 days will be granted for the payment of the required premiums. The Policy will remain in force during the Grace Period. If the required premiums are not paid during the Policy Grace Period, insurance will end on the last Premium Due Date on which required premiums were paid. The Policyholder will be liable to Us for any unpaid premium for the time the Policy was in force.

### **GENERAL PROVISIONS**

**Entire Contract; Changes:** The Policy (including any endorsements or amendments), the signed application of the Policyholder, and any individual applications of Covered Persons, are the entire contract. Any statements made by the Policyholder or Covered Persons will be treated as representations and not warranties. No such statement shall void the insurance.

reduce the benefits, or be used in defense of a claim for loss incurred unless it is contained in a written application.

To be valid, any change or waiver must be in writing (or authorized electronic or telephonic communications). It must be signed by our President or Secretary and be attached to the Policy. No agent has authority to change or waive any part of the Policy.

**Incontestability:** Absent fraud, all statements made by the Policyholder in the written application or by the Insured are deemed representations and not warranties. No such written application made to effectuate insurance will cause Us to deny or reduce benefits or be used as a defense to a claim, unless a copy of the instrument containing the statement is, or has been, furnished to such person. In case of death or incapacity of the Insured such statement will be furnished to the Insured's beneficiary or representative.

**Policy Effective Date And Termination Date:** The Policy begins on the Policy Effective Date at 12:01 AM Eastern Standard Time at the address of the Policyholder where this Policy is delivered. We may terminate the Policy by giving 45 days advance notice in writing (or authorized electronic or telephonic means) to the Policyholder subject to the grace period. Either We or the Policyholder may terminate this Policy on any Premium Due Date by giving 45 days advance written (or authorized electronic or telephonic) notice to the other party. This Policy may be terminated at any time by mutual written or authorized electronic/telephonic consent of the Policyholder and Us. This Policy terminates automatically on the earlier of: 1) the end of the Policy Term; or 2) the Premium due date if Premiums are not paid when due. Termination takes effect at 12:01 AM Eastern Standard Time at the Policyholder's address on the date of termination.

**Clerical Error:** If a clerical error is made, it will not affect the insurance of any Covered Person. No error will continue the insurance of a Covered Person beyond the date it should end under the Policy terms.

**Examination Of Records And Audit:** We shall be permitted to examine and audit the Policyholder's books and records at any time during the term of the Policy and within 2 years after the final termination of the Policy as they relate to the premiums or subject matter of this insurance.

**Certificates Of Insurance:** Where it is required by law, or upon the request of the Policyholder, We will make available certificates outlining the insurance coverage and to whom benefits are payable under the Policy.

**Conformity With State Laws:** On the effective date of this Policy, any provision that is in conflict with the laws in the state where it is issued is amended to conform to the minimum requirements of such laws.

**Not In Lieu Of Workers' Compensation:** This Policy is not a Workers' Compensation policy. It does not provide Workers' Compensation benefits.

**Misstatement of Age:** If an Insured's age has been misstated, We adjust all benefits to the amounts that would have been purchased at the correct age.

**Subrogation:** We may recover any benefits paid under the Policy to the extent an Insured is paid for the same Injury by a third party, another insurer, or the Insured's uninsured motorists

insurance. We may only be reimbursed to the amount of the Insured's recovery. Further, We have the right to offset future benefits payable to the Insured under the Policy against such recovery.

We may file a lien in an Insured's action against the third party and have a lien on any recovery that the Insured receives whether by settlement, judgment, or otherwise, and regardless of how such funds are designated. We shall have a right to recovery of the full amount of benefits paid under the Policy for the Injury, and that amount shall be deducted first from any recovery made by the Insured. Our reasonable costs of collection and attorney's fees shall be paid by the Insured and Us in the proportion of the amount the Insured and We have benefits from the recovery.

Upon request the Insured must complete the required forms and return them to Us or Our authorized agent. The Insured must cooperate fully with Us or Our representative in asserting its right to recover. The Insured will be personally liable for reimbursement to Us to the extent of any recovery obtained by the Insured from any third party. If it is necessary for Us to institute legal action against the Insured for failure to repay Us, the Insured will be personally liable for all costs of collection, including reasonable attorneys' fees.