Kanawha Insurance Company
210 South White Street, Post Office Box 610
LANCASTER, SOUTH CAROLINA 29721-0610
TELEPHONE NUMBER: 1-800-584-4214

NOTICE

THE LAWS OF THE STATE OF GEORGIA PROHIBIT INSURERS FROM UNFAIRLY DISCRIMINATING AGAINST ANY PERSON BASED UPON HIS OR HER STATUS AS A VICTIM OF FAMILY VIOLENCE.

KANAWHA INSURANCE COMPANY

210 SOUTH WHITE STREET, POST OFFICE BOX 610
LANCASTER, SOUTH CAROLINA 29721-0610
TELEPHONE 1-800-584-4214

GROUP TERM LIFE INSURANCE POLICY
NON-PARTICIPATING

Policy Number:	K100788001
Issued to Policyholder:	Decatur County Board Of Education 100 West Street Bainbridge, GA 39817
Initial Effective Date:	10/01/2010
Policy Renewal Dates:	On October 1st of each year
Premiums Payable:	On the Initial Effective Date and thereafter on: the 1st day of each calendar month
State of Situs:	Georgia

This Policy is a legal contract between Kanawha Insurance Company ("Company") and the Policyholder.

The insurance offered by the Company is shown on the Application for this Policy. Insurance selected by the Policyholder and approved by the Company is shown on the Schedule. Insurance on individual Covered Persons is listed on the Benefit Schedules of their Certificates.

This Policy may be renewed on each Policy Renewal Date upon agreement between the Company and the Policyholder. Any change in terms will be indicated on an endorsement or amended Schedule.

This Policy is non-participating. This means that it will not share in the Company's profits or surplus earnings, and the Company will pay no dividends on it.

This Policy is issued in and governed by the laws of the State of Situs.

Signed for Kanawha Insurance Company at its Home Office in Lancaster, South Carolina, as of the Initial Effective Date stated above.

R. Dale Vaughan
President

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SCHEDULE

BENEFITS	MAXIMUM
Insureds Class I All Full-Time Employees	
Supplemental Group Term Life Insurance	Increments of $10,000 to a maximum of $500,000 not to exceed 5 times Employee salary
Insured's Optional Accelerated Benefit for Terminal Illness*	50% of Supplemental Group Term Life Insurance but not to exceed $250,000
Insured's Optional Waiver of Premium Benefit	Waiver until Age 65 during Total Disability
Evidence of Insurability required if Supplemental Group Term Life Insurance exceeds	$150,000. Plan allows current enrollees to increase benefit by $10,000 at annual enrollment without Evidence of Insurability.

Supplemental Life benefits reduce by 50% at age 70. Benefits terminate at retirement.

***The Insured should seek the assistance of a personal tax advisor prior to making a claim for the Accelerated Benefit for Terminal Illness in order to determine any tax impact.**

SCHEDULE *(Continued)*

BENEFITS	**MAXIMUM**
Eligible Dependent Spouse	
Supplemental Group Term Life Insurance	Increments of $5,000 to a maximum of $500,000 not to exceed 100% of Employee Benefit
Evidence of Insurability required if Supplemental Group Term Life Insurance exceeds	$20,000. Plan allows current enrollees to increase benefit by $10,000 at annual enrollment without Evidence of Insurability.
Supplemental Life benefits terminate at age 70.	

SCHEDULE (*Continued)*

BENEFITS	**MAXIMUM**
Eligible Dependent Children	
Supplemental Group Term Life Insurance	Newborn Child(ren) benefits begin at age 0 days to 14 days, Infant Child(ren)benefits begin at age 14 days to 6 months, Child(ren) benefits begin at age 6 months to 21 years, Benefits for students continue through age 24 years, Newborn and Infant = $100, Child and Student = $15,000
Life Benefits terminate on the following date(s)	Age 21, Age 25 if a Full-time Student

SCHEDULE *(Continued)*

ELIGIBILITY

Classes of Eligible Persons:
Class I All Full-Time Employees

Classes of Eligible Dependents:
Spouses and Children of Insured persons

Eligibility Requirements for Eligible Persons

In order to Enroll, an Eligible Person must be Actively at Work (Active Employment):

for Class I, All Full-Time Employees, Actively At Work means 20 hours per week.

Waiting Periods for Eligible Persons are as follows:

Employees in Class I on the Initial Effective Date are Eligible to Enroll after Active Employment for 1 Month.

New Employees of Class I are Eligible to Enroll after Active Employment for 1 Month.

Employees of Class I rehired on or after the Initial Effective Date are Eligible to Enroll after Active Employment for 1 Month.

A rehired Employee's Class will be established based on the Plan's rules.

Waiting Periods for Eligible Persons apply to their Eligible Dependents.

However, if an Eligible Person is not Actively At Work at the end of the Waiting Period, the Waiting Period will be extended until the Eligible Person resumes work in a pattern that will establish Active Employment.

Additional Eligibility Requirements for Dependents

Spouses of Insured persons must be no more than Age 70. A Spouse who is an Eligible Person may be covered as an Insured or a Spouse, but not both.

Children of Insured persons must be Age 0 days but not more than Age 21. However, a Child remains Eligible until Age 25 if a Full-time Student. A child who is an Eligible Person may be covered as an Insured or a Child, but not as both.

EFFECTIVE DATES FOR CHANGES IN AMOUNTS OF INSURANCE

Increases in the amount of insurance based on Policy provisions will occur on the first day of the calendar month following the change.

If Evidence of Insurability is not required, increases requested by the Insured will occur on the first day of the calendar month following the change request.

If Evidence of Insurability is required, increases requested by the Insured will occur on the first day of the calendar month after We approve the Evidence of Insurability.

Decreases requested by the Insured will occur on the first day of the calendar month following receipt of the request by the Policyholder.

Decreases on account of Age will occur on the first day of the calendar month following the Age change.

ELIGIBILITY

FOR SUPPLEMENTAL GROUP TERM LIFE AND OPTIONAL BENEFIT(S) INSURANCE

A person is Eligible to Enroll when he or she:

- is a member of a Class of Eligible Persons listed on the Schedule;
- meets the Eligibility Requirements shown on the Schedule.

In addition, the Insured must provide Evidence of Insurability satisfactory to Us for any proposed insurance on any person that is in excess of the amounts shown on the Schedule.

EFFECTIVE DATE OF INSURANCE

FOR SUPPLEMENTAL GROUP TERM LIFE AND OPTIONAL BENEFIT(S) INSURANCE

Subject to payment of Premium, insurance starts when a person:

- joins a Class of Eligible Persons;
- meets the Eligibility Requirements shown on the Schedule; and
- completes an Enrollment Form, if required.

However, if the Eligible Person does not Enroll, insurance will not become effective until the first day of the calendar month following a later Enrollment. We may require Evidence of Insurability if Enrollment takes place more than 30 days after a person first becomes Eligible.

The Maximum Amount available without Evidence of Insurability is shown on the Schedule.

Evidence of Insurability is required when the amount of insurance requested exceeds the amount shown on the Schedule.

EFFECTIVE DATE FOR CHANGES IN THE AMOUNT OF INSURANCE

Changes will occur on the dates specified on the Schedule.

BENEFITS

Benefits and Maximum Benefit amounts selected by the Policyholder and approved by the Company are shown on the Schedule of this Policy. Benefits shown on the Certificate are available to persons Eligible, who have Enrolled for the Benefits, are covered under the terms and conditions of this Policy and for whom Premiums are paid.

Any Policy Benefit based on Annual Earnings will be rounded to the nearest whole $1,000 but will not exceed any maximum dollar limit shown on the Schedule. Changes to the amount of insurance based on Age, Class or other factors agreed to by the Company and the Policyholder are shown on the Schedule.

Benefits are subject to the Benefit Conditions, Limitations and Exclusions provision.

SUPPLEMENTAL GROUP LIFE INSURANCE

We will pay this Benefit when We receive Proofs of Loss showing that a Covered Person has died.

INSURED'S OPTIONAL WAIVER OF PREMIUM BENEFIT

We will provide this Benefit when We receive Proofs of Loss showing that an Insured covered for this Benefit is Totally Disabled.

We will waive Premiums for an Insured after he or she is Totally Disabled for 6 months commencing prior to his or her 60th birthday. Premiums waived will be those that fell due on or after the date of Total

Disability. Premiums will be waived in accordance with the mode of Premium payment that was in effect when Total Disability began. We will waive Premiums until age 65 during Total Disability.

We will pay any refunds due to the Policyholder.

INSURED'S OPTIONAL ACCELERATED BENEFIT FOR TERMINAL ILLNESS

We will pay this Benefit when We receive Proofs of Loss showing that an Insured covered for this Benefit is Terminally Ill.

When an Accelerated Benefit for Terminal Illness claim is paid, We will provide an explanation showing the dollar amount paid and the remaining amount of life insurance.

PAYMENT OF BENEFITS

We will pay Benefits when We receive Proofs of Loss acceptable to Us. Benefits are subject to the Benefit Conditions, Limitations and Exclusions provision.

BENEFICIARY

Payment in good faith by the Company as outlined in this Beneficiary provision will fully discharge its obligations with respect to the amount(s) paid.

A Beneficiary is considered to have survived if he or she lives to receive payment of the Policy Benefit due.

If a Beneficiary is not competent to receive the funds, We will pay a representative appointed by a court to act on his or her behalf. If it is shown to Our satisfaction that no representative has been or will be appointed, We may pay:

- the Beneficiary's Spouse;
- the Beneficiary's surviving Children, equally;
- a person We consider entitled to receive the Benefits as the Beneficiary's trustee; or
- a person or institution providing care to the Beneficiary.

The Beneficiary - Change of Beneficiary provision indicates how the Insured can change the Beneficiary.

For Insured's Life Insurance

We will pay these Benefits to the Beneficiary(ies) named in the Insured's Enrollment Form or in a later Beneficiary Change Form. If no Beneficiary is named or lives to receive payment, We will pay Benefits to the first surviving of the following:

- the Insured's Spouse;
- the Insured's surviving Children, equally; or
- the Insured's estate.

For Insured's Accelerated Benefit for Terminal Illness

We will pay these Benefits to the Insured.

If the Insured does not live to receive payment, We will pay these Benefits to the first surviving of the following:

- the Insured's Spouse;
- the Insured's surviving Children, equally; or
- the Insured's estate.

For Spouse's Life Insurance

We will pay these Benefits to the Insured.

If the Insured does not live to receive payment, We will pay Benefits to the first surviving of the following:

- the Insured's surviving Children, equally, or
- the Insured's estate.

For Children's Life Insurance

We will pay these Benefits to the Insured.

If the Insured does not live to receive payment, We will pay Benefits to the first surviving of the following:

- the Insured's Spouse;
- the Insured's surviving Children, equally; or
- the Insured's estate.

BENEFIT CONDITIONS, LIMITATIONS AND EXCLUSIONS

SUPPLEMENTAL LIFE INSURANCE

If a Covered Person, whether sane or insane, dies by Suicide or any intentionally self-inflicted injury within two years of his or her Effective Date of Insurance, the Company's liability is limited to a refund of the Premiums paid.

If a Covered Person, whether sane or insane, dies by Suicide or any intentionally self-inflicted injury within two years of the Effective Date of an increase in the amount of insurance, the Company's liability with respect to the increase is limited to a refund of the Premiums paid. However, this limitation does not apply when the increase is due to a change in the Insured's class or Annual Earnings.

We will refund premiums paid to the Policyholder.

Optional Accelerated Benefit for Terminal Illness

We must receive Proofs of Loss for this Benefit during the lifetime of the Terminally Ill Insured.

A Physician must diagnose Terminal Illness.

We must receive the consent of all irrevocable Beneficiaries and/or all assignees.

Only one Accelerated Benefit for Terminal Illness will be paid on behalf of an Insured during the entire time that he or she is a Covered Person. Benefits payable at the Insured's death will be reduced by the amount of Accelerated Benefit for Terminal illness paid.

Accidental Death and Dismemberment benefits neither increase nor decrease the Accelerated Benefit for Terminal Illness.

Optional Insured's Waiver of Premium Benefit

Premiums will not be waived when Total Disability:

- was caused directly or indirectly, wholly or partly, from suicide or attempted suicide, whether sane or insane;
- resulted from any intentionally self-inflicted injury;
- resulted from or occurred while committing or attempting to commit an assault or felony, or resisting or fleeing from arrest;
- resulted from or occurred while participating in a riot or insurrection;
- was caused by voluntarily taking, absorbing or inhaling poison, poisonous gas or fumes;
- was intentionally inflicted by any person (If the Insured is an innocent bystander having no relationship to an altercation, it is covered.);

- was incurred during travel, flight or descent from any kind of aircraft, unless the Insured was being transported as a fare paying passenger on a regularly scheduled flight; or
- resulted from Substance Abuse; (This does not exclude a loss brought about by the Insured's use of drugs prescribed by and taken in accordance with the directions of a Physician.)
- resulted from war or act of war, whether declared or undeclared; or
- resulted from service in the armed forces of any country or international organization or units auxiliary to such armed forces.

CLAIM PROVISIONS

NOTICE OF CLAIM

Written notice of Claim must be given to Us within 30 days after the date of loss. If that is not possible, We must be notified as soon as it is reasonably possible to do so.

When We receive written notice of Claim, We will send claim forms unless the Policyholder has already provided them. If the Claim forms are not received within 15 days after the notice is sent, written proof of Claim can be sent to Us without waiting for the forms.

PROOFS OF LOSS

Proof of Claim must be given to Us within 90 days after occurrence or commencement of a covered loss.

If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. Proof of Claim may not be given later than one year after the time proof is otherwise required, except if the individual is legally unable to provide Proofs of Loss.

Proofs of Loss include a Claim Form or other documentation satisfactory to Us and may include statements completed by the claimant, the Beneficiary of the Benefit, the Employer and the attending Physician documenting:

- the nature of the loss;
- the date, or inclusive dates, of loss;
- the cause of loss; and
- for Life Insurance Death Proceeds, a certified copy of the deceased Covered Person's death certificate.

For Claims under the Insured's Waiver of Premium Benefit We may require Proofs of Loss on a monthly basis. We will not require Proofs of Loss on a monthly basis when it is no longer reasonably necessary to do so.

On request, We will tell the Insured, Beneficiary or other claimant what forms or documents are required.

We may require as part of the proof authorizations to obtain medical and psychiatric information as well as non-medical information, including personal financial information.

We will provide Insured or the claimant with a Claim Form upon request. The Insured is responsible for the cost of obtaining a completed Claim Form.

We may request additional Proofs of Loss such as records of hospitals and Physicians. We will be responsible for the cost of obtaining such records.

TIME PAYMENT OF CLAIMS

Payment will be issued upon receipt of Proofs of Loss acceptable to Us.

EXAMINATION AND AUTOPSY

We, at Our own expense, will have the right and opportunity to have a claimant examined by a Physician of Our choice. This right may be exercised as often as reasonably required.

CONTINUATION OF INSURANCE

Insurance may be continued under certain circumstances when the Insured no longer meets the Eligibility requirements. The Policyholder must provide any continuation on a non-discriminatory basis.

For Non-Medical Reasons

The Policyholder may continue insurance for up to 12 months for Insured persons absent from work due to temporary layoff, suspension of business operations, or Policyholder-approved leave of absence.

For Sickness or Accidental Injury

The Policyholder may continue insurance for Insured persons absent from work due to Total Disability. This continuation will end on the earliest of the following dates:

- six (6) months after Total Disability began;
- the date that We approve a Waiver of Premium; or
- the Policy termination date.

As Required by the Family and Medical Leave Act of 1993 (FMLA)

Regardless of the continuation policies outlined above, the Policyholder will comply with the Family and Medical Leave Act of 1993.

During any leave taken under FMLA, the Policyholder will continue Policy coverage on the same conditions as coverage would have been provided if the covered Insured had been continuously employed during the entire leave period.

If Policy coverage terminates during the FMLA leave, coverage will be reinstated for the Insured and his or her covered Spouse and Children if the Insured returns to work in accordance with the terms of the FMLA leave. Coverage will be reinstated only if the person(s) had Policy coverage when the FMLA leave started, and will be reinstated to the same extent that it was in force when that coverage terminated.

PORTABILITY

Class I

Portability Benefit

Portability allows an Insured to continue the Benefits indicated below under certain circumstances when coverage under this Policy would terminate.

Coverage is provided under the terms and conditions of this Policy.

When Portability is Available

Subject to the Portability Benefit Conditions and Limitations provision, an Insured who is not a Retiree may Port Benefits when he or she:

- have been continuously covered by this Policy for at least 0 month(s);
- is less than Age 99;
- is not Totally Disabled; and
- is no longer Actively At Work as an Employee.

Benefits Subject to Portability

The Insured may Port the following coverage on his or her life:

- Class I Supplemental Group Term Life Insurance;

Portable coverage is not available for Eligible Dependents.

How to Exercise Portability

The Insured must, within 46 days after the date that his or her coverage would terminate:

- submit written application on a form approved by the Company; and
- pay the first Premium for Ported coverage.

Effective Date of Ported Insurance

When the first Premium for Ported insurance is paid, coverage will be effective on the date that coverage under this Policy would have terminated.

Premiums and Premium Due Dates

The Insured must pay Premiums to the Company by monthly bank draft or other mode of Premium payment that We approve. After insurance is effective as stated in the preceding paragraph, there is a 31-day Grace Period for each Premium due. The Grace Period begins on the day of the month that coverage began under this provision. Coverage remains in effect during the Grace Period.

The Premium rate and Premium changes applicable to a Class will apply to former Class members who have Ported. The Company may add a billing fee to the Class rate applicable to Ported Certificates.

Amount of Insurance

Subject to the Changes to Amount of Ported Coverage provision, the amount of insurance will be that which was in effect on the day prior to the Effective Date of Ported Insurance, less any amount converted under the Conversion provision. However, in no event will:

- the total of all life insurance under this Policy on a single life exceed $500,000; and
- the life insurance on any life will not be less than the amount stated in the Portability Benefit Conditions and Limitations.

Changes to Amount of Ported Coverage

Benefits provided under the Portability provision cannot be increased.
Any decrease to the amount of insurance or termination of insurance applicable to a Class or to a Class at a specified Age will apply to former members of the Class who have Ported.

Termination of Ported Insurance

Ported insurance for the Insured and any covered Eligible Dependents terminates on the earliest of the following dates:

- when the Insured requests termination;
- at the end of the Grace Period for the Ported coverage, if the Premium is not paid;
- a date or Age for termination of insurance for the Covered Person shown on the Schedule;
- on the next Premium due date following the Insured's death;
- when coverage of the Class to which the Insured belonged prior to Porting terminates;
- on the 3rd anniversary of the Effective Date of Ported Insurance; if this policy is then in force; or
- when this Policy Terminates.

Upon termination of Ported Insurance, a Covered Person may be able to convert as stated in the Conversion provision.

Portability Benefit Conditions and Limitations

Unless stated, any changes to the terms, conditions and limitations of this Policy apply to Ported insurance.

A Totally Disabled Insured is not eligible to exercise this Benefit on behalf of any Covered Person. A Totally Disabled Insured may be entitled to convert insurance as stated in the Conversion provision.

An Insured is not eligible for Portability while absent from work due to:

- temporary layoff;
- suspension of business operations; or
- Policyholder-approved leave of absence for non-medical reasons.

An Insured is not eligible to Port while Policy coverage is continued based on a state or federal law, regulation or rule.

An Insured is not eligible to Port when this Policy terminates.

TERMINATION OF INSURANCE – COVERED PERSONS

Subject to the Continuation of Insurance and Conversion provisions, this insurance ends on the earliest of the following dates:

- the Insured's retirement;
- the date shown on the Schedule;
- the end of the Grace Period, if Premium for this coverage is not paid;
- the end of the calendar month when the Covered Person is no longer Eligible;
- this Policy's termination date; or
- the end of the calendar month when We receive a request to terminate this insurance.

Termination of insurance on Covered Persons and termination of the Policy are without prejudice to claims that occur or commence prior to the date of termination.

Voluntary Termination

We must receive notification of voluntary terminations. The date of termination will be the last day of the calendar month in which the termination occurred. If the Policyholder fails to report termination of Covered Persons while this Policy remains in effect with Us, Our liability shall be limited to a return of Premium retroactive to the date on which insurance should have been terminated, less any Claims paid during this period.

POLICY RENEWAL, AMENDMENT AND TERMINATION

POLICYHOLDER RENEWAL

With Our consent, the Policyholder may renew coverage on each Policy Renewal Date subject to the payment of Premiums. Insurance will end at 11:59 p.m. local time at the Policyholder's mailing address as shown in Our records on the day immediately preceding the anniversary date if it is not renewed, unless it is terminated as provided in the Termination of Policy provision.

POLICY AMENDMENT

With Our consent, the Policyholder may amend Policy provisions to add, modify or delete Benefits or other provisions.

On any Policy Renewal Date, We may amend this Policy to add, modify or delete Benefits or other provisions by providing the Policyholder with at least 31-days advance notice of any such change.

Deletion or reduction of a Benefit or Benefits is without prejudice to any Claim or Claims that occurred prior to the date on which the Benefit was deleted or reduced.

Addition, modification or deletion of Benefits may increase or decrease the Premiums charged.

POLICY TERMINATION

The Policyholder has the right to cancel this Policy on any Premium due date. Written notice of cancellation must be given at least 45 days before the date this Policy is to end.

The Company has the right to cancel this Policy on any Policy Renewal Date or any Premium due date. We will give the Policyholder at least 45 days before this Policy is to end.

We may cancel this Policy during a period for which we have given a written renewal guarantee when:

- the number of Insured persons covered falls below 50;
- the Policyholder does not meet Our participation requirements;
- there is a material change in the risk insured;
- the Policyholder is sold or merges with another entity; or
- the Policyholder purchases, acquires or establishes a new affiliate or subsidiary.

This Policy and all insurance hereunder shall terminate as provided under the Grace Period provision if the Policyholder fails to pay the Premium for insurance under this Policy before the expiration of the Grace Period.

Termination of this Policy is without prejudice to Claims that occur or commence prior to the date of termination.

PREMIUM PROVISIONS

PREMIUMS

Premiums are payable to the Company.

The first Premium is due on the Initial Effective Date. Later Premiums are due according to the mode of Premium payment shown on the face page of this Policy.

We actuarially determine the Premiums. We reserve the right to change the Premiums as stated in the Change in Premium provision.

The Policyholder will, on request, furnish Insured persons with information about the percentages and dollar amounts of Premiums paid by the parties.

CHANGE IN PREMIUM

We may change the Premium rates:

- when the number of Insured persons covered changes by 10% or more after the Initial Effective Date, or the last renewal date, if later;
- the number of Insured persons covered falls below 100 after the Initial Effective Date, or the last renewal date, if later;
- whenever Policy terms or conditions are modified;
- there is a material change in the risk insured;
- the Policyholder is sold or merges with another entity;
- the Policyholder purchases, acquires or establishes a new affiliate or subsidiary; or
- on any Policy Renewal Date.

We will provide the Policyholder with at least 45 days advance notice of any Premium rate change.

PREMIUM REFUNDS

If We receive Premiums for periods after Eligibility ends, We will refund Premiums paid after the end of Eligibility. In all other cases, We will refund Premiums paid since the last Policy Renewal Date.

CONVERSION

A Covered Person is entitled to have issued an individual policy of life insurance if the Covered Person's life insurance, or any portion of it, terminates upon:

- the Insured's death;
- termination of the Insured's employment;
- termination of the Insured's membership in a Covered Class; or
- the Spouse or Child ceasing to be an Eligible Person while the Insured remains a Covered Person.

A Covered Person insured for at least one (1) consecutive years is entitled to have issued an individual policy of life insurance when:

- this Policy terminates, or
- this Policy is amended to terminate his or her class of coverage.

Any policy issued under this Conversion provision will be:

- without disability or other supplementary benefits;
- on a whole life policy form that We then issue;
- in an amount not exceeding the amount of life insurance that ceases, less the amount of any life insurance for which the person becomes eligible under the same or any other group policy within thirty-one (31) days after termination; and
- subject to premiums at Our then customary rate applicable to the form and amount of the individual policy, to the class of risk to which the person then belongs, and to the individual's age on the effective date of the individual policy.

The Company or the Policyholder must receive a written or verbal request for Conversion within 31 days after the insurance ceases. The Company must receive a written Application for Conversion and the first Premium within 46 days after insurance ceases.

If notice of the Conversion right is not given at least 15 days before the insurance ceases then the Covered Person shall have an additional period to convert. This additional period expires 15 days after the Covered Person is given notice but in no event shall the additional period extend beyond 60 days after the insurance ceases. Written notice given to the Covered Person or mailed by the Policyholder or the Company to the Insured's last known address shall constitute notice for the purpose of this paragraph.

CONVERSION (*Continued*)

Nothing in this paragraph shall be construed to continue any insurance beyond the period provided in the policy.

When a Covered Person dies while entitled to a conversion policy, but before that policy is in force, the amount of life insurance to which he or she would have been entitled under the conversion policy shall be paid as a claim under this Policy. This applies whether or not We have received a written or verbal request for conversion, an application for conversion or the first premium.

GENERAL PROVISIONS

AGREEMENTS

No change in this Policy shall be valid unless made by endorsement or amendment signed by one of Our executive officers. Our executive officers are the Chairman, Chief Executive Officer, President, Vice Presidents and Secretary. No agent, producer, broker or consultant is authorized to waive any Policy terms or to make any agreements about this Policy that are binding on Us.

ASSIGNMENT

The Insured may assign his or her Certificate by filing written direction with the Policyholder. The interest of any Beneficiary is subordinate to such assignments. We are not responsible for the validity of any Assignment. We are not responsible to honor any Assignment unless it is given to Us with any claim subject to the Assignment.

Payment in good faith by the Company as outlined above will fully discharge its obligations with respect to the amount(s) paid.

BENEFICIARY, CHANGE OF BENEFICIARY

The Beneficiary provision defines how We will pay Benefits.

Unless an irrevocable Beneficiary is named, the Insured may change his or her Beneficiary and/or the Beneficiary of Benefits payable for losses suffered by other Covered Persons. The Insured may also change:

- the division of proceeds;
- rights of survivorship; and/or
- final revision of the proceeds.

Any change must:

- be on a written Change of Beneficiary form,
- state the name of the Covered Person or the Class of Covered Person whose Beneficiary is to be changed; and
- be filed with the Policyholder.

We are not:

- responsible for the validity of any change, or
- required to honor any Change of Beneficiary unless it is given to Us with any affected claim.

CERTIFICATES

We will provide a Certificate to the Policyholder for delivery to each Insured stating:

- the insurance protection provided, including any insurance for Spouse and/or Children;
- to whom the insurance Benefits are payable; and
- the conversion rights provided by this Policy.

CLERICAL ERROR

No Clerical Error by the Policyholder will:

- delay the Effective Date of a Covered Person's insurance;
- terminate insurance otherwise validly in force; or
- continue insurance otherwise validly terminated.

CONFORMITY WITH STATE AND FEDERAL STATUTES

Any Policy provision that, on the Initial Effective Date, is in conflict with the statutes of the State of Situs on such date is hereby amended to conform to the minimum requirements of such statutes.

To the extent that any Policy provision is contrary to or fails to address the minimum requirements of an applicable federal law, it is hereby amended to provide the coverage or benefit necessary to comply with such minimum requirements.

DATA REQUIRED

The Policyholder will provide Us all data and proof that We may reasonably need to administer this Policy.

ENTIRE CONTRACT

This Policy, the Application, Enrollment forms (if required) and Evidence of Insurability (if required) as well as any endorsements and amendments shall make up the entire contract. Statements made by the Policyholder or Insured individuals shall be deemed representations and not warranties.

EVIDENCE OF INSURABILITY

We may require evidence that a person meets our underwriting standards for this insurance. The maximum amount of insurance available without Evidence of Insurability is shown on the Schedule.

FIDUCIARY

For purposes of the Employee Retirement Income Security Act of 1974 (ERISA), the Policyholder, and not the Company or any of its affiliates, is the Plan Sponsor, Plan Administrator and Named Fiduciary. The Company does not have nor does it assume, either expressly or impliedly, any responsibility for the Policyholder's obligations or compliance under ERISA, COBRA or any other applicable federal or state law, regulation or rule.

GRACE PERIOD

This Policy provides a Grace Period of thirty-one (31) days for the payment of any Premium due except the first. During the Grace Period this Policy shall continue in force, unless the Policyholder gives Us written notice that coverage is to be terminated before the end of the Grace Period. The Policyholder shall be liable to Us for the payment of a pro-rata premium for the time this Policy was in force during the Grace Period.

INCONTESTABILITY

The validity of this Policy shall not be contested except for nonpayment of Premiums after it has been in force for two (2) years from its Initial Effective Date.

No statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to:

- the person insured, or,
- in the event of death or incapacity of the person insured, to his or her beneficiary or personal representative.

No statement made by any person insured when applying for insurance will be used to contest the validity of that insurance after:

- the insurance has been continuously in force for two (2) years during the lifetime of the person insured, and
- unless it is contained in a written instrument signed by him or her.

This provision shall not preclude the assertion at any time of defenses based upon Policy provisions that relate to eligibility for coverage.

MISSTATEMENT OF AGE

If the Age of a Covered Person has been misstated and the amount of premium is based on Age, We will adjust Premiums based on the true Age.

If Age is a factor in determining eligibility for or amounts of insurance and there has been a Misstatement of Age, We will adjust coverages, Benefit amounts, or both, based on the true Age.

A Misstatement of Age will not continue insurance otherwise validly terminated or terminate insurance otherwise validly in force.

DEFINITIONS

Accident means a sudden, unexpected, violent and external event that causes bodily Injury to a Covered Person.

Actively At Work (Active Employment) means the person must be working:

- on a full-time active basis and paid regular earnings;
- at least the minimum number of hours shown in the Application;
- at the Employer's usual place of business; or
- at a location to which the Employer's business requires the Insured to travel.

A person must be considered Actively At Work if the Employee was actually at work on the day immediately preceding:

- a weekend;
- holidays;
- paid vacations;
- any non-scheduled work day;
- excused leave of absence (except medical leave and lay-off); or
- emergency leave of absence (except emergency medical leave required by the Insured's Sickness or Injury).

Persons classified as part-time or temporary workers by the Employer or Policyholder are not Actively At Work except as agreed between the Policyholder and the Company.

Persons on strike are not Actively At Work except as agreed by the Policyholder and the Company.

The Active Employment must be for an Employer that has a workforce of Employees who are Eligible for Policy coverage.

Age means the Age of a Covered Person on his or her last birthday as of the Initial Effective Date. If coverage is effective after the Initial Effective Date, Age means age as of the last birthday preceding the most recent Policy Renewal Date. Age advances one year on each subsequent Policy Renewal Date.

This definition of Age does not apply to a policy or policies issued under the terms of the Conversion provision.

Annual Earnings mean the Insured's regular basic wages or salary paid by the Employer.

Annual Earnings do not include:

- overtime;
- commissions actually paid;
- tips, as reported by the Employer;
- bonuses;
- deferred compensation; and
- stock options.

Child (Children) means a person who is primarily dependent upon and living with the Insured in a permanent parent-child relationship and a:

- Child or adopted child of the Insured;
- Child placed with the Insured for adoption;
- stepchild, foster Child or ward of the Insured; or
- natural or adopted Child of the Insured's Spouse.

Child does not include a:

- person not meeting the above Child definition;
- child living outside of the United States (unless living with an Insured); or
- child on active military duty for a period in excess of 30 days.

Class means a group of persons that We and the Policyholder have agreed to insure.

Covered Person(s) means an individual who is covered by this Policy. Persons eligible for coverage are shown on the Schedule.

Eligible Dependent means those persons identified as Eligible Dependents on the Certificate Schedule.

Eligible Person means someone qualified to become an Insured. Eligible Persons are identified on the Schedule.

Employee means a person who is in a Class shown on the Schedule and in Active Employment with an Employer.

Employer means an entity that employs a workforce of persons whose Employees We have agreed to insure under this Policy.

Enroll means application by an Eligible Person for Policy coverage. By agreement between the Company and the Policyholder, Enrollment may:

- require completion of an Enrollment Form by the Eligible Person;
- be automatic, in which case it is not necessary for the Eligible Person to complete an Enrollment Form; and
- require Evidence of Insurability.

Evidence of Insurability means a form or documentation acceptable to Us showing that a person or persons otherwise Eligible for Policy coverage meet Our requirements for insurability.

Full-time Student means a Child who is:

- primarily dependent upon the Insured or Spouse for support;
- attending an accredited school, and
- making normal progress toward a diploma, certificate or degree.

Full-time Student includes a Child who attends a Home School.

Home School means a non-public school that meets the state definition of a Home School in the state where the Child resides.

If the state does not define Home School by law or regulation, Home School means a non-public school in which one or more children of not more than two families or households receive academic instruction from parents or legal guardians, or a member of either household. Home schools not governed by state law or regulation must:

- maintain attendance records on each student;
- operate on a regular schedule, excluding reasonable holidays and vacations, during at least nine calendar months of the year;
- administer a nationally standardized test, or other equivalent measurement, that measures achievement in the areas of English grammar, reading, spelling, and math, to every student each year; and
- maintain the standardized test results or equivalent measurement results on file for one year, subject to inspection by the Company.

Injury means bodily harm resulting directly from an Accident and independently of all other causes. The Injury must occur while the Covered Person is insured under this Policy.

Insured means an Eligible Person who is covered by this Policy.

Own Occupation means the job that the Insured was performing for wages, compensation or profit immediately before Total Disability began.

Physician means a medical doctor, licensed and practicing in the United States, who is not the Insured, or related to the Insured by blood or marriage. The term Physician does not include a medical doctor practicing outside of the United States.

Policy means those documents identified in the Entire Contract provision.

Policyholder means the entity so named on the Policy face page. The Policyowner may be:

- an Employer;
- a Labor Union;
- a trust;
- a Credit Union; or
- an Association.

When two or more of the above apply together for coverage under this Policy, the Policyholder will be one of the above as agreed to by the Company and the applicants.

Sickness means illness, disease, pregnancy or complications of pregnancy. The Sickness must begin while the Covered Person is insured under this Policy.

Spouse means:

1. the person recognized as the Covered Insured's husband or wife under the laws of the state in which the Insured lives; or

2. persons who, by written agreement between the Company and the Policyholder, may be covered by this Policy on a spousal equivalent basis.

This Policy will at no time cover more than one person as an Insured’s Spouse.

Substance Abuse means any use of one or more drugs, gasses or other substances which interferes with the health, social or economic functioning of the Covered Person.

Class I
Terminal Illness means a Sickness or physical condition, including the results of Accident, that will, with a reasonable degree of medical certainty, result in death of the Insured within nine (9) months from the date that We receive Proofs of Loss.

Total Disability or Totally Disabled means that during the Elimination Period and the next 0 months the Insured:

1. is unable to perform all of the material and substantial duties of his Own Occupation because of an Injury or a Sickness that begins while he is Insured.

2. After 0 months of Total Disability Benefits have been paid, Total Disability or Totally Disabled means that because of Injury or Sickness, the Insured is unable to perform with reasonable continuity all of the material and substantial duties of his or her Own Occupation or any other occupation for which he or she is or becomes reasonably fitted by:

    - age;
    - education;
    - training;
    - experience; and
    - physical/mental capacity.

Waiting Period means the time between the date that an individual becomes an Eligible Person and the date that he or she may Enroll. The Waiting Period may vary by Class or other factors agreed to by the Policyholder and the Company.

We, Us, Our and Company mean Kanawha Insurance Company.

You and Your mean the covered Insured. These words appear in the Certificates.

HUMANA
Guidance when you need it most

This Notice Tells You How We May Use Your Financial Information.

This is a Customer Privacy Notice from Kanawha Insurance Company and Kanawha HealthCare Solutions, Inc. members of the Humana family of companies.

This Notice is for your information only. A response is not required.

Your trust is important to us. It is important to us to protect your personal information. This notice tells you about our privacy policy. It also tells you how we treat information that we receive about you.

We may collect the following types of information about you:

- Information you provide to us on your applications or claim forms;
- Information you provide to us on any other documents you give us;
- Information we collect in your business dealings with us (this includes premium or claim payments);
- Information sent to us by your doctor, hospital or other medical personnel;
- Information provided by another insurance company;
- Information provided by your employer;
- Information provided to us by adult members of your family;
- Information about your insurability;
- Information about your income or finances given to us by a Consumer Reporting Agency; and
- Information you tell us about your hobbies.

We do not give your information to other companies, State or Federal agencies unless it is allowed or required by law. We do not give your information to others unless allowed or required by law. If we are not allowed or required to release your information, we will ask you for an authorization to release your information. We do not sell your personal information. Our privacy policy will not change even if you no longer have a policy or certificate with Kanawha.

We may give out information about you to another company if it:

- Helps us when reviewing your application;
- Helps us with our administrative duties;
- Is used to help print checks;
- Is used to help draft your premium from your bank account; or
- Helps us review a claim, application, or other transaction you requested.

Companies assisting us must agree to protect your information and not release the information supplied by Kanawha without our written permission.

We will give out nonpublic personal information if required by law. This includes:

- Information requested by a court of law;
- Eligibility information to State Medicaid programs;
- Information requested by the insurance regulatory authority of your state; and
- Information requested by police or other law enforcement related to:
  - The detection and prevention of fraud or,
  - Money laundering or terrorism activities.

The information we have about you is private and confidential. Only our employees that need your information to administer or sell our products or services are allowed to see it. We will comply with all legal protections.

The law states we must give this summary to you each year. If you have any questions or do not want us to share any of your personal information with affiliated companies that provide offers of non-Kanawha products or services, you may call us at 877-378-1505. You may also write to us at Kanawha, Attention: Corporate Privacy Official, Post Office Box 610, Lancaster, SC 29721-0610.

Please call the Customer Service telephone number on your identification card to receive another copy of this Financial Privacy Notice or a copy of the Medical Privacy Notice.