



P.O. Box 559004, Austin, TX 78755-9004
Toll Free: 800-633-6752

**OUTLINE OF COVERAGE for SPECIFIED CRITICAL ILLNESS
POLICY FORM SERIES
LY-CRI-BA**

**SPECIFIED DISEASE COVERAGE
THIS POLICY PROVIDES LIMITED BENEFITS.**

BENEFITS PROVIDED ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES.

THIS IS NOT MEDICARE SUPPLEMENT INSURANCE

If you are eligible for Medicare, please review the "Guide to Health Insurance for People with Medicare" which is available from the Company.

1. This coverage is designed only as a supplement to a comprehensive health insurance policy and should not be purchased unless you have this underlying coverage. Persons covered under Medicaid should not purchase it.
2. **READ YOUR POLICY CAREFULLY!** This Outline of Coverage provides a very brief description of the important features of Your policy. This is not the insurance policy and only the actual provisions of the policy will control the rights and obligations of the parties to it. The policy itself sets forth, in detail, those rights and obligations applicable to both You and LOYAL AMERICAN LIFE INSURANCE COMPANY. It is very important therefore, that YOU READ YOUR POLICY CAREFULLY.
3. **SPECIFIED DISEASE COVERAGE** is designed to provide, to persons insured, restricted coverage providing benefits ONLY when certain losses occur as a result of specified diseases. Coverage is not provided for basic hospital, basic medical-surgical, or major medical expenses.
4. **BENEFITS PROVIDED BY THIS POLICY**

SPECIFIED CRITICAL ILLNESS BENEFIT: We will pay You a benefit if an Insured Person receives a First Ever Diagnosis or Procedure from a Physician for one of the Specified Critical Illnesses shown in the chart below and subject to the following conditions:

- (1) Diagnosis must be made within the United States; and
- (2) the Date of Diagnosis or procedure shall occur while the Insured Person is covered by this policy; and
- (3) payment shall be precluded by any general or specific exclusion, limitation or reduction set forth in or attached to this policy (including, without limitation, the exclusion for any Pre-existing Condition) or any failure by the Insured Person to meet any condition precedent.

The amount payable for each Specified Critical Illness within a category is the percentage times the Specified Critical Illness Benefit Amount shown on the Policy Schedule Page. The percentage of the Benefit Amount payable for each Specified Critical Illness is shown beside the illness in the chart below.

The maximum total percentage of the Specified Critical Illness Benefit Amount payable per category of Specified Critical Illnesses is shown in the last column of the chart below.

Category	Specified Critical Illness	Percentage of Benefit Amount Payable for each Specified Critical Illness	Maximum Percentage of Benefit Amount for Category
Category 1	Cancer	100%	100%
	Carcinoma in Situ*	25%	
Category 2	Heart Attack	100%	100%
	Major Organ Transplant – heart or combination transplant including heart	100%	
	Stroke	100%	
	Coronary Artery Bypass Surgery*	25%	
	Aortic Surgery*	25%	
	Heart Valve Replacement/Repair Surgery*	25%	
	Angioplasty*	10%	
Category 3	Coma – not as a result of Stroke	100%	100%
	End Stage Renal Failure	100%	
	Major Organ Transplant – other than heart	100%	
	Paralysis – not as a result of Stroke	100%	
	Blindness	100%	
	Severe Burns	100%	

*We will pay the benefit for Coronary Artery Bypass Surgery, Angioplasty, Aortic Surgery, Heart Valve Replacement/Repair Surgery, and Carcinoma in Situ only once in an Insured Person’s lifetime.

If a percentage of the Specified Critical Illness Benefit Amount for one Specified Critical Illness within a category in the chart above is paid and the Insured Person then becomes eligible for benefits for another Specified Critical Illness within the same category, the amount payable for the subsequent Specified Critical Illness is the lesser of the percentage amount payable or 100% minus the percentage of the Specified Critical Illness Benefit Amount received for all previous Specified Critical Illnesses in that category.

After payment of 100% of the Specified Critical Illness Benefit Amount shown on the Policy Schedule Page for an Insured Person within a category in the chart above, We will not pay any additional benefits for any additional Specified Critical Illness in that same category for the same insured.

If benefits have been paid for a Specified Critical Illness within one category, no benefits will be payable for a subsequent Specified Critical Illness within a different category unless the Date of Diagnosis of the subsequent Specified Critical Illness is separated by at least 180 days from the Date of Diagnosis of the immediately preceding Specified Critical Illness.

If the Date of Diagnosis of two or more Specified Critical Illnesses is the same day, We will pay only one Specified Critical Illness benefit. We will pay the larger of the Specified Critical Illness benefits Diagnosed on the same day.

No benefits are payable for conditions other than the Specified Critical Illnesses defined in this policy. Payment of Specified Critical Illness benefits is subject to all terms and conditions of this policy.

5. EXCLUSIONS AND LIMITATIONS

REDUCTION SCHEDULE: The Benefit amount for a First Ever Diagnosis of Cancer or Carcinoma in Situ shall be reduced during the first thirty (30) days immediately following the Effective Date of the policy. The reduced Benefit Amount for Cancer will be 10% of the benefit amount shown on the Policy Schedule Page. The reduced Benefit Amount for Carcinoma in Situ will be 2.5% of the Benefit Amount shown on the Policy Schedule Page.

In the event a benefit is paid for Cancer or Carcinoma in Situ within the first 30 days following this policy's Effective Date or last Reinstatement Date, coverage for Category 1 will end for the applicable Insured Person.

PRE-EXISTING CONDITION means a condition Diagnosed or for which medical advice or treatment was recommended by or received from a Physician within the twelve (12) months prior to the Effective Date of the policy.

PRE-EXISTING CONDITION(S): The benefits of this Policy will not be payable during the first twelve (12) months that coverage is in force with respect to an Insured Person for any loss caused by Pre-Existing Condition(s). This 12-month period is measured from the Effective Date of coverage for each Insured Person.

EXCLUSIONS – WHAT WE WILL NOT PAY FOR: This Policy only pays for loss resulting from covered conditions, as defined in this Policy: THIS POLICY DOES NOT COVER:

- (1) intentionally self-inflicted Injury or Sickness;
- (2) suicide or attempted suicide, while sane or insane;
- (3) treatment of Mental or Nervous Disorders without demonstrable organic disease, alcoholism or chemical dependency;
- (4) loss that begins prior to the Effective Date of coverage;
- (5) care and treatment received outside the United States or its territories;
- (6) Injuries or Sickness due to an act of declared or undeclared war;
- (7) any Injury or Sickness sustained or contracted due to an Insured Person's being intoxicated, as determined and defined by the laws and jurisdiction of the geographical area in which the Injury or Sickness or cause of Injury or Sickness was incurred, or under the influence of any narcotic unless administered under the advice of a physician. The Insured Person's alcohol or narcotic impairment must be the cause or contributing cause of his or her Injury or Sickness, irrespective of whether the Injury or Sickness occurred while the Insured Person was driving a motor vehicle or engaged in any other activity;
- (8) any Injury or Sickness incurred while committing or attempting to commit a felony or engaging in an illegal occupation or activity;
- (9) Injuries or Sickness due to participation in any sport or sporting activity for wage, compensation or profit;

- (10) Injuries or Sickness due to operating, learning to operate, serving as a crew member of or jumping or falling from any aircraft. Aircraft includes those which are not motor-driven;
- (11) Injury or Sickness as a result of engaging in hang gliding, bungee jumping, parachuting, sailgliding, parakiting, or hot air ballooning;
- (12) Injuries or Sickness due to riding in or driving any motor-driven vehicle in a race, stunt show or speed test; or
- (13) any illness specifically excluded from the definition of any Specified Critical Illness, or as specifically described in any exclusionary endorsement issued with this Policy.

6. TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED

GUARANTEED RENEWABLE TO AGE 75: This policy is guaranteed renewable to age 75. The Company reserves the right to adjust future premiums on a premium class basis.

7. OPTIONAL BENEFIT RIDERS (Additional Premium Required) - A checkmark in any of the boxes below indicates that You have selected the following optional coverage(s):

HOSPITAL INDEMNITY BENEFIT RIDER (Form Number LY-HOS-RD) – We will pay the Hospital Indemnity Benefit amount shown on the Policy Schedule Page for each day that an Insured Person is confined to a Hospital as an Inpatient. We will pay two (2) times the Hospital Indemnity Benefit amount for each day an Insured Person is confined to the Intensive Care Unit as an Inpatient. For benefits to be payable, the Hospital Confinement must:

- (1) be due to an Injury, Sickness, or Complication of Pregnancy; and
- (2) begin while this rider is in force for an Insured Person; and
- (3) be for at least twenty-four (24) hours; and
- (4) be at the direction of and under the supervision of a physician.

Benefits will not be payable beyond a Maximum Benefit Period of 30 days for any one (1) Period of Confinement. The Hospital Indemnity Benefit and the 30 day Maximum Benefit Period are shown on the Policy Schedule Page.

PRE-EXISTING CONDITION means an Injury or Sickness that was diagnosed, or for which diagnosis, medical advice or treatment was recommended by or received from a physician, or for which signs or symptoms existed which would have caused an ordinarily prudent person to have sought diagnosis, advice or treatment within the twelve (12) months prior to the effective date of this rider.

PRE-EXISTING CONDITION(S): The benefits of this Rider will not be payable during the first twelve (12) months that coverage is in force with respect to an Insured Person for a loss caused by Pre-Existing Condition(s). This 12-month period is measured from the Rider Effective Date of coverage for each Insured Person.

EXCLUSIONS - In addition to the Exclusions in the policy. We will not cover Hospital Confinements or other losses for:

- (1) The following conditions if they are diagnosed within six months after the Effective Date unless Confinement is on an emergency basis: a hernia, adenoids, tonsils, varicose veins, hemorrhoids, disorder of the reproductive organs, or elective sterilization;
- (2) Routine pregnancy; however, Complications of Pregnancy will be considered the same as any other Sickness;
- (3) An elective abortion;
- (4) Dental treatment unless due to Injury;
- (5) Treatment for which no charges are made by the provider of same;
- (6) Cosmetic care, except when the Hospital Confinement is due to medically necessary reconstructive plastic surgery. Medically necessary reconstructive surgery is defined as:
 - a) surgery as the result an injury; or
 - b) surgery to restore a normal bodily function; or
 - c) surgery to improve functional impairment by anatomic alteration made necessary as a result of a congenital birth defect; or
 - d) breast reconstruction following mastectomy;
- (7) Services which are primarily for rest care, convalescent care or for rehabilitation;
- (8) Treatment in a Hospital outside the United States or its possessions, except for emergency care for acute onset of Sickness or accidental Injury sustained while traveling for business or pleasure; or
- (9) Any Injury or Sickness paid for under any state or federal Worker's Compensation, Employer's Liability Law or similar law.

**ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT RIDER
(Form Number LY-ADD-RD)**

TABLE OF BENEFITS

<u>In the Event of Loss of:</u>	<u>The Benefit Will Be:</u>
Life	100% of the Benefit Amount
One Eye, Hand, Foot, Arm or Leg	10% of the Benefit Amount
More Than One Eye, Hand, Foot, Arm or Leg	20% of the Benefit Amount

ACCIDENTAL DEATH BENEFIT:

We will pay the Benefit Amount shown on the Policy Schedule Page if an Insured Person suffers loss of life due to Injuries received in a Covered Accident. The loss must occur no later than ninety (90) days after the date of the Covered Accident. Payment of the applicable benefit amount will be subject to the Limit on Payment of Benefit Amount.

ACCIDENTAL DISMEMBERMENT BENEFIT:

We will pay a percentage of the Benefit Amount shown on the Policy Schedule Page if an Insured Person suffers loss of sight or limb(s) due to injuries received in a Covered Accident. The loss must occur no later than ninety (90) days after the date of the Covered Accident. The loss of hand or foot means the complete severance at or above the wrist or ankle joint. Loss of eye means total and irrecoverable sight. Payment of the applicable benefit amount will be subject to the Limit on Payment of Benefit Amount.

LIMIT ON PAYMENT OF BENEFIT AMOUNT:

The total amount payable under this benefit for all losses resulting from any one Covered Accident shall not exceed the amount payable for loss of life. The amount will not exceed the applicable Benefit Amount, shown on the Policy Schedule Page, for the Insured Person suffering multiple losses. If an Insured Person suffers multiple losses under subsequent Covered Accidents, the amount payable for all subsequent Covered Accidents will not exceed the applicable Benefit Amount, shown on the Policy Schedule Page.

- RETURN OF PREMIUM RIDER (Form Number LY-ROP-RD)** – This rider will pay You a Return of Premium Benefit on the Named Insured’s 75th birthday or after the policy, any other attached riders and this rider have remained in force for 20 consecutive years beginning with the Rider Effective Date. If this rider is added to the policy after the policy was issued, only the premium paid for the policy on or after the Rider Effective Date will be returned. The Return of Premium Benefit is Original Premium less Claims Paid.

The benefit provided by this rider is payable only once during the entire time that the policy and this rider is in force.

If a payable claim is incurred on a date when the Return of Premium Benefit would otherwise be payable, regardless of whether it has been reported or adjudicated, We will:

- (1) Pay the claim, if it is payable upon the terms of the policy or rider, and then reduce the Return of Premium Benefit by the sum of all Claims Paid; or
- (2) Pay the Return of Premium Benefit, and then reduce the claim by the amount of the Return of Premium benefit; or
- (3) Pay the Return of Premium Benefit if the claim is not payable upon the terms of the Policy or Rider.

8. YOUR TOTAL MODAL PREMIUM (At time of application):

COVERAGE: Individual One Parent Family

Critical Illness Insurance Policy	\$ _____
Hospital Indemnity Benefit Rider	\$ _____
Accidental Death and Dismemberment Benefit Rider	\$ _____
Return of Premium Benefit Rider	\$ _____
Total	\$ _____

Annual Policy Fee \$48.00

\$ _____	+	\$ _____	\$ _____
Modal Policy Premium		Modal Rider Premium	Total Modal Premium