



ACE Property & Casualty Insurance Company

Home Office Address: 436 Walnut Street • Philadelphia, PA 19106

Policyholder Service Address: P. O. Box 6700, Scranton, PA

PORTAL WEB ADDRESS• Telephone Number: 1-866-445-8874

GROUP INSURANCE POLICY

POLICYHOLDER:	PROSPERITY BANK
POLICY NUMBER:	BKRC25708
POLICY EFFECTIVE DATE:	January 1, 2022
POLICY ANNIVERSARY DATE:	January 1, 2022 and each following January 1
PREMIUM DUE DATE:	January 1, 2022 and the first day of each calendar month thereafter
RATE GUARANTEE DATE:	January 1, 2024
GOVERNING JURISDICTION:	TX
ELIGIBLE CLASS(ES):	Eligible Members Eligible Dependents

ACE PROPERTY & CASUALTY INSURANCE COMPANY (referred to as We, Us, Our, or the Company) will provide benefits under this Policy. We make this promise subject to all of this Policy's provisions.

The Policyholder should read this Policy carefully and contact Us promptly with any questions. This Policy is delivered in and is governed by the laws of the Governing Jurisdiction.

This Policy may be changed in whole or in part. Only an officer of the Company can approve a change. The approval must be in writing and endorsed on or attached to this Policy. No other person, including an agent, may change this Policy or waive any part of it.

For ACE Property & Casualty Insurance Company

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POLICYHOLDER PROVISIONS

CLERICAL ERROR

Clerical error on the part of the Policyholder or Us will not invalidate insurance otherwise in force nor continue insurance otherwise terminated. Upon discovery of any error, an adjustment will be made in the Premiums and/or benefits available. Complete proof must be supplied by the Policyholder documenting any clerical errors.

EFFECTIVE DATE OF COVERAGE

This Policy becomes effective on the Policy Effective Date shown in the Policy Specifications. Coverage for each Covered Person begins on their Certificate Effective Date.

ENTIRE CONTRACT

The Entire Contract consists of:

- This Policy;
- The Policyholder's application;
- Any amendments and attachments issued;
- The Certificate(s) and any Certificate Rider(s); and
- All enrollment data and evidence of insurability if any.

Changes to this Policy will not be effective until approved by the President, a Vice President, or the Secretary of our Company. This approval must be noted on or attached to this Policy. No agent or broker has the authority to change this Policy or to waive any of its provisions.

The Policy may be modified by Us with at least 60 days advance written notice delivered to the Policyholder.

INFORMATION REQUIRED FROM THE POLICYHOLDER

The Policyholder must provide Us with detailed information about persons who are eligible to become insured under this Policy, information about Insureds, and any other information that may be reasonably required.

Policyholder's duties include, but are not limited to, the following:

- Providing Us any and all information We determine is necessary for the enrollment of Eligible Classes and for the determination of their eligibility. Policyholder must provide Us with all information necessary to underwrite the coverage, to calculate premiums and to maintain necessary administrative records.
- Maintaining records pertaining to the insurance of Eligible Classes, for whom We may reasonably require information while this Policy is in force and for 2 years after this Policy terminates. Policyholder must also allow us to examine these records at any reasonable time during normal business hours.
- Cooperating fully with Us in preparing and/or delivering any required notices regarding this insurance to Eligible Classes.

INSPECTION OF POLICY

Policyholder must make this Policy available for inspection by all Eligible Classes during normal business hours.

LEGAL ACTION

No legal action can be brought to recover benefits under this Policy for at least 60 days after written Proof of Loss has been furnished to Us; nor after the expiration of three (3) years after the date written Proof of Loss is required to be given.

PREMIUM

PAYMENT OF PREMIUM

This Policy is issued in consideration of the Policy application and payment of the first Premium. The first Premium is based on the initial rate(s) shown in the Rate Table and is due on the Premium Due Date shown in the Policy Specifications. The Policyholder must send all Premiums to Us on or before their respective Premium Due Dates.

Payments must be paid in United States dollars. We may use any reasonable method to compute Premiums due under this Policy. Premium is due for everyone covered under this Policy.

GRACE PERIOD

After payment of the first Premium, if a Premium is not paid on or before the Premium Due Date, it may be paid during the next 31 days. These 31 days are called the Grace Period. If any Premium is unpaid at the end of the Grace Period, coverage shall automatically terminate and this Policy will no longer be in force. This Grace Period does not apply if the Policyholder requested this Policy be terminated.

If the full Premium is not paid by the Premium Due Date, We will provide written notice to the Policyholder that if the Premium is not paid by the end of the Grace Period; this Policy will terminate on the last day of the Grace Period. If We fail to give written notice, the insurance provided under this Policy will continue in effect until the date such notice is given.

If the Policyholder replaces this Policy with another group policy but does not give Us written notice of intent to end this Policy, the Grace Period provision of this Policy will still apply.

The Policyholder is required to pay a pro rata Premium for any period this Policy was in force during the Grace Period. Premium is required for any period, including the Grace Period or any extension of the Grace Period, for which insurance under this Policy was in force and Premium was not paid.

The Policyholder is responsible for the payment of Premiums to the last day of the Grace Period. If any Premium owed is not paid before the Grace Period ends, this Policy will lapse. If We accept Premium after the Policy lapses, such acceptance shall not automatically reinstate this Policy.

At our option, We may require the Policyholder to apply for reinstatement.

- If We require the Policyholder to apply for reinstatement, and that reinstatement is approved by Us, We will reinstate this Policy.
- If We require the Policyholder to apply for reinstatement, and that reinstatement is not approved by us, We shall refund any unearned Premium as soon as reasonably possible but in no event later than 30 days following receipt of the unearned Premium.

INITIAL RATE GUARANTEE AND CHANGES IN PREMIUM

We have the right to adjust the Premium for this Policy as determined necessary by Us. A change in Premium will not take effect before the Rate Guarantee Date shown in Policy Specifications. However, We may change Premium rates at any time for reasons which affect the risk assumed, including but not limited to:

- A change occurs in the Policy design;
- The number of Insureds changes by 25%; or
- A new law or a change in an existing law affecting premium taxes or premium-based fees or other fees or assessments affecting Us.

A Premium adjustment will take effect on the next monthly anniversary of this Policy following the adjustment. A change may take effect on an earlier date when both We and the Policyholder agree. Written notice of a Premium adjustment will be delivered to the Policyholder and Insureds at least 30 days in advance.

If a Premium adjustment involves a return of unearned Premium, the refund will be limited to the prior 12 month period.

REINSTATEMENT OF INDIVIDUAL CERTIFICATES

If an Individual Certificate terminates for failure to pay Premium, the Insured may apply for reinstatement subject to the reinstatement provision in the Individual Certificate.

POLICY RENEWAL

This Policy shall automatically renew on each anniversary of the Policy Anniversary Date, subject to the Termination of Policy provision.

TIME LIMIT ON CERTAIN DEFENSES

After 2 years from the Policy Effective Date, no misstatements, except fraudulent misstatements, of the Policyholder can be used to void this Policy. After 2 years from the Certificate Effective Date of an Individual Certificate, no misstatements, except fraudulent misstatements, of the Insured can be used to void coverage or deny a claim for Loss incurred or disability commencing after the expiration of the 2 year period.

DEFINITIONS

Active Employee, Actively at Work means the Insured is at work for pay on a permanent basis at least [17 ½] hours per week performing the normal duties of the Insured's job.

Certificate means the document that explains the parts of this Policy which apply to the Insured and defines benefits and provisions for each Covered Person.

Covered Person means a person covered under the Certificate.

Eligible Class(es) means the people who may apply for coverage. The Eligible Class(es) are shown in the Policyholder Specifications.

Dependent means a person for whom the Insured has elected coverage and who is:

- The Insured's Spouse;
- The Insured's newborn child;
- The Insured's unmarried natural child, legally adopted child, child in the waiting period prior to finalization of adoption by the Insured, or stepchild under age 27; or
- The Insured's unmarried grandchild under age 27 who is a dependent for federal income tax purposes.

Eligible Member means a member in an Eligible Class who is in good standing with the Policyholder and who is an Active Employee.

Insured means the Eligible Member covered under the Certificate.

Loss means an event for which a benefit may become payable under this Policy.

Spouse means the person to whom the Insured is legally married, or the Insured Domestic Partner, and for whom the Insured has elected coverage. Spouse also means the Insured's Civil Union partner.

We, Our, Us or the Company means ACE Property & Casualty Insurance Company.

TERMINATION AND PORTABILITY PRIVILEGE

TERMINATION OF POLICY

This Policy terminates on the earliest of:

- The date there are no longer any Insureds covered under it;
- The end of the period for which Premium is paid, subject to the Grace Period.

Coverage under this Policy may also be terminated:

- By the Policyholder with at least 60 days advance written notice delivered or mailed to Us; or
- By Us with at least 60 days advance written notice delivered to the Policyholder.

When both We and Policyholder agree, this Policy can be canceled on an earlier date.

If this Policy is terminated or canceled, it will be the responsibility of the Policyholder to provide written notice of termination to all Insureds as soon as reasonably possible.

Form No. P60600

[5]

The Policyholder shall pay all Premiums due and unpaid through and including the termination and cancellation date. The 60 day notice period begins running from the date the written notice is delivered to the Policyholder.

Termination of the Policy will not affect benefits otherwise payable for a claim incurred while this Policy is in force.

PORTABILITY PRIVILEGE

If the Insured's coverage under the Policy terminated because the Policy was cancelled or the Insured was no longer in an Eligible Class, the Insured has the option to continue coverage. To continue coverage:

- We must receive the Insured's request and payment of the first Premium for the portability coverage no later than 60 days after such termination; and
- The request must be made on a form or through a process We approve for that purpose.

CERTIFICATES

The Certificates designated in Appendix A, and any amendments thereto, are attached to and made part of this Policy. Any discrepancy or inconsistency between the attached Certificate(s) and any individual Certificate issued to an Insured is governed by the attached Certificate.

The Certificate(s) apply to Covered Persons in accordance with the coverages and benefits elected by the Policyholder in its application and accepted by Company.

INDIVIDUAL CERTIFICATES

An individual certificate of insurance which sets forth (a) a description of the benefits and coverages; and (b) exclusions or limitations that apply to such benefits and coverages shall be available to the Policyholder for distribution to each Insured.

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GROUP HOSPITAL INDEMNITY INSURANCE CERTIFICATE

THIS IS A LIMITED BENEFIT CERTIFICATE.

PLEASE READ THE CERTIFICATE CAREFULLY

This is Your Certificate while You are insured. You are the Certificateholder. This Certificate is in force as of the Certificate Effective Date. The Certificate Effective Date is shown in the Certificate Specifications.

The Company certifies that You are insured for the benefits described in this Certificate, subject to the provisions of this Certificate. The Policy issued to the Policyholder includes this Certificate. The Policy is a contract between Us and the Policyholder. The Policy alone constitutes the agreement under which payments are made. Benefit payment is governed by all the terms, conditions and limitations of the Policy. We will pay the benefits set forth in this Certificate. If the terms and provisions of the Certificate are different from the Policy, the Policy will govern. The Policy may be inspected at the office of the Policyholder during normal business hours.

This Certificate may be delivered in electronic format to Your email address or by being posted to a secure on-line portal.

This Certificate was issued on the basis that the information provided by You at the time of enrollment and provided by the Policyholder was correct and complete. Incorrect or incomplete information can result in the denial of a claim, rescission, or termination of this Certificate.

RENEWABILITY

This Certificate is conditionally renewable. Your coverage is automatically renewed if at the time of renewal, You are an Eligible Member and the Policy is in force.

We reserve the right to change the premium. We or the Policyholder will notify You, at Your last address of record, of a change at least 30 days before the date at which it is to become effective.

LIMITATIONS

PRE-EXISTING CONDITION

A Pre-Existing Condition is not covered unless the date of diagnosis for such condition is at least 12 months after the Certificate Effective Date.

CHILDBIRTH LIMITATION

Within the first 10 months of the Certificate Effective Date, We will not pay benefits for a Hospital Admission or Hospital Confinement that is caused by, or occurs as a result of, Your pregnancy, childbirth or Complications of Pregnancy.

After this coverage has been in force for 10 months from the Certificate Effective Date, benefits for pregnancy and Complications of Pregnancy will be covered the same as a Covered Sickness.

For ACE Property & Casualty Insurance Company

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CERTIFICATE IDENTIFICATION

Policyholder: PROSPERITY BANK

Policy Number: BKRC25708

Policy Effective Date: January 1, 2021

Governing Jurisdiction: TX

Policyholder Address: PO BOX B
LA GRANGE, TX 78945

Annual Enrollment Date: January 1 of each year

Eligible Class: Eligible Members

Coverage Type: 24-Hour

SCHEDULE OF BENEFITS

COVERED PERSON(S):

Insured

Spouse

Child(ren)

Plan 2 as elected

Plan 2 as elected

Plan 2 as elected

BENEFITS:

Insured

Spouse

Child(ren)

HOSPITAL ADMISSION BENEFIT

\$2,000

\$2,000

\$2,000

Maximum Benefit per Calendar Year

1

1

1

HOSPITAL ADMISSION ICU BENEFIT

\$0

\$0

\$0

Maximum Benefit per Calendar Year

0

0

0

HOSPITAL CONFINEMENT BENEFIT

Per Day

\$200

\$200

\$200

Maximum Days per Calendar Year

10

10

10

HOSPITAL CONFINEMENT ICU BENEFIT

Per Day

\$300

\$300

\$300

Maximum Days per Calendar Year

10

10

10

Additional Benefit Riders:

Accidental Death & Dismemberment (AD&D) Benefit Certificate Rider

Not Covered

Additional Hospital Benefit Certificate Rider

Not Covered

Death Benefit Certificate Rider

Not Covered

Confinement Free Benefit Certificate Rider

Not Covered

Confinement Infection Benefit Certificate Rider

Not Covered

Critical Illness Benefit Certificate Rider

Not Covered

Diagnostic Test Benefit Certificate Rider

Not Covered

Disability Benefit Certificate Rider

Not Covered

Immediate Care Benefit Certificate Rider

Not Covered

Outpatient Care Benefit Certificate Rider

Not Covered

Outpatient Physician's Accident and Preventive Care Benefit Certificate Rider

Not Covered

Specialty Care Benefit Certificate Rider

Covered

Surgery Benefit Certificate Rider

Not Covered

Waiver of Premium for Confinement Benefit Certificate Rider

Not Covered

Waiver of Premium for Total Disability Benefit Certificate Rider

Not Covered

BENEFITS

Refer to the Schedule of Benefits for benefit amounts and Maximum Benefit Periods. All benefits are paid only once per Covered Person per Covered Accident or Covered Sickness, unless otherwise noted in the Schedule of Benefits. We will not pay the same benefit for a Covered Accident and Covered Sickness for the same day. Capitalized terms are defined in the Definitions provision of this Certificate.

HOSPITAL ADMISSION BENEFIT

We will pay this benefit for the first day a Covered Person is admitted to a Hospital or Hospital Sub-Acute Intensive Care Unit as an inpatient due to a Covered Accident or Covered Sickness. The Covered Person must be admitted to a Hospital within [six] months after the Covered Accident.

We will not pay this benefit for:

- Emergency Room treatment;
- Outpatient treatment; or
- A stay of less than 20 hours in an Observation Unit; or
- Confinement in a Rehabilitation Unit.

We will only pay for one Hospital Admission Benefit per Confinement.

If a Covered Person is admitted to a Hospital and is then transferred to another Hospital, We will not pay an additional Hospital Admission Benefit.

HOSPITAL ADMISSION ICU BENEFIT

We will pay this benefit for the first day a Covered Person is admitted to a Hospital ICU as an inpatient due to a Covered Accident or Covered Sickness. The Covered Person must be admitted to a Hospital ICU within 30 days after the Covered Accident.

We will not pay this benefit for:

- Emergency Room treatment;
- Outpatient treatment;
- A stay of less than 20 hours in an Observation Unit; or
- Confinement in a Rehabilitation Unit.

We will pay this benefit for Covered Child(ren) admitted to the Neonatal Intensive Care Unit (NICU) due to a Covered Accident or Covered Sickness.

We will not pay the Hospital Admission Benefit and the Hospital Admission ICU Benefit for the same Covered Accident or Covered Sickness.

If a Covered Person is admitted to a Hospital and transferred to the Hospital Intensive Care Unit due to a Covered Accident or Covered Sickness, We will pay the Hospital Admission ICU Benefit, less the amount We paid under the Hospital Admission Benefit.

HOSPITAL CONFINEMENT BENEFIT

We will pay this benefit if a Covered Person is Confined in a Hospital or Hospital Sub-Acute Intensive Care Unit due to a Covered Accident or Covered Sickness. The Covered Person must be Confined to a Hospital within six months after the Covered Accident.

We will pay benefits for only one Confinement at a time even if it is caused by more than one Covered Accident or Covered Sickness.

We will not pay this benefit for:

- Emergency Room treatment;
- Outpatient treatment;
- A stay of less than 20 hours in an Observation Unit; or
- Confinement in a Rehabilitation Unit.

If a Covered Person is Confined in a Hospital or Hospital Sub-Acute Intensive Care Unit, and is Confined again within 90 days for the same Covered Accident or Covered Sickness, We will treat this Confinement for a continuation of the prior Confinement.

We will not pay the Hospital Confinement Benefit and the Hospital Confinement ICU Benefit for the same day. We will pay the higher of the two benefits for any day the Covered Person is transferred in or out of ICU.

HOSPITAL CONFINEMENT ICU BENEFIT

We will pay this benefit if a Covered Person is Confined in a Hospital ICU due to a Covered Accident or Covered Sickness. The Covered Person must be admitted to a Hospital ICU must within 30 days after the date of the Covered Accident.

We will pay benefits for only one Confinement at a time even if it is caused by more than one Covered Accident or Covered Sickness.

We will not pay this benefit for:

- Emergency Room treatment;
- Outpatient treatment;
- A stay of less than 20 hours in an Observation Unit; or
- Confinement in a Rehabilitation Unit.

If a Covered Person is Confined in a Hospital ICU, and is Confined in a Hospital ICU once again within [90] days due to the same Covered Accident or Covered Sickness, We will treat this Confinement as a continuation of the prior Confinement.

We will not pay the Hospital Confinement ICU Benefit and the Hospital Confinement Benefit for the same day. We will pay the higher of the two benefits for any day the Covered Person is transferred in or out of ICU.

We will pay this benefit for Covered Children Confined to the Neonatal Intensive Care Unit (NICU) due to a Covered Accident or Covered Sickness.

If a Covered Person is Confined in a Hospital ICU beyond the Maximum Benefit Period, the Covered Person will be eligible for the Hospital Confinement Benefit. The Hospital Confinement Benefit will begin the first day following the expiration of the Maximum Benefit Period for Hospital ICU Confinement Benefit.

If the unit to which a Covered Person is Confined does not meet the definition of Hospital ICU in this Certificate, We will pay the Hospital Confinement Benefit, if applicable.

DEFINITIONS

Active Employee, Actively at Work means You are at work for pay on a permanent basis at least 17 ½ hours per week performing the normal duties of Your job.

Calendar Year means the time period from the Certificate Effective Date through December 31 of that year. Subsequent Calendar Years begin on January 1 and continue through December 31.

Certificate Effective Date means the date coverage under this Certificate becomes effective. The Certificate becomes effective:

- On the Policy Effective Date if You are in an Eligible Class on or before the Policy Effective Date and Your enrollment was approved by Us: or
- On the first day of the month following the date Your enrollment was approved by Us if You enter into an Eligible Class after the Policy Effective Date.

This date will be used to determine Certificate years, months, and anniversaries.

Complications of Pregnancy means those conditions requiring Confinement whose diagnoses are distinct from a routine pregnancy but are adversely affected by pregnancy or are caused by pregnancy, such as acute nephritis, nephrosis, cardiac decompensation, missed abortion, miscarriage, non-elective Cesarean, non-elective abortion and similar medical and surgical conditions.

Complications of Pregnancy does not include false labor, occasional spotting, physician-prescribed rest during the period of pregnancy, morning sickness, hyperemesis gravidarum, preeclampsia and other conditions.

Confined or Confinement means the assignment to a bed as a resident inpatient in one of the following facilities on the advice of a Physician:

- Hospital
- Hospital Sub-Acute Intensive Care Unit
- Hospital ICU
- A stay of more than 20 hours in an Observation Unit
- Rehabilitation Unit

Covered Accident means an unintended and unexpected event which results in an Injury that:

- Occurs on or after the Certificate Effective Date; and
- Occurs while this Certificate is in force; and
- Is not excluded by name or specific description in this Certificate.

No benefits are payable for any treatment or expenses incurred prior to the Certificate Effective Date.

Covered Person means a person covered under this Certificate, except no person who is on active duty status for the military service of any country may be covered under this Certificate.

Covered Sickness means an illness, infection, disease or any other abnormal physical condition not caused by an accident that:

- Occurs on or after the Certificate Effective Date; and
- Occurs while this Certificate is in force; and
- Is not excluded by name or specific description in this Certificate.

Sickness includes pregnancy and Complications of Pregnancy.

No benefits are payable for any treatment or expenses incurred prior to the Certificate Effective Date.

Dependent means:

- Your Spouse, Domestic Partner, Civil Union Partner; or
- Your newborn child; or
- Your unmarried natural child, legally adopted child, child in the waiting period prior to finalization of adoption by You, or step-child; under the age of 27; or
- Your unmarried grandchild under age 27 who is a dependent for federal income tax purposes.

Domestic Partner means a person who resides with and is financially interdependent with You.

Eligible Member means a member who is in good standing with the Policyholder and who is an Active Employee.

Emergency Room means a special area in a Hospital that is equipped and staffed to give emergency treatment on an outpatient basis and is not a freestanding clinic or Doctor's office.

Hospital means an institution in the United States or Canada which meets all of the following requirements:

- Operates pursuant to state or provincial law for Hospitals located in the United States or Canada;
- Operates primarily for the care and treatment of sick or injured persons as Inpatients;
- Provides 24-hour nursing service;
- 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
- Has a staff of at least one licensed Physician available at all times.

Hospital does not include rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational, or rehabilitation facilities, including rehabilitation hospitals.

Hospital Intensive Care Unit (ICU) or Neonatal Intensive Care Unit (NICU) means a place that:

- Is a specially designated area of the Hospital called an intensive care unit or neonatal 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 Physician assigned to the intensive care unit on a full-time basis.

A Hospital Intensive Care Unit is not a progressive care unit, an intermediate care unit, a private monitored room, Hospital Sub-Acute Intensive Care Unit, an Observation Unit or any facility not meeting the definition of a Hospital Intensive Care Unit as defined above.

Hospital Sub-Acute Intensive Care Unit means a place that:

- 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 as progressive care, intermediate care, or a step-down unit, but is not a regular private or semi-private room, or ward with or without monitoring equipment.

Immediate Family means:

- You or Your Spouse; or
- Any of You, or Your Spouse's children, parents, grandparents, grandchildren, brothers, sisters, or their respective spouses.

Injured, Injury, or Injuries means an accidental bodily injury that resulted from a Covered Accident. It does not include sickness, disease or bodily infirmity. Overuse syndromes, typically due to repetitive or recurrent activities, such as osteoarthritis, Carpal Tunnel Syndrome or tendonitis, are considered to be a sickness and not an Injury for purposes of this Certificate. An injury that leads to Confinement more than six months after the originating accident will be considered a sickness.

Insured means the Eligible Member covered by this Certificate. Insured also means the Certificateholder.

Maximum Benefit Period means the longest period of time for which a benefit will be paid. The durations are shown in the Certificate Identification and Schedule of Benefits for each benefit that has a Maximum Benefit Period.

Observation Unit means a specified area within a Hospital, apart from the Emergency Room, where a patient can be monitored by a Physician following outpatient surgery or treatment in the Emergency Room that:

- Is under the direct supervision of a Physician or registered nurse;
- Is staffed by nurses assigned specifically to that unit; and
- Provides care seven days per week, 24 hours per day.

Physician means a person performing tasks that are within the limits of his or her medical license and is:

- Licensed to practice medicine, prescribe and administer drugs or to perform surgery; or
- A legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

A Physician cannot be You or a member of Your Immediate Family, Your business or professional partner, or any person who has a financial affiliation or business interest with You.

Policyholder means the entity to whom the Policy is issued. The Policyholder is shown in the Certificate Identification.

Pre-Existing Condition means a condition for which a Covered Person received medical advice or treatment within the 12 months preceding the Certificate Effective Date.

Spouse means the person to whom You are legally married, or Your Domestic Partner, and for whom You have elected coverage. Spouse also means Your Civil Union Partner.

We, Our, Us or the Company means ACE Property & Casualty Insurance Company.

You or Your means the Insured.

EXCLUSIONS

No benefits will be paid for services rendered by a member of the Immediate Family of a Covered Person.

No benefits will be paid for any Covered Accident or Covered Sickness that is caused by, or occurs as a result of, a Covered Person's:

- Being intoxicated, or being under the influence of any narcotic or other prescription drug unless administered on the advice of a Physician and taken according to the Physician's instructions (the term "intoxicated" means the minimum blood alcohol level required to be considered operating an automobile under the influence of alcohol in the jurisdiction where the accident occurred);
- Participating in an illegal occupation or attempting to commit or actually committing a felony ("illegal occupation" and "felony" is as defined by the law of the jurisdiction in which the activity takes place);
- Committing or attempting to commit suicide or intentionally injuring himself or herself;
- Being exposed to war or any act of war, declared or undeclared, or serving in any of the armed forces or units auxiliary thereto;
- Alcoholism;
- Injury while sky diving, hang gliding, parachuting, bungee jumping, parasailing, or scuba diving;
- Cosmetic surgery, except when due to reconstructive surgery needed as the result of an Injury or Sickness, or is related to or results from a congenital disease or anomaly of a covered Dependent Child; and congenital defects in newborns;
- Services related to sterilization, reversal of a vasectomy or tubal ligation; in vitro fertilization and diagnostic treatment of infertility or other problems related to the inability to conceive a child, unless such infertility is a result of a covered Injury or Sickness;

PREMIUMS

PAYMENT OF PREMIUM

The first premium is due on the Certificate Effective Date. Subsequent premiums are due and payable on the monthly anniversary of the Certificate Effective Date. If premiums are not paid when due, this Certificate will terminate subject to the Grace Period.

All premiums are payable to Us or as otherwise designated by Us.

The Policyholder is responsible for remitting Premiums as they become due. Payment of any Premium will not keep insurance in effect beyond the due date of the next Premium, except as stated in the Grace Period.

GRACE PERIOD

A Grace Period of 31 days will be allowed for the payment of each Premium. The Certificate will remain in effect during the Grace Period, unless the Policyholder gives Us advance notice of termination. If any premium is unpaid at the end of the Grace Period, coverage shall automatically terminate and this Certificate will no longer be in force.

If any premium is unpaid at the end of the Grace Period, coverage shall terminate retroactively to the last day for which premium is paid, and this Certificate will no longer be in force.

PREMIUM CHANGES

We have the right to change the premium rates on any premium due date in accordance with the terms of the Policy. If the rates are changed, We will give at least 30 days advance notice to the Policyholder, or to You if the portability coverage is in effect.

UNPAID PREMIUM

Upon payment of a claim under this Certificate, any premium then due and unpaid will be deducted from Your claim payment. This includes but is not limited to claims incurred during the Grace Period.

REFUND OF PREMIUM AT DEATH

Upon notice of Your death, We will refund to the Beneficiary the portion of any premium that applies to a period beyond the end of the Certificate month in which death occurred.

ELIGIBILITY, EFFECTIVE DATE, TERMINATION OF COVERAGE [AND PORTABILITY PRIVILEGE]

ELIGIBILITY FOR COVERAGE

You are eligible for coverage under this Certificate if:

- Your enrollment is approved by Us; and
- You are an Eligible Member on the Certificate Effective Date.

A Dependent is eligible for coverage on the later of:

- The date You are eligible for insurance; or
- The date You acquire the Dependent.

A Dependent is deemed to be acquired as follows:

- Spouse: On the date of the marriage or the date the Eligible Dependent becomes Your Domestic Partner or Civil Union Partner.
- Natural Child: On the date of birth.
- Adopted Child: On the date the child is placed in Your custody pursuant to an interim or permanent court order of adoption.
- Stepchild: On the date of the Your marriage to the child's parent.
- Grandchild: On the date the child is dependent on You or Your Spouse for Federal Income Tax purposes.

ADDITION OF ELIGIBLE DEPENDENTS

- Newborns: Coverage for a newborn is effective from the moment of birth provided that We receive notice of the newborn within 45 days after birth, and You pay all required premiums within 31 days after receiving a notice of amount due. If notification of a newborn is received more than 45 days after birth, coverage will be effective on the date notification is received by Us, provided You pay all required premiums within 31 days after receiving a notice of amount due.
- Newly Adopted Children: Coverage for an adopted child is effective from the date of adoption or placement for adoption if You apply for coverage within 60 days after adoption or placement for adoption. For coverage to continue We must receive notice of the adoption within 60 days after the date of adoption or placement for adoption whichever is earlier; and You must pay all required premiums within 60 days after receiving a notice of amount due. Failure to provide notice within the required time period will not end coverage if it is shown that the notice was furnished as soon as reasonably possible. If notification of the adoption or placement for adoption is received more than 60 days after the date of the adoption or placement for adoption, coverage will be effective on the date notification is received by Us, provided You pay all required premiums within 45 days after receiving a notice of amount due.
- Other than a Newborn or Newly Adopted Child: To add other eligible Dependents You must apply for coverage during an open enrollment period. If approved by Us, the additional coverage will be effective on the monthly anniversary of the Policy Effective Date following approval.

EFFECTIVE DATE

Your coverage will start on the Certificate Effective Date.

TERMINATION OF COVERAGE

Your coverage will terminate at the earliest of:

- The end of the period for which premium is paid, subject to the Grace Period;
- The date You enter into active duty status for the military service of any country;
- The date of Your death;
- The date a new hospital indemnity insurance certificate issued by the Company becomes effective;
- The date You cease to be in an Eligible Class;

- The monthly anniversary of the Certificate Effective Date following the date We receive the Policyholder's request to terminate Your insurance coverage.

Dependent coverage will terminate at the earliest of:

- The end of the period for which premium is paid, subject to the Grace Period;
- The monthly anniversary of the Certificate Effective Date following the date a Dependent ceases to be a Dependent as defined;
- The date Your coverage terminates; or
- The monthly anniversary of the Certificate Effective Date following the date We receive Your request to terminate Dependent coverage for Your Spouse and/or Dependent child(ren).

CONTINUATION FOR INCAPACITATED CHILDREN

Dependent children insured hereunder who are incapable of self-sustaining employment due to intellectual or physical incapacity, and who became incapacitated prior to the age at which Dependent coverage would otherwise terminate and who are chiefly dependent on the Insured for support and maintenance, may continue to be covered regardless of age.

You must submit a notice of the Dependent child's incapacity. Coverage for an incapacitated Dependent child will end on the earliest of:

- The date the Dependent marries;
- The date the Dependent obtains self-sustaining employment;
- The date the Dependent ceases to be incapacitated;
- The date the Dependent ceases to be chiefly dependent upon You for support and maintenance; or
- Sixty (60) days after a written request for proof of incapacity, if proof is not provided within such 60 days; or
- The Policy anniversary on or following the date We receive Your written request to terminate Dependent coverage for Your Dependent child(ren).

DEPENDENT CONVERSION

If coverage of the Spouse terminates due to Your death or the divorce or annulment of Your marriage, or termination of the domestic partnership, Your Spouse may purchase hospital indemnity insurance. Your Spouse may elect to include coverage for Dependent children under the new certificate if coverage for Dependent children is terminated under this Certificate due to Your death or Your request at the time of the divorce or annulment or termination of the domestic partnership.

The Spouse must apply for conversion within 60 days after the death, divorce, annulment or termination of the domestic partnership and pay the premium for the continued coverage within 31 days after enrollment is made. No evidence of insurability will be required.

The effective date of the new coverage will be the effective date of the termination of coverage under this Certificate. The benefits provided shall be similar to the benefits provided under this Certificate. Premium for the new coverage will be based on the age of the Spouse, the form and amount of insurance issued.

PORTABILITY PRIVILEGE

We will provide hospital indemnity insurance portability coverage subject to these provisions.

You may continue Your coverage under the same Policy in a separate class subject to following conditions:

- We receive Your request and payment of the first premium for the portability coverage no later than 60 days after Your Active Employment with the Policyholder ends; and
- The request is made on a form or a process We approve for that purpose.
- Your coverage under the Policy terminated because You are no longer in an Eligible Class.

No portability coverage will be provided if Your hospital indemnity insurance was terminated due to failure to pay premium.

The benefits, terms and conditions of the portability coverage will be the same as those provided under the Policy when Your Active Employment with the Policyholder ended. Portability coverage may include any Covered Persons.

Coverage continued under this provision will end on the earliest of the following:

- The date of Your death.

- The end of the period for which You paid premiums, if You stop making a required premium contribution, subject to the Grace Period.
- The date You became covered under another group hospital indemnity plan.
- The date the Policy terminates.

CLAIM PROVISIONS

NOTICE OF CLAIM

A notice of claim must be given to Us at Our Policyholder Service Address, Policyholder Service Web Portal, or Our Telephone Number as shown on the first page of this Certificate or as otherwise designated by Us within 30 days after the Covered Accident or Covered Sickness. If notice is not given within that time, it must be given as soon as reasonably possible. Notice must be received by Us. The notice should include Your name, address, telephone number, and GroupNumber shown on the Certificate Identification page.

CLAIM FORMS

When We receive the notice of claim, We will provide the claimant forms for filing. If these forms are not sent to the claimant within 15 days of our receipt of the notice of claim, the claimant will meet the Proof of Loss requirement by giving Us a statement of the nature and extent of the loss within the time limit stated in the Proof of Loss provision below. Claim forms are also available through Our Policyholder Service Web Portal, or by calling Our Telephone Number as shown on the first page of this Certificate.

PROOF OF LOSS

Proof of Loss means the claim form (or electronic equivalent) and other information requested by Us substantiating the nature and extent of the loss. Proof of Loss must be completed and returned to Us within 120 days after the Covered Accident or Covered Sickness, or as soon as reasonably possible. Except for absence of legal capacity, no claim for benefits will be accepted after one year from the date Proof of Loss is otherwise required. You must give us the information We need to determine the reasonableness of any delay, if a benefit is payable, and how much the benefit should be. Proof of Loss must be in English.

TIME OF PAYMENT OF CLAIMS

Benefits payable under this Certificate will be paid immediately upon Our receipt of Proof of Loss that is satisfactory to Us.

We will notify You within 45 days after receipt of due proof of the status of the claim.

If We deny the claim, You will be informed of the reasons for denying it. Upon receipt of any requested additional information We will pay or deny the contested claim within 60 days.

All claims will be paid or denied no later than 120 days after receiving the claim.

PAYMENT OF CLAIMS

After We receive Proof of Loss and process Your claim, We will pay any benefits due. Benefits will be paid to You. Any accrued benefits unpaid at Your death will be paid to your named Beneficiary. If You did not name a Beneficiary, or if no Beneficiary survives You, any benefits due will be paid to Your estate. If benefits are payable to an estate or to a person who cannot give a valid release, We may pay up to \$3,000 to someone related to You or Beneficiary by blood or marriage. We will be discharged from all liability for any such payment made in good faith.

RECOVERY OF CLAIM OVERPAYMENT

We reserve the right to recover any payment made by Us that were:

- Made in error;
- Made to You and/or any party on Your behalf, where We determine that such payment made is greater than the amount payable under this Certificate; or
- Made to You and/or any party on Your behalf based on fraudulent or misrepresented information.

If benefits are overpaid or paid in error, We have the right to recover the amount overpaid, or paid in error, including but not limited to, by any of the following methods:

- A request for You to make a lump sum payment of the amount overpaid or paid in error; and/or

- A reduction of any proceeds payable under this Certificate for a then-current or future claim(s) by any amount overpaid or paid in error.

GENERAL PROVISIONS

ENTIRE CONTRACT

This Certificate is a legal contract between You, the Policyholder and Us. The entire contract consists of the Policy, the Certificate(s), and any enrollment forms and data, endorsements, riders or amendments. No change in this Certificate will be effective until approved by the President, a Vice President, or the Secretary of our Company. This approval must be noted on or attached to this Certificate. No agent or broker has the authority to change this Certificate or to waive any of its provisions.

TIME LIMIT ON CERTAIN DEFENSES

After two years from the Certificate Effective Date, We cannot use misstatements, except fraudulent misstatements, provided by the Policyholder or You, to void coverage or deny a claim for incurred after the expiration of the two-year period.

LEGAL ACTIONS

You cannot bring a legal action to recover benefits under Your Certificate for at least 60 days after You have given Us Proof of Loss. You cannot start such an action of the applicable statute of limitations from the date Proof of Loss is required.

CONFORMITY WITH STATE STATUTES

Any provision of this Certificate which, on its effective date, is in conflict with the laws of the Governing Jurisdiction on that date is amended to conform to the minimum requirements of such laws.

MISSTATEMENT OF AGE

If a Covered Person's age has not been stated correctly, an adjustment in premium, coverage, or both, will be made. The adjustment will correct the coverage to what the premium paid would have bought at the Covered Person's true age. This change will be based on our rates in effect on the Certificate Effective Date.

BENEFICIARY

The Beneficiary for benefits payable upon Your death will be the Beneficiary named during enrollment, or later changed by You. You may change the Beneficiary designation by notice satisfactory to Us. Unless You specify otherwise, the Beneficiary change will take effect as of the date notice was requested by You, subject to any payment or other action taken by Us prior to receipt of such notice. The consent of any Beneficiary is not required to surrender or assign this Certificate, or to make any other changes in this Certificate.

If any Beneficiary dies before You, that Beneficiary's interest will pass to any other designated Beneficiaries according to their respective interests. If more than one Beneficiary is designated in a class, each Beneficiary who survives You will receive an equal portion of any benefits payable unless otherwise set forth in the Beneficiary designation.

If You do not survive, and no Beneficiary is designated, benefits will be paid to the first of the following beneficiary classes in which there is a surviving person:

- Your spouse
- Your children
- Your parents
- Your brothers and sisters
- The executors or administrator Your estate

We may require any affidavits or statements We deem necessary in make payment under this provision. The Company's decision from such information will be final. Before We receive the affidavits or statements reference above, We may, at Our option, pay up to \$3,000.00 of any benefits to any person We deem to be entitled thereto by reason of having incurred funeral or other expenses related to the death of the person insured.

PHYSICAL EXAMINATION AND AUTOPSY

We have the right to have a Covered Person examined when and as often as is reasonable during the handling of a claim and do an autopsy where it is not forbidden by law. If We initiate the request, either or both will be done at Our expense.

NOTICE

If there are any questions about this Certificate, please contact the Policyholder or Us.