SPECIMEN POLICY

# NATIONAL FAMILY CARE LIFE INSURANCE COMPANY

**13530 INWOOD ROAD DALLAS, TX 75244**
**AN OLD LINE LEGAL RESERVE COMPANY**

## LUMP SUM CANCER POLICY

This Policy is a legal contract between You and Us. READ YOUR POLICY CAREFULLY. If there is any error or omission, contact Us at Our Office address within thirty (30) days.

This Policy is issued to You based on the first premium You pay and the information provided in Your signed Application.

**IMPORTANT NOTICE: The issuance of this Policy and any Riders is based upon Your correct and complete answers to all questions and any other information on Your signed Application. This Policy is subject to denial of a claim and cancellation by Us if the application contains misrepresentations, omissions, or incorrect statements that are fraudulent. Please review the entire contract, including the copy of Your Application. If any information on the Application is not correct and complete, contact Us at Our Office address within thirty (30) days.**

**10 DAY RIGHT TO EXAMINE AND CANCEL POLICY**
You should read this entire Policy carefully and refer to the Definitions section to understand the meaning of defined words. If You are not satisfied for any reason, You may cancel this Policy by returning it to Us [or to Our authorized agent] and giving written notice of cancellation any time before 12:01 a.m. standard time at Your home address of the 10th day following receipt of this Policy. In such case, this Policy will be considered void as though it was never issued and You will receive a full refund of any premium paid.

**THIS POLICY IS GUARANTEED RENEWABLE FOR LIFE SUBJECT TO THE COMPANY'S RIGHT TO CHANGE PREMIUMS. THIS POLICY MAY BE SUBJECT TO A PREMIUM INCREASE ON ANY POLICY ANNIVERSARY DATE.**

You may keep this Policy in force for life by paying premiums when they are due or during the Grace Period. If premiums are paid on time, We cannot cancel, refuse to renew, or place any restrictions on the Policy. Send your premiums to Us at Our Administrative Office. We reserve the right to change premiums from time to time. If We do change the premiums, We will do so only if We change premiums for all policies of this class in Your issue state, and such change is in accordance with the laws in Your state. We will give You advance written notice as required by Your state prior to any premium change.

The laws of the State of Texas govern this Policy. You and We agree to all of the terms of this Policy.

**NOTICE TO BUYER: This Policy provides limited benefits for the Diagnosis of illnesses or performance of procedures specified and defined in this Policy. Benefits are supplemental and not intended to cover all medical expenses. It does not pay benefits for loss from any other cause.**

**THIS POLICY CONTAINS A PRE-EXISTING CONDITION EXCLUSION.**

**THIS POLICY IS NOT MAJOR MEDICAL OR MEDICAL EXPENSE INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL INSURANCE. IT DOES NOT QUALIFY AS MINIMUM ESSENTIAL HEALTH COVERAGE UNDER THE AFFORDABLE CARE ACT. YOU SHOULD NOT PURCHASE THIS POLICY UNLESS YOU ARE ALREADY COVERED BY COMPREHENSIVE MAJOR MEDICAL INSURANCE. LACK OF MAJOR MEDICAL COVERAGE OR OTHER MINIMUM ESSENTIAL COVERAGE MAY RESULT IN AN ADDITIONAL TAX LIABILITY.**

**THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If You are eligible for Medicare, You should review the Guide to Health Insurance for People with Medicare available from the Company.**

IN WITNESS WHEREOF, National Family Care Insurance Company has caused this Policy to be executed, with coverage taking effect on the Policy Effective Date.

[President]

## TABLE OF CONTENTS

## POLICY SCHEDULE

**INSURED PERSON:** [John Doe]

**COVERED PERSONS:** [Individual, Individual + 1, Family, Domestic or Civil Union Partner]

**POLICY NUMBER:** [0123456]

**POLICY EFFECTIVE DATE:** [mm/dd/yyyy]

**RENEWAL DATE:** [mm/dd/yyyy]

**TOTAL PREMIUM AMOUNT:** [XX.XX]

**PREMIUM MODE:** [Monthly] Monthly as default, allow option for Semi-Annual & Annual

**Waiting Period:** [30-120] days (30 days as default, allow options for 60,90 & 120)

| **BENEFIT AMOUNT per Covered Person** | **Individual** | **Individual +1** | **Family** |
|---|---|---|---|
| **INVASIVE CANCER (including in Situ) BENEFIT** | $5,000 | $5,000 | $5,000 |
| **NON-MELANOMA SKIN CANCER BENEFIT** | $500 | $500 | $500 |
| **ADDITIONAL OCCURRENCE BENEFIT** | | | |
| **Time without Medical Advice or Treatment:** | | | |
| **Less than 2 years** | | | |
| Percentage of Maximum Benefit Amount | 0% | 0% | 0% |
| **2 – 4 years** | | | |
| Percentage of Maximum Benefit Amount | 50% | 50% | 50% |
| **5 or more years** | | | |
| Percentage of Maximum Benefit Amount | 100% | 100% | 100% |

**Benefit Reduction:** On the Insured Person's 70th birthday, the Amount of Insurance for the Insured Person will be reduced by 50%. Dependent coverage will be reduced to 50% of the Insured Person's Amount of Insurance.

## DEFINITIONS

**Amount of Insurance** means the amount shown on the Policy Schedule for each Covered Person.

**Carcinoma In Situ**, for the purposes of this Policy, means a malignant neoplasm characterized by tumor cells that lie within the tissue of origin and have not yet spread to neighboring tissue. "Carcinoma In Situ" includes:

1. early prostate Cancer Diagnosed as T1a, T1b or equivalent staging without lymph node or distant metastasis;
2. intraductal non-invasive carcinoma of the breast, carcinoma of the appendix, Stage 1 transitional carcinoma of the urinary bladder;
3 chronic lymphocytic leukemia that has not progressed beyond RA1 Stage 0; and 4) Stage 1A (T1a) malignant melanoma (melanoma less than or equal to 1.0 mm in thickness, not ulcerated and without Clark level IV or Level V invasion).

"Carcinoma In Situ" does not include: 1) any non-melanoma skin cancer such as basal or squamous cell carcinoma; 2) pre-malignant lesions such as intraepithelial neoplasia); or 3) pre-malignant tumors or polyps.

**Clinical Diagnosis** – A Diagnosis of Invasive Cancer or Carcinoma In Situ based on the study of symptoms and diagnostic test results.

**Covered Person** means You or a person who:

1. is eligible for coverage as your Spouse or Child(ren).
2. is accepted for coverage or is automatically added.
3. has paid the required premium.
4. whose coverage has become effective and has not been terminated.

**Date Of Diagnosis** is the earliest of: 1) the date the specimen used to Diagnose a condition was taken; 2) the date any test was run that was used to establish the Diagnosis of a condition; or 3) the date a condition was positively Diagnosed. Diagnosis of any condition will be considered to have been made prior to the Effective Date of this Policy if Medical Advice or Treatment received prior to the Effective Date results in a Diagnosis of that condition.

**Diagnosis** means the definitive establishment of a specified condition through the use of clinical and/or laboratory findings. The Diagnosis must be made: 1) after both the: a) Effective Date of this Policy; and b) the Waiting Period shown on the Policy Schedule; 2) during the lifetime of the Covered Person and while this Policy is In Force; 2) by a Physician who is a board-certified specialist where required under this Policy; and 3) or confirmed within the United States or its' territories.

In addition, Diagnosis of Invasive Cancer or Carcinoma In Situ must be: 1) made by a Physician who is board certified by the American Board of Pathology to practice Pathologic Anatomy, or by Physician who is a board-certified Osteopathic Pathologist; and 2) established by Pathological Diagnosis. The Physician establishing the Diagnosis shall base his or her judgment solely on the criteria of malignancy as accepted by the American Board of Pathology or Osteopathic Board of Pathology after a study of the histocytologic architecture or pattern of the suspect tumor, tissue or specimen. A Clinical Diagnosis will be accepted only if: 1) a Pathological Diagnosis cannot be made because it is medically inappropriate or life-threatening; 2) there is medical evidence to support the Diagnosis; and 3) a Physician is treating the Insured for Invasive Cancer or Carcinoma In Situ.

Diagnosis of Invasive Cancer or Carcinoma In Situ includes a Diagnosis of a recurrence of an Invasive Cancer or Carcinoma In Situ that was previously Diagnosed before the Effective Date of this Policy if, after the previous Diagnosis and before the date of Diagnosis of the recurrence, the Covered Person is free of any symptoms or Treatment of the Invasive Cancer or Carcinoma In Situ for the twelve (12) months immediately preceding the Effective Date of coverage or any twelve (12) months thereafter

**Effective Date** means the date coverage on any Covered Person begins and the Policy goes into effect. The Effective Date is shown in the Policy Schedule. For persons accepted for coverage under this Policy after it is issued, the Effective Date of coverage will be shown in an endorsement.

**He, His, Him** refers to any individual, male or female.

**Hospital** means an institution which meets all of the following requirements:

1. operates pursuant to state or provincial law for Hospitals;
2. operates primarily for the care and treatment of sick or injured persons as inpatients;
3. provides 24-hour nursing service;

4. has facilities available for diagnosis and surgery either on its own premises or in facilities available to the Hospital on a pre-arranged basis; and
5. has a staff of at least one licensed Physician available at all times.

**Insured Person** means the person who has completed and signed the Application and who has been accepted for coverage by Us.

**Invasive Cancer** means a disease manifested by the presence of a malignant neoplasm characterized by the uncontrolled growth and spread of malignant cells, the invasion of tissue including but not limited to: Carcinoma, Hodgkin's Disease, Leukemia, Lymphoma, Multiple Myeloma, and Sarcoma. "Invasive Cancer" does not include: 1) pre-malignant tumors or polyps; 2) pre-malignant lesions; 3) Carcinoma In Situ, or 4) any skin cancer (except invasive malignant melanoma in the dermis or deeper skin malignancies that have become metastatic).

Invasive Cancer must be Diagnosed pursuant to Pathological Diagnosis. A Clinical Diagnosis will be accepted only if: 1) a Pathological Diagnosis cannot be made because it is medically inappropriate or life-threatening; 2) there is medical evidence to support the Diagnosis; and 3) a Physician is treating the Covered Person for Invasive Cancer.

**Issue Date** means the date the Insured Person first becomes insured for the benefits of this Policy or attached riders, if any, as listed on the Policy Schedule, rider Schedule or as later amended.

**Loss** means You have been diagnosed as having a Cancer or are experiencing a Cancer procedure, as applicable, for which We pay benefits under this Policy.

**Maximum Benefit Amount** means the amount shown on the Policy Schedule. Total benefits payable under this Policy are limited to the Maximum Benefit Amount for each Covered Person.

**Non-Melanoma Skin Cancer** means an uncontrolled growth of abnormal skin cells caused by unrepaired damage to skin cells that triggers mutations, or genetic defects, that cause the skin cells to multiply rapidly and form malignant tumors. "Skin Cancer" includes: 1) basal cell carcinoma; 2) cutaneous squamous cell carcinoma (squamous cell carcinoma of the skin); or 3) neuroendocrine carcinoma of the skin. "Skin Cancer" does not include pre-cancerous conditions, including but not limited to actinic keratosis or atypical moles (dysplastic nevi), or malignant melanoma.

**Occur; Occurrence means** an event, incident or Diagnosis that: 1) happens on or after the Effective Date of this Policy; 2) happens while this Policy is In Force; and 3) is Diagnosed during the life of the Covered Person.

**Pathological Diagnosis** means a Diagnosis of Invasive Cancer based on microscopic study of fixed tissue or preparations from the hemic (blood) system. This type of Diagnosis must be done by a Physician who is a board-certified pathologist and whose Diagnosis conforms to the standards set by the American College of Pathology.

**Physician** means a person who is a legally qualified practitioner of the healing arts. As such, he must be acting within the scope of his license under the laws in the jurisdiction in which he practices and providing only those services which are within the scope of his license.

**[Pre-existing Condition** means a sickness or physical condition for which, during the [6-12] months before the Issue Date, or last Reinstatement Date, the Covered Person received medical Diagnosis, advice or Treatment from a Physician. The Pre-existing Condition limitation will not be greater than 6 months for an individual who is issued coverage at the age of 65 years or older.]

**Renewal Date** means the date premiums are paid and the date the next premium (renewal premium) is due.

**Treatment** means care or services provided by a Physician or other member of the medical profession, acting within the scope of his or her license, including: 1) surgery; 2) therapeutic measures; or 3) diagnostic x rays and the diagnostic procedure or laboratory tests directly or indirectly related to a surgical procedure.

For purposes of this definition, "Treatment" does not include Maintenance Drug Therapy, [immunosuppressant (anti-rejection) drugs,] or routine follow-up office visits to verify if a condition has returned.

**Maintenance Drug Therapy** means ongoing hormonal therapy, immunotherapy or chemo-prevention therapy that may be given following the full remission of a cancer due to primary treatment, meant to decrease the risk of cancer recurrence rather than the palliation or suppression of a cancer that is still present. ["Immunosuppressant (anti-rejection) drugs" are

drugs that prevent your immune system from attacking or rejecting the donor organ and typically must be taken for the lifetime of the transplanted organ. For purposes of this Policy, "immunosuppressant (anti-rejection) drugs" include any drug that must be taken in conjunction with the immunosuppressant (anti-rejection) drugs to aid them or control their side effects.]

**Medical Advice** means a professional opinion given by a Physician regarding what a Covered Person should or should not do to restore or preserve their health.

**Waiting Period** means the period of time following the Effective Date during which no benefits are available. The Waiting Period is shown on the Policy Schedule.

**We, Our, Us or the Company** means National Family Care Insurance Company.

**You or Your** means the Insured Person named in the Policy Schedule.

## ELIGIBILITY

You, Your Spouse and your Child(ren) are eligible to be Covered Persons under this Policy. For each Covered Person, We must receive an application and payment of the required premium. Each person must be acceptable to Us based on Our rules in effect at the time of application. All persons covered under this Policy are shown in the Policy Schedule (see TYPE OF COVERAGE) or in an attached endorsement.

**If this is an Individual Policy, We insure You the Insured Person only.**
**If this is an Individual and Spouse Policy, We insure You and Your Spouse.**
**If this is a Family Policy, We insure You, Your Spouse and Your Child(ren).**

Spouse means the lawful spouse of the Insured Person. "Spouse" also means a partner in any relationship that provides substantially all of the same rights and benefits of marriage, including but not limited to civil union partnerships.

Child means the unmarried child, stepchild, or grandchild of the Insured Person if the child is under 26 years of age. "Child" includes a child of blood, marriage, or civil union, or named in a court order duly entered. A Child is an Insured Person's Child if the Insured Person is a party to a suit in which the Insured Person seeks to adopt the child.

Coverage of Your newborn child begins from the moment of birth. Coverage for Your adopted child begins when You are a party to a suit in which You seek to adopt the Child. If this Policy is in force as an Individual Policy or Individual and Spouse Policy, a newborn or newly adopted Child will be covered for a period of 31 days after the birth or adoption. In order to continue coverage beyond this 31-day period, You must notify Us within 31 days of such birth or adoption and pay any additional premium due.

If the Policy in force is a Family policy, there is no additional premium for a newborn or newly adopted child.

## TERMINATION OF INSURANCE

This Policy terminates at the earliest of:

1. the last day of the Grace Period for the payment of the premium for the Policy; or
2. the next Renewal Date after the Insured Person's request to terminate the Policy; or
3. the date each Covered Person has received the Maximum Benefit Amount shown in the Policy Schedule.

If the Insured Person's Spouse is a Covered Person, the Spouse's coverage terminates upon the final divorce or annulment of marriage. Divorce also means dissolution of any relationship that provided substantially all of the same rights and benefits of marriage, including but not limited to civil union partnerships

If a Child is a Covered Person, the Child's coverage terminates on the policy anniversary on or immediately following the date the Child:

1. marries; or
2. reaches the limiting age as described in the Eligibility section.

Coverage will not terminate on an unmarried Child who:

1. is incapable of self-sustaining employment by reason of mental illness, developmental disability, or physical handicap;
2. became so incapacitated prior to the age at which dependent coverage would otherwise terminate; and
3. is chiefly dependent upon You for support and maintenance.

Dependent coverage continues as long as this Policy remains in force and the Child remains in such condition. Proof of incapacity and continued dependence on You must be provided to Us within 60 days after the Child's attainment of the limiting age. After this 60-day period, such proof must be provided to Us as often as may be required but not more frequently than annually after the second anniversary of the date the Child attains the limiting age.

If We accept a premium for coverage extending beyond the date, age, or event specified for termination as to a Covered Person, then coverage continues during the period for which premium was accepted. This does not apply where such acceptance was based on a misstatement of age.

The Insured Person's Spouse, if a Covered Person, will become the Insured Person upon the Insured Person's death. The Spouse may continue coverage for all Covered Persons under this Policy by continuing to pay the applicable premium.

Termination of coverage by Us is without prejudice to any claim for loss which commenced while the Policy was in force.

**Cancellation by the Insured**
You may cancel this Policy at any time by written notice to Us at Our Home Office. Cancellation will be effective upon Our receipt of such notice or on a later date as may be specified in such notice. We will promptly return the unearned portion of any premium paid. The earned premium shall be computed on a pro-rata basis. Cancellation shall be without prejudice to any claim originating prior to the Effective Date of cancellation.

**Conversion Privilege**
If coverage of Your Spouse terminates due to divorce or annulment, or if coverage of a Child terminates due to the Child reaching the limiting age as stated in the Termination of Insurance provision, such covered Spouse or Child can obtain a new policy of insurance, without evidence of insurability, subject to the following conditions:

1. Authorization by law to issue such a policy at the time and in the jurisdiction the person applying for conversion resides.
2. Written application for the new policy and payment of the premium must be made to Us within 31 days after the date on which such person's coverage under the Policy terminates. The Effective Date of the new policy will be the same date on which coverage under this Policy became effective, prior to termination.
3. The premium for the new policy will be at the rate for the class of risk at the applicant's age for the type and amount of insurance provided as of the effective date of the new policy.
4. Any conditions excluded in this Policy are excluded in the new policy. The Waiting Period, Pre-existing Condition Limitation and the Time Limit on Certain Defenses provision is waived to the extent that such period has been met under this Policy. Benefits payable to the applicant under the new policy are reduced by benefits payable under this Policy.
5. The new policy will be the most similar policy then available for sale by us, or an available policy providing lesser benefits at the applicant's option.

When conversion is due to divorce or annulment, Children who are covered under this Policy may remain covered under this Policy or be covered under the new policy as elected by You and Your former spouse. Children may not be covered under both policies.

The premiums appropriate for the converted policy must be paid in order to have it issued and maintained in force.

If this Policy or a conversion policy is in force on You or your former spouse, and either remarries, such new spouse may apply to be covered under the appropriate policy. We must be advised of the remarriage by the completion of a new application for such new spouse. The new application is subject to Our underwriting and approval.

A Covered Person whose dependency has terminated and who desires to continue coverage under a new separate policy may do so by notifying Us in writing and paying the required premium.

If this is a Family policy, We will notify You of a dependent's right to convert at least 15 days but not more than 60 days prior to the termination of coverage. We will not send such notice for a newborn Child or Child adopted by You or Your Spouse after the Effective Date unless You have notified Us of such birth or adoption.

## CANCER BENEFITS

All benefits will be paid to You in a lump sum. No benefit will be paid for any other illness, disease or condition unless specifically stated. **THE BENEFIT AMOUNT(S) WILL REDUCE BY 50% ON THE FIRST POLICY ANNIVERSARY AFTER THE INSURED PERSON ATTAINS AGE 70. DEPENDENT COVERAGE WILL BE REDUCED TO 50% OF THE INSURED PERSON'S AMOUNT OF INSURANCE**

**Invasive Cancer** We will pay the benefit amount in the Policy Schedule if a Covered Person is diagnosed with Invasive Cancer when:

1. the Date of Diagnosis is after Waiting Period;
2. the Date of Diagnosis is while coverage under the Policy is in force; and
3. the Invasive Cancer is not otherwise excluded.

If the Date of Diagnosis of a Cancer occurs during the Waiting Period, We will refund all premiums paid and terminate the Policy.

The Covered Person can only receive benefits for a Cancer listed in the Policy Schedule one time except as described in the Additional Occurrence Benefit provisions.

**Non-Melanoma Skin Cancer Benefit** Upon receipt of due proof satisfactory to Us of the Covered Person's first Diagnosis of Skin Cancer after satisfying the Waiting Period shown on the Policy Schedule, We will pay, subject to the conditions, definitions, exclusions and limitations of this Policy, a Benefit Amount of $500. Benefits are payable one (1) time per Diagnosis, even if Skin Cancer is Diagnosed in multiple locations on the same occasion. Benefits are only payable for a subsequent Diagnosis in accordance with the requirements of the Additional Occurrence Benefit.

No benefits are payable under this for a Loss due to Non-Melanoma Skin Cancer except those expressly stated in this Policy. There is no lifetime maximum to this benefit.

**Additional Occurrence Benefit** If a Covered Person has been diagnosed with and received a benefit for a Cancer shown in the Policy Schedule and is subsequently diagnosed with a different Cancer, We will pay the full benefit for that Cancer as shown on the Policy Schedule up to the Maximum Benefit Amount if:

1. the Date of Diagnosis is at least 2 years after any previous Date of Diagnosis of Cancer;
2. the Date of Diagnosis of the subsequent Cancer occurs while coverage under the Policy is in force; and
3. the subsequent Cancer is not otherwise excluded.

| Time Without Medical Advice or Treatment | Percentage of Applicable Benefit Amount |
|---|---|
| Less than two years | 0% |
| Two to four years | 50% |
| Five or more years | 100% |

Claims for benefits under this Policy not satisfying all the criteria for diagnosis are subject to review by an independent physician consultant chosen by us. Diagnosis must be submitted to support each claim.

## LIMITATIONS AND EXCLUSIONS

**Pre-existing Condition Limitation**
We will not pay benefits for a Cancer caused or contributed to by, or resulting from, a Pre-existing Condition.

This Limitation will not apply to a Cancer that occurs after coverage under this Policy is in force for the Covered Person for at least 12 months after the Covered Person's most recent Effective Date. This limitation will not be greater than 6 months for an individual who is issued coverage at the age of 65 years or older.

If coverage under this Policy replaces a prior plan of Cancer insurance, a person who is otherwise eligible under the Policy shall be covered without regard to any evidence of insurability requirement if:

1. such person was validly covered under the prior plan on the Effective Date;
2. the applicable premium is paid; and
3. the prior coverage is terminated upon issuance of this coverage.

If coverage under this Policy replaces a prior plan of Cancer insurance and the Covered Person does not satisfy this Policy's Pre-existing Condition limitation, but can satisfy their prior plan's pre-existing condition limitation giving credit for all time insured under both policies, then We will pay the lesser of:

1. benefits under this Policy without application of the Pre-existing Conditions limitation; or
2. benefits of the prior plan.

The following conditions must be met:

1. The Covered Person was validly covered under the prior plan on the Effective Date;
2. the applicable premium is paid; and
3. the prior coverage is terminated upon issuance of this coverage.

**Waiting Period**
We will not pay any benefits for a Loss that occurs within the Waiting Period shown in the Policy Schedule following the Effective Date of this Policy. If a Loss occurs within the Waiting Period shown in the Policy Schedule and would otherwise be covered under this Policy, You have the option to return the policy and receive a refund of all premiums paid.

**Exclusions**
We will not pay benefits for Loss contributed to, caused by or resulting from Your:

1. Having or being diagnosed with any other disease, sickness or incapacity, even if the disease or condition was caused, complicated or aggravated by the specified Cancer.
2. Being diagnosed with a Cancer during the Waiting Period.
3. Having a Pre-Existing Condition subject to the pre-existing conditions limitation.
4. Participating or attempting to participate in an illegal act or working at an illegal job.
5. Injuring or attempting to injure yourself intentionally, regardless of mental capacity.
6. Committing or attempting to commit suicide, regardless of mental capacity.
7. Being exposed to war or any act of war (whether declared or undeclared) while serving in the military or an auxiliary unit attached to the military or working in an area of war whether voluntarily or as required by an employer.
8. Services or treatment rendered by a Physician, psychiatrist, or psychologist who is the Covered Person or His spouse, Children, brothers, sisters, or parents, any other person related to the Covered Person by blood or marriage, or any person residing in His household.

## PREMIUM PROVISIONS

The first premium is due on the policy Effective Date. Each premium after the first is due on the last day of the period for which the most recent premium was paid. Premiums must be accepted by Us at Our Home Office. Coverage will remain in effect as long as premiums are paid when due or on the last day of the grace period. Premiums will be at the premium rates then in effect on the Renewal Date.

We cannot, without Your consent, cancel, refuse to renew or restrict this Policy as long as You pay the premium on time, except to make changes in premium rates.

We may change the premium rates for this Policy on any policy anniversary. However, We may do so only if We change it for all policies in Your class. We will send written notice at least 31 days in advance of any change in renewal premium. The notice will be mailed to Your last known address on record. No change in premiums is effective unless this notice is mailed.

**Grace Period**
We will grant a grace period of 31 days for the payment of each premium falling due after the first premium. During the grace period, the Policy continues in force. If the premium is not paid by the end of the grace period, coverage will be terminated.

**Reinstatement**

If any premium is not paid before the grace period ends, this Policy will lapse. If We later accept premium without an application for reinstatement, the Policy will be reinstated upon Our receipt of the premium due.

If an application for reinstatement is required for reinstatement, We will issue a conditional receipt for the premium paid and received by us. The Policy will then be reinstated upon the earlier of:

1. The day We approve your application for reinstatement; or
2. 45 days from the date of the conditional receipt unless We previously notified You, in writing, of Our disapproval of your application for reinstatement.

The reinstated policy will cover a Cancer diagnosed after the date of reinstatement only. All other rights and privileges under the reinstated Policy remain the same subject to any provisions of the reinstatement.

Premium will be applied to a period for which premiums have not been previously paid. We will not apply any premium to any period more than 60 days before the reinstatement date.

**Refund of Unearned Premium**
If this Policy terminates due to death, We will refund the portion of any premiums paid which were applied to periods following the date of the Covered Person’s death to the beneficiary.

**Unpaid Premiums**
When a claim is paid, any premium then due and unpaid may be deducted by Us from the claim payment and applied to the premium due. If the premium due is more than the amount payable for the claim, no benefit is payable.

## CLAIMS PROCEDURES

**Notice of Claim**
Written notice of claim must be given to Us within 20 calendar days after a loss covered by this Policy occurs, or as soon as reasonably possible. Notice given by or on behalf of the Insured Person or the beneficiary to Us at Our Home Office [13530 Inwood Rd. Dallas, TX 75244], or to Our authorized agent with information sufficient to identify the Insured Person will be deemed notice to Us. The notice should include the Policy Number as shown on the Policy Schedule and the name of the Covered Person. Notice should also include the name and address of the individual submitting the notice along with a description of their relationship to the Covered Person, if different, and a statement that payment of a claim is being requested.

**Claim Forms**
When We receive the notice of claim, We will send You the forms for filing the required proof of loss. If We do not send these forms within 15 calendar days, it shall be deemed You met the proof of loss requirement by giving Us written proof of the cause, nature and extent of the loss within the time limit stated in the Proof of Loss section.

**Proof of Loss**
Written proof of loss satisfactory to Us must be given to Us within 90 calendar days after such loss. If it is not possible to give written proof in the time required, We will not reduce or deny the claim for this reason if such proof is filed as soon as reasonably possible. In any event, the proof required must be given to Us no later than one year after the time proof is otherwise required, unless You are legally incapacitated.

**Timely Payment of Claim**
Benefits for any loss covered by this Policy will be paid immediately after We receive written proof satisfactory to Us and all other provisions herein are met.

**Payment of Claim**
All benefits will be paid to You, if living, unless an assignment of benefits has been requested by You, or to the beneficiary. If no beneficiary is living, benefits will be paid to Your estate. If benefits are payable to Your estate, We may pay up to $1,000 to any relative of Yours who We find is entitled to it. Any payment made in good faith will fully discharge Us to the extent of the payment.

**Overpayment Reimbursement**
We have the right to recoup or recover any overpayment We make, for any reason, in processing a claim. We can only do so no later than two years after the date of the error unless the overpayment was a result of fraud. We will notify You within 15 days after We discover the error. Such notice will clearly state the nature of the error and the amount of the overpayment. We must be reimbursed in full for the amount of the overpayment.

**Claim Review** If We deny a claim, We will provide written notice of Our reason(s) for the denial and the provision(s) herein that We relied upon within 15 days of Our decision. You have the right to ask Us to review the claim and the right to submit additional information to Us that might change Our decision.

## GENERAL PROVISIONS

**Entire Contract**

This Policy, the attached application for the Policy, and any attached endorsements, amendments, or riders, if any, are the entire contract. No change in this Policy is effective unless approved by an officer of Ours. This approval must be attached to this Policy. No agent may change this Policy or waive any of its provisions.

**Time Limit On Certain Defenses**
After this Policy is in effect for 2 years during the lifetime of the Covered Person, no misstatements, except fraudulent misstatements, contained in the application shall be used to void the Policy or deny any claim for loss commencing after such 2-year period.

No claim for loss incurred commencing after 12 months from the Policy Effective Date, will be reduced or denied on the grounds that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss existed prior to the Policy Effective Date.

**Assignment of Benefits**
You, or any Covered Person, may assign His benefits under this Policy to the institution or person rendering services as allowed in the Payment of Claim provision.

**Assignment of Rights**
You, or any Covered Person, may assign His rights under this Policy. We will be bound by an assignment of the Covered Person's insurance under this Policy only when the original assignment or a certified copy of the assignment, signed by the Covered Person as assignor or any irrevocable beneficiary, is filed with Us. The assignee may exercise all rights and receive all benefits assigned only while the assignment remains in effect and insurance under this Policy for the assignor remains in force. The assignee takes only such rights as the assignor possessed and such rights are subject to state laws and the terms of this Policy.

When We furnish You written acknowledgement of the assignment, the assignment becomes effective on the date You signed Our form unless You specify a later date. We are not liable for payments made or action taken prior to Our written acknowledgement of the assignment.

**Change of Beneficiary**
Unless You indicate that a Beneficiary cannot be changed, you may change the Beneficiary at any time by written request. The Beneficiary's consent is not needed. This change will take effect on the date the notice is signed. Any payment by Us prior to receipt of such change will fully discharge Us to the extent of such payment.

**Conformity with State Statutes**
Any provision of this Policy that conflicts with the statutes of the state in which You reside on the Effective Date is effectively amended to conform to the minimum requirements of that state's statutes.

**Duty of Cooperation**
You, the Covered Person and any Beneficiary shall reasonably cooperate during any investigation or adjudication of a claim. This cooperation shall include providing information We request and authorizing the release of medical records to Us.

**Legal Action**
You cannot bring a legal action to recover benefits under this Policy for at least 60 days after You have given Us written proof of loss. You cannot start such an action more than three years after the date proof of loss is required.

**Misstatement of Age**
If the Covered Person's age has been misstated, an adjustment in premiums, coverage or both will be made based on the correct age. If, according to the correct age, the coverage provided by this Policy would not have become effective or would have ceased, Our only liability during the period in which the Covered Person was not eligible for coverage shall be limited to a refund of premiums.

**Physical Examination and Autopsy**
We have the right to have any Covered Person examined when and as often as is reasonable while a claim is pending and to have an autopsy performed where it is not forbidden by law. If We initiate the request, either or both will be done at Our expense.

**Time of Coverage**

Coverage starts on the Issue Date at 12:01 a.m. in the time zone of Your permanent residence. It ends at 12:01 a.m. in the same time zone on the renewal date, subject to the Grace Period. Each time this Policy is renewed, the new term begins when the old term ends.