



# QBE INSURANCE CORPORATION

Administrative Office  
Wall Street Plaza, 88 Pine Street, 16<sup>th</sup> Floor  
New York, NY 10005

**POLICYHOLDER:** ABC Martial Arts Academy  
**GROUP POLICY NUMBER:** XXXXXXXX  
**POLICY EFFECTIVE DATE:** 12 September 2006  
**POLICY ISSUE DATE:** 12 September 2006  
**POLICY TERM:** 12 September 2006 through 11 September 2007  
**STATE OF ISSUE:** Ohio

QBE Insurance Corporation, herein called the Company or We, Us or Our, in consideration of the Application for this Policy and the timely payment of Premiums, agrees, subject to the terms and conditions of the Policy, to insure the Policyholder's eligible member.

This Policy describes the terms and conditions of insurance. It goes into effect, subject to its applicable terms and conditions, at 12:01 AM on the Policy Effective Date shown above, at the Policyholder's address. It will remain in effect for the duration of the Policy Term shown above if premium is paid according to agreed terms.

This Policy terminates at 12:00 AM on the day following the last day of the Policy Term unless the Policyholder and We have agreed to continue this Policy for an additional Policy Term. The laws of the State of Issue shown above govern this Policy.

We and the Policyholder agree to all of the terms of this Policy.

IN WITNESS WHEREOF QBE Insurance Corporation has caused this Policy to be executed on its Issue Date, to take effect on the Effective Date.

President

Secretary

• BLANKET ACCIDENT POLICY •  
• NON-PARTICIPATING •

**THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENTS ONLY. IT DOES NOT PAY BENEFITS FOR SICKNESS**

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## SCHEDULE OF BENEFITS

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This Policy is intended to be read in its entirety. In order to understand all the conditions, ~~exclusions and limitations applicable to its benefits, please read all the policy provisions~~ carefully.

**Minimum Participation Requirement**

100% of all Eligible Persons

**Eligible Persons:**

An Eligible Person is an individual who is a registered and enrolled student, or is a member of the Policyholder's staff who is performing his assigned duties, in connection with the Policyholder's Martial Arts Studio, Academy or School.

**CONDITIONS OF COVERAGE**

The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions, under the following coverages.

Exposure and Disappearance Coverage

School Coverage

Personal Deviations covered

no

# INDEMNITY BENEFITS

## ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Principal Sum	\$50,000.00
Loss must occur within	100 days of the Covered Accident
<b>Schedule of Covered Losses</b>	
<b>Covered Loss</b>	<b>Benefit</b>
Loss of Life	100% of the Principal Sum
Loss of Two or More Hands or Feet	100% of the Principal Sum
Loss of Sight of Both Eyes	100% of the Principal Sum
Loss of One Hand or Foot and Sight in One Eye	100% of the Principal Sum
Quadriplegia	100% of the Principal Sum
Paraplegia	50% of the Principal Sum
Hemiplegia	50% of the Principal Sum
Loss of One Hand or Foot	50% of the Principal Sum
Loss of Sight in One Eye	50% of the Principal Sum
Loss of Speech	50% of the Principal Sum
Loss of Hearing in Both Ears	50% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	25% of the Principal Sum

## ACCIDENT MEDICAL EXPENSE BENEFITS

Any benefit limits and Benefit Percentages for Accident Medical Expense Benefits apply, unless otherwise specified, on a per-Covered Person – per Covered Accident basis. Any applicable Deductibles must be satisfied within the time periods specified before benefits are payable.

### Scope of Coverage Applicable to Accident Medical Benefits

Full Excess Medical Expense

#### Medical Expense Benefits

Total Lifetime Maximum for all Accident Medical Expense Benefits	\$100,000.00
First Covered Expenses must be Incurred within Benefit Period	60 days after a Covered Accident 52 weeks from the date of the Covered Accident
Deductible	\$250.00
applies to	each Covered Accident

#### Covered Expense

#### Benefit Amount, Percentage, Other Limits

##### In-Patient Hospital Services

Daily In-Hospital Benefit	100% of the average semi-private room rate
Outpatient Hospital Services	100% of Covered Expenses

##### Physician Services

Surgery Benefit	100% per procedure
Physician's Surgical Facilities	100% per procedure
Second Opinion or Consultation	100%
Anesthesia Benefit	20% of the Surgical Benefit
Inpatient Visits	100%
Office Visits	100% per visit

##### Outpatient X-ray

100%

##### Outpatient Physiotherapy

100%

##### Ambulance Services

100%

##### Medical Services and Supplies

100%

##### Dental Services

100%

##### Prescription Drugs

100%

#### Policy Premiums

Premium \$XXX.XX

Mode of Premium Payment Single Premium

Premium Due Date Policy Effective Date

Contributions The cost of this insurance is paid by the Policyholder.

## GENERAL DEFINITIONS

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Please note that certain words used in this Policy have specific meanings. The words defined below and capitalized within the text of this Policy have the meanings set forth below.

**Active Service** A Covered Person is considered in Active Service if he is none of the following:

1. an Inpatient in a Hospital or receiving Outpatient care or chemotherapy or radiation therapy;
2. confined at home under the care of a Physician for a treatment of a sickness or injury; or
3. totally disabled.

**Aircraft** means a vehicle which has a valid certificate of airworthiness and is being flown by a pilot with a valid license to operate the Aircraft.

**Appropriate Treatment** means care, services or supplies, provided by or at the direction of a Physician that are appropriate, according to accepted standards of medical practice, for the Covered Person's injury and are provided during the course of treatment of an injury sustained in a Covered Accident. Appropriate Treatment must be provided no less frequently than monthly, unless the Covered Person's Physician specifies in writing to Us that such treatment of injuries sustained in a Covered Accident can be provided at less frequent intervals.

**Benefit Percentage** means the percentage of Covered Expenses We pay that are Incurred by the Covered Person after he satisfies any applicable Deductible. Benefit Percentages are shown in the *Schedule of Benefits*.

**Company or We, Us, Our**, means QBE Insurance Corporation, domiciled in Pennsylvania.

**Covered Accident** means a sudden, unforeseeable, external event that results, directly and independently of all other causes, in an injury or loss and meets all of the following conditions:

1. occurs while the Covered Person is insured under this Policy;
2. is not contributed to by disease, sickness, or mental or bodily infirmity; and
3. is not otherwise excluded under the terms of this Policy.

**Covered Expenses** means the lesser of the reasonable and customary charge and the maximum benefit shown, for services or supplies listed, in the *Schedule of Benefits* and described in the *Accident Medical Expense Benefits* section of this Policy. Covered Expenses must be Incurred by a Covered Person for Appropriate Treatment for injuries sustained in a Covered Accident.

**Covered Person** means an Eligible Person, as defined in the *Schedule of Benefits*, for whom required premium has been paid when due and for whom coverage under this Policy remains in force.

**Deductible** means the amount of Covered Expenses that each Covered Person must incur before benefits are paid under this Policy. The Covered Person may use Covered Expenses paid under another Health Care Plan to satisfy the Deductible under this Policy.

**He, Him or His** means an individual, male or female.

**Health Care Plan** means any arrangement, whether individually purchased or incident to employment or membership in an association or other group, which provides benefits or services for health care, dental care, disability benefits or repatriation of remains. A Health Care Plan includes group, blanket, franchise, family or individual:

1. insurance policies;
2. subscriber contracts;
3. uninsured agreements or arrangements;

4. coverage provided through Health Maintenance Organizations, Preferred Provider Organizations and other prepayment, group practice or individual practice plans;
5. medical benefits provided under automobile "fault" and no-fault" – type contracts;
6. medical benefits provided by any governmental plan or coverage or other benefit law, except:

- a. a state-sponsored Medicaid plan; or
- b. a plan or law providing benefits only in excess of any private or non-governmental plan;
7. other valid and collectible medical or health care benefits or services.

**Hospital** means an institution that meets all of the following:

1. it is licensed as a Hospital pursuant to applicable law;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it is managed under the supervision of a staff of medical doctors;
4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
6. it charges for its services.

The term Hospital does not include a clinic, facility, or unit of a Hospital for:

1. rehabilitation, convalescent, custodial, or educational or nursing care;
2. the aged, drug addicts or alcoholics; or
3. a Veteran's Administration Hospital or Federal Government Hospitals unless the Covered Person Incurs an expense.

**Hospital Stay** means a confinement in a Hospital, ordered by a Physician, over one or more nights when room and board and general nursing care are provided at a per diem charge made by the Hospital. The Hospital Stay must result directly and independently of all other causes from a Covered Accident. Separate Hospital Stays due to the same Covered Accident will be treated as one Hospital Stay unless (a) separated by at least 90 days or (b) a Covered Person returns to Active Service for 30 or more days between Hospital Stays.

**Incurred or Incurs** means an obligation to pay for a Covered Expense for treatment, service or purchase of supplies, deemed to be the date it is provided to the Covered Person.

**In-Patient** means a Covered Person who is confined for at least one full day's Hospital room and board. The requirement that a person be charged for room and board does not apply to confinement in a Veteran's Administration Hospital or Federal Government Hospital and in such case, the term "Inpatient" shall mean a Covered Person who is required to be confined for a period of at least a full day as determined by the Hospital.

**Nurse** means a licensed registered nurse (R. N.) or a licensed practical nurse (L. P. N.) who is not:

1. the Covered Person;
2. a parent, sibling, spouse or child of the Covered Person or the Covered Person's spouse;
3. a person living in the Covered Person's household; or
4. a person employed or retained by the Policyholder.

**Out-Patient** means a Covered Person who receives treatment, services and supplies while not an Inpatient in a Hospital.

**Personal Deviation** means any activity which:

1. is neither reasonably related to or incidental to the purpose of travel for which coverage is provided by this Policy; and
2. the Covered Person performs before, during or after covered travel.

When coverage is provided during a Personal Deviation, the time period covered is shown in the *Conditions of Coverage* section of the *Schedule of Benefits*.

**Physician** means a licensed health care provider practicing within the scope of his license and rendering care and treatment to a Covered Person that is appropriate for the condition and locality and who is not:

1. employed or retained by the Policyholder; or
2. living in the Covered Person's household; or
3. a parent, sibling, spouse or child of the Covered Person.

**Usual and Customary Charge** means the normal charge, in the absence of insurance, made by the provider of any Appropriate Treatment, but not more than the prevailing charge in the area:

1. for a like service by a provider with similar training or experience; or
2. for a supply that is identical or substantially equivalent.

The final determination of all Usual and Customary Charges rests solely with Us.

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## ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

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### Policy Effective Date

We agree to provide Blanket Accident Insurance Benefits described in this Policy in consideration of the Policyholder's application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown on this Policy's first page as long as the Minimum Participation requirement shown in the *Schedule of Benefits* has been satisfied.

### Eligibility

An individual becomes eligible for insurance under this Policy on the date he meets all of the requirements of one of the Covered Classes and completes any Eligibility Waiting Period, as shown in the *Schedule of Benefits*. An Eligible Person may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class.

### Effective Date for Individuals

Insurance becomes effective for an Eligible Person on the latest of the following dates:

1. the effective date of this Policy; and
2. the date the individual becomes eligible.

### Effective Date of Changes

Any increase or decrease in the amount of insurance for a Covered Person resulting from a change in benefits provided by this Policy will take effect on the date of such change.

### Termination of Insurance

The insurance on a Covered Person will end on the earliest date below:

1. the date the person is no longer in an Eligible Class;
2. the end of the last period for which premium is paid; or
3. the date this Policy terminates.

Termination will not affect a claim for a Covered Loss resulting from a Covered Accident that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit or Maximum, as shown in the *Schedule of Benefits*, have been paid;
3. the date benefits paid equal any applicable Policy Aggregate Maximum, as shown in the *Schedule of Benefits*.

## COMMON EXCLUSIONS

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In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Loss which, directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the *Description of Benefits* Section:

1. intentionally self-inflicted Injury, suicide or any attempt thereof while sane or insane;
2. commission or attempt to commit a felony or an assault;
3. commission of or active participation in a riot or insurrection;
4. bungee jumping; parachuting; skydiving; parasailing; hang-gliding;
5. declared or undeclared war or act of war;
6. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface, except as:
  - a. a fare-paying passenger on a regularly scheduled commercial or charter airline;
  - b. a passenger in a non-scheduled, private Aircraft used for pleasure purposes with no commercial intent during the flight;
  - c. a passenger in a military Aircraft flown by the Air Mobility Command or its foreign equivalent;
7. travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle;
8. participation in any motorized race or contest of speed;
9. an accident if the Covered Person is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license; except while participating in Driver's Education Program;
10. sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food;
11. medical or surgical treatment, diagnostic procedure, administration of anesthesia, or medical mishap or negligence, including malpractice;
12. travel or activity outside the United States or Canada;
13. the Covered Person's intoxication, as determined according to the laws of the jurisdiction in which the Covered Accident occurred;
14. voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage;
15. injuries compensable under Workers' Compensation law or any similar law;
16. occupational injuries for which benefits are not paid under the Workers' Compensation Law or any similar law;

We will not pay benefits for:

17. services or treatment rendered by a Physician, Nurse or any other person who is:
  - a. employed or retained by the Policyholder;
  - b. providing homeopathic, aroma-therapeutic or herbal therapeutic services;
  - c. living in the Covered Person's household;
  - d. who is a parent, sibling, spouse or child of a Covered Person;
18. any Hospital Stay or days of a Hospital Stay that are not Appropriate Treatment for the condition and locality.
19. A Covered Person's Covered Loss if
  - a. he was driving a private passenger automobile at the time of the Covered Accident that resulted in the Covered Loss; and
  - b. he was intoxicated, as that term is defined by the law of the jurisdiction in which the Covered Accident occurred.

## **CLAIM PROVISIONS**

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### **Notice of Claim**

Written or authorized electronic/telephonic notice of claim must be given to Us within 31 days after a Covered Loss occurs or begins or as soon as reasonably possible. If written or authorized electronic/telephonic notice is not given in that time, the claim will not be invalidated or reduced if it is shown that such notice was given as soon as was reasonably possible. Notice can be given to Us at Our Administrative Office in New York, New York, to such other place as We may designate for the purpose, or to Our authorized agent. Notice should include the Policyholder's name and policy number and the Covered Person's name and address.

### **Claim Forms**

We will send claim forms for filing proof of loss when We receive notice of a claim. If such forms are not sent within 15 days after We receive notice, the proof requirements will be met by submitting, within the time fixed in this Policy for filing proof of loss, written or authorized electronic proof of the nature and extent of the loss for which the claim is made.

### **Claimant Cooperation Provision**

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

### **Proof of Loss**

Written or authorized electronic proof of loss satisfactory to Us must be given to Us at Our office, within 90 days of the loss for which claim is made. If written or authorized electronic notice is not given within that time, no claim will be invalidated or reduced if it is shown that such notice was given as soon as reasonably possible. In any case, written or authorized electronic proof must be given not more than one year after the time it is otherwise required, except if proof is not given solely due to the lack of legal capacity.

### **Time of Payment of Claims**

We will pay benefits due under this Policy immediately upon receipt of due written or authorized electronic proof of such loss.

### **Payment of Claims**

All benefits will be paid in United States currency. Benefits for loss of life will be payable in accordance with the Beneficiary provision and these Claim Provisions. All other proceeds payable under this Policy, unless otherwise stated, will be payable to the Covered Person or to his estate.

If We are to pay benefits to the estate or to a person who is incapable of giving a valid release, We may pay up to \$1,000 to a relative by blood or marriage whom We believe is equitably entitled. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

### **Beneficiary**

The beneficiary is the person or persons the Covered Person names or changes on a form executed by him and satisfactory to Us. This form may be in writing or by any electronic means agreed upon between Us and the Policyholder. Consent of the beneficiary is not required to affect any changes or to make any assignment of rights or benefits permitted by this Policy, unless the beneficiary has been designated as an irrevocable beneficiary.

A beneficiary designation or change will become effective on the date the Covered Person executes it. However, We will not be liable for any action taken or payment made before We record notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the Covered Person has specified otherwise. The share of any beneficiary who does not survive the Covered Person will pass equally to any surviving beneficiaries unless otherwise specified.

~~If there is no named beneficiary or surviving beneficiary, or if the Covered Person dies while~~ benefits are payable to him, We may make direct payment to the estate of the Covered Person.

**Physical Examination and Autopsy**

We, at Our own expense, have the right and opportunity to examine the Covered Person when and as often as We may reasonably require while a claim is pending and to make an autopsy in case of death where it is not forbidden by law.

**Legal Actions**

No action at law or in equity may be brought to recover under this Policy less than 60 days after written or authorized electronic proof of loss has been furnished as required by this Policy. No such action will be brought more than three years after the time such written proof of loss must be furnished.

**Recovery of Overpayment**

If benefits are overpaid, We have the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under this Policy.

If there is an overpayment due when the Covered Person dies, We may recover the overpayment from the Covered Person's estate.

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## ADMINISTRATIVE PROVISIONS

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### Premiums

All premium rates are expressed in, and all premiums are payable in, United States currency. The premiums for this Policy will be based on the rates, as set forth in the *Schedule of Benefits* or subsequently changed, the plan and amounts of insurance in effect for Covered Persons and the premium mode selected, as shown in the *Schedule of Benefits*. We will provide notifications of premiums due or premium changes, by mail to the most current address in our files, to the Policyholder.

### Premium Payment

The total premium paid by the Policyholder is the sum of premiums for all Covered Persons. The initial premium is due on the Policy Effective Date. Premiums are paid at our Administrative Office or to Our authorized agent.

If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premiums, except as provided in the Grace Period provision.

### Premium Audit

We will have the right to audit books and records of the Policyholder at its place of business and during regularly-scheduled business hours, in order to determine the accuracy of premium paid.

## GENERAL PROVISIONS

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### Entire Contract; Changes

This Policy, including the endorsements, amendments and any attached papers, constitutes the entire contract of insurance. No change in this Policy will be valid until approved by one of Our executive officers and endorsed on or attached to this Policy. No agent has authority to change this Policy or to waive any of its provisions.

### Misstatement of Fact

If a Covered Person has misstated any fact, all amounts payable under this Policy will be such as the premium paid would have purchased had such fact been correctly stated.

### Assignment

The rights and benefits under this Policy may not be assigned and any attempt to assign will be void.

### Incontestability

#### 1. Of This Policy

All statements made by the Policyholder to obtain this Policy are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of this Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Policy Effective Date, no such statement will cause this Policy to be contested except for fraud.

#### 2. Of A Covered Person's Insurance

All statements made by a Covered Person are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, unless a copy of the instrument containing the statement is, or has been, furnished to the claimant. In the event of a claimant's death or incapacity, his applicable representative shall be given a copy.

After two years from the Covered Person's effective date of insurance, or from the effective date of increased benefits, no such statement will cause insurance or the increased benefits to be contested except for fraud or lack of eligibility for insurance.

### Reporting Requirements

The Policyholder or its authorized agent must report all of the following to Us by the premium due date:

1. the number of persons insured on the Policy Effective Date;
2. the number of persons who are insured after the Policy Effective Date;
3. the number of persons whose insurance has terminated;
4. any additional information required by Us.

### Clerical Error

A Covered Person's insurance will not be affected by error or delay in keeping records of insurance under this Policy. If such error or delay is found, We will adjust the premium fairly.

### Conformity with Statutes

Any provisions in conflict with the requirements of any state or federal law that applies to this Policy are automatically changed to satisfy the minimum requirements of such laws.

### Compensation Insurance

This Policy is not in place of and does not affect any requirements for coverage under any Workers' Compensation law.

## CONDITIONS OF COVERAGE

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This section describes the Conditions of Coverage under which benefits provided by this Policy become payable. Any benefits are payable only once, even though more than one Condition of Coverage may apply. Please read these and the *Common Exclusions* sections in order to understand all of the terms, conditions and limitations of coverage.

### EXPOSURE AND DISAPPEARANCE COVERAGE

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We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, if the Covered Person suffers a Covered Loss or Incurs Covered Expenses as a direct result, independently of all other causes, of a Covered Accident that results in the Covered Person's unavoidable exposure to the elements following the forced landing, sinking, stranding or wrecking of a vehicle.

If the Covered Person disappears and is not found within one year from the date of wrecking, sinking or disappearance of the conveyance in which he was riding in the course of a trip which would otherwise be covered under this Policy, it will be presumed that the Covered Person's death resulted from a Covered Accident.

Any travel or trip must have been authorized in advanced by the Policyholder.

**Exclusions** Exclusions that apply to this coverage are in the *Common Exclusions* Section.

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## SCHOOL COVERAGE

We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, when a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while he is participating in or attending one of the following School Covered Activities:

1. regularly-scheduled classroom instruction;
2. a study period or special instruction period supervised by a member of the school's faculty;
3. a Supervised and Sponsored School Activity or
4. Covered School Travel.

Covered School Travel includes travel, only within the contiguous United States, Alaska and Hawaii and only directly and without interruption:

1. between home and school;
2. between home and another meeting place designated by the school;
3. home and another school or site designated by the School, where a Supervised and Sponsored School Activity is scheduled; and
4. between the school or other meeting place designated by the school, and another school or site designated by the school, where a Supervised and Sponsored School Activity is scheduled.

### **School Travel Coverage for Overnight Supervised and Sponsored School Activities**

Covered School Travel also includes travel to a Supervised and Sponsored School Activity, within or outside the contiguous United States, Alaska and Hawaii, when a Covered Person's participation in or attendance at it requires him to be away from his normal residence for a stay of one or more nights. Coverage for travel to any Covered Activity that takes place outside the contiguous United States, Alaska and Hawaii will be covered only if We have agreed to it in writing.

### **Definitions**

For purposes of this coverage:

**Supervised and Sponsored School Activity** means a Covered Activity that:

1. takes place:
  - a. on school premises during, before or after normal school hours; or
  - b. at another school or site at which the Covered Activity is scheduled;
2. is sponsored, organized or otherwise provided, at which student attendance is required, by the school; and is supervised by a member of the faculty or staff of the school, or by another adult specifically assigned supervisory duties and authority for that Covered Activity by the school.

### **Exclusions**

1. This coverage will not be in effect during travel to or from any Supervised and Sponsored School Activity if:
  - a. the school provides transportation to and from it for a group of two or more Covered Persons ; and
  - b. a Covered Person is traveling to or from the Supervised and Sponsored School Activity by another means of transportation.
2. This coverage will not be in effect during a Covered Person's Personal Deviation.
3. This coverage will not be in effect during travel to any Covered Activity that takes place outside the contiguous United States, Alaska and Hawaii unless We have agreed in advance to provide it.

## **ACCIDENT INDEMNITY BENEFITS**

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This Section describes the Accident Indemnity Benefits provided by this Policy. Benefit amounts and any applicable time requirements and limitations are shown in the *Schedule of Benefits*. Please read this and the *Common Exclusions* section in order to understand all of the terms, conditions and limitations applicable to these benefits.

### **ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

#### **Covered Loss**

We will pay the benefit for any one of the Covered Losses listed in the *Schedule of Benefits*, if a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident within the applicable time period specified in the *Schedule of Benefits*.

If a Covered Person sustains more than one Covered Loss as a result of the same Covered Accident, the total of Benefits We will pay will not exceed the Principal Sum.

#### **Definitions**

**Loss of a Hand or Foot** means complete Severance through or above the wrist or ankle joint.

**Loss of Sight** means the total, permanent loss of all vision in one eye which is irrecoverable by natural, surgical or artificial means.

**Loss of Speech** means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.

**Loss of Hearing** means total and permanent loss of ability to hear any sound in both ears which is irrecoverable by natural, surgical or artificial means.

**Loss of a Thumb and Index Finger of the Same Hand or Four Fingers of the Same Hand** means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).

**Quadriplegia** means total Paralysis of both upper and both lower limbs.

**Paraplegia** means total Paralysis of both lower limbs or both upper limbs.

**Hemiplegia** means total Paralysis of the upper and lower limbs on one side of the body.

**Severance** means the complete and permanent separation and dismemberment of the part from the body.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.

## SCOPE OF COVERAGE APPLICABLE TO MEDICAL EXPENSE BENEFITS

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Covered Expenses and any applicable Deductibles are shown in the *Schedule of Benefits*.

### **Other Health Care Plan Benefits**

When another Health Care Plan provides benefits in the form of services rather than cash payments, We will consider the reasonable cash value of such service in determining whether any Deductible has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

### **Full Excess Medical Expense**

We will pay Covered Expenses:

1. after the Covered Person has satisfied any applicable Deductible; and
2. only when they are in excess of amounts payable by any Other Health Care Plan whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the amount the other Health Care Plan would have paid had its services or facilities been utilized if:

1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.

Covered Expenses will not be reduced for emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement.

**Definitions** For purposes of the Accident Medical Benefits provided by this Policy:

**HMO** or Health Maintenance Organization means any organized system of health care that provides health maintenance and treatment services for a fixed sum of money agreed and paid in advance to the provider or service.

**PPO** or Preferred Provider Organization means an organization offering health care services through designated health care providers who agree to perform those services at rates lower than non-Preferred Providers.

## ACCIDENT MEDICAL EXPENSE BENEFITS

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We will pay benefits shown in the *Schedule of Benefits* for Covered Expenses Incurred by a Covered Person, subject to all applicable conditions and exclusions, for treatment of an injury that resulted directly and independently of all other causes from a Covered Accident.

Benefits will be paid:

1. when Covered Expenses Incurred exceed any applicable Deductible; and
2. as long as the first expense has been Incurred within the number of days specified in the *Schedule of Benefits*; and
3. until any applicable Benefit Period shown in the *Schedule of Benefits* has expired; and
4. until benefits paid equal the Maximum for Accident Medical Expense Benefits shown in the *Schedule of Benefits*.

### Covered Expenses

#### Inpatient Hospital Services

Room and Board Expenses – We will pay for Room and Board Expenses Incurred for a Covered Person's Hospital confinement.

#### Hospital Outpatient Treatment

We will pay Covered Expenses Incurred for outpatient treatment performed in a Hospital. When emergency room treatment is immediately followed by admission to a Hospital, such treatment will be a Hospital Covered Expense.

**Physician Services** – We will pay Covered Expenses for Covered Expenses listed below.

Surgery - Covered Expenses charged for performing a surgical procedure. Two or more surgical procedures through the same incision will be considered as one procedure. We will pay up to 150% of the benefit for a surgical procedure when more than one surgical procedure through different operating fields is performed during the same surgical session; and

Use of Physician's Surgical Facilities – Covered Expenses charged for the use of a Physician's surgical facilities.

Second Opinion or Consultation – Covered Expenses charged by a Physician for a second surgical opinion or consultation.

Anesthesia and its administration – Covered Expenses charged by a Physician for anesthesia and its administration.

Any braces, splints or other devices required after surgery to ensure proper healing.

In-Hospital or Office Visits – Covered Expenses charged by a Physician for other than pre- or post-operative care, second opinion or consultation;

1. for in-Hospital visits; and
2. for office visits.

#### Outpatient X-ray

We will pay Covered Expenses Incurred for X-rays.

### **Outpatient Physiotherapy**

We will pay Covered Expenses Incurred for outpatient Physiotherapy. Physiotherapy means: (a) acupuncture, (b) microthermy, (c) chiropractic adjustment, (d) manipulation, (e) diathermy, (f) massage therapy, (g) heat treatment, and (h) ultrasonic treatment.

### **Ambulance Services**

We will pay Covered Expenses Incurred for ground or air ambulance service to transport a Covered Person from the place where a Covered Accident occurred to the nearest medically appropriate facility.

### **Medical Services and Supplies**

We will pay Covered Expenses Incurred for:

1. blood and blood transfusions, including processing and administration; and
2. cost and administration of oxygen and other gasses.

We will not pay for storage of blood for any reason.

### **Dental Services**

We will pay Covered Expense Incurred for dental treatment, including X-rays, for injury to a tooth:

1. with no fillings or cavities or only fillings or cavities that do not undermine the tooth cusps; and
2. for which pulpal tissues are healthy and intact; and
3. for which periodontal tissue shows little or no signs of active or chronic inflammation. For insurance review purposes, each tooth unit is evaluated under these criteria rather than a blanket rating of the whole mouth.

Covered Expenses include examinations, X-rays, restorative treatment, endodontics, oral surgery, initial braces required for treatment of an injury and treatment of gingivitis resulting from trauma.

If there is more than one way to treat a dental problem, We will pay based on the least expensive procedure if that procedure meets commonly accepted standards of the American Dental Association.

### **Prescription Drugs**

We will pay Covered Expenses Incurred for drugs that

1. can only be obtained through a Physician's written prescription; and
2. are approved for such prescription use by the Federal Drug Administration .

We will also pay Covered Expenses Incurred for drugs that meet (a) above and are prescribed by a Physician for therapeutic use not specifically approved by the FDA. The Covered Expense for a prescription drug is limited to the cost of a generic drug unless substitution of a generic drug is prohibited by law, no generic drug is available, or the Covered Person's Physician specifically request that a non-generic drug be dispensed.

### **Excluded Expenses**

None of the following will be considered Covered Expenses unless coverage is specifically provided.

1. ~~Blood, blood plasma or blood storage except expenses by a Hospital for processing or~~ administration of blood.
2. cosmetic surgery or care, or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to:
  - a cosmetic surgery resulting from an accident, if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
  - b reconstruction incidental to or following surgery resulting from a Covered Accident.

3. Any elective or routine treatment, surgery, health treatment or examinations;
4. Examination or prescriptions for, or purchase, repair or replacement of, eyeglasses, contact lenses, hearing aids, wheelchairs, appliances, orthopedic braces or orthotic devices.
5. ~~Treatment in any Veterans' Administration, Federal or state facility unless there is a legal obligation to pay.~~
6. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay.
7. Rest cures or custodial care.
8. Repair or replacement of existing dentures, partial dentures, braces or bridgework.
9. Personal services such as television and telephone, or transportation.
10. Orthopedic appliances used mainly to protect an injury so that a Covered Person can take part in sports.
11. Expenses payable by any automobile insurance policy without regard to fault.
12. Services or treatment provided by an infirmary operated by the Policyholder.
13. Treatment of injuries that result over a period of time, such as blisters, tennis elbow, et al, that are a normal, foreseeable result of participation in the Covered Activity.
14. Treatment or service provided by a private duty nurse.
15. Repair or replacement of existing artificial limbs, eyes and larynx.
16. Treatment of hernia of any kind.
17. Treatment of injury resulting from a condition that a Covered Person knew existed on the date of a Covered Accident, unless we have received a written medical release from his Physician.
18. Treatment of an injury resulting from or contributed to by frostbite, fainting or seizures or heatstroke or heat exhaustion.

Other Exclusions that apply to this Benefit are in the *Common Exclusions* Section.

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**NOTICE CONCERNING COVERAGE  
LIMITATIONS AND EXCLUSIONS UNDER THE OHIO LIFE AND  
HEALTH INSURANCE GUARANTY ASSOCIATION ACT**

Residents of Ohio 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 Ohio Life and Health Insurance Guaranty Association. 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 guaranty association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the guaranty association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

**Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus. You should check with your insurance company representative to determine if you are only covered in part or not covered at all.**

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

**Ohio Life and Health Insurance Guaranty Association  
1840 MacKenzie Drive  
Columbus, Ohio 43220**

**Ohio Department of Insurance  
2100 Stella Court  
Columbus, Ohio 43266-0566**

The state law that provides for this safety-net coverage is called the Ohio Life and Health Insurance Guaranty Association Act. Following is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the guaranty association.

(Please refer to next page)

## COVERAGE

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

## EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **not** protected by this association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a medical, health or dental care corporation, an HMO, a fraternal benefit society, a mutual protective association or similar plan in which the policy holder 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, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them).

## 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. Within this overall \$300,000 limit, the Association will not pay more than \$100,000 in cash surrender values, \$100,000 in health insurance benefits, \$100,000 in present value of annuities, or \$300,000 in life insurance death benefits - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages.

**Note to benefit plan trustees or other holders of unallocated annuities (GICs, DACS, etc.) covered by the act:** For unallocated annuities that fund governmental retirement plans under Sections 401(k), 403(b) or 457 of the Internal Revenue Code, the limit is \$100,000 in present value of annuity benefits including net cash surrender and net cash withdrawal per participating individual. In no event shall the association be liable to spend more than \$300,000 in the aggregate per individual. For covered unallocated annuities that fund other plans, a special limit of \$1,000,000 applies to each contractholder, regardless of the number of contracts held with the same company or number of persons covered. In all cases, of course, the contract limits also apply.

## NOTICE TO POLICYHOLDERS/INSUREDS

We are here to serve you ...

As our policyholder/insured, your satisfaction is very important to us. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

If you are not satisfied ...

If you have any questions or complaints about your insurance, please write to our Director of Claims or Department of Consumer Relations at the following address, or call us using our toll free telephone number.

**QBE Insurance Corporation  
88 Pine Street  
New York, New York 10005  
212-422-1212**

If, after contacting us, you feel that your problem is not resolved or you are not being treated fairly, you may contact the Ohio Department of Insurance with your complaint.

To contact the Ohio Department of Insurance, write or call:

**Consumer Services Division  
Ohio Department of Insurance  
2100 Stella Court  
Columbus, OH 43215-1076**

**Consumer Hotline: 1-800-686-1526**



# Notice to Policyholders

## U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

**NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR POLICY'S *SCHEDULE OF BENEFITS* FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED.**

**THIS NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO DIRECTIVES ISSUED BY OFAC.**

**PLEASE READ THIS NOTICE CAREFULLY**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site - <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any person insured under this policy, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, insurance provided to such SDN will be considered a blocked or frozen contract, and all provisions of this insurance applicable to him are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made to or on behalf of the SDN without authorization from OFAC. Other limitations on the premiums and payments also apply.