CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205

800.433.3036

CERTIFICATE OF INSURANCE FOR SUPPLEMENTAL HOSPITAL INDEMNITY POLICY

THIS CERTIFICATE IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE
IT IS DESIGNED TO SUPPLEMENT A MAJOR MEDICAL PROGRAM.

CERTIFICATE INDEX

We certify that you are insured under the Supplemental Hospital Indemnity Policy (herein called the Plan) issued to your employer, the policyholder, subject to the definitions, exclusions and other provisions of the Plan against loss resulting from Hospital Confinement.

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

The Effective Date of your certificate is as shown in the Certificate Schedule if you are on that date actively at work for the policyholder. If not, this certificate will become effective on the next date you are actively at work as an eligible Employee. This certificate will remain in effect for the period for which the premium has been paid. This certificate may be continued for further periods as stated in the Plan.

This certificate is issued in consideration of the payment in advance of the required premium and of your statements and representations in the application. A copy of your application is attached and made a part of this certificate.

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

NO RECOVERY FOR PRE-EXISTING CONDITIONS--READ CAREFULLY. No benefits will be provided during the first twelve months of this certificate for conditions for which medical advice or treatment was received or recommended during the twelve-month period prior to an Insured's effective date.

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

SECTION I **DEFINITIONS**

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

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 your employer or at a location to which you may be required to travel to perform the regular duties of your employment.

Adopted Children - means children for which a decree of adoption has been entered by you or for whom adoption proceedings have been instituted by you.

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.

Children - means all of your newborn children, adopted children, foster children, children of Dependents if dependent upon you for federal income tax purposes and children for whom you are required to provide medical support. They must be unmarried and less than twenty-five (25) years of age. However, if any dependent child is incapable of self-sustaining employment due to mental retardation or physician handicap and is dependent on you for support, such age of twenty-five (25) years shall not apply. Proof of such incapacity and dependency must be furnished to us within thirty-one (31) days following such 25th birthday.

Covered Accident - means an accident, which occurs on or after an Insured's Effective Date, while the Insured's coverage is in force, and which is not specifically excluded.

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 an Insured's coverage is in force; and
2. was not treated or for which an Insured did not receive advice within 12 months before his effective date; and
3. is not excluded by name or specific description in this Plan.

Dependent(s) - means your spouse and/or Children as herein defined.

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.

Employee means a person who is included in the class of people eligible for coverage shown on the Master Application.

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 physician;
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 physician 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.

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

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

Insured(s) - means:

1. if individual coverage is issued, Insured includes only you;
2. if employee and spouse coverage is issued, Insureds includes you and your Spouse;
3. if one-parent coverage is purchased, then Insureds include you and your Children;
4. if family coverage is purchased, then Insureds include you, your Spouse and your Children;
5. If this is one-parent or family coverage as defined in 3 and 4 above:

    a. Newborn children of you and/or your insured spouse shall be covered from birth, but we must be given notice of the birth within 31 days for coverage to continue beyond 31 days. Foster children shall be eligible for coverage on the same basis upon placement in the foster home.
    b. Children for whom a suit for adoption has been filed by you and/or your insured spouse shall be covered at your option either within 31 days after the suit for adoption is filed or within 31 days of the date the adoption is final.
    c. Your grandchildren shall be covered if they are your dependents for federal income tax purposes, or if you must provide medical support under an order issued under Section 14.061, Family Code, or enforceable order by a Texas court.

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.

Newborn Children - means your or your spouse's natural children and newborn children for whom a decree of adoption has been entered (or for whom adoption proceedings have been instituted) within thirty-one (31) days after the date of the child's birth.

Physician - means a person, other than an Insured, or a member of his immediate family, who:

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

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

Spouse - means your legal husband or wife.

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

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

You, Your means an Employee insured under this certificate.

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

SECTION II PREMIUMS AND INDIVIDUAL TERMINATIONS

PREMIUMS

The initial premium shown in the Certificate Schedule is the premium covering the period from the Effective Date to the next renewal date of this certificate. Renewal premiums will be in accordance with the schedule of premium rates in effect at the time of renewals as set forth in the Plan.

GRACE PERIOD

The 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, coverage under the Plan will stay in force.

WAIVER OF PREMIUM

If you are continuously confined to a hospital for 14 days because of injuries received in a covered accident or because of a covered sickness, we will waive each premium that becomes due. Wavier of premiums will end on the first premium due date after you are discharged from the hospital or after 12 months whichever occurs first. You must then resume payment of premiums for this certificate to remain in force.

During any period for which we have waived a premium, this certificate will remain in force and will be subject to all of the other applicable provisions.

CERTIFICATE TERM
The first term of this certificate starts on the Effective Date in the Certificate Schedule. It ends on the first renewal date also shown. Later terms will be the periods for which renewal premiums are paid when due. All terms will begin and end at 12:01 A.M., Standard Time, at the policyholder's address. The renewal premium for each term will be due on the day preceding term end, subject to the grace period.

INDIVIDUAL TERMINATIONS
Your 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 you cease to meet the definition of an Employee as defined in the Plan;
4. on the premium due date which falls on or first follows your 70th birthday; or
5. on the premium due date following the date you are no longer a member of an eligible class.

Termination of any Insured's coverage under this certificate shall be without prejudice to his rights as regarding any claim arising prior thereto.

CONTINUATION
When your coverage would otherwise terminate under the Plan because you ended employment with the Policyholder, you may elect to continue your coverage under this Certificate without submitting evidence of insurability. You may continue the same benefits, as shown in the Benefit Schedule, you had on the date your employment terminated.

Coverage may not be continued if you fail to pay any required premium.

To keep this insurance in force you must:

1. make written application to Us within 31 days after the date this certificate would otherwise terminate; and
2. pay the required premium to Us no later than 31 days after the date this certificate would otherwise terminate.

Insurance will cease on the date you fail to pay any required premium or the Plan terminates.

If you qualify for this continuation privilege as described, then the same monthly benefits, Plan provisions and premium rate as shown in this certificate as previously issued will apply.

SECTION III BENEFIT PROVISIONS

The benefit amounts payable are shown in the Benefit Schedule.

Hospital Admission - We will pay this benefit when an Insured is 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, an Insured 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 an Insured is confined to the hospital because of the same or related injury or sickness, we will not pay this benefit again.

Hospital Confinement - We will pay this benefit in the amount shown in the Benefit Schedule, subject to the elimination period if any, when an Insured is 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, an Insured 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 an Insured can collect benefits for hospital confinements resulting from covered sickness or from injuries received in the same covered accident. If an Insured 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 Intensive Care - If an Insured is 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, an Insured 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 an Insured 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.

The Hospital Confinement Benefit is not payable in addition to this benefit.

SECTION IV LIMITATIONS AND EXCLUSIONS

PRE-EXISTING CONDITION LIMITATION

PRE-EXISTING CONDITION - Pre-existing Condition means within the 12-month period prior to the Insured's Effective Date, 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 Insured's Effective Date or for 12 months from the date medical care, treatment, or supplies were received for the pre-existing condition, whichever is less.

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

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 this 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. Illegal Acts - participating or attempting to participate in an illegal activity, or working at an illegal job.

5. Mental or emotional disorders without demonstrable organic disease

6. Alcoholism, drug addiction, or chemical dependency.

SECTION V CLAIM PROVISIONS

Notice of Claim - Written notice of claim must be given to us 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 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 or covered sickness 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 certificate 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 accrued benefits unpaid at the time of an Insured's death may be paid to their estate.

Unpaid Premium - When a claim is paid, any premium due and unpaid may be deducted from the claim payment.

SECTION VI 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 certificate unless:

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

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

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

Time Limit On Certain Defenses - We rely of the statements you made in the application when issuing this certificate. After this certificate has been in force for two years, we cannot cancel it or refuse to pay benefits because of any misstatements in the application unless you fraudulently made them.

Physical Examination And Autopsy - At our expense, we can require an Insured 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 certificate:

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.

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

SECTION VII **BENEFIT SCHEDULE**

HIGH

HOSPITAL ADMISSION Payable once per admission	$500	per admission
HOSPITAL CONFINEMENT Maximum 365 days per confinement	$150	per day
HOSPITAL INTENSIVE CARE Maximum 365 days per confinement	$300	per day

CONTINENTAL AMERICAN INSURANCE COMPANY

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ENHANCED GROUP CONTINUATION RIDER

This Rider is part of the Certificate to which it is attached. We have issued this Rider because:

- You paid the additional premium for this Rider, **and**
- We have accepted your Application.

The Continuation Privilege—as well as any other references to continuation—in the Certificate and previously attached Rider(s), if applicable, are deleted and replaced by this Rider.

Unless amended by this Rider, all Certificate definitions, exclusions, limitations, terms, and other provisions apply.

Effective Date

If issued at the same time as the Certificate, this Rider becomes effective when the Certificate becomes effective. If issued after the Certificate, this Rider will have a later Effective Date provided that you are actively at work on that date.

Continuation Privilege

When an Employee ends employment with the Employer and his coverage would terminate, that Employee may elect to continue the coverage he had on the date his employment ended, including any in-force Spouse or Dependent Child coverage.

- To keep his Certificate in force, the Employee must:
  - Apply to the Company in writing within 31 days after the date his Certificate would terminate, **and**
  - Pay the required premium to the Company no later than 31 days after the date the Certificate would terminate and on each premium due date thereafter.

- Continued coverage will end:
  - 31 days after the date the Employee fails to pay any required premium .,**or**
  - When the coverage is terminated by the Company.

When the Group Policy is terminated by the Policyholder and a current Employee's coverage would terminate, that Employee may apply to continue the coverage he had on the date the Group Policy was terminated, including any in-force Spouse or Dependent Child coverage. If an Employee qualifies for this Continuation Privilege, then the Company will apply the same Benefits, Plan Provisions, and Premium Rate as shown in his previously issued Certificate.

- To keep his Certificate in force, the Employee must:

- Apply to the Company in writing within 31 days after the date his Certificate would terminate, **and**
- Pay the required premium to the Company no later than 31 days after the date the Certificate would terminate and on each premium due date thereafter.

- Continued coverage will end:
  - 31 days after the date the Employee fails to pay any required premium .**or**,
  - When coverage is terminated by the Company.

General Provisions

Time Limit on Certain Defenses

After two years from the Insured's Effective Date of coverage, the Company may not void coverage or deny a claim for any loss because of misstatements made on the Insured's Application. This does not apply to fraudulent misstatements.

- This Rider is part of the Certificate to which it is attached and will terminate when that Certificate terminates, or when premiums are no longer paid for this Rider.
- This Rider is subject to all the terms of the Certificate to which it is attached unless any such items are inconsistent with the terms of this Rider.

Signed for the Company at its Home Office,

Paul S. Amos II, President

J. Matthew Loudermilk, Secretary

CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205

800.433.3036

Child or Children Age 26 Amendment

This Amendment is a part of the document to which it is attached. Unless hereby amended, Policy, Certificate, and Rider Definitions, Exclusions and Limitations, and other terms and conditions apply to this Amendment.

The definition of Child or Children is expanded to include your natural children, step-children, foster children, adopted children, or children placed for adoption, *who are under age 26*.

Child or Children also include grandchildren, if:

- they are the employee's dependents for federal income tax purposes, or
- the employee must provide medical support under an order issued under Chapter 154, Family Code, or under any such order enforceable by a court in this state.

To meet the definition of Child or Children, grandchildren must be unmarried and under age 26.

Coverage on a Child or Children will terminate on the child's 26th birthday. However, if any child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on his parent(s) for support, the above termination at age twenty-six (26) shall not apply. Proof of such incapacity and dependency must be furnished to the Company within thirty-one (31) days following the child's 26th birthday.

This Amendment is subject to all of the terms of the document to which it is attached unless any such terms are inconsistent with the terms of this Amendment.

Signed for the Company at its Home Office,

Paul S. Amos II, President

J. Matthew Loudermilk, Secretary

CONTINENTAL AMERICAN INSURANCE COMPANY

Home Office: 2801 Devine Street, Columbia, South Carolina 29205

800.433.3036

AMENDMENT
TO CERTIFICATE OF INSURANCE FOR
SUPPLEMENTAL HOSPITAL INDEMNITY COVERAGE

This Amendment is part of the Certificate to which it is attached. Unless amended by this document, all Certificate definitions, exclusions, limitations, terms, and other provisions apply. For the purpose of this Amendment, "you" (including "your" and "yours") refers to the Insured named in the Certificate Schedule.

Effective Date
This Amendment becomes effective on the Certificate Effective Date.

Definitions
The definition of **Covered Sickness** is deleted and **replaced** with the following:

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 policy is in force; **and**
2. Is not excluded by name or specific description in this certificate.

Pre-Existing Condition Limitation
The Pre-existing Condition Limitation under the Limitations and Exclusions section is deleted.

General Provisions

This Amendment is part of the Supplemental Hospital Indemnity Certificate to which it is attached. It will terminate when that Certificate terminates.

This Amendment is subject to all of the terms of the Certificate to which it is attached unless those terms are inconsistent with this Amendment.

Signed for the Company at its Home Office,

Paul S. Amos II, President

J. Matthew Loudermilk, Secretary

IMPORTANT NOTICE

To obtain information or make a complaint:

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

1-800-433-3036

You may also write to Continental American Insurance Company at:

2801 Devine Street
Post Office Box 1807
Columbia, South Carolina 29205

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

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.u

PREMIUM OR CLAIM DISPUTES:
Should you have a dispute concerning your premium or about a claim you should contact Continental American Insurance Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:
This notice is for information only and does not become a part or condition of the attached document

AVISO IMPORANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Continental American Insurance Company para informacion o para someter una queja al:

1-800-433-3036

Usted tambien puede escribir a Continental American Insuance Company at:

2801 Devine Street
Post Office Box 1807
Columbia, South Carolina 29205

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:
Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con Continental American Insurance Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:
Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

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

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

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

Eligibility for Protection by the Association

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

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

Limits of Protection by the Association

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

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

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

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

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

These limits are applied for each insolvent insurance company.

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

Texas Life, Accident, Health and Hospital
Service Insurance Guaranty Association
6505 Bridge Point Parkway, Suite 450
Austin, Texas 78730
(800)-982-6362 or www.txlifega.org

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

NOTICE OF PRIVACY PRACTICES – PROTECTED HEALTH INFORMATION

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. The terms of this Notice of Privacy Practices – Protected Health Information ("Notice") apply to Protected Health Information (defined below) associated with Health Plans (defined below) issued by American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company (collectively, "we," "our," or "Aflac"). This Notice describes how CAIC may use and disclose Protected Health Information to carry out payment and health care operations, and for other purposes that are permitted or required by law.

We are required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") to maintain the privacy of Protected Health Information and to provide our policyholders and certificateholders with notice of our legal duties and privacy practices concerning Protected Health Information. In the event applicable law, other than HIPAA, prohibits or materially limits our uses and disclosures of Protected Health Information, as set forth below, we will restrict our uses or disclosure of your Protected Health Information in accordance with the more stringent standard. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all Protected Health Information maintained by us. If we make material changes to our privacy practices, we will mail copies of revised notices to all policyholders and certificateholders then covered by a Health Plan. Copies of our current Notice may be obtained by contacting CAIC at the telephone number or address below, or on our Web site at www.aflacgroupinsurance.com.

DEFINITIONS

Health Plan means, for purposes of this Notice, the following plans issued by CAIC: dental, specified disease (e.g., cancer), hospital indemnity and other coverages that meet the definition of Health Plan contained in HIPAA. The following products are not considered Health Plans: coverage only for accident, or disability income insurance, or any combination thereof, life insurance, and other coverages that do not meet the definition of Health Plan contained in HIPAA.

Protected Health Information ("PHI") means individually identifiable health information, as defined by HIPAA, that is created or received by CAIC and that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or for which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes information of persons living or deceased, unless the person has been deceased more than 50 years.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

The following categories describe different ways that we use and disclose PHI. For each category of uses and disclosures we will explain what we mean and, where appropriate, provide examples for illustrative purposes. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted or required to use and disclose PHI will fall within one of the categories.

Uses and Disclosures for Payment – We may make requests, uses, and disclosures of your PHI as necessary for payment purposes. For example, we may use information regarding your medical procedures and treatment to process and pay claims. We may also disclose your PHI for the payment purposes of a health care provider or another Health Plan.

Uses and Disclosures for Health Care Operations – We may use and disclose your PHI as necessary for our health care operations. Examples of health care operations include underwriting, premium rating, or other activities relating to the creation, renewal, or replacement of a Health Plan, reinsurance, compliance, auditing, rating, business management, quality improvement and assurance, and other functions related to your Health Plan. Although underwriting falls within the definition of health care operations, we will not use or disclose genetic information for purposes of underwriting. Genetic information is defined under the Genetic Information Nondiscrimination Act (GINA).

Family and Friends Involved in Your Care – If you are available and do not object, we may disclose your PHI to your family, friends, and others who are involved in your care or payment of a claim. If you are unavailable or incapacitated and we determine that a limited disclosure is in your best interest, we may share limited PHI with such individuals. For example, we may use our professional judgment to disclose PHI to your spouse concerning the processing of a claim. If you do not wish CAIC to share PHI with your spouse or others, you may exercise your right to request a restriction on CAIC's disclosures of your PHI (see below).

Business Associates – Certain aspects and components of our services are performed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our duly-appointed insurance agents and vendors that help us process your claims. At times it may be necessary for us to provide certain of your PHI to one or more of these outside persons or organizations.

Other Products and Services – We may contact you to provide information about other health-related products and services that may be of interest to you. For example, we may use and disclose your PHI for the purpose of communicating to you about our health insurance products that could enhance or substitute for existing Health Plan coverage, and about health-related products and services that may add value to your Health Plan.

Other Uses and Disclosures – We may make certain other uses and disclosures of your PHI without your authorization:

- We may use or disclose your PHI for any purpose required by law. For example, CAIC may be required by law to use or disclose your PHI to respond to a court order.
- We may disclose your PHI for public health activities, such as reporting of disease, injury, birth and death, and for public health investigations.
- We may disclose your PHI to the proper authorities if we suspect child abuse or neglect; we may also disclose your PHI if we believe you to be a victim of abuse, neglect, or domestic violence.
- We may disclose your PHI if authorized by law to a government oversight agency (e.g., a state insurance department) conducting audits, investigations, or civil or criminal proceedings.
- We may disclose your PHI in the course of a judicial or administrative proceeding (e.g., to respond to a subpoena or discovery request).
- We may disclose your PHI to the proper authorities for law enforcement purposes.
- We may disclose your PHI to coroners, medical examiners, and/or funeral directors consistent with law.
- We may use or disclose your PHI for cadaveric organ, eye or tissue donation.
- We may use or disclose your PHI for research purposes, but only as permitted by law.
- We may use or disclose PHI to avert a serious threat to health or safety.
- We may use or disclose your PHI if you are a member of the military as required by armed forces services, and we may also disclose your PHI for other specialized government functions such as national security or intelligence activities.
- We may disclose your PHI to workers' compensation agencies for your workers' compensation benefit determination.
- We will, if required by law, release your PHI to the Secretary of the Department of Health and Human Services for enforcement of HIPAA.

Your Authorization – Except as outlined above, we will not use or disclose your PHI unless you have signed a form authorizing the use or disclosure. Specifically, most uses and disclosures of psychotherapy notes, uses or disclosures for marketing purposes and disclosures that constitute a sale of PHI require an authorization. You have the right to revoke that authorization in writing except to the extent that we have taken action in reliance upon the authorization or that the authorization was obtained as a condition of obtaining insurance, and we have the right, under other law, to contest a claim under the plan itself.

- The following are examples of when your authorization would be required prior to use and disclosure:
  - Most uses and disclosures of your psychotherapy notes.
  - Uses and disclosures of your PHI for marketing purposes.
  - Uses and disclosures that constitute a sale of PHI.

Breach of Unsecured PHI – If CAIC or a Business Associate of CAIC causes a breach to occur that involved your unsecured PHI, we are required by law to notify you of the incident.

RIGHTS THAT YOU HAVE

Access to Your PHI – You have the right to copy and/or inspect certain PHI that we maintain about you. Certain requests for access to your PHI must be in writing, must state that you want access to your PHI and must be signed by you or your representative (e.g., requests for medical records provided to us directly from your health care provider). We must provide you with access to your PHI in the form or format requested by you, if it is readily producible in such form or format, or, if not, in a form or format agreed upon by you and CAIC. Access request forms are available from CAIC at the address below. We may charge you a fee for copying and postage. We may deny your request for access in certain very limited circumstances, such as request to access psychotherapy notes.

Amendments to Your PHI – You have the right to request that PHI that we maintain about you be amended or corrected. We are not obligated to make all requested amendments but will give each request careful consideration. To be considered, your amendment request must be in writing, must be signed by you or your representative, and must state the reasons for the amendment/correction request. Amendment request forms are available from CAIC at the address below.

Accounting for Disclosures of Your PHI – You have the right to receive an accounting of certain disclosures made by us of your PHI. Examples of disclosures that we are required to account for include those to state insurance departments, pursuant to valid legal process, or for law enforcement purposes. To be considered, your accounting requests must be in writing and signed by you or your representative. Accounting request forms are available from CAIC at the address below. The first accounting in any 12-month period is free; however, we may charge you a fee for each subsequent accounting you request within the same 12-month period.

Restrictions on Use and Disclosure of Your PHI – You have the right to request restrictions on certain of our uses and disclosures of your PHI for insurance payment or health care operations, disclosures made to persons involved in your care, and disclosures for disaster relief purposes. For example, you may request that we not disclose your PHI to your spouse. Your request must describe in detail the restriction you are requesting. HIPAA does not require us to agree to your request but we will accommodate reasonable requests when appropriate. We retain the right to terminate an agreed-to restriction if we believe such termination is appropriate. In the event of a termination by us, we will notify you of such termination. You also have the right to terminate, in writing or orally, any agreed-to restriction. Requests for a restriction (or termination of an existing restriction) may be made by contacting CAIC at the telephone number or address below.

However, we are authorized by law to refuse to honor any request to restrict disclosures for treatment, payment or health care operations. Nonetheless, we will comply with a restriction request if (i) the disclosure is to the Health Plan for purposes of carrying out payment or healthcare operations, except as otherwise required by law, (ii) the PHI relates solely to a health care item or service for which the healthcare provider involved has been paid out-of-pocket in full.

Request for Confidential Communications – You have the right to request that communications regarding your PHI be made by alternative means or at alternative locations. For example, you may request that messages not be left on voice mail or sent to a particular address. We are required to accommodate reasonable requests if you inform us that disclosure of all or part of your information could place you in danger. Requests for confidential communications must be in writing, signed by you or your representative, and sent to CAIC at the address below.

Right to a Copy of the Notice – You have the right to a paper copy of this Notice upon request by contacting CAIC at the telephone number or address below.

Complaints – If you believe your privacy rights have been violated, you can file a complaint with CAIC in writing at the address below. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington, D.C., within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

FOR FURTHER INFORMATION

If you have questions or need further assistance regarding this Notice, you may contact CAIC's Privacy Office by writing to: CAIC, Attn: Privacy Office, P.O. Box 427, Columbia, SC 29202, or by calling 1-800-433-3036.

EFFECTIVE DATE

This Notice is effective August 16, 2013.

PRIVACY PRACTICES

Protecting the privacy and confidentiality of information about our customers is very important to American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company (CAIC), and Continental American Life Insurance Company collectively, "Aflac"). Accordingly, we strive to comply with each of the following practices in everything we do:

- **We do not sell, rent, lease or otherwise disclose personal information of our customers for purposes unrelated to our products and services.** The personal information of our customers is of paramount importance to us. Therefore, we provide this information only to our employees, agents and third parties as required to allow them to help us develop and provide our insurance and employee benefit products and services.

- **We work to ensure information integrity and security.** We use technology tools and design our business practices to help ensure that the personal information of our customers is properly gathered, stored and processed. We also work to maintain the security of, and internal and external access to, the personal information of our customers through the use of technology and our business practices.

- **We expect our agents and employees to respect the personal information of our customers.** Aflac has business policies and practices in place to help ensure that our employees and agents carry out these practices and otherwise protect personal information about our customers. Both employees and agents are subject to censure, dismissal, or termination for violation of these policies.

These Privacy Practices apply to our U.S. customers. Due to legal and cultural differences, our practices may vary outside the United States.

PRIVACY NOTICE

Aflac and our agents provide this notice to let you know about the current privacy practices of Aflac and our agents. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

Collection of Information

As part of Aflac's normal underwriting and operating procedures, Aflac (and our agents acting on our behalf) needs to obtain information to determine an individual's eligibility for our products and services, and to perform our insurance functions. Aflac and our agents may collect nonpublic personal information (which includes both nonpublic personal financial information and nonpublic personal health information) about Aflac's customers, including:

- Information from our customers (including names, addresses, financial and health information).
- Information about the customers' transactions with Aflac or our agents (including claims and payment information).
- Information from consumer reporting agencies (including creditworthiness and credit history); motor vehicle records agencies (including accident reports and violations); investigators (including information regarding general character and participation in hazardous activities); insurance support organizations such as the Medical Information Bureau, Inc. (including claims, and health and insurance application histories); and the customers' health care providers (including health history), employers (including salary and benefits information), and family members.

Disclosure of Information

Aflac may disclose the nonpublic personal financial information we collect, as described above, as well as information about your transactions with us (such as your plan coverage, premiums, and payment history) to our agents or other third parties who perform services or functions on our behalf, including in some circumstances the marketing of Aflac products. We may also disclose the nonpublic personal financial information we collect to other third parties as authorized by you, or as required or permitted by law.

Our agents will make disclosures of our customers' nonpublic personal financial information only while acting on Aflac's behalf and, furthermore, will make such disclosures only as Aflac itself is permitted to make.

Neither Aflac nor our agents will use or share with other parties any nonpublic personal health information about Aflac customers for any purpose other than disclosures for the performance of insurance functions by Aflac or on our behalf, disclosures that are permitted or required by law, or disclosures that the customer has authorized.

Neither Aflac nor our agents will further disclose any nonpublic personal information about a former customer of Aflac other than as may be required or permitted by law.

Confidentiality and Security

Aflac and our agents will safeguard, according to strict standards of security and confidentiality, any information we collect, receive or maintain about Aflac's customers. Aflac maintains administrative, technical, and physical safeguards to ensure the security and confidentiality of our customer information and records, to protect against anticipated threats or hazards to such records, and to protect against unauthorized access to or use of such information or records.

Internally, Aflac limits access to our customers' information to only those employees who need access to the information to perform their job functions. Employees who misuse information are subject to disciplinary actions. Externally, we do not disclose customer information to any third parties unless we have previously informed the customer of the disclosure, have been authorized to do so by the customer, or are required or permitted to make the disclosure by law or our regulators.

NOTICE OF INFORMATION PRACTICES

Arizona, California, Connecticut, Georgia, Illinois, Maine, Massachusetts, Minnesota, Nevada, New Jersey, North Carolina, Ohio, Oregon, and Virginia require insurers and agents to describe their information practices in addition to providing a Privacy Notice. There is significant overlap between the two notices, but in general our Information Practices include the following: Aflac may obtain information about you and any other persons proposed for insurance. Some of this information will come from you and some may come from other sources. That information and any other subsequent information collected by Aflac may in some circumstances be disclosed to third parties without your specific consent. Residents of these states have the right to access and correct the information collected about them except information that relates to a claim or to a civil or criminal proceeding. They also have the right to receive the specific reason for an adverse underwriting decision in writing. If you wish to have a more detailed explanation of our information practices required by your state, please submit a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

NOTICE OF PRIVACY PRACTICES - PROTECTED HEALTH INFORMATION

If you would like a copy of Aflac's Notice of Privacy Practices - Protected Health Information, issued pursuant to the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), copies are available by sending a written request to: Continental American Insurance Company, ATTN: Privacy Office, P.O. Box 427, Columbia, SC 29202.

Continental American Insurance Company (CAIC), a proud member of the Aflac family of insurers, is a wholly-owned subsidiary of Aflac Incorporated and underwrites group coverage. Aflac is not licensed to solicit business in New York, Guam, Puerto Rico, or the Virgin Islands. For groups sitused in California, coverage is underwritten by Continental American Life Insurance Company. For groups sitused in New York, coverage is underwritten by American Family Life Assurance Company of New York.

Continental American Insurance Company • 2801 Devine Street • Columbia, South Carolina 29205 1-800-433-3036 toll-free