

# COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

P.O. Box 1365, Columbia, South Carolina 29202 (800) 325 – 4368

## DISABILITY INCOME INSURANCE COVERAGE

### OUTLINE OF COVERAGE (Applicable to Policy Form NCK1000-NC)

#### PRE-EXISTING CONDITIONS - PLEASE READ CAREFULLY

If you received treatment or advice for a sickness or physical condition within twelve months before the effective date of this policy, we will not pay benefits for a disability resulting from the same sickness or physical condition if such disability begins during the first twelve months after the effective date of the policy. If you are 65 or older when this policy is issued, pre-existing conditions will include only conditions specifically eliminated by rider.

THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the Company.

**Please Read The Policy Carefully.** This outline provides a very brief description of the important features of the policy. This is not an insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. It is, therefore, important to READ THE POLICY CAREFULLY.

**Renewability.** The policy is guaranteed renewable for life as long as premiums are paid when they are due or within the grace period. However, the disability benefit provided by the policy terminates at age 70. See the provision titled "Total Disability After the Named Insured's Seventieth Birthday" for details. The premium can be changed only if we change it on all policies of this kind in force in the state where the policy was issued.

**Coverage Provided by The Policy.** The policy is designed to provide, to covered persons, benefits for losses due to a covered sickness and losses resulting from injuries received from a covered accident, subject to any limitations or exclusions. It does not provide coverage for basic hospital, basic medical-surgical or major medical expenses.

**BENEFITS FOR ACCIDENTAL INJURIES - We will pay these benefits for any covered person who receives injuries as the result of a covered accident:**

**Accidental Death Named Insured \$10,000 Spouse, if covered \$1,000 Dependent Children, if covered \$1,000**  
Benefit payable if a covered person is injured in a covered accident and the injury causes the insured to die within 90 days after the accident. If we pay this benefit we will not pay the Accidental Death-Common Carrier benefit

**Accidental Death – Common Carrier Named Insured \$20,000 Spouse, if covered \$2,000 Dependent Children, if covered \$2,000**  
Benefit payable if a covered person is injured while a fare-paying passenger on a common carrier and the injury causes the insured to die within 90 days after the accident. Common Carrier means: commercial airplanes, trains, buses, trolleys, subways, ferries and boats that operate on a regularly scheduled basis between predetermined points or cities. Taxis and privately chartered vehicles are not common carriers. If we pay this benefit, we will not pay the Accidental Death benefit.

**Dislocation (Separated Joint) - Benefit not payable for spouse or children**

Joint	Closed Reduction	Open Reduction
Hip	\$1,350.00	\$2,025.00
Knee (except Patella)	\$ 975.00	\$1,462.50
Collarbone (Sternoclavicular)	\$ 750.00	\$1,125.00
Shoulder (Glenohumeral)	\$ 750.00	\$1,125.00
Collarbone (Acromioclavicular and separation)	\$ 675.00	\$1,012.50
Ankle – Bone or Bones of the Foot (other than Toes)	\$ 600.00	\$ 900.00
Bone or Bones of the Hand (other than Fingers)	\$ 525.00	\$ 787.50
Lower Jaw	\$ 450.00	\$ 675.00
Wrist	\$ 375.00	\$ 562.50
Elbow	\$ 300.00	\$ 450.00
One Toe or Finger	\$ 120.00	\$ 180.00

Must be diagnosed by a doctor as a dislocation within 90 days after the accident; reduction must require correction with anesthesia by a doctor; reduction without anesthesia will pay 25 percent of amount shown above for closed reduction. Benefit payable for more than one dislocation (requiring open or closed reduction) is no more than one and one half times the amount for the joint involved which has the highest benefit amount. Benefit payable for incomplete dislocation is 25 percent of amount shown for closed reduction. Benefit payable for a fracture and a dislocation in the same accident is no more than one and one half times the amount for the bone or joint involved which has the highest benefit amount. Benefit payable only for the first dislocation of a joint after the effective date. Subsequent dislocations of the same joint after the effective date will not be covered.

**Fracture (Broken Bone) - Benefit not payable for spouse or children**

<b>Bone</b>	<b>Closed Reduction</b>	<b>Open Reduction</b>
Hip, Thigh (Femur)	\$1,500.00	\$2,250.00
Vertebrae, Body of (excluding Vertebral Processes)	\$1,350.00	\$2,025.00
Pelvis (includes Ilium, Ischium, Pubis, Acetabulum except Coccyx)	\$1,200.00	\$1,800.00
Skull (except Bones of Face or Nose) Depressed Skull Fracture	\$1,125.00	\$1,687.50
Leg (Tibia and/or Fibula <u>Malleolus</u> )	\$900.00	\$1,350.00
Foot (except Toes), Ankle, Kneecap (Patella)	\$750.00	\$1,125.00
Forearm (Radius and/or Ulna), Hand, Wrist (except Fingers)	\$750.00	\$1,125.00
Lower Jaw, Mandible (except Alveolar Process)	\$600.00	\$ 900.00
Shoulder Blade (Scapula), Collarbone (Clavicle, Sternum)	\$600.00	\$ 900.00
Skull (except Bones of Face or Nose) Simple Non-depressed Skull fracture	\$525.00	\$ 787.50
Upper Arm between Elbow and Shoulder (Humerus)	\$525.00	\$ 787.50
Upper Jaw, Maxilla (except Alveolar Process)	\$525.00	\$ 787.50
Bones of Face or Nose (except Mandible or Maxilla)	\$450.00	\$ 675.00
Vertebral Processes	\$300.00	\$ 450.00
Coccyx, Rib, Finger, Toe	\$120.00	\$ 180.00

Must be diagnosed by a doctor within 90 days after the accident. Benefit payable for more than one fracture (open or closed reduction) is no more than one and one half times the amount for the bone involved which has the highest benefit amount. Benefit payable for a chip fracture is 25 percent of the amount shown for closed reduction for the bone involved. Benefit payable for a fracture and a dislocation in the same covered accident is no more than one and one half times the amount for the bone or joint involved which has the highest benefit amount.

<b>Loss of a Finger or Toe</b>	<b>Named Insured</b>	<b>Spouse, if covered</b>	<b>Dependent Children, if covered</b>
<b>Single Dismemberment</b>	<b>\$750</b>	<b>\$75</b>	<b>\$75</b>
<b>Double Dismemberment</b>	<b>\$1,500</b>	<b>\$150</b>	<b>\$150</b>

*Single Dismemberment* means loss of one finger or one toe. *Double Dismemberment* means the loss of two or more fingers, two or more toes, or any combination of two or more listed above. *Loss of a finger* means that the finger is cut off at the joint proximate to the first interphalangeal joint where it is attached to the hand. *Loss of a toe* means that the toe is cut off at the joint proximate to the first interphalangeal joint where it is attached to the foot.

Benefit payable if a covered person loses a finger or toe within 90 days after the covered accident.

If the covered person loses a finger or toe and later loses a hand or foot on the same side of the body as a result of the same covered accident, the amount paid for the loss of a finger or toe benefit will be subtracted from the amount paid for the loss of a hand or foot.

<b>Loss of a Hand, Foot, or Sight of an Eye</b>	<b>Named Insured</b>	<b>Spouse, if covered</b>	<b>Dependent Children, if covered</b>
<b>Single Dismemberment</b>	<b>\$5,000</b>	<b>\$500</b>	<b>\$500</b>
<b>Double Dismemberment</b>	<b>\$10,000</b>	<b>\$1,000</b>	<b>\$1,000</b>

*Loss of a hand* means that the hand is cut off through or above the wrist joint or the use of the hand is permanently lost.

*Loss of a foot* means that the foot is cut off through or above the ankle joint or the use of the foot is permanently lost.

*Loss of sight of an eye* means that at least 80 percent of vision is permanently lost.

**Medical Fees – amount charged up to \$350 per covered person**

Benefit payable if a covered person is injured in a covered accident and the injury causes medical fees to be incurred.

Initial treatment must begin within 60 days after the covered accident. *Medical Fees* means charges for: doctor office visits, x-rays, and hospital emergency room expenses, including supplies used. If no charges are incurred for medical fees or if the charges are less than \$50 per day, we will provide a minimum benefit of \$50 per day that you receive medical treatment due to the covered accident, not to exceed the maximum benefit per accident indicated above.

**BENEFITS FOR SICKNESS & ACCIDENTAL INJURIES**

**Hospital Confinement Benefit - \$1,200 per month**

Benefit payable when any covered person is confined in a hospital, hospital intensive care unit or a hospital sub-acute intensive care unit as the result of injuries received in a covered accident or as the result of a covered sickness while the policy is in force. Confinement must begin within six months after the covered accident or covered sickness. We will pay this benefit once per hospital confinement, even if confinement is caused by more than one covered accident or covered sickness. If the covered person is confined and is discharged and he is confined again for the same or related condition within 90 days, we will treat this confinement as a continuation of the previous confinement. If more than 90 days have passed between the periods of hospital confinement, we will treat this confinement as a new and separate confinement. We will not pay this benefit for: emergency room treatment, outpatient treatment; or confinement of less than 20 hours to an observation unit.

**Hospital Confinement after the Named Insured's Seventieth Birthday**                      **\$6,200 per month**

When the Total Disability benefit ends because the named insured reaches age 70, the Hospital Confinement benefit will increase as stated above for the named insured. The hospital confinement benefit for the spouse and dependent children, if covered, will not change.

**BENEFITS FOR DISABILITY –COVERAGE FOR NAMED INSURED ONLY**

**Total Disability Benefit:** Payable if the named insured becomes totally disabled due to a covered accident or covered sickness. Named insured must be disabled longer than the elimination period. Benefits will be paid for as long as the policy is in force; the named insured remains totally disabled; and up to the maximum benefit period. If the named insured does not have a job when he becomes totally disabled, we will pay the disability benefit only as long as he is kept at home and cannot perform two of the five *Activities of Daily Living* and is *Under the Regular and Appropriate Care of a Doctor*. *At home* means in his house or yard; however he can follow his doctor's orders even if it means leaving home. If the named insured becomes disabled due to a pre-existing condition, we will not pay for any disability period if it begins during the first 12 months the policy is in force.

**Partial Disability Benefit:** Payable for up to 3 months if the named insured becomes partially disabled as a result of a covered accident or a covered sickness except as described in the Geographical Limitations provision. In order to receive partial disability benefits, the total disability benefit must have been paid for at least one full month immediately prior to your being partially disabled. For a given period of disability, you may receive either a partial disability benefit or a total disability benefit, but not both.

**Recurrent Disability:** A recurrent disability will be treated as:

- a continuation of the previous disability, not a new disability, if the named insured has returned to work for less than six months.
- a new disability, if the named insured has returned to work for six months or more, working at least the same number of hours he was working before the previous disability began.
- a new disability, if the named insured did not have a job before the previous disability began and you have ceased to be disabled for six months or more.
- a continuation of the previous disability for any circumstances not specifically listed above.

A new disability is subject to a new elimination period, and a new benefit period applies. A disability that is considered a continuation of a previous disability is not subject to a new elimination period, and a new benefit period does not apply. Any recurrent disability caused by a pre-existing condition will not be covered if it is treated as a continuation of the previous disability. If the named insured becomes disabled because of a pre-existing condition, we will not pay for any disability period if it begins during the first 12 months the policy is in force.

**Concurrent or Subsequent Disability:** During any period in which the named insured is disabled due to more than one condition, whether the conditions are related or unrelated, benefits will be paid as if he is disabled due to only one condition. In no event will his being disabled due to more than one condition extend the benefit period beyond the benefit period shown in the Policy Schedule. Separate periods of disability resulting from unrelated conditions are considered a continuation of the previous disability, not a new disability, unless they are separated by a minimum of 10 calendar days during such time he returned to work performing the material and substantial duties of his job and during such time he is no longer qualified to receive total or partial disability benefits.

**Total Disability After the Named Insured's Seventieth Birthday:** This coverage will end on the policy anniversary date on or next following the named insured's 70th birthday. Coverage ending at age 70 will not affect any disability that began while the policy was in force. When this benefit ends, The Hospital Confinement benefit will increase as stated in the Hospital Confinement After the Named Insured's Seventieth Birthday provision.

**Geographical Limitations:** If the named insured becomes totally disabled as the result of a covered accident or a covered sickness while outside the covered geographical areas and is totally disabled longer than the elimination period shown in the Policy Schedule, the maximum benefit period for total disability and partial disability combined while outside the covered geographical areas will be limited to 60 days. Covered geographical areas are less than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahama Islands, the Virgin Islands, Bermuda or Jamaica. After the 60-day period, benefits will not be paid until the named insured returns to the covered geographical areas. If the named insured is still totally or partially disabled as defined in the policy when he returns from outside the covered geographical areas, we will determine the remaining applicable benefit period by subtracting the time period for which we have already paid benefits from the benefit period shown in the Policy Schedule. We will pay the monthly benefit amount shown in the Policy Schedule for up to the remaining applicable benefit period.

**Waiver of Premium Benefit:** After the named insured has been totally disabled or qualifies for partial disability benefits as the result of a covered accident or a covered sickness for more than 90 consecutive days while the policy is in effect, or after the elimination period shown in the Policy Schedule, whichever is greater, we will waive the premium for the policy and any attached rider(s) for as long as he remains disabled, up to the benefit period shown in the Policy Schedule. The named insured must pay all premiums to keep the policy and any attached rider(s) in force until he has been totally disabled or qualify for partial disability benefits for 90 consecutive days while the policy is in effect, or for the elimination period shown in the Policy Schedule, whichever is greater. The named insured must send us written notice as soon as he is no longer disabled. We will assume the named insured is no longer disabled if: he does not send us satisfactory proof of loss when we request it; or he notifies us that he is no longer disabled. The named insured must pay all premiums to keep the policy and any attached rider(s) in force beginning with the first premium due after he is no longer disabled. The Waiver of Premium Benefit does not apply to any period that he is totally or partially disabled due to an accident or condition which is excluded by specific name or specific description in the policy. There is no limit to the number of times the named insured can receive the Waiver of Premium benefit.

#### **Important Words in the Policy**

**Accident** means bodily harm caused by external and unexpected means and not contributed to by any other cause.

**Activities of Daily Living** mean 1) Dressing – the ability to put on and take off all garments or medically necessary braces or artificial limbs usually worn; 2) Transferring – the ability to move in and out of a chair or bed; 3) Eating – the ability to get nourishment into the body once it has been prepared; 4) Preparing meals; and 5) Toileting – the ability to get on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing.

**Confined or confinement** means the assignment to a bed as a resident inpatient in a hospital on the advice of a doctor or confinement in an observation unit within a hospital for a period of no less than 20 continuous hours on the advice of a doctor.

A **covered accident** is an accident which occurs after the effective date of the policy; occurs while the policy is in force; is of a type of accident listed on the Policy Schedule page; and, is not excluded by name or specific description in the policy.

A **covered sickness** means an illness, infection, disease or any other abnormal physical condition which occurs after the effective date of the policy; occurs while the policy is in force; is of a type listed on the Policy Schedule; and is not excluded by specific name or specific description in the policy.

**Dependent children** means any natural children, step-children, legally adopted children, foster children or children placed into your custody for adoption who are unmarried; chiefly dependent on you or your spouse for support; and younger than age 25.

A **doctor** means a person, other than you or a family member, who: is licensed by the state to practice a healing art; and performs services for you which are allowed by his license. For the purposes of this definition, *family member* means your spouse, son, daughter, mother, father, sister or brother.

**Elimination period** means the period of time during which no benefits are payable, as shown in the Policy Schedule.

An **emergency room** is a specified area within a hospital that is designated for the emergency care of accidental injuries. This area must be staffed and equipped to handle trauma; be supervised and provide treatment by doctors; and provide care seven days per week, 24 hours per day.

A **hospital** means a place that: is run according to law on a full-time basis; provides overnight care of injured and sick people; is supervised by a doctor; has full-time nurses supervised by a registered nurse; and has at its locations or uses on a pre-arranged basis: X- ray equipment, a laboratory and an operating room where surgical operations take place.

A hospital is not: a nursing home; an extended care facility; a skilled nursing facility; a rest home or home for the aged; a rehabilitation center; or a place for alcoholics or drug addicts.

A **hospital intensive care unit** means a place which: is a specifically designated area of the hospital called an intensive care unit that provides the highest level of medical care and is restricted to patients who are critically ill or injured and who require intensive comprehensive observation and care; is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement; is permanently equipped with special lifesaving equipment for the care of the critically ill or injured; is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a 24 hour basis; and has a doctor assigned to the intensive care unit on a full-time basis. A hospital intensive care unit is not any of the following step down units: a progressive care unit; an intermediate care unit; a private monitored room; sub-acute intensive care unit; an observation unit; or any facility not meeting the definition of a hospital intensive care unit as defined in this policy.

A **hospital sub-acute intensive care unit** means a place which: is a specifically designated area of the hospital that provides a level of medical care below intensive care, but above a regular private or semi-private room or ward; is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement; is permanently equipped with special lifesaving equipment for the care of the critically ill or injured; and is under constant and continuous observation by a specially trained nursing staff. A hospital sub-acute intensive care unit may be referred to by other names such as progressive care, intermediate care, or a step-down unit, but it is not a regular private or semi-private room, or a ward with or without monitoring equipment.

An **injury** means a wound to a covered person's body that is caused solely by or is the result of a covered accident. **Material and substantial duties of your job** are defined as those job duties which: are normally required to perform your regular job; and cannot be reasonably modified or omitted. Performing your job at a particular work site or in a particular building is not a material and substantial duty of your job, provided that your employer will allow you to perform your job at a different work site or in a different building.

An **observation unit** is a specified area within a hospital, apart from the emergency room, where a patient can be monitored following outpatient surgery or treatment in the emergency room by a doctor; and which: is under the direct supervision of a doctor or registered nurse; is staffed by nurses assigned specifically to that unit; and provides care seven days per week, 24 hours per day.

An **off-job accident** means an accident that occurs while a covered person is not working at any job for pay or benefits. An **off-job sickness** means a sickness that was not caused by or contributed to by a covered person working at any job for pay or benefits.

An **on-job accident** means an accident that occurs while a covered person is working at any job for pay or benefits. An **on-job sickness** means a sickness that was caused by or contributed to by a covered person working at any job for pay or benefits.

**Partially disabled** means the named insured is unable to perform the material and substantial duties of his job for 20 hours or more per week; the named insured is able to work at his job or his place of employment for less than 20 hours per week; the named insured's employer will allow him to work for less than 20 hours per week; and the named insured is under the regular and appropriate care of a doctor.

**Pre-existing condition** means a sickness or physical condition for which any covered person was treated, received medical advice or had taken medication within 12 months before the effective date of the policy. If the named insured is age 65 or older when the policy is issued, pre-existing conditions include only conditions specifically excluded from coverage by rider.

**Recurrent disability** means becoming disabled, ceasing to be disabled, then becoming disabled again for the same or related condition. The latter disability will be considered a recurrent disability.

**Totally Disabled** means you are unable to perform the material and substantial duties of your job; not in fact working at any job; and under the regular and appropriate care of a doctor.

**Under the regular and appropriate care of a doctor** means you are being cared for on a regular basis by a doctor and the care you are receiving is appropriate for the condition(s) which disable(s) you, unless the doctor states that continued treatment would be of no benefit to you.

#### **WHAT IS NOT COVERED BY THIS POLICY**

We will not pay benefits for losses that are caused by or are the result of any covered person's:

1. Addiction to alcohol or drugs except for drugs taken as prescribed by your doctor.
2. Participating or attempting to participate in a felony or working at an illegal occupation.
3. Operating, learning to operate, serving as a crew member of or jumping, parachuting, or falling from any aircraft or hot air balloon, including those which are not motor-driven.
4. Engaging in hang-gliding, bungee jumping, parachuting, sailgliding, parasailing, parakiting or any similar activities.
5. Having a pre-existing condition as defined and limited by the policy.
6. Having a psychiatric or psychological condition including, but not limited to affective disorders, neuroses, anxiety, stress and adjustment reactions. However, Alzheimer's disease and other organic senile dementias are covered under the policy.
7. Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.
8. Practicing for or participating in any semi-professional or professional competitive athletic contests for which any type of compensation or remuneration is received.
9. Committing or trying to commit suicide or his injuring himself intentionally, whether he is sane or not.
10. Being exposed to war or any act of war, declared or undeclared, or serving in the armed forces of any country or authority.