

4Ever Life Insurance Company
Oakbrook Terrace, Illinois

***BERKS COUNTY CONSORTIUM
(WILSON SCHOOL DISTRICT)
Class 1***

**CERTIFICATE OF INSURANCE
GROUP TERM LIFE**

This Certificate of Insurance is evidence of the Insured's insurance under the Policy issued to the Policyholder indicated on the Policy Schedule. Everything contained in this Certificate of Insurance is subject to the provisions, definitions and exceptions in the Policy. The Policy is on file with the Policyholder and may be examined at any reasonable time. Only one of our executive officers can authorize a change of the Policy.

We will refer to 4Ever Life Insurance Company as "the Company", "We", "Us" or "Our".

This Certificate replaces all Certificates and Certificate Riders, if any, previously issued to the Insured under the Policy.

The President and Secretary of 4Ever Life Insurance Company witness this Certificate:


SECRETARY


PRESIDENT

TABLE OF CONTENTS

POLICY SCHEDULE	Page 3
POLICY EFFECTIVE AND TERMINATION DATES	Page 5
BASIC LIFE INSURANCE	Page 6
EXCEPTIONS TO WHEN COVERAGE TERMINATES	Page 7
CONVERSION	Page 8
ACCIDENTAL DEATH AND DISMEMBERMENT	Page 10
CLAIMS PROVISIONS	Page 11
GENERAL PROVISIONS	Page 11
DEFINITIONS	Page 13

**4EVER LIFE INSURANCE COMPANY
CERTIFICATE SCHEDULE**

POLICYHOLDER: BERKS COUNTY CONSORTIUM
(WILSON SCHOOL DISTRICT)

POLICY NUMBER: NAB 7772-06

POLICY EFFECTIVE DATE: JULY 1, 2013

POLICY ANNIVERSARY DATE: JULY 1 of each year

Eligibility: Class 1 – Professionals (Teachers) who work at least 30 hours per week and are US Citizens or US Residents.

You are not required to contribute premium for Basic Life and Accidental Death & Dismemberment Insurance.

When Individual Coverage is Effective. This precludes items 1., 2., and 3. Shown under insured's Coverage Effective Date for Basic Life Insurance.

Individual Coverage is effective on the later of July 1, 2013 or the first of the month after the date of employment.

When an increase in Individual Coverage is Effective:

Individual Coverage increase will take effect on the date of the increase.

Policyholder Grace Period: 31 days

Rate change notice to Policyholder: 31 days

Basic earnings: Not applicable.

BENEFITS

Basic Life Insurance Benefits: \$50,000

Guaranteed Issue Amount: \$50,000

4EVER LIFE INSURANCE COMPANY
CERTIFICATE SCHEDULE
(continued)

Accidental Death and Dismemberment Benefit (AD&D)

Principal Sum: SAME AS BASIC LIFE INSURANCE AMOUNT

Schedule of Losses:

<u>For Loss of:</u>	<u>Percentage of Principal Sum:</u>
Life	100%
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot	100%
One Hand and Sight of One Eye	100%
One Foot and Sight of One Eye	100%
Speech and Hearing in Both Ears	100%
One Hand or One Foot	50%
Sight of One Eye	50%
Speech or Hearing in Both Ears	50%
Hearing in One Ear	25%
Thumb and Index Finger of Same Hand	25%

<u>Waiver Benefit:</u>	<u>Life</u>
Benefit applies:	Yes
Age by which Disability must begin:	60
Maximum Age on which Benefit Terminates:	70

<u>Other Benefits:</u>	<u>Life</u>
Extension for Lay-off or Leave other than Sabbatical	3 months
Extension for Sabbatical Leave:	up to 12 months
Extension for Injury or Illness:	12 months

Extension for Layoff or Leave of Absence, shown under EXCEPTIONS TO WHEN COVERAGE TERMINATES is amended to include Sabbatical Leave.

LIMITATIONS:

Reduction Provision: Basic Life and AD&D Benefits will be reduced as follows:
Attainment of age 65: by 35% of the inforce amount
Attainment of age 70: by 35% of the inforce amount
Attainment of age 75: by 35% of the inforce amount
Attainment of age 80: by 25% of the inforce amount
Attainment of age 85: by 25% of the inforce amount
Attainment of age 90: by 25% of the inforce amount
Attainment of age 95: by 25% of the inforce amount

Termination Provision: All Insurance will be terminated on the earlier of: (a) the date of retirement; or
(b) in accordance with the section titled Insured's Coverage Termination Date.

POLICY EFFECTIVE AND TERMINATION DATES

Policy Effective Date. The Policy takes effect at 12:01 a.m. at the address of the Policyholder on the Policyholder Effective Date indicated on the Policy Schedule.

Policy Termination by the Company. The Company may terminate the Policy on any premium due date on or after the Initial Rate Period through which premium rates have been guaranteed, as indicated on the Policy Schedule. The Company may not terminate the Policy prior to such period, except for non-payment of premium.

The Company will provide 31 days advance written notice of its intent to terminate by mail or personal delivery. Termination will take effect at 11:59 p.m. at the Policyholder's address on the date of termination.

Policy Termination by the Policyholder. The Policyholder may terminate the Policy by mailing or delivering to the Company written notice at least 31 days in advance of the termination date. Termination will take effect at 11:59 p.m. at the Policyholder's address on the termination date specified in such notice.

Policy Termination by Both Parties. The Policy may be terminated at any time by the mutual written consent of the Policyholder and the Company.

Policy Termination for Non-Payment of Premium. If any premium is not paid by the end of the grace period specified in the Policy, the Policy will automatically terminate as of the date on which the unpaid premium was due.

BASIC LIFE INSURANCE

Insured's Coverage Effective Date. An Insured's Basic Life Insurance benefit that is less than or equal to the Guaranteed Issue Amount begins on the latest of the following:

1. the Policy Effective Date, if the Insured is a member of an Eligible Class prior to such date;
2. the first day of the month following the date the Insured becomes a member of an Eligible Class; or
3. as indicated on the Policy Schedule.

Any Basic Life Insurance benefit that is in excess of the Guaranteed Issue Amount will become effective on the first day of the month following the date the Company approves the required Evidence of Insurability.

If the Insured is not Actively at Work due to an Injury or Sickness on the date his or her insurance would otherwise become effective, insurance will not be effective until the first full day following the day the Insured returns to Active Work.

No Basic Life Insurance benefit will be effective until the required premium is paid.

Death Benefit. Upon receipt of due proof of death, the Company will pay the Basic Life Insurance benefit that was in force on the Insured's life at the time of his or her death, in accordance with the terms of the Policy.

Changes in Amounts of Insurance. Any increase in an Insured's Basic Life Insurance benefit will take effect on the latest of the following:

1. the date of such increase, if the Insured is Actively at Work on such date;
2. the date the Insured returns to Active Work, if the Insured was not Actively at Work on the date on which the increase would otherwise become effective; or
3. as indicated on the Policy Schedule.

Basic Life Insurance benefits will be reduced due to age as indicated on the Policy Schedule. Any other decrease in the Insured's Basic Life Insurance benefit will take effect on the date of the decrease. An Insured's Basic Life Insurance will not be increased in excess of the Guaranteed Issue Amount unless he or she satisfies the Evidence of Insurability requirement for such excess amount. The Insured will become covered for the excess amount on the later of: the first day of the month following the date the Company approves Evidence of Insurability or as indicated on the Policy Schedule.

Insured's Coverage Termination Date. Subject to the section titled "Exceptions to When Coverage Ends", an Insured's Basic Life Insurance ends on the earliest of the following:

1. the date the Insured's employment terminates;
2. the date the Insured is no longer Actively at Work;
3. the date the Insured ceases to be a member of an Eligible Class;
4. the date the Policy terminates;
5. the date Basic Life Insurance for the Policyholder ends;
6. the date the Insured enters the military, naval or air force of any country or international organization on a full-time active duty basis. This does not apply in the case of scheduled drills or other training not exceeding one month in any calendar year.

EXCEPTIONS TO WHEN COVERAGE TERMINATES

The following provisions allow coverage to continue beyond the date it would otherwise terminate.

Extension for Lay-off or Leave of Absence. If an Insured is not Actively at Work due to Lay-off or Leave of Absence, the Policyholder may extend the Insured's benefits under the Policy, including Family Life Insurance, up to the maximum period indicated on the Policy Schedule. Such extension is subject to continued payment of the required premium and Policyholder established criteria that precludes individual selection.

Extension for Injury or Illness. If an Insured is not Actively at Work due to Injury or Sickness, the Policyholder may extend the Insured's benefits under the Policy, including Family Life Insurance, up to the maximum period indicated on the Policy Schedule. Such extension is subject to continued payment of the required premium and Policyholder established criteria that precludes individual selection.

Extension for Total Disability with Waiver of Premium. If an Insured is not Actively at Work due to Total Disability, the Insured's benefits eligible for Waiver of Premium, as indicated on the Policy Schedule, may be extended by the Company without payment of the required premium, subject to the following:

1. Total Disability must have begun before the age indicated on the Policy Schedule and while covered under the Policy;
2. the Insured furnishes proof satisfactory to the Company that he or she has been Totally Disabled continuously from the date the Total Disability began;
3. such proof is furnished no later than one year after the date the Insured ceased being Actively at Work, unless the Insured demonstrates proof was provided as soon as reasonably possible; and
4. the Insured must surrender to the Company, without claim for more than a refund of premium paid, any policy issued to him or her pursuant to the Conversion Privilege provided by the Policy.

So long as an Insured furnishes proof that the Total Disability has continued uninterrupted, the Company will continue to extend such Insured's Life Insurance benefits from the date the Total Disability began until the earliest of the following:

1. the end of the maximum period indicated on the Policy Schedule;
2. the date the Insured is no longer Totally Disabled; or
3. the date the Insured receives, or would be eligible to receive if a claim was made, any retirement benefits, including Social Security or Railroad Retirement Act benefits.

To verify the existence and continuance of Total Disability, the Company has the right and opportunity, at its own expense, to have the Insured examined by a Physician chosen by the Company, as often as is reasonable. Failure to comply with this requirement will result in termination of Extension for Total Disability with Waiver of Premium.

Any premium paid for an Insured during a period for which he or she was entitled to Extension for Total Disability with Waiver of Premium will be refunded to the Policyholder, who is responsible for distribution to the Insured, if applicable.

The Life Insurance benefit that is extended under this provision will be the benefit to which the Insured was entitled on the last day the Insured was Actively at Work. This benefit will not increase; however, it will decrease whenever the benefit applicable to the Insured's Eligible Class is reduced, or whenever any benefit reduction applies.

Termination of the Policy will not end extension of Life Insurance benefits under this provision.

Should Total Disability end, thereby allowing the Insured to return to Active Work, the Insured may resume any coverage provided under the Policy for which the Insured qualifies, provided the Policy has not terminated and the required premium is paid.

No Life Insurance benefit will be paid while coverage is extended under this provision without proof that the Insured continued to be Totally Disabled through the period of extension until the date of death.

As used in this provision, the following terms are defined as indicated:

“Total Disability/Totally Disabled” means:

1. the Insured is unable to perform the Primary and Essential Duties of any occupation for which the Insured is, or becomes, reasonably fitted by training, education, and experience; and
2. the Insured is not working in any capacity for pay or remuneration.

“Primary and Essential Duties” means those duties that are generally and regularly required in the performance of the occupation and that cannot be reasonably be changed, accommodated, or omitted.

CONVERSION

Conversion Privilege. Any person covered under the Policy may convert his or her Life Insurance to an individual policy, provided such person is Entitled to Convert and, within 31 days after his or her Life Insurance ends:

1. applies in writing to the Company; and
2. pays the first premium.

Evidence of Insurability. No Evidence of Insurability will be required in order to convert to an individual policy under the Conversion Privilege.

Entitled to Convert. A person covered under the Policy is Entitled to Convert his or her Life Insurance only if such insurance ends because:

1. the Insured's employment terminates;
2. the Insured ceases to be a member of an Eligible Class as described in the Eligible Class(es) section of the Policy Schedule;
3. the Policy terminates, provided the person has been covered under the Policy for at least five consecutive years immediately preceding such termination;
4. the Policy is amended to terminate the Eligible Class to which the Insured belongs, provided the person seeking to convert has been covered under the Policy for at least five consecutive years immediately preceding such termination.

Amount of Converted Life Insurance. If a person's Life Insurance ends because the Insured's employment terminates or the Insured is no longer a member of an Eligible Class, the amount of converted Life Insurance to which he or she will be entitled will not be more than the amount of Life Insurance that is lost under the Policy.

If a person's Life Insurance ends because the Policy is changed to terminate the Eligible Class to which the Insured belongs, or if the Policy terminates, the amount of converted Life Insurance he or she will be entitled to convert will be the lesser of: (a) the amount of Life Insurance in force under the Policy at the time insurance ends, less any amount for which such person becomes eligible under this or any other group life policy during the 31-day conversion period; or (b) \$2,000.

Type of Policy. The individual policy will be the Company's current offering and will be on a form customarily issued by the Company. However, such policy may not be term insurance. No disability or other supplemental benefits will be provided under the individual policy. The individual policy will go into effect at the end of the 31-day period after Life Insurance ends.

If the individual policy contains a provision that restricts the time within which benefits would be payable as a result of suicide, or restricts the time within which coverage under the policy can be contested, such time periods will be deemed to have begun at the time the Insured was first covered under the Policy.

The premium will be based on the Company's rates for the individual policy form, the benefit amount, age and the class of risk to which the person belongs at the time insurance ends. To continue insurance under the individual policy, the premium must continue to be paid as required under the terms of the individual policy.

Death During the Conversion Period. If the person dies during the 31-day period during which he or she is eligible to convert, the Company will pay, as a death benefit under the Policy, the maximum amount such person was otherwise eligible to convert. If the person dies during the 31-day conversion period and has already converted, the death benefit payable under the Policy will be reduced by the amount of Life Insurance actually converted, unless the individual policy is surrendered to the Company. In such case, any premium paid for the individual policy will be refunded.

Notice of Conversion Right. Notice of the right to convert to an individual policy will be presented to the Insured or delivered to the Insured's last known address within 15 days from the date a person's Life Insurance coverage ends. If notice is not given within this 15-day period, the 31-day conversion period will be extended by 15 days after the date notice is given. However, in no event will the initial 31-day period of time be extended beyond 60 days from the date Life Insurance ends.

Restoration of Membership in Eligible Class. If an Insured has converted coverage under the Policy and subsequently regains membership in an Eligible Class, coverage will not be provided under the Policy until such Insured surrenders the individual policy to the Company, subject to the provision titled "Reinstatement of a Previous Insured."

ACCIDENTAL DEATH AND DISMEMBERMENT

Accidental Death and Dismemberment Benefit. The Company will pay the Benefit Percentage of the Principal Sum, if Injury to an Insured results in any one of the losses listed in the Schedule of Losses. The loss must occur within 90 days of the date of Injury. If the Insured suffers more than one loss as a result of any one accident, only the largest amount will be paid.

Payment of Benefit. All Accidental Dismemberment benefits will be paid to the Insured. Accidental Death benefits will be paid to the Insured's beneficiary.

The Schedule of Losses, Principal Sum and Benefit Percentage are indicated on the Policy Schedule.

As used in the Schedule of Losses, the following terms are defined as indicated:

"Loss of a hand or foot" means complete severance through or above the wrist or ankle joint.

"Loss of sight of an eye" means total and irrecoverable loss of the entire sight in that eye.

"Loss of hearing in an ear" means total and irrecoverable loss of the entire ability to hear in that ear.

"Loss of speech" means total and irrecoverable loss of the entire ability to speak.

"Loss" of thumb and index finger means the complete severance through or above the metacophalangeal joint of both digits.

Exclusions. Benefits for Accidental Death and Dismemberment will not be payable for any loss caused in whole or in part by, or resulting in whole or in part from, the following:

1. attempted suicide or intentionally self-inflicted injury, while sane or insane.
2. bodily or mental infirmity; disease of any kind; or medical or surgical treatment for that infirmity or disease. This does not include bacterial infections resulting from an accidental cut or wound or accidental ingestion of a poisonous food substance.
3. voluntary taking of poison; voluntary inhalation of gas; voluntary taking of a drug or chemical. This does not apply to the extent administered by a licensed physician. The physician must not be the Insured; his or her spouse; a child, sibling, or parent of the Insured or of the Insured's spouse; or a person who resides in the Insured's home.
4. declared or undeclared war or act of war.
5. the Insured's commission of or attempt to commit a felony, or any loss sustained while incarcerated for the felony.
6. the Insured's participation in a riot.
7. the Insured's engaging in an illegal occupation.
8. release of nuclear energy.
9. operating, riding in, or descending from any aircraft (including a hang glider). This does not apply to the Insured while a passenger on a licensed, commercial, nonmilitary aircraft.

CLAIMS PROVISIONS

Notice of Claim. Written notice of claim must be given to the Company within 20 days after a loss, or as soon thereafter as reasonably possible. Notice given by or on behalf of the claimant to the Company with information sufficient to identify the Insured, is deemed notice to the Company.

Claim Forms. The Company will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within 15 days after the giving of notice, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the Insured's name, the Policyholder and the Policy number.

Proof of Loss. Written proof of loss must be furnished to the Company within 90 days of the date of loss. If the loss is one for which the Policy requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as the Company may reasonably require. Failure to furnish such proof within the time required, will not reduce or deny any benefits if the proof is given as soon as reasonably possible. However, in no event, other than legal incapacity, will proof be given more than one year after the date of loss.

Payment of Claims. Upon receipt of due written proof of death, payment for loss of life of an Insured will be made to the Insured's beneficiary as described in the Beneficiary Designation and Change provision of the General Provisions section.

Upon receipt of due written proof of loss, payments for all losses, except the Insured's loss of life, will be made to (or on behalf of, if applicable) the Insured. If an Insured dies before all payments due have been made, the amount still payable will be paid to his or her beneficiary as described in the Beneficiary Designation and Change provision of the General Provisions section.

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

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

Time of Payment of Claims. Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon the Company's receipt of due written proof of the loss. Subject to the Company's receipt of due written proof of loss, all accrued benefits for loss for which the Policy provides periodic payment will be paid at the expiration of each month during the continuance of the period for which the Company is liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.

GENERAL PROVISIONS

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

After a person has been covered under the Policy for two years, no statement made by such person will be used to contest a claim under the Policy. The Company can only contest coverage if the misstatement is made in a written instrument signed by such person and a copy is given to the Policyholder, the signor or the signor's beneficiary.

Beneficiary Designation and Change. The Insured's designated beneficiary(ies) is (are) the person(s) named by the Insured, as shown in the Policyholder's records. The Insured Spouse's and Insured Child's beneficiary is the Insured.

A legally competent Insured over the age of majority may change his or her beneficiary designation at any time, unless an irrevocable designation has been made. The change may be executed, without the consent of the designated beneficiary(ies), by providing the Company, or, if agreed upon in advance by the Company, the Policyholder, with a written request for change. When the request is received, whether the Insured is then living or not, the change of beneficiary will relate back to and take effect as of the date of execution of the written request, but without prejudice to the Company on account of any payment that is made prior to receipt of the request.

If there is no designated beneficiary, or if no designated beneficiary is living after the Insured's death, the benefits will be paid, in equal shares, to the survivors in the first surviving class of those that follow: The Insured's (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the Insured's estate.

If the Insured is not living on the date of the Insured Spouse's or Insured Child's death, the beneficiary is the Insured's estate.

Reinstatement of a Previous Insured. A member of an Eligible Class who was previously an Insured may apply for any benefits for which the member is eligible. Such member's benefits will begin on the first day of the month following the date the Company approves the member's application for such benefits, as well as Evidence of Insurability.

Physical Examination and Autopsy. The Company at its own expense has the right and opportunity to examine the Insured whose loss is the basis of claim under the Policy as often as it may reasonably require during the pendency of the claim, and to make an autopsy in case of death where it is not forbidden by law. If the Insured is Totally Disabled, we may not examine the Insured more than once a year after he or she has been Totally Disabled.

Legal Actions. No action at law or in equity will be brought to recover on the Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of the Policy. No such action will be brought after the expiration of three years after the time written proof of loss is required to be furnished.

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

Clerical Error. A purely clerical error, that arises from other than a failure to perform administrative duties hereunder, whether by the Policyholder or the Company, will not void the insurance of any Insured if that insurance would otherwise have been in effect; nor will it extend insurance of such person if that insurance would otherwise have ended or been reduced as provided by the Policy. Clerical error may be, by illustration but not limitation, errors in transcription or computation, but is not, by illustration but not limitation, a failure to advise Insureds of procedural requirements.

Assignment. The Policy is non-assignable. An Insured may not assign his or her rights, privileges and benefits under the Policy without the consent of his or her beneficiary. The Company is not bound by an assignment until the Company receives and files a signed copy. The Company is not responsible for the validity of assignments. The assignee only takes such rights as the assignor possessed and such rights are subject to state and federal laws and the terms of the Policy.

Misstatement of Facts. If the material facts, including age of the Insured, were not accurate in the Application or any application for coverage under the Policy:

1. a fair adjustment of premium will be made; and
2. the true facts, including true age, will decide whether, and in what amount, insurance is in force under the Policy.

Facility of Payment. If an individual appears to the Company to be equitably entitled to compensation because he or she has incurred expenses on behalf of an Insured or for burial or funeral expenses, the

Company may deduct from the amount payable under the Policy to be paid to such individual the expenses incurred, but not more than \$500. Such payment will not exceed the amount due under the Policy.

Settlement Options. The Insured may elect to have all or any part of his or her insurance for loss of life paid to his or her beneficiary in installments or in any other way that may be agreed to by the Company. The Insured must give notice in writing to elect a settlement option. The Insured will have the right to change the election at any time. The terms of payment will be in accordance with those offered by the Company for the insurance at the time election is made.

After the Insured's death, the beneficiary:

1. may make such an election, if the Insured had not done so; and
2. may name a person(s) to receive any amount that would otherwise go to the beneficiary's estate; and
3. will have the right to change the person(s) named in accordance with 2. above.

DEFINITIONS

Accident means a sudden, unexpected and unintended incident that occurs while coverage is in force with respect to the person whose Injury is the basis of the claim and that results in Injury or loss covered by this Policy.

Active Work/Actively At Work means expending time and energy in the performance of regular duties for the Policyholder at the usual place of employment, or at a location to which the Policyholder requires the Insured to travel and for which the Insured is receiving Basic Earnings for such duties. An Insured will be considered Actively At Work on each regularly scheduled non-work day if he or she was Actively At Work on the immediately preceding scheduled work day.

Basic Earnings means the Insured Person's basic rate of pay. It does not include overtime, bonus or any other form of additional compensation, unless otherwise indicated on the Policy Schedule.

Evidence of Insurability means a written statement, application, or medical evidence of good health that, in the sole judgment of the Company, qualifies the person for coverage under the Policy. The Company may require the person to pay the cost of providing this information.

Guaranteed Issue Amount means the highest amount of insurance that will be issued to a person without Evidence of Insurability. This amount is indicated on the Policy Schedule.

Injury means a bodily injury caused by an accident occurring while the Policy is in force with respect to the person whose injury is the basis of claim and resulting directly and independently of all other causes in a covered loss.

Insured means a person who is a member of an Eligible Class, as defined on the Policy Schedule, for whom any required premium has been paid; coverage has been elected, any required Evidence of Insurability is approved by the Company, and for whom coverage is in force. Persons belonging to more than one Eligible Class will only be covered under the Policy for one Eligible Class.

Physician means a licensed practitioner of the healing arts acting within the scope of his or her license, who is not: (a) the Insured Person; (b) an relative to the Insured or a relative of any member of the Insured's family; or (c) residing with the Insured Person.

Sickness means a diagnosed illness, disease or pregnancy.

**SUMMARY OF THE LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT
AND
NOTICE CONCERNING LIMITATIONS AND EXCLUSIONS**

INTRODUCTION

Residents of Pennsylvania 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 Pennsylvania Life and Health Insurance Guaranty Association (PLHIGA). The purpose of this Association 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 Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in Pennsylvania and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Association is limited, however. As noted below, this protection is not a substitute for consumers' care in selecting companies that are well managed and financially stable. Insurance companies and their agents are prohibited by law from using the existence of the association to induce you to purchase any kind of insurance policy.

This Information is Provided By:

Pennsylvania Life and Health Insurance Guaranty Association
290 King of Prussia Road
Radnor Station Building 2, Suite 218
Radnor, PA 19087
(610) 975-0572

SUMMARY

The state law that provides for this safety-net coverage is called the Pennsylvania Life and Health Insurance Guaranty Association Act. Below is a brief summary of the law's coverages, exclusions and limits. This summary does not cover all provisions of the law; not does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Association.

Coverage. Generally, individuals will be protected by the Pennsylvania Life and Health Insurance Guaranty Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they hold certificates under a group life or health insurance contract or annuity, 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. Persons holding such policies or contracts are not protected by this Association if:

- they are not residents of the State of Pennsylvania, except under certain very specific circumstances;
- the insurer was not authorized or licensed to do business in Pennsylvania at the time the policy or contract was issued;
- their policy was issued by a nonprofit hospital or health service corporation (e.g., a blue cross or blue shield plan), an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange.

The Association 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;
- any policy of reinsurance (unless an assumption certificate was issued);
- plans of employers, associations or similar entities to the extent they are self-funded or uninsured (that is, not insured by an insurance company, even if an insurance company administers them);
- interest rate yields that exceed an average rate;
- dividends;
- experience rating credits;
- credits given in connection with the administration of a policy or contract;
- annuity contracts or group annuity certificates used by nonprofit insurance companies to provide retirement benefits for nonprofit educational institutions and their employees;
- policies, contracts, certificates or subscriber agreements issued by a prepaid dental care plan;
- sickness and accident insurance when written by a property and casualty insurer as part of an automobile insurance contract;
- unallocated annuity contracts issued to an employee benefit plan protected under the federal Pension Benefit Guaranty Corporation;
- financial guarantees, funding agreements or guaranteed investment contracts not containing mortality guarantees and not issued to or in connection with a specific employee

benefit plan or governmental lottery;

- any kind of insurance or annuity, the benefits of which are exclusively payable or determined by a separate account required by the terms of such insurance policy or annuity maintained by the insurer or by a separate entity.

Limits On Amount of Coverage. The act also limits the amount the Association is obligated to pay out. The Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Association will pay a maximum of \$300,000 – no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Subject to the over-all \$300,000 limit, the Association will pay up to \$300,000 in life insurance death benefits, but not more than \$100,000 in net cash surrender or withdrawal values. For annuities, the Association will pay up to \$300,000 in annuity benefits, or \$100,000 in net cash surrender or withdrawal benefits. For health insurance, the Association will pay up to \$300,000, including any net cash surrender or withdrawal benefits.