

OPTIONAL SUPPLEMENTAL LIMIT (CONTINUED)

If the Covered Charges for Your Injury or Sickness exceed the aggregate maximum We paid under the Basic Accident and Basic Sickness benefits, and after the Supplemental Expense Benefit, We will pay the Covered Charges up to a supplemental maximum of \$20,000 per Sickness or Injury per Policy Year. Covered Charges for daily Hospital room and board will not be more than the usual semi-private room charge. The combined maximums under Sections I, II, III and IV will not exceed \$25,000 per Injury or Sickness per Policy Year.

North Carolina mandates coverage for the following benefits: diagnostic, therapeutic or surgical procedures involving any bone or joint of the jaw, face or head; anesthesia and Hospital charges in connection with dental procedures under certain circumstances; post-mastectomy Hospital stay; Hospital stay of 48 hours following a normal vaginal delivery and 96 hours following a cesarean section and post-delivery care in the event of an earlier discharge; bone mass measurement for the diagnosis and evaluation of osteoporosis for qualified individuals; prescription contraceptive drugs or devices if prescription drug coverage is provided; colorectal cancer screening; emergency services expense; mammograms; examinations and laboratory tests for the screening for the early detection of cervical cancer; prostate specific antigen tests; diabetes equipment, supplies and outpatient self-management training; reconstructive breast surgery following mastectomy; health care services associated with participation in covered clinical trials; and surveillance tests for women at risk for ovarian cancer. All North Carolina mandates are paid the same as any other Sickness except as stated otherwise in the Policy. Please see the Policy on file with the Policyholder for complete details.

Any Expense not specifically listed in the preceding sections is not covered.

Conformity with State Statutes
Any provision of the plan which, on its effective date, is in conflict with the statutes of the state in which it is issued, is hereby amended to conform to the minimum requirements of any such statutes.

EXCLUSIONS AND LIMITATIONS

The Policy does not provide benefits for:

1. Treatment, services or supplies which are not Medically Necessary; are not prescribed by a Doctor as necessary to treat a Sickness or Injury; are determined to be experimental/investigational in nature by the Company; are received without charge or legal obligation to pay; would not routinely be paid in the absence of insurance; are received from any family member.

2. Expenses incurred as a result of loss due to war, or any action of war, declared or undeclared; service in the armed forces of any country.
3. Expenses incurred as a result of committing or attempting to commit a felony or participating in a riot.
4. Expenses incurred as a result of suicide or intentionally self-inflicted Injury while sane or insane.
5. Services or supplies for the treatment of an Occupational Injury or Sickness which are paid under the North Carolina Workers' Compensation Act only to the extent such services or supplies are the liability of the employee, employer or workers' compensation insurance carrier according to a final adjudication under the North Carolina Workers' Compensation Act or an order of the North Carolina Industrial Commission approving a settlement agreement under the North Carolina Workers' Compensation Act.
6. Outpatient treatment of Mental or Nervous Disorders.
7. Expenses incurred as a result of dental treatment, except as specifically stated.
8. Elective abortions.
9. Claims arising out of participation by the Covered Person in interscholastic, intercollegiate, club or professional sporting events.
10. Services provided normally without charge by the Health Service of the Policyholder, by any person employed or retained by the Policyholder.
11. Treatment in a government Hospital, unless there is a legal obligation for the Covered Person to pay for such treatment.
12. Routine eye exams and contacts; replacing eyeglasses or prescription therefor; routine examinations and services related to hearing examination or hearing aids, or treatment for hearing defects not related to an Injury or Sickness.
13. Routine physical examinations, preventive care; elective surgery and elective treatment; services solely to improve appearance, for personal hygiene. Services specifically for dietary control, custodial, sanitarial or rest care or fertility testing.
14. Cosmetic surgery, which includes reconstructive surgery because of congenital disease. Cosmetic surgery does not include reconstructive surgery which results from trauma, infection or other disease of the involved part.
15. Skydiving or parachuting; hang gliding; glider flying; sail-planing; bungee jumping; parasailing or flight in any kind of aircraft, except while riding as a passenger on a regularly-scheduled flight of a commercial airline.
16. Necessary care and treatment of chemical dependency.

PRE-EXISTING CONDITIONS LIMITATION

There is no coverage for Pre-existing Conditions unless the Covered Person has had 12 months of Continuous Coverage. The Covered Person must provide us proof of prior creditable coverage.

This limitation will not apply if, during the period immediately preceding the Covered Person's Effective Date of coverage under this Policy, the Covered Person

was covered under prior creditable coverage for 12 consecutive months. Prior creditable coverage of less than 12 months will be credited toward satisfying the Pre-existing Condition limitation. This waiver of Pre-existing Conditions will apply only if the Covered Person becomes eligible and applies for coverage within 63 days of termination of his or her prior coverage.

Continuous Coverage means the period of time that a Covered Person is continuously insured under the Policy and/or any prior creditable coverage with no greater than a 63-day lapse between the effective date of coverage under the Policy and the termination of prior creditable coverage.

CLAIM PROCEDURE

To file a claim under the Accident and Health Plan, the student should:

1. Complete a claim form, which is available in the University Business Office, or online at www.1stagency.com/claimforms.htm (select "College Student Accident and Sickness Claim Form").
2. The claim form must be completed and signed. Attach all itemized medical and Hospital bills. Itemized bills must be furnished with the claim form within 90 days from the date of Loss.
3. Questions should be referred to the Claims Administrator.
4. Preauthorization and precertification of benefits to providers of medical service are not required nor provided by Us.

G • T • L
Guarantee Trust Life Insurance Company
Glenview, Illinois

Mail Claims to:

First Agency, Inc.
5071 West H Avenue
Kalamazoo, MI 49009-8501
Phone: (269) 381-6630
Fax: (269) 381-3055
Web: www.1stagency.com

This is a non-renewable one year term policy. It is the Insured's responsibility to maintain continuity of coverage. No renewal notices will be sent to the Insured.

Keep this brochure as a summary of the Insurance. No individual Policies will be issued. If any discrepancies exist between the brochure and the Policy, the Policy on file with the University governs the payment.

Blanket Accident and Health Insurance Plan

Designed for the Students of:

**Gardner•Webb
University**

110 South Main Street
Boiling Springs, NC 28017

2011-2012

Policy Number 324-125-012-P

Please keep this outline of coverage for future reference.

ELIGIBILITY

All full-time students are included in this insurance plan and the premium for coverage is added to the tuition billing unless proof of comparable coverage is furnished. The plan covers Expenses incurred for Injury or Sickness as provided by the Master Policy. The following is a summary of the benefits.

The Company maintains the right to investigate student status and attendance records to verify that Policy eligibility requirements have been met. If the Company discovers that Policy eligibility requirements have not been met, the Company's only obligation is refund of premium.

REFUND PROVISION

No premium refunds are permitted except when the student enters full-time active military service in which case a pro-rata refund will be made upon request.

TERMS OF COVERAGE

The Policy for the current year becomes effective at 12:01 am on August 1, 2011, or the date of enrollment, whichever is later, and expires at 12:01 am on August 1, 2012. For spring term enrollees the effective date is January 1, 2012 to August 1, 2012. Coverage remains in effect during holiday and vacation periods. Should You graduate or withdraw from the institution, the insurance shall remain in effect until the end of the period for which premium has been paid.

WAIVER DEADLINE

If you have proof of comparable insurance and wish to waive coverage, the deadline to waive out of this plan is August 31, 2011, or during actual registration. All waiver forms must be returned to the Business Office (First Floor, Webb Hall). For students beginning their studies in the Spring, the deadline is January 18, 2012.

PREMIUM

Annual Enrollment (8/1/11 - 8/1/12) \$200

Spring Term Enrollment (1/1/12 - 8/1/12) \$130

DEFINITIONS

Accident means a sudden, unforeseeable, external event which results in an Injury.

Covered Charge means the Reasonable and Customary Charge incurred for a service or supply which is performed or given under the direction of a Doctor for the Medically Necessary treatment of a Sickness or Injury. A Covered Charge is considered incurred on the date the treatment or service is rendered or the supply is furnished.

Doctor means a duly licensed doctor, optometrist, podiatrist, dentist, chiropractor, psychologist, pharmacist,

or doctor's assistant, a duly certified clinical social worker, substance abuse professional or fee-based practicing pastoral counselor, and an advanced practice registered nurse practicing within the scope of his or her license and is not a family member.

Hospital means an institution licensed, accredited or certified by the State which (a) is accredited by the Joint Commission on Accreditation of Healthcare Organizations; (b) provides 24-hour nursing service by licensed registered nurses (R.N.); (c) mainly provides diagnostic and therapeutic care under the supervision of Doctors while Hospital confined; and (d) maintains permanent surgical facilities or has an arrangement with another surgical facility supervised by a staff of one or more Doctors. Hospital also includes tax-supported institutions, which are not required to maintain surgical facilities.

Hospital does not include a place, special ward, floor or other accommodation used for: custodial or educational care; rest; the aged; a nursing home; or an institution mainly rendering treatment or services for mental or nervous disorders or substance abuse.

Injury means bodily injury due to an Accident which results solely, directly and independently of disease, bodily infirmity or other causes. All injuries sustained in any one Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

Insured means an eligible student.

Medically Necessary means medical services, supplies or treatment authorized by a Doctor to treat an Insured's bodily Injury or Sickness which are (a) consistent with the symptoms or diagnosis; (b) appropriate and accepted according to good medical practice standards; (c) not primarily for the convenience of the Insured, Doctor or other providers; and (d) consistent with the most appropriate supply or level of services which can safely be provided to the patient.

Pre-existing Condition means a Sickness or Injury for which medical care, treatment, diagnosis or advice was received or recommended within the 12 months prior to the Covered Person's effective date of coverage under the Policy or a pregnancy existing on the Insured's effective date of coverage under the Policy.

Reasonable and Customary Expense means a Covered Charge which (a) is charged for treatment, supplies or medical services Medically Necessary to treat the Insured's condition; and (b) does not exceed the usual level of charges made for similar treatment, supplies or medical services in the locality where the Covered Charge is incurred.

Sickness means illness, disease, and complications of pregnancy. All related conditions and recurrent symptoms of the same or a similar condition will be considered the same Sickness.

We, Us or Our means Guarantee Trust Life Insurance Company.

You, Your or Yours means the Insured.

EXTENSION OF BENEFITS

Extension of Benefits means the coverage provided under this Policy ceases on the expiration date. However, if on the expiration date the Insured is under a Doctor's care for a condition covered by this Policy, benefits will be extended for the condition for up to nine (9) months after the expiration date. This Extension of Benefits only applies to the Insureds who are not eligible to continue coverage under the new or renewal Policy issued to the Policyholder. The total payments made in respect of the Insured for such condition both before and after the Termination Date will never exceed the Maximum Benefit. After this "Extension of Benefits" provision has been exhausted, all benefits cease to exist, and under no circumstances will further payments be made.

DESCRIPTION OF BENEFITS

Covered Charges paid under the Basic Medical Expense Benefit of this Policy shall not be paid under the Supplemental Expense Benefit or the Optional Supplemental Limit of this Policy.

SECTION I

BASIC ACCIDENT BENEFITS

When you suffer a loss from Injury, we will pay the Covered Charges incurred up to a maximum of \$1,500 per Injury per Policy Year. Treatment of Injury must begin within 30 days of covered accident. Covered Charges include (a) treatment by a Doctor; (b) semi-private Hospital confinement; (c) services of a licensed practical nurse or RN; (d) x-ray service; (e) use of an operating room, anesthesia, laboratory service; (f) use of an ambulance; (g) use of an ambulatory surgical center or ambulatory medical center; (h) if ordered by a Doctor, prescription medicines, drugs, or any other therapeutic services or supplies; (i) home health care; or (j) treatment of Injury to sound natural teeth.

SECTION II

BASIC SICKNESS BENEFITS

When You suffer a Loss from Sickness, We will pay the Covered Charges incurred up to a maximum of \$1,500 per Sickness per Policy Year. Benefits are allocated as follows:

- Hospital room and board expense during Hospital confinement, up to the semi-private room rate, not to exceed \$100 per day.
- Hospital miscellaneous expense during Hospital confinement or as an outpatient for day surgery for anesthesia, operating room, laboratory tests, x-rays, oxygen tent, drugs, medicines, dressings, and other

necessary non-room and board expenses, up to a maximum of \$500 per Sickness.

- Doctor's fees for surgery based on the most current Reasonable and Customary payment system of surgical fees valued at the 90th percentile, up to a maximum of \$500 per Sickness. Only one surgical procedure will be covered when multiple procedures are performed, unless Medically Necessary.
- Services of an anesthetist who is not employed or retained by the Hospital in which the operation is performed, up to a maximum benefit of \$125 per Sickness.
- Doctor's expense while Hospital confined, up to \$20 per visit, limited to one visit per day.
- Consultant expense, inpatient or outpatient, when requested by the attending Doctor, up to \$35 per visit, limited to one visit per specialty.
- Outpatient Doctor's expense, up to \$50 per visit, subject to a \$20 co-payment per visit.
- Ambulance expense for land or air ambulance up to a maximum benefit of \$75 per Sickness.
- Emergency room expense, up to a maximum of \$500 per Sickness, subject to a \$75 co-payment. The co-payment is waived upon admission to the Hospital within 24 hours.
- Outpatient diagnostic x-ray and laboratory expense ordered by a Doctor, up to a maximum of \$125 per Sickness.
- Outpatient prescription drug expense, up to a maximum of \$250 per Sickness.
- Urgent Care expense, including facility charge and Doctor's expense, up to a maximum of \$250 per Sickness, subject to a \$25 co-payment.

SECTION III

SUPPLEMENTAL EXPENSE BENEFIT

If the Covered Charges for Your Injury or Sickness exceeds the aggregate maximum We paid under the Basic Accident or Basic Sickness benefits, we will pay 80% of the Covered Charges up to a supplemental maximum of \$3,500 per Injury or Sickness per Policy Year. Covered Charges for daily Hospital room and board will not be more than the usual semi-private room charge. The combined maximums under Sections I, II and III will not exceed \$5,000 per Injury or Sickness per Policy Year.

SECTION IV

OPTIONAL SUPPLEMENTAL LIMIT

Additional coverage is available to You if You are enrolled in the Basic Plan. The enclosed enrollment form and additional premium of \$160 must be submitted to First Agency, Inc. no later than August 31, 2011 (January 18, 2012 for spring term enrollees).