

Certificate of Insurance

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Hartford, Connecticut



Policyholder: North American Division of Seventh-Day Adventists

Policy Number: 000-ADD-S05242

Policy Effective Date: July 01, 2002

We have issued a policy to the Policyholder. Our name, the Policyholder name and the Policy Number are shown above. The provisions of the policy which are important to you are summarized in this Certificate; consisting of this Certificate and any additional forms which have been made a part of this Certificate. This Certificate replaces all certificates which may have been given to you earlier for the policy. The policy alone is the only contract under which payment will be made. Any difference between the policy and this Certificate will be settled according to the provisions of the policy.

Richard G. Costello, Secretary

Thomas M. Marra, President

SCHEDULE

Eligible Persons:

Class 1 All Active North American and Bermuda Based Employees of the Policyholder working a minimum of 20 hours per week.

Class 2 All Employees who are recreational pilots or employee pilots of the Policyholder whose pilot history forms have been approved.

Voluntary Plan 1

(Class 1 is covered under Voluntary Plan 1)

Principal Sum:

The Principal Sum applicable to you is the amount for which:

- a) you are eligible to request as determined below;
- b) you have given us a Written Request; and
- c) the required premium is paid.

Principal Sum Amount:

Minimum Amount: \$10,000

Maximum Amount: \$500,000

Increments of: \$10,000

For amounts above \$250,000, the Principal Sum requested cannot exceed the lesser of 10 times his or her salary on the date of the request, or the Maximum shown above.

Salary means Your base annual salary plus tuition assistance and other taxable income. (Do not exclude parsonage allowance or voluntary pre-tax contributions such as 403(b) retirement contributions, education IRA's or section 125 benefits.)

Principal Sum For Your Eligible Spouse:

The Principal Sum applicable to your Spouse who is covered under the policy is the amount for which:

- a) you are eligible to request, as determined below;
- b) you have given us a Written Request; and
- c) the required premium is paid.

Spouse Principal Sum

Minimum Amount: \$10,000

Maximum Amount: \$500,000

Increments of: \$10,000

The Principal Sum requested for your Spouse cannot exceed the lesser of your Spouse's Principal Sum Maximum or the amount applicable to you.

Principal Sum For Your Eligible Child

The Principal Sum applicable to your Child who is covered under this policy is the amount for which:

- a) you are eligible to request, as determined below;
- b) you have given us a Written Request; and
- c) the required premium is paid.

Child Principal Sum

Minimum Amount: \$5,000
 Maximum Amount: \$25,000
 Increments of: \$5,000

The Principal Sum requested for your Child cannot exceed the lesser of your Child’s Principal Sum Maximum or the amount applicable to you.

Voluntary Plan 2

(Class 2 is covered under Voluntary Plan 2)

Principal Sum:

The Principal Sum applicable to you is the amount for which:

- a) you are eligible to request as determined below;
- b) you have given us a Written Request; and
- c) the required premium is paid.

Principal Sum Amount:

Minimum Amount: \$25,000
 Maximum Amount: \$125,000
 Increments of: \$25,000

Eligible Dependents: Eligible Person’s Spouse and Child(ren)

Policy Age Limit: Insured Person - None
Spouse - 70

Accidental Death and Dismemberment Reduction on and after Age 70: On the Premium Due Date on or next following your attainment of ages 70, 75, 80 and 85, your amount of Principal Sum will reduce. The reduced amount will be determined by multiplying the Amount of Principal Sum shown in the Schedule and applicable to you by the percentage shown below for your attained age:

Insured Person's Age	Percentage of Principal Sum
Age 70 – 74	65%
Age 75 – 79	45%
Age 80 – 84	30%
Age 85 or over	15%

If you are age 70 or over you will not be eligible for a Principal Sum Amount that is more than the Percentage of Principal Sum shown above for your attained age.

Change in Class: If you enter a new Class, described in the Schedule, the insurance applicable to you is:

- a) determined on the basis of the provisions for the new Class; and
- b) effective on the Premium Due Date on or next following the date you enter the new Class.

Seat Belt Coverage

Seat Belt Benefit Amount: 10% of Principal Sum to a maximum amount of \$25,000

Common Disaster Benefit

Common Disaster Limit: \$1,000,000

Survivor Benefit

Percentage of Principal Sum: 5%
 Payment Period: 4 years

Education Benefit

Maximum Amount: \$5,000, 4 year maximum
Percentage of Principal Sum: 5%
Minimum Amount: \$2,000

Accident Hospital Indemnity Benefit:

Monthly Benefit: 1% Principal Sum Up to \$1,500
Waiting Period: 7 days
Retroactive: Yes
Payment Period: 12 Months

Conversion Privilege Benefit

Conversion Limit: \$250,000

Felonious Assault Benefit

Percentage of Principal Sum: 10%
Maximum Amount: \$10,000

Waiver of Premium Benefit**Dependent Child Dismemberment Benefit**

DEFINITIONS: **We, us** or **our** means the insurance company named on the face page. **You, your** or **Insured Person** means an Eligible Person while he or she is covered under the policy. **Covered Person** means you or your Eligible Dependent while you, he or she is covered under the policy. **Injury** means bodily injury resulting directly and independently of all other causes from an accident which occurs while the Covered Person is covered under the policy. Loss resulting from: a) sickness or disease, except a pus-forming infection which occurs through an accidental wound; or b) medical or surgical treatment of a sickness or disease; is not considered as resulting from Injury. **On**, when used with reference to any conveyance (land, water or air), means in or on, boarding or alighting from the conveyance. **Civil or Public Aircraft** means an aircraft which: a) has a current and valid Airworthiness Certificate; b) is piloted by a person who has a valid and current certificate of competency of a rating which authorizes him or her to pilot the aircraft; and c) is not operated by the militia or armed forces of any state, national government or international authority. **Airworthiness Certificate** means: a) the "Standard" Airworthiness Certificate issued by the United States Federal Aviation Administration; or b) a foreign equivalent issued by the governmental authority with jurisdiction over civil aviation in the country of its registry. **Military Transport Aircraft** means a transport aircraft operated by: a) the United States Air Mobility Command (AMC); or b) a national military air transport service of any country. **Written Request** means any form provided by us for the particular request.

INSURED PERSONS PERIOD OF COVERAGE: Effective Date: If you give us a Written Request, your coverage becomes effective on the later of: a) the Policy Effective Date; or b) the date we receive the request. **Termination:** Your coverage terminates on the earlier of: a) the date the policy is terminated; or b) the date you: 1) cease to be an Eligible Person; 2) attain the Policy Age Limit, if any, shown in the Schedule; or 3) fail to pay any required premium contribution. **Request For Change In Coverage:** If you give us a Written Request for a change in your coverage, and if you: a) are not eligible for the coverage requested, the change will not become effective; b) are eligible for the coverage requested, the change will become effective on the date we receive the request.

DEPENDENTS PERIOD OF COVERAGE: You are insured with Dependents Coverage if it is indicated on the Enrollment Form on file with the Policyholder. **Eligibility:** Eligible Dependents are defined below. In any event, you are not an Eligible Dependent. **Spouse** means your spouse unless: a) you and your spouse are legally separated or divorced; or b) your spouse has attained the Policy Age Limit, if any, shown in the Schedule. 2) **Child or Children** means your unmarried child, stepchild, legally adopted child or foster child: a) who is less than age 19 and primarily dependent on you for support and maintenance; or b) who is at least age 19 but less than age 26 who: 1) regularly attends an institution of learning; and 2) is primarily dependent on you for support and maintenance. **Effective Date:** Each Eligible Dependent will become covered under the policy on the later of: a) the date you become an Insured Person; b) the date we receive your Written Request for coverage of Dependents; or c) the date the person qualifies as an Eligible Dependent. **Termination:** Coverage of each Eligible Dependent terminates on the earliest of: a) the date you cease to be an Insured Person; or b) the date he or she ceases to qualify as an Eligible Dependent. **Incapacitated Child:** Coverage of a child who, on the date he or she reaches age 19 or 26, is: a) covered under the policy; b) mentally or physically incapable of earning his or her own living; and c) unmarried and primarily dependent on you for support and maintenance; will not terminate solely due to age. However, you must give us notice of the incapacity within 31 days of the termination date. Coverage will continue as long as: a) the incapacity continues; and b) the required premium is paid. We may, from time to time, require proof of continued incapacity and dependency. After the first two years, we cannot require proof more than once each year. **Request For Change In Coverage:** If you give us a Written Request for a change in the coverage of your Eligible Dependents, and if he or she: a) is not eligible for the coverage requested, it will not become effective; or b) is eligible for the coverage requested, the change will become effective on the date we receive the request.

EXCLUSIONS: This Policy does not cover any loss resulting from: 1. intentionally self-inflicted Injury, suicide or attempted suicide, whether sane or insane; 2. war or act of war, whether declared or undeclared; 3. Injury sustained while full-time in the armed forces of any country or international authority; 4. Injury sustained as a result of your voluntarily taking drugs which federal law prohibits dispensing without a prescription, including sedatives, narcotics, barbiturates, amphetamines, or hallucinogens, unless the drug is taken as prescribed or administered by a licensed physician; 5. Injury sustained as a result of your committing or attempting to commit a felony; 6. Injury sustained while operating a motor vehicle while legally intoxicated from the use of alcohol.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT: If a Covered Person's Injury results in any of the following losses within 365 days after the date of accident, we will pay the sum shown opposite the loss. We will not pay more than the Principal Sum for all losses due to the same accident. Your amount of the Principal Sum is determined in the Schedule.

For Loss of:

Life	The Principal Sum
Both Hands or Both Feet or Sight of Both Eyes	The Principal Sum
One Hand and One Foot	The Principal Sum
Speech and Hearing	The Principal Sum
Either Hand or Foot and Sight of One Eye	The Principal Sum
Movement of Both Upper and Lower Limbs (Quadriplegia)	The Principal Sum
Movement of Both Lower Limbs (Paraplegia)	Three-Quarters The Principal Sum
Movement of Both Upper and Lower Limbs of One Side of Body (Hemiplegia)	One-Half The Principal Sum
Either Hand or Foot	One-Half The Principal Sum
Sight of One Eye	One-Half The Principal Sum
Speech or Hearing	One-Half The Principal Sum
Thumb and Index Finger of Either Hand	One-Quarter The Principal Sum

Loss means with regard to: a) hands and feet, actual severance through or above wrist or ankle joints; b) sight, speech or hearing, entire and irrecoverable loss thereof; c) thumb and index finger, actual severance through or above the metacarpophalangeal joints; d) movement of limbs, complete and irreversible paralysis of such limbs. **EXPOSURE:** Exposure to the elements will be presumed to be Injury if: a) it results from the forced landing, stranding, sinking or wrecking of a conveyance in which the Covered Person was an occupant at the time of the accident; and b) the policy would have covered Injury resulting from the accident. **DISAPPEARANCE:** A Covered Person will be presumed to have suffered loss of life if: a) his or her body has not been found within one year after the disappearance of a conveyance in which he or she was an occupant at the time of its disappearance; b) the disappearance of the conveyance was due to its accidental forced landing, stranding, sinking or wrecking; and c) the policy would have covered Injury resulting from the accident.

SEAT BELT COVERAGE: If a Covered Person's Injury results in a covered Loss while: a) a passenger riding in; or b) the licensed operator of; a duly registered Automobile, and while wearing a Seat Belt at the time of Accident as verified on the police report, then the amount of the Principal Sum will be increased by the Seat Belt Benefit Amount stated in the Schedule. **Accident**, for the purposes of Seat Belt Coverage, means the unintentional collision of an Automobile during which the Covered Person is wearing a Seat Belt. **Automobile** means a four-wheeled, private passenger car, station wagon, van or jeep-type vehicle which is not being used as a Common Carrier. **Common Carrier** means a conveyance operated by a concern, other than the Policyholder, organized and licensed for the transportation of passengers for hire and operated by an employee of that concern. An Automobile hired and used to transport Covered Persons on events related to the Policyholder's events will not be considered a Common Carrier. **Seat Belt** means: a) a belt, lap restraint, or shoulder restraint installed by the manufacturer of the Automobile; or b) a child's car seat properly placed in the Automobile.

COMMON DISASTER BENEFIT: If both you and your covered Spouse die as a result of Injury received; a) in the same accident; or b) in separate accidents which occur within 24 hours of each other; and c) a Principal Sum is payable under the Accidental Death and Dismemberment Benefit for each death; the Principal Sum applicable to your spouse in the absence of this Benefit is increased to equal the lesser of: a) your Principal Sum; or b) an amount which, when added to your Principal Sum, equals the Common Disaster Limit. The Principal Sum amounts applicable to you and your covered Spouse in the absence of this Benefit are determined in the Schedule. The Common Disaster Limit for this Benefit is shown in the Schedule.

SURVIVOR BENEFIT: If your or your Covered Spouses Injury results in loss of life and: a) your Eligible Dependents are covered under the policy; and b) a Principal Sum is payable under the Accidental Death and Dismemberment Benefit; we will pay, in addition to the Principal Sum, an annual Survivor Benefit equal to a Percentage of your Principal Sum for the Payment Period. Your amount of the Principal Sum is determined in the Schedule. The Percentage of Principal Sum, and the Payment Period for this benefit are shown in the Schedule. The Survivor Benefit will be paid: a) to your spouse, if living; otherwise b) to your dependent children, in equal shares. If there are no surviving dependent children, payment will be made according to the Payment of Claims provision. Payment will begin the first day of the month next following the date the death claim is paid.

EDUCATION BENEFIT: If a Principal Sum is payable under the Accidental Death and Dismemberment Benefit because of your death; we will pay an Education Benefit to each Student as provided below. A Student is a person for whom we receive proof that he or she: a) is a full-time post-high school student in a school for higher learning on the date of your death; or b) became a full-time post-high school student in a school for higher learning within 365 days after your death and was a student in the 12th grade on the date of your death. He or she is not considered to be a Student after the first to occur of: a) our payment of the fourth Education Benefit to or on behalf of that person; or b) the end of the 12th consecutive month during which we have not received proof that he or she is a Student. The Education Benefit is an amount equal to the lesser of: a) the Maximum Amount; or b) an amount determined by applying the Percent to the amount of your Principal Sum. We will not pay more than one Education Benefit to any one Student during any one school year. The Education Benefit is payable to each person: a) on the date; and b) for whom; we have received proof that he or she is a Student. If he or she is a minor, we will pay the benefit to the Student's legal representative. If: a) a Principal Sum is payable because of your death; and b) no person qualifies as a Student; we will pay the Minimum Amount in accordance with the claim provision for payment of benefits for loss of life. The Maximum Amount, Percent, and Minimum Amount are shown in the Schedule. The Principal Sum is determined in the Schedule.

ACCIDENT HOSPITAL INDEMNITY BENEFIT: We will pay the Monthly Benefit or a portion thereof when a Covered Person is Confined during one or more periods of Hospital Confinement if: a) the Confinement is due to Injury; b) the first day of Confinement occurs within 30 days after the accident; and c) the Confinement exceeds the Waiting Period. The Monthly Benefit and Waiting Period are shown in the Schedule. For a period of less than one month, 1/30th of the Monthly Benefit will be paid for each day of Confinement for which benefits are payable. We will not pay for any day of Confinement which: a) is applied to the Waiting Period at the beginning of Confinement; b) exceeds the Payment Period shown in the Schedule; c) occurs after 2 years from the date of accident; or d) exceeds the Monthly Benefit. Payment will be made for the days applied to the Waiting Period if: a) the Waiting Period states that "payment is retroactive"; and b) the Confinement exceeds the Waiting Period. The Waiting Period is applied only once for any one accident. **Confined** and **Confinement** means: a) being admitted to a Hospital for receiving inpatient hospital services; and b) the patient is charged for at least one day's room and board by the hospital each time he or she is admitted. A period of Confinement consists of consecutive days of Confinement following the date a Covered Person is admitted as an inpatient. The last calendar day of a period of Confinement is not counted as a day of Confinement. **Hospital** means an institution which: a) operates pursuant to law; b) primarily and continuously provides medical care and treatment of sick and injured persons on an inpatient basis; c) operates facilities for medical and surgical diagnosis and treatment by or under the supervision of a staff of legally qualified physicians; d) provides 24 hour a day of nursing service by or under the supervision of registered graduate nurses (R.N.). Hospital does not mean any institution or part thereof which is used primarily as: a) a nursing home, convalescent home, or skilled nursing facility; b) a place for drug addicts or alcoholics; or c) a place for rest, custodial care, or for the aged.

CONVERSION PRIVILEGE: If you cease to be covered under the policy because you cease to be eligible for coverage and: a) the policy has not terminated; and b) you have not failed to pay any required premium; you have a conversion privilege as provided below. The conversion right allows you to request coverage under a conversion policy from the Insurer, without giving medical evidence of insurability, to cover yourself and your Eligible Dependents who are covered under the policy on the date your coverage ceases. Dependents who continue to be covered under the policy in the same or a different class cannot be covered under your converted policy. **Insurer**, as used on this page, means us or another insurance company which has agreed with us to issue converted policies according to this conversion privilege. You must: a) give the Insurer a Written Request for the converted policy; and b) pay the Insurer the initial premium; within 31 days after you cease to be covered under the policy. The converted policy: a) will have the provisions, limitations and exclusions on the form the Insurer is issuing for this purpose at conversion; b) will provide coverage on a twenty-four hour-a-day basis; c) will provide benefits for accidental death and dismemberment alone; d) will take effect on the date you cease to be covered under the policy; e) may exclude any condition excluded by this policy; f) will not pay for any loss covered by the policy; g) will provide a Principal Sum for yourself which will be: 1) the amount of your Principal Sum under the policy on the date of conversion, rounded to the nearest \$1,000, subject to a minimum of \$25,000 and a maximum of \$250,000, if you are under age 70; 2) \$25,000, if you are age 70 or older but less than age 75; or 3) \$12,500, if you are age 75 or older; h) will have premiums based on the Insurer's rates in effect for new applicants of your class and age at conversion. The Principal Sum amounts for your dependents who become covered under the converted policy will be the amounts we are offering for this purpose at conversion.

FELONIOUS ASSAULT BENEFIT: If your Injury: a) results in any loss payable under the policy within 365 days after the date of accident; and b) is a result of a Felonious Assault; then we will pay an additional benefit equal to the lesser of: a) a Percentage of your Principal Sum; or b) the Maximum Amount; as a Felonious Assault Benefit. Your amount of the Principal Sum is determined in the Schedule. The Percentage of Principal Sum and Maximum Amount are shown in the Schedule. **Felonious Assault** means a violent or criminal act directed at you during the course of: a) a robbery, hold-up, or kidnapping involving Policyholder funds; or b) an attempt at any of the above; which constitutes a felony under the law. This Benefit will not be payable for a loss that results from a Felonious Assault committed by: a) a member of your family; b) a member of the household in which you live; or c) your fellow employee.

WAIVER OF PREMIUM BENEFIT: Waiver of Premium: We will waive your payment of premium and continue your coverage and your Covered Dependent's coverage, if any, during a period of Total Disability as defined. **Total Disability** means a disability which: a) begins while you are covered under the policy; b) is caused by bodily Injury or disease which continuously prevents you from performing any work for compensation or profit; and c) has existed continuously for a period of at least six months. **Proof of Disability** must be sent to us at least nine months but not later than twelve months from the beginning of total disability (or within one year of death if proof was not furnished during your lifetime). We have the right to: a) require satisfactory proof of continuous Total Disability; or b) examine you at any time during the first two years after receiving initial proof of disability, but not more than once a year after that. **Refund of Premium:** When proof of disability is received, we will refund to you or to your estate, if you have died, any premium paid during the period of continuous disability.

Waiver Ceases: The Waiver of Premium will cease on the Premium Due Date on or next following the first to occur of: a) the date you cease to be totally disabled; b) the date you fail to submit the required proof of continuous disability; c) the date you fail to submit to any physical examination; d) the date you attain age 65, if totally disabled before age 60; e) five years after the date your Total Disability began, if disabled on or after age 60; or f) the date the policy terminates.

DEPENDENT CHILD DISMEMBERMENT BENEFIT: If: a) your eligible children are covered under the policy; and b) Injury results in any of the Losses under the Accidental Death and Dismemberment Benefit for other than Loss of life; we will double the amount of the Principal Sum payable for that loss. We will not pay more than double the amount of Principal Sum under this Benefit and the Accidental Death and Dismemberment Benefit for all losses which are due to the same Accident. The amount of the Principal Sum is shown in the Schedule.

CLAIMS: Notice of Claim: The person who has the right to claim benefits (the claimant or beneficiary) must give us written notice of a claim within 20 days after a covered loss begins. If notice cannot be given within that time, it must be given as soon as reasonably possible. The notice should include your name and the policy number. Send it to our office in Hartford, Connecticut, or give it to our agent. **Claim Forms:** When we receive the notice of claim, we will send forms to the claimant for giving us proof of loss. The forms will be sent within 15 days after we receive the notice of claim. If the forms are not received, the claimant will satisfy the proof of loss requirement if a written notice of the occurrence, character and nature of the loss is sent to us. **Proof of Loss:** Proof of loss must be sent to us in writing within 90 days after: a) the end of a period of our liability for periodic payment claims; or b) the date of the loss for all other claims. If the claimant is not able to send it within that time, it may be sent as soon as reasonably possible without affecting the claim. The additional time allowed cannot exceed one year unless the claimant is legally incapacitated. **Time of Claim Payment:** We will pay any daily, weekly or monthly benefit due: a) on a monthly basis, after we receive the proof of loss, while the loss and our liability continue; or b) immediately after we receive the proof of loss following the end of our liability. We will pay any other benefit due immediately after we receive the proof of loss. **Payment of Claims:** We will pay any benefit due for loss of your life: a) according to the beneficiary designation in effect at the time of your death; or b) if no beneficiary is designated, according to the beneficiary designation under the Group Life Insurance Policy issued to the Policyholder and in effect at the time of death; or c) to the survivors, in equal shares, in the first of the following classes to have a survivor at your death: 1) spouse, 2) children, 3) parents, 4) brothers and sisters. If there is no survivor in these classes, payment will be made to your estate. All other benefits due and not assigned will be paid to you, if living. Otherwise, the benefits will be paid according to the above. Benefits will be paid into a checking account which will be owned by: a) you; or b) the beneficiary or beneficiaries named in writing by you. The checking account owner may elect a lump sum payment by writing a check for the full amount in the checking account. However, a checking account will not be established for a benefit payable to your estate or for a Principal Sum that is less than \$10,000. If a benefit due is payable to: a) your estate; or b) you or any person who is either a minor or not competent to give a valid release for the payment; we may pay up to \$1,000 of the amount to some other person. The other person will be someone related to the minor or the incompetent person by blood or marriage who we believe is entitled to the payment. We will be relieved of further responsibility to the extent of any payment made in good faith. **Appealing Denial of Claims:** If a claim for benefits is wholly or partially denied, notice of the decision shall be furnished to you. The written decision will: a) give the specific reason or reasons for denial; b) make specific reference to the policy provision on which the denial is based; c) provide a description of any additional information necessary to prepare the claim and an explanation of why it is necessary; and d) provide an explanation of the review procedure. On any denied claim, you or your representative may appeal to us for a full and fair review. The claimant may: a) request a review upon written application within 60 days of the receipt of claim denial; b) review pertinent documents; c) submit issues and comments in writing. We will make a decision no more than 60 days after the receipt of the request for review, except in special circumstances (such as the need to hold a hearing), but in no case more than 120 days after we receive the request for review. The written decision will include specific reasons on which the decision is based. **Physical Examinations and Autopsy:** While a claim is pending we have the right at our expense: a) to have the person who has a loss examined by a physician when and as often as we feel is necessary; and b) to make an autopsy in case of death where it is not forbidden by law. **Legal Actions:** You cannot take legal action against us: a) before 60 days following the date proof of loss is sent to us; b) after 3 years following the date proof of loss is due. **Naming a Beneficiary:** You may name a beneficiary or change a revocably named beneficiary by giving your Written Request to the Policyholder. Your request takes effect on the date you execute it, regardless of whether you are living when the Policyholder receives it. We will be relieved of further responsibility to the extent of any payment we made in good faith before the Policyholder received your request. **Assignment:** We will recognize any assignment you make under the policy, provided: a) it is duly executed; and b) a copy is on file with us. We and the Policyholder assume no responsibility for the validity or effect of an assignment.

NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS UNDER THE LIFE AND HEALTH INSURANCE

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

The Maryland Life and Health Insurance Guaranty Corporation may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in Maryland. You should not rely on coverage by the Maryland Life and Health Guaranty Corporation in selecting an insurance company or in selecting an insurance policy. Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus. Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the guaranty corporation to induce you to purchase any kind of insurance policy. The Maryland Life and Health Insurance Guaranty Corporation, 9199 Reisterstown Road, P.O. Box 671 -- Suite 216C, Owings Mills, Maryland 21117, (410) 998-3907. The state law that provides for this safety-net coverage is called the Life and Health Insurance Guaranty Corporation. The Corporation is not a department or unit of the State of Maryland and the liabilities or debts of the Life and Health Insurance Guaranty Corporation are not liabilities or debts of the State of Maryland. Following is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the law or the rights or obligations of the guaranty corporation. **COVERAGE:** Generally, individuals will be protected by the Life and Health Insurance Guaranty Corporation if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE: However, persons holding such policies are not protected by this corporation if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued to a Health Maintenance Organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessment, or by an insurance exchange. The Corporation also does not provide coverage for:
 - any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
 - any policy of reinsurance, unless assumption certificates have been issued;
 - interest rate yields that exceed an average rate;
 - any portion of a policy or contract to the extent that it provides dividends;
 - credits given in connection with the administration of a policy by a group contract holder;
 - employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
 - unallocated annuity contracts (which give rights to group contractholders, not individuals).

LIMITS ON AMOUNT OF COVERAGE: The statute also limits the amount that the corporation is obligated to pay. The corporation cannot pay more than what the insurance company would owe under a policy or contract. Also, with respect to any one life, regardless of the number of policies or contracts with the member insurer, the corporation will pay a maximum of:

- \$300,000 in life insurance death benefits, but will not pay more than \$100,000 in life insurance cash surrender values;
- \$300,000 in health insurance benefits, including any net cash surrender and net cash withdrawal values; and
- \$100,000 in the present value of annuity benefits, including any net cash surrender and net cash withdrawal values. These amounts are the maximum, no matter how many policies and contracts the insured has with the member company.