

AMERICAN STATES INSURANCE COMPANY
INDIANAPOLIS, INDIANA
A STOCK COMPANY

INSURED

PREMIUM

POLICY NUMBER

POLICY DATE

THIS POLICY IS GUARANTEED RENEWABLE TO AGE OF ELIGIBILITY FOR MEDICARE. PREMIUMS MAY BE CHANGED.



PLEASE READ YOUR POLICY CAREFULLY

This is a **MAJOR MEDICAL EXPENSE** insurance policy. It is a legal contract between you, as the insured and owner, and us, American States Insurance Company.

We promise to pay the benefits as provided in this policy subject to the policy terms. Benefits are paid for any Covered Person for a covered loss which begins while your policy is in force. Benefits are paid for any Covered Injury or Sickness. We issue this policy in consideration of your application and the payment of premiums in advance from the policy date. A copy of your application is attached to the policy. It is a part of this policy.

This policy is **GUARANTEED RENEWABLE TO EACH INSURED'S AGE OF ELIGIBILITY FOR MEDICARE**. This means that until you or any Covered Person becomes eligible for Medicare and as long as the premium is paid we cannot:

1. Cancel this policy;
2. Add any restrictions.

THE SCHEDULE OF RENEWAL PREMIUMS YOU PAY FOR THIS POLICY MAY CHANGE.

We may change the Schedule of Renewal Premiums for all policies of this form in your state of residence at any premium due date (policy anniversary in Montana). If we change the Schedule of Renewal Premiums in this manner, we will notify you of the change at least 31 days before the change. Notice of change will be in writing. Such notice will be made to your last address as shown on our records. The following apply to changes in the Schedule of Renewal Premiums:

1. Any change in this schedule for this form will include all policies issued in your state of residence before or after your policy.
2. New premiums will be based on the age at the time of the change and sex of the covered persons.
3. If this schedule is changed as so described, a new Schedule of Renewal Premiums will be sent to you.
4. Any premium change shall be applied to all policies of this form in your rating zone of residence.

Your policy begins and ends at twelve o'clock, Noon, Standard Time, at your home.

CERTAIN LOSSES ARE NOT COVERED. We will not pay benefits for any loss we have excluded in your policy by name or specific description. During the first two years your policy is in force, we will not pay for any loss caused by an injury, sickness or physical condition which existed before the policy date if it was not shown on your application.

NOTICE: RIGHT TO RETURN AND CANCEL POLICY. You may cancel this policy by delivering or mailing written notice or by sending a telegram or by returning this policy before midnight of the 10th day after you receive it. Notice given by mail and return of the policy is effective on being postmarked, properly addressed and postage prepaid. Our address is American States Insurance Co., 500 N Meridian, Indianapolis, Indiana 46204-1275. We will return all payments made for this policy within 10 days of receipt of your notice and this policy. Your policy will be void from its start.

Signed for and issued by American States Insurance Company in Indianapolis, Indiana as of the policy date shown above. Your policy shall become a valid contract when it is signed by our licensed agent.

Handwritten signature of Thomas M. Owen.

Secretary

Handwritten signature of Robert A. Carter.

President

Licensed Resident Agent

Std' xcp PA MV, SC

**MAJOR MEDICAL EXPENSE POLICY GUARANTEED RENEWABLE TO AGE OF ELIGIBILITY FOR MEDICARE
PREMIUMS ARE BASED ON ATTAINED AGE AND WILL BE CHANGED AS INDICATED ON THE SCHEDULE OF**

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POLICY DATA PAGE

INSURED

PREMIUM

POLICY NUMBER

PREMIUM PERIOD

POLICY DATE

BASIC COVERAGE LIMITS

MAXIMUM MAJOR MEDICAL BENEFIT (page 8)

\$1,000,000

MINIMUM DEDUCTIBLE (page 8)

\$ or the sum of benefits paid by other medical expense coverage if greater.

MAXIMUM DAILY HOSPITAL ROOM AND BOARD BENEFIT

(Expenses in excess of this amount will not be paid and will not be counted as covered expenses toward your deductible) (page 9)

100% of Room and Board charges up to \$

MAXIMUM DAILY HOSPITAL INTENSIVE CARE BENEFIT

up to \$ per Day

DAILY HOSPITAL ROOM AND BOARD INCREASE
OPTION AMOUNT (page 11)

\$20 per option period

STANDARD PERCENTAGE AMOUNT FOR MOST
COVERED EXPENSES (page 9)

(This amount does not apply to expenses for daily hospital room and board or to covered expenses subject to special coverage limits)

85%

SPECIAL LIMITED COVERAGE

REPLACEMENT OF SOME ORGANS OR TISSUE IS NOT COVERED. OTHERS MAY BE SUBJECT TO A \$250,000 LIMIT (page 10)

TREATMENT OF ALCOHOLISM:

TREATMENT OF MENTAL ILLNESS:

TREATMENT FOR DRUG ABUSE OR CHEMICAL DEPENDENCY:

TREATMENT OF OR TO THE SPINAL COLUMN: \$20 per visit; 20 visits per calendar year

CONVALESCENT HOME COVERAGE MAXIMUM: 40% of Daily hospital benefit;
50 Days maximum confinement per calendar year

HOME HEALTH CARE: 100 Visits

SCHEDULE OF RENEWAL PREMIUMS

*Your premium will automatically change every five years as shown below. These automatic changes will occur on policy anniversaries.

This schedule of renewal premiums will change if the benefits are changed. The schedule of renewal premiums may also be changed on any premium due date in the manner described on the first page of the policy.

INSURED: John Doe

ISSUE AGE/SEX: 35/M

MAJOR MEDICAL POLICY: 000-001

RENEWAL PREMIUMS

INSURED'S
ATTAINED
AGE

ANNUAL
PREMIUM

INSURED'S
ATTAINED
AGE

ANNUAL
PREMIUM

DEFINITIONS

The following words are often used in this policy. When we use these words, this is what we mean:

YOU, YOUR, COVERED PERSON(S)

Those persons insured by this policy. Such insured persons include: 1. Those persons named on the application for this policy and listed on the policy data page of this policy; and 2. Those persons who qualify to be insured under the additions part of this policy. Covered persons may include you, your spouse and your children who are not married. "Children" shall include legally adopted children, stepchildren and foster children who live in your home. Children must be less than age 19 on the policy date.

INSURED, ORIGINAL INSURED

This is the person named as Insured on the application of this policy. This person is named on the policy data page.

WE, OUR, US

American States Insurance Company.

POLICY DATE

It is the date your policy begins. It is the date from which the premium due dates are set.

INJURY

Accidental bodily injury that is sustained while this policy is in force.

SICKNESS

Disease or illness which first manifests itself while the policy is in force. By "first manifests" we mean when it first appears or makes itself known.

PREEXISTING CONDITIONS

This means an injury, sickness or physical condition which first appears or makes itself known before the date of coverage for any covered person. If such injury, sickness or physical condition is shown on the application for this policy, it will not be considered a preexisting condition.

OPTION PERIOD

This is a 60-day period ending on an anniversary of the policy date. There are five option dates which respectively end on the first, second, third, fourth and fifth anniversaries of the policy date.

HOSPITAL

A place which is duly licensed and operating in the scope of such license. If such a place makes a charge which you by law must pay, then we will pay for such charge up to

the limits of your policy. Such a place shall not be used only as a clinic, nursing, rest or convalescent home. Such place shall have medical, diagnostic and major surgical areas within it or be an ambulatory surgical center.

CONVALESCENT HOME

A place which is open under law for the chief purpose of giving full-time care. Such a place gives resident patients care for injury or sickness. Care must be overseen by a physician or registered graduate nurse (R.N.). This place is not for the chief purpose of treating mental disorders, the aged, alcohol or drug addiction. This place is not a hotel.

PHYSICIAN

They are people who practice healing arts. They must be licensed as a physician and cannot be you or a member of your family. They must practice within the bounds of their license.

COVERED EXPENSES

These are the expenses for which you are covered by your policy. They are shown in detail in the benefits provision of this policy. To be paid for, covered expenses must be the result of an order from your physician.

MEDICARE

This is Title 18 of the Social Security Act and any changes made in the act. It is also any plan of medical insurance put in force by the United States government or any part of it.

MEDICARE ELIGIBILITY DATE

This is the date on which you or any covered person are first able by law to get any benefit from Medicare.

DEDUCTIBLE

Your deductible is shown on the policy data page. This amount applies to each covered person. We will not pay for these expenses.

Your deductible may change if you have other medical expense coverage. Such deductible shall be incurred for all covered injuries or sicknesses in any one given calendar year. A new deductible shall be incurred each year before any benefits are payable. If this policy insures more than 3 covered persons, only 3 such deductibles shall be required during any one calendar year.

OTHER MEDICAL EXPENSE COVERAGE

This is payment for any covered expenses by any insurance policy other than this policy. This includes any prepaid plan or Medicare.

HOME HEALTH CARE

These are services by a home health agency which operates under the law in your state of residence. Such home health services shall include:

1. Service by a registered or licensed practical nurse;
2. Service by a physical, occupational, respiratory or speech therapist;
3. Service by a home health aide;
4. Medical supplies, drugs, medicine, and laboratory service; or
5. The service of a licensed midwife or a licensed nurse midwife.

All such home health care services must be the result of a written order of a physician. Coverage for these expenses are limited to the number of visits shown on the policy data page.

HOSPICE

"Hospice" means an agency that provides counseling and medical services. It may provide room and board to a terminally ill individual. It must also meet all of the following tests.

1. It has obtained any required state or governmental approval.
2. It provides service 24 hours a day, 7 days a week.
3. It is under the direct supervision of a physician.

4. It has a nurse coordinator who is a registered nurse (R.N.).
5. It is an agency that has as its primary purpose the provision of hospice services.
6. It has full-time administrator.
7. It maintains written records of services provided to the patient.
8. It is licensed, if licensing is required.

BENEFIT YEAR, BENEFIT PERIOD

A benefit year or benefit period begins when covered expenses are greater than your deductible.

A benefit period ends on the earliest of:

1. the day the maximum benefit is paid; or
2. the last day of the calendar year in which it was started; or
3. the day a covered person stops being a covered person, except for any injury or sickness which began while this policy was in force and continues for such covered person after they cease to be a covered person.

MAXIMUM MAJOR MEDICAL BENEFIT

The amount shown on the policy data page is the maximum amount we will pay for all covered expenses. This amount shall be for each covered person. This amount shall be for all injuries and sicknesses combined during the time that this policy is in force. This benefit may be paid over more than one calendar year.

BENEFIT PROVISIONS

This part of your policy will explain how we will pay benefits to you.

DEDUCTIBLE AMOUNT

Your Deductible is the larger of the amount shown on the policy data page or the sum of all benefits paid by other medical expense coverage. The deductible is for each calendar year for each covered person. A new deductible shall be incurred each calendar year before any benefits are payable.

If we use other medical expense coverage as your deductible, we will increase your maximum major medical benefit. For every \$1 which is paid by other medical expense coverage over your deductible (shown on the policy data page), we will add \$3 to your maximum medical benefit. The largest amount we will add is \$5,000 for each time we use other medical expense coverage as your deductible.

Such deductible shall be incurred for all covered injuries or sickness in any one given calendar year. A new deductible shall be incurred each year before any benefits are payable. If this policy covers more than 3 covered persons, only 3 such deductibles shall be required during any one calendar year.

The total amount of payments made by us and any payments from other medical expense might not be enough to pay 100% of your covered expenses. If this happens, we will make an extra payment.

1. This payment shall not be greater than the difference between your minimum deductible and the amount you are paid by other medical expense coverage.
2. The total of all payments, including other coverage, will not be more than all of your covered expense.

3. The total paid under this policy will not be more than it would have been if there were no other medical expense coverage.

COMMON ACCIDENT

If more than one covered person incurs covered expenses because of injuries from a common accident, only one deductible will be used. Each covered person injured in such common accident will have a separate major medical benefit and benefit period. This one deductible will be for the first calendar year only. Each covered person will have separate deductibles for any additional calendar year. No covered person will have a larger deductible because of a common accident than they would have had if there was no common accident.

MAJOR MEDICAL BENEFIT

For most covered expenses, excluding daily hospital room and board, after you pay the deductible amount shown on the policy data page we will pay the standard percentage amount which is also shown on the policy data page. Once we have paid \$5,000, excluding any payment for daily hospital room and board, we will pay 100% of any additional covered expense relating to that claim, excluding daily room and board, for the rest of the calendar year.

COVERED EXPENSES

The expenses listed below will apply to your deductible. These same expenses are items for which we will pay as shown in major medical benefit provision. These items will be paid for if:

- A. They are called for by a physician;
- B. They are needed for treatment of an injury or sickness;
- C. They are not greater than the usual, reasonable and customary charges for services or supplies in your area.

We will pay 100% of the covered expenses in Items 1 and 2.

1. Charges for daily hospital room and board. But, we will not pay more than the maximum daily hospital room and board benefit shown on the policy data page.
2. Hospital charges for intensive care or an intensive care unit will be paid up to the maximum daily allowance shown on the policy data page.

Charges for daily hospital room and board which are more than the amounts in Items 1 and 2 will not be applied to any deductible. They will also not be considered covered expenses under the major medical benefits provision.

We will pay the standard percentage of the covered expenses in Items 3 through 14 as shown on the policy data page.

3. Charges for surgery performed outside of a hospital for any accident or illness as defined in the policy, provided that such surgery would have been covered on an inpatient basis and is provided by a health care provider whose services would have been covered under the policy if the surgery was performed in a hospital and further provided that surgery of the accident and illness is medically necessary and was provided as an alternative to surgery on an inpatient basis in a hospital.
4. Hospital charges for medical services, drugs, medicines and supplies.
5. Charges for X-rays, laboratory tests, and other diagnostic services.
6. Charges for a physician who is not you or a member of your immediate family.
7. Charges of nurses (R.N. or L.P.N. or L.V.N. in California) who are not you or members of your immediate family.
8. Charges for prescription drugs and medicines.
9. Charges for professional ambulance service. These charges are limited to a 100-mile trip from your point of leaving to the hospital or convalescent home. We will not pay for the return trip.
10. Charges for the rental of therapeutic supplies or equipment called for by a physician.
11. Charges for the treatment of alcoholism, chemical dependency, drug addiction or mental illness. Such sickness and treatment must be diagnosed and recommended by a physician. Such treatment will be subject to the limits shown on the policy data page.
12. Charges for home health care up to the number of visits shown on the policy data page in any one calendar year.
13. Charges for room and board and routine care while confined in a convalescent home. Such confinement must be within 5 days of a stay in a hospital. The amount paid will be subject to the limits shown on the policy data page.
14. Hospice care which will be paid for include:
 - a. Room and board charges for confinement in a hospice.
 - b. Services and supplies furnished by the hospice while the patient is confined therein.

- c. Part-time nursing care by or under the supervision of a registered nurse (R.N.).
- d. Home health aid service.
- e. Nutrition services.
- f. Special meals.

REPLACEMENT OF ORGANS OR TISSUE

1. The following procedures are payable on the same basis as any other illness:
 1. cornea transplants
 2. artery or vein transplants
 3. kidney transplants
 4. joint replacements
 5. heart valve replacements
 6. implantable prosthetic lenses in connection with cataracts
 7. prosthetic by-pass or replacement vessels
 8. bone marrow transplants
2. The following procedures are payable on the same basis as an illness up to the remaining lifetime maximum of the policy or the amount shown on the policy data page for replacement of organs or tissue whichever is less. This maximum applies to any combination of these procedures and to all charges incurred as a result of the transplant(s):
 1. heart transplants
 2. heart and lung transplants
 3. liver transplants
3. No other replacement of tissues or organs are covered by the policy.

PREGNANCY, COMPLICATIONS OF PREGNANCY

We will not pay for the expenses of a normal pregnancy. If any covered person shall have covered expenses from complications of pregnancy, as defined below, these covered expenses will be paid by us as if they were due to sickness. Both the pregnancy and complications of pregnancy must start at least 30 days after the policy date to be covered by this policy. The policy must be in force for such covered person at the time the covered expenses occur. No expense for a pregnancy will apply to your deductible or will be paid by us if such expenses would have been incurred if there had been no complications of pregnancy.

For the purpose of this policy, complications of pregnancy will only include the following:

- a. Non-elective abortion
- b. Ectopic pregnancy which is terminated
- c. Placenta Previa
- d. Eclampsia
- e. Postpartum hemorrhage
- f. Toxemia
- g. Rupture or prolapse of the uterus
- h. Trophoblastic growths
- i. Cesarean section not scheduled or planned prior to the commencement of labor and no other.

TREATMENT OF OR TO THE SPINAL COLUMN

Treatment of the spinal column (including the vertebrae, intervertebral discs and surrounding ligaments and tissues) will be treated as any other illness if such treatment is performed during general anesthesia, during a surgical operation or while confined in a hospital.

Coverage for any other treatment of or to the spinal column is limited to one treatment per day subject to the maximum shown on the policy data page.

WAIVER OF PREMIUM

The following two definitions are for this part of your policy.

1. Head of family. This is the one, who at the time total disability begins is:
 - a. Working in an occupation for gain, pay or profit.
 - b. A covered person, and
 - c. The adult person who provides the only or greatest financial support for the household. If no covered person meets this definition, this Waiver of Premium provision is void.
2. Total disability. Total disability must be caused by a covered injury or sickness. Total disability means that the head of family is unable to do all of the main duties of his or her regular occupation during the first 36 months of continuous disability. After 36 months the head of family shall still be totally disabled if he or she is unable to work in any occupation for which he or she is suited by education, training and background at the time total disability began.

If total disability of the head of family lasts for 6 months without stopping, we will waive each following premium for this policy as long as the total disability lasts. Total disability must begin while this policy is in force. It must begin before the date the head of family becomes eligible for Medicare. This policy will continue in force to the date the head of family becomes eligible for Medicare. We will refund any premiums which were due and paid during the first 6 months of disability. If such disability ends prior to the date the head of family becomes eligible for Medicare, you must start paying premiums on the next regular premium due date or the policy will lapse.

MAXIMUM DAILY HOSPITAL ROOM AND BOARD INCREASE OPTION

During each option period the Insured may increase the maximum daily hospital room and board benefit without evidence of insurability. The premium for this policy, including the increase will be based upon our rates and rules in effect on the date the increase is effective. These increases in the maximum daily hospital room and board benefit are subject to the following:

1. The effective date of each increase will be the anniversary of the policy date immediately following the option period.
2. This policy must be in force on the effective date of the increase.
3. Written request for the increase must be submitted during the option period.
4. The premium for this policy, including the increase, is paid.
5. The maximum amount the maximum daily hospital room and board benefit may be increased during each option period is the amount shown on the policy data page.

The increased daily hospital room and board benefit will not apply to any covered person who is confined in a hospital, hospice or convalescent home on the effective date of the increase. Such covered person will become eligible for the increased daily hospital room and board benefit once discharged from the hospital or convalescent home for a period of 60 days.

EXCEPTIONS AND LIMITATIONS

Regardless of any other limits this policy will not pay for any loss whatsoever which results from:

1. War or any act of war;
2. Commission of a felony by the covered person for whom expenses are incurred;
3. Injury or sickness which occurs while in the armed forces of any country. If any covered person enters such armed forces, we will refund a prorata portion of the premium paid for that covered person for such time of service;
4. Intentional self-inflicted injury;
5. Surgery or treatment to the teeth or gums except when needed because of injury to natural teeth. Such injury must occur while this policy is in force;
6. Cosmetic surgery except because of an injury or sickness or is used to restore a normal bodily function. Such injury or sickness must occur while the policy is in force. Cosmetic surgery needed to correct a normal bodily function shall also be covered. Cosmetic surgery performed to correct a congenital anomaly in a child born to any covered person will be paid. Such child must be born and surgery done while this policy is in force. While this policy is in force cosmetic reconstructive surgery which is incidental to and follows surgery for any covered injury or sickness shall be covered for any covered person;
7. Eye refractions or purchase or fitting of hearing aids, glasses or contact lenses;
8. Childbirth, pregnancy or complications of pregnancy except as stated in the pregnancy, complications of pregnancy provision;
9. Treatment of the spinal column except as stated in the treatment of the spinal column provision;
10. Injury or sickness which is covered by any Worker's Compensation or Occupational Disease Law or Act; or "Motor Vehicle Financial Responsibility Law".
11. Preexisting conditions as defined in the Definition Section of this policy.
12. Replacement of some organs or tissue is limited. See the replacement of organs or tissue provision.
13. Hospice Benefits will only be paid if the insured individual's attending doctor certifies that:
 1. The insured individual is terminally ill; and
 2. The insured individual is expected to die within six months or less.

PREMIUMS

The first premium is due on the policy date. The first premium is payable at the home office or to an authorized agent. All other premiums are payable on the due date at the home office. Receipts will be furnished upon request.

PREMIUM PAYMENTS

Premiums are payable to the company in advance beginning on the policy date and in the amounts and at the intervals shown on the policy data page. You may change the frequency of premium payments to an annual, semi-annual, quarterly or monthly basis, subject to our rules in effect at the time of change. To do so you must file a written request to us at our home office.

GRACE PERIOD - DEFAULT IN PAYMENT OF PREMIUMS

A grace period of 31 days will be allowed for payment of each premium after the first. The policy will continue in force during the grace period. Any premium not paid before the end of its grace period will result in default. **Default will terminate this policy as of the date on which the unpaid premium was due.**

OTHER IMPORTANT PROVISIONS

ADDITIONS

Persons who qualify as covered persons may be added to this policy after its issue date. Such added covered person must prove they are insurable. An application for each added covered person must be submitted to and approved by us. The entire policy except for any provisions or coverages specifically excluded in writing will apply to the new covered person on the date we accept that person. Any added premiums needed must be paid before coverage is in force.

Any newborn child of yours, your spouse or your dependent child is covered from birth, provided the mother of the newborn child is a covered person at the time pregnancy began. This coverage includes congenital defects. It does not include well-baby care. This coverage will last until the next premium for this policy is due or 90 days after birth, whichever is later. This newborn child will not be covered after this date unless:

1. Written notice to include the newborn child as a covered person is received by us prior to the time limit above; and
2. You pay the renewal premium, including any extra premium needed for the newborn child.

Any newly adopted child of a covered person will be covered from the date of legal adoption (or placement if

REINSTATEMENT

If the premium is received by our authorized agent or in home office within 45 days of the due date, the policy will be reinstated. If the premium payment is received by our authorized agent or in our home office more than 45 days after the due date, satisfactory evidence of insurability must be received by the company before the policy shall be reinstated.

Your reinstated policy will cover only loss resulting from an injury sustained after the date of reinstatement or sickness including complications of pregnancy which may begin more than 10 days after such date.

In all other respects, both your and our rights will be the same as they were just before the due date of the premium not paid, subject to any provisions endorsed or attached with the reinstatement.

PREMIUM REFUND AT DEATH

If a covered person dies, a prorata portion of the premium charged for that covered person will be refunded. This refund will be made when we have received proof of death.

required by law). This coverage does not include well-baby care. This coverage will last until the next premium for this policy is due or 90 days after adoption (or placement if required by law) whichever is later. This newly adopted child will not be covered after this date unless:

1. Written notice to include the newly adopted child as a covered person is received by us prior to the time limit above; and
2. You pay the renewal premium, including any extra premium needed for the newly adopted child.

All policy parts (unless stated in writing) will apply to such newborn or adopted child on the date we accept such child. If you, your spouse and one other child are covered persons on this policy, then the newborn or adopted child shall become a covered person at birth or adoption. You will not have to give us written notice of such birth or adoption. Coverage for such children will not include well-baby care.

TERMINATIONS/CONVERSION

1. If you and your spouse (if a covered person) enter a valid decree of divorce or annulment, your spouse will still be a covered person until the later of the next premium due date or 60 days. During this time, your spouse has the right to convert to a like policy. Your policy will not include more benefits than are included

in this policy. Your former spouse shall not have to prove insurability. The former spouse may not have other medical expense coverage which will make for a condition of over insurance. Such condition of over insurance shall be judged by our standard risk selection practices.

2. A dependent child shall not be a covered person on the premium due date after the earlier of such child's 23rd birthday (25th in Georgia), marriage or when your care and support stops. Such child shall still be a covered person if such child:
 - a. is not capable of self-support due to mental retardation or physical handicap; and
 - b. is dependent on you for support and maintenance.

We may from time to time check to see if the child is still disabled and dependent. You must show proof that the child is disabled and dependent within 60 days of our check. If you fail to show such proof, we may stop the child's coverage.

A terminated dependent child is eligible for a similar policy. Such terminated child must apply for this like policy within 31 days after termination. Such child will not have to show proof of insurability. We will charge premiums based on the child's age on the new policy date.

3. If the original insured shall cease to be a covered person while this policy is in force, the Insured's spouse shall become the Insured. The spouse must be a covered person at this time. If the spouse does not survive the Insured, this policy shall stop for your children at the end of the time for which we have accepted premium.

If needed as a result of a termination, we will change premiums for those covered persons who are still covered by this policy.

If you don't tell us about the divorce of a spouse or a child's dependence stopping, we will still not pay for any loss. We will return any premiums paid for such terminated covered person.

GENERAL PROVISIONS

ENTIRE CONTRACT

This policy with the application and attached papers is the entire contract between you and us. No change in this policy will be valid until approved by one of our officers. This approval must be endorsed on or attached to this policy. No agent may change this policy or waive any of its provisions.

TIME LIMIT ON CERTAIN DEFENSES

- a. **Misstatements in the Applications:**

After 2 years from the issue date, no misstatements, except fraudulent misstatements in the application will void the policy or be used to deny any claim for loss or disability that starts after the 2-year period.
- b. **Preexisting Conditions:**

No claim for loss or disability that starts after 2 years from the issue date will be reduced or denied because the sickness or disability existed before the policy date unless such sickness or disability was specifically excluded in writing.

NOTICE OF CLAIM

Written notice of claim must be given within 30 days (60 days in Kentucky or 6 months in Montana) after a covered loss begins or as soon as possible after that. The notice can be given to us at our home office or to our agent. Notice should include the name of the Insured and the policy number.

CLAIM FORMS

When we receive your notice we will send you forms for filing proof of loss. If these forms are not sent to you within 15 days, you will have met the proof of loss requirements if, within 90 days after the loss began, you give us a written statement of the nature and extent of your loss.

PROOFS OF LOSS

If your policy provides for periodic payment for a continuing loss, you must give us proof of loss within 90 days after the end of the period for which you claim benefits. For any other loss, written proof must be given within 90 days after such loss.

We will not deny nor reduce any claim if it was not reasonably possible for you to give us proof within the time required. In any event, you must give us proof within one year after it is due unless you are legally not able to do so.

TIME OF PAYMENT OF CLAIMS

Benefits for any loss covered by this policy will be paid as soon as we receive proper proof of loss.

PAYMENT OF CLAIMS

Benefits will be paid to you unless such benefits are assigned by you to another party. If, upon your death, there are any unpaid benefits, they will be paid to your spouse. If your spouse is not living at that time, such unpaid benefits will be paid to your estate.

If any benefits are payable to your estate, or to a covered person who is a minor or not competent to give a valid release, we may pay such benefits to any relative by blood or marriage whom we feel is entitled to the benefit. Such payment shall not exceed \$1000. Any such payment by us in good faith shall fully discharge us for the amount of the payment.

PHYSICAL EXAMINATIONS

At our expense, we will have the right to have you examined as often as reasonably necessary while your claim is pending.

LEGAL ACTION

No legal action may be brought to recover on this policy within 60 days after written proof of loss has been furnished as required by this policy. No such action may be brought after 3 years (5 years in Kansas; 7 years in South Carolina) from the time written proof of loss is required to be furnished.

MISSTATEMENT OF AGE

If any covered person's age has been misstated, the benefits of the policy will be those that the premium would have purchased at the correct age.

CONFORMITY WITH STATE STATUTES

Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which you live on that date is amended to conform to the minimum requirements of such laws.

ASSIGNMENT

No assignment of this policy shall be binding on us until it is filed with us at our home office.

We will assume no responsibility for the validity or sufficiency of any assignment.

**MAJOR MEDICAL EXPENSE POLICY
GUARANTEED RENEWABLE TO AGE OF ELIGIBILITY FOR MEDICARE
PREMIUMS ARE BASED ON ATTAINED AGE AND WILL BE CHANGED AS
INDICATED ON THE SCHEDULE OF RENEWAL PREMIUMS.**