

SPECIMEN

PRESIDENTIAL LIFE INSURANCE COMPANY



NYACK, NEW YORK 10960-2199
(914) 358-2300

(called "We, Us or Our")

READ YOUR CONTRACT CAREFULLY

This Contract is legally binding between the parties to it.

AGREEMENT

We will pay the benefits shown in this Contract. Payment is subject to the terms of this Contract.

The Contractholder agrees that premium must be paid when due and to comply with the Contract provisions.

This Contract takes effect on the Effective Date shown in the Schedule. This is the date of issue. The Contract terminates on the end of the Contract Period shown in the Schedule unless it is renewed. All periods shown in this Contract begin and end at 12:01 A.M. standard time at the Contractholder's office.

This Contract Form is governed by the laws of the state of Ohio.

The sections set forth on the following pages are a part of this Contract; they take effect on the Effective Date.

IN WITNESS WHEREOF: Presidential Life Insurance Company has caused this Contract to be executed by its President and Secretary at Nyack, New York.

A handwritten signature in black ink, appearing to read "Pete Lash". The signature is fluid and cursive.

Secretary

A handwritten signature in black ink, appearing to read "Hedberg". The signature is fluid and cursive.

Chairman

Excess Loss Insurance
Nonparticipating

SCHEDULE OF EXCESS LOSS INSURANCE

Contract Number: _____

Contractholder: _____

Contract Effective Date: _____

Contract Period: _____ through _____

1. Participant: _____

Address: _____

City: _____ State: _____ Zip Code: _____

2. Subsidiary or affiliated companies to be included (list legal name and addresses):

3. Name and address of Participant's Designated Third Party Administrator:

4. Participant Effective Date: _____

(a) Participant's Contract Period: _____ to _____

(b) Disabled Person are are not covered.
Retired Employees are are not covered.

(c) Aggregate Benefit: Yes No

Aggregate Contract Basis: Employee Benefit Plan Expenses must be:

Incurred from _____ through _____; and
Paid from _____ through _____

Claims Incurred Prior to the Contract Effective Date are limited to: \$ _____

Aggregate eligible expenses include:

Dental Care Medical Prescription Card Service
 Vision Care Weekly (Disability) Income Other _____.

Aggregate Monthly Factor Per:

Single Employee: \$ _____
Family: \$ _____
Composite: \$ _____

Aggregate Payable Percentage (Excess of Deductible): _____ %

Maximum Eligible Claim Expense Per Covered Person: \$ _____

Minimum Aggregate Deductible: \$ _____

Maximum Aggregate Benefit (excess of Deductible): \$ _____

(d) Monthly Aggregate Accommodation: Yes No

(e) Terminal Liability: Yes No.

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DEFINITIONS

As used in this Contract, the following definitions apply:

[Agent.

The Participant's representative. This includes a Designated Agent; Broker; or Third Party Administrator.

Aggregate Benefit.

The amount We agree to pay the Participant after the end of the Participant's Contract Period for eligible claims Paid by the Participant.

Aggregate Contract Basis.

The dates during which employee Benefit Plan expenses must be Incurred and must be Paid to be eligible for payment as Aggregate Benefits.

Aggregate Deductible Per Month.

The Aggregate Monthly Factor shown in the Schedule multiplied by the Number of Covered Units.

Aggregate Deductible.

The sum of each Aggregate Deductible Per Month for each month during the Participant's Contract Period.

Minimum Aggregate Deductible.

The lowest possible Aggregate Deductible that applies to the Contract Period. This amount is shown in the Schedule.

Continuation Beneficiary.

A Covered Unit that elects to extend its group health coverage under the Employee Benefit Plan under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

Contract Month.

A period from the Effective Date of this Contract or from the Participant's Effective Date, whichever is applicable. Each new Contract Month will begin on a day which is the same as the Effective Date. If there is no such day in any month, then the last day of the month will be used.

Contract Period.

Stated in the Schedule.

Contractholder.

Named in the Schedule.

Covered Person.

A person who is in a Covered Unit. Coverage for a dependent will not be effective before the Effective Date of Coverage of the Plan Member under the Employee Benefit Plan.

Covered Unit.

For calculation of the premiums and the Aggregate Deductible Per Month this means:

- (a) A Plan Member.
 - (b) A Plan Member with dependents.
 - (c) Other defined unit agreed to by Us and the Participant.
- The Covered Unit must be covered under the Employee Benefit Plan.

Dependent.

A person defined as a dependent under the Employee Benefit Plan.]

[Disabled Person.

- (a) A plan Member not actively at work; or
- (b) A dependent who is, by disability, unable to perform the normal function of a person of like sex and age;
- (c) A Continuation Beneficiary who is, by disability, unable to perform the normal functions of a person of like sex and age; on the date such person becomes eligible for coverage under the Employee Benefit Plan.

DEFINITIONS (cont)

Eligible Claims Payments.

Expenses of the Employee Benefit Plan qualifying for coverage under this Contract.

Employee.

A person who is defined as an employee under the Employee Benefit Plan.

Employee Benefit Plan.

The master plan document of the Participant to provide medical expense benefits to the Participant's covered Plan Members and their dependents in effect on the Effective Date of this Contract. A copy of this document is made a part of this Contract.

Incurred.

The date:

- (a) On which a covered medical service was rendered;
- (b) Disability benefit payments become due; or
- (c) A covered medical purchase was made for a Covered Person under the Employee Benefit Plan.

Maximum Aggregate Benefit.

The amount shown in the Schedule as the maximum total Aggregate Benefit payable under this Contract during the Contract Period.

Maximum Eligible Claim Expenses Per Person.

This is the maximum dollar value of claims Paid on any one Covered Person that can apply toward:

- (a) An Aggregate Deductible; or
- (b) The Aggregate Benefit for a Contract Period.

Maximum Specific Benefit.

The amount shown in the Schedule that is the maximum total Specific Benefit payable under this Contract during the period an individual is Covered Person under the Employee Benefit Plan. This is without regard to:

- (a) The number of years the Covered Person is eligible under the Employee Benefit Plan; or
- (b) Whether expenses for this Covered Person were Incurred and/or Paid during this Contract Period. References to "Employee Benefit Plan" include all prior and successive plans in effect on the Participant's Effective Date.

Number of Covered Units.

The total number of Covered Units existing in any Contract Month.

Paid.

Means that funds are actually paid by the Participant or his Agent. Payment of a claim is the payment to a Covered Person or their health care providers. Payment will be deemed made on the date that both:

- (1) the payor pays by mailing (or delivering) a draft or check; and
- (2) the account on which payment is drawn has enough funds to permit the check or draft to be honored.

If the account on which payment is drawn does not have enough funds to cover all outstanding payments, then We may consider any particular checks or drafts as not having been paid. This will be limited to the total amount of the difference between the funds in the account and the total of outstanding checks and drafts.]

[Participant.

The Participant named in the Schedule. The Participant must have been accepted by Us. A Participant is eligible for coverage of their Plan Members on the later of:

- (1) The effective Date of this Contract.
- (2) The Participant's Effective Date shown in the Schedule.

Participant's Contract Period.

Stated in the Schedule.

DEFINITIONS (cont)

Payable Percentage.

The percentage payable as shown in the Schedule. The calculation of Specific Benefits may have a different Payable Percentage than the calculation of Aggregate Benefits.

Plan.

The Employee Benefit Plan defined above.

Plan Member.

Means an employee, a dependent or any other person who is eligible and who is covered under the Employee Benefit Plan. No plan member may be covered by this Contract:

- (a) Prior to the date his or her coverage is effective under the Employee Benefit Plan; or
- (b) After the date his or her coverage under the Employee Benefit Plan ends.

Proof of Loss.

The form We allow to be used for the submission of claims; and the documentation We need to evaluate the claim. Claims for expenses not specifically identified in previous Proofs of Loss must have separate Proofs of Loss.

Schedule.

The Schedule of Excess Loss Insurance.

Specific Benefit.

The amount We will pay to the Participant for eligible claims Paid by the Participant over and above the Participant's Specific Deductible Per Person under this Contract.

Specific Contract Basis.

The dates during which Employee Benefit Plan expenses must be Incurred and must be Paid to be eligible for payment as Specific Benefits.

Specific Deductible.

The per Covered Person deductible as shown in the Schedule.]

BENEFITS

We will pay, subject to the terms of this Contract, the following benefits, if shown in the Schedule. Benefits will be paid to the Participant within a reasonable time upon receipt of proper Proof of Loss:

1. **Aggregate**

The Aggregate Benefit for the Participant's Contract Period is the total of the Eligible Claim Payments, on an Incurred and/or Paid basis as shown in the Aggregate Contract Basis of the Schedule:

- a. less the greater of the Aggregate Deductible or Minimum Aggregate Deductible; and
- b. less the amount of the claims Paid by the Participant in excess of the Maximum Eligible Claim Expenses Per Person As shown in the Schedule; and
- c. less amounts recovered from other sources;
- d. multiplied by the Aggregate Payable Percentage.

Aggregate Benefits are not payable until after the end of the Paid basis shown in the Aggregate Contract Basis of the Schedule. If this Contract should end prior to the end of the Participant's Contract Period, We shall not be liable for the Aggregate Benefits for expenses Incurred or Paid by the participant after the termination date.

The Aggregate Benefit will not exceed the Maximum Aggregate Benefit shown in the Schedule.

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2. **Specific**

The Specific Benefit as to each Covered Person, is the total of the Eligible Claim Payments, on a Incurred and/or Paid basis as shown in the Specific Contract Basis of the Schedule;

- a. less the Specific Deductible; and
- b. less amounts recovered from other sources;
- c. multiplied by Specific Payable Percentage.

The Participant shall not be entitled to any Specific Benefit until the Participant has actually Paid the Full amount of the Specific Deductible shown in the Schedule for the Covered person(s) for which the Specific Benefit is sought. The Participant shall only be entitled to a Specific Benefit up to the amount actually Paid by Participant over and above the Specific Deductible.

If this Contract ends prior to the end of the Participant's Contract Period, We shall not be liable for Specific Benefits for expenses Incurred or Paid by the Participant after the termination date.

The Specific Benefit with regard to any Covered Person will not exceed the Maximum Specific Benefit shown in the Schedule.

LIMITATIONS

A. No payment will be made for any loss or expense resulting from:

- [1. Expenses incurred while the Employee Benefit Plan is not in force with respect to the Covered Person.
2. Expenses resulting from:
 - a. weekly or monthly (disability) income;
 - b. dental;
 - c. vision; or
 - d. any prescription card service, unless shown in the Schedule.
3. Liability assumed by the Participant under any contract or service agreement other than the Employee Benefit Plan.
4. Expenses as the result of extra-contractual damages; compensatory damages; or punitive damages.
5. Expenses resulting from services which are billed in excess of the general level of charges being made by other providers of services in the locality where the service is rendered.
6. Expenses for benefits for injury or sickness arising out of or in the course of any occupation for wage or profit, or for which the Covered Person would be entitled to benefits under any Worker's Compensation; U.S. Longshoremen and Harbor Worker's; or other occupational disease legislation or policy. This limitation applies whether or not such policy is in force.
7. Expenses which:
 - (a) are not accepted as standard medical treatment for the illness or injury being treated by physicians practicing the suitable medical specialty;
 - (b) are the subject of scientific or medical research or study to determine the item's effectiveness and safety;
 - (c) for items that have not been granted any required approval by a federal or state agency, including the Federal Department of Health and Human services; Food and Drug Administration, or any similar state agency; and the Federal Health Care Finance Administration as approved for reimbursement under Medicare; or
 - (d) are performed based on the Covered person's informed consent under a treatment protocol that explains the treatment or procedure as being conducted under a human study or experiment.

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LIMITATIONS (Continued)

8. Cost of the administration of claim payments or expense of litigation with individual claimants.
 9. Expenses for benefits to any Covered Person with coverage under any other plan, including Medicare, which, when combined with the benefits payable by such other plan, would cause the total to exceed 100% of the Covered Person's actual expenses.
 10. Payments under the Employee Benefit as the result of war, hostilities (whether war be declared or not), invasion or civil war.]
- B. If the Schedule shows Disabled Persons are not covered, no benefits will be paid for expenses under The Employee Benefit Plan for a Disabled Person until:
1. if a Plan member, he or she returns to active, full-time employment for at least one (1) full working day; or
 2. if a dependent or Continuation Beneficiary, he or she is able to perform the normal functions of a person of like sex and age.
- C. Newborn children of Plan Members who already cover their eligible dependents under the Employee Benefit Plan are eligible under this Contract as of the date of birth. Plan Members who do not have dependent coverage will be eligible for newborn child coverage as shown in the Employee Benefit Plan.
- D. Retired Plan Members and their dependents, eligible under the Employee Benefit Plan, will be eligible for coverage under this Contract only if so indicated in the Schedule.

CLAIMS PROVISIONS

1. **Payment of Claim:** All benefits will be paid to the Participant. All expenses under the Employee Benefit Plan will be Paid by the Participant. We shall pay claims within a reasonable time after receiving proper Proofs of Loss.
2. **Warranty:** By presenting Proof of Loss to Us for Aggregate [or Specific] Benefits, the Participant warrants that payment for services and supplies have been made to the Plan Member or providers.
3. **Notice of Claim:** The Participant shall give written notice of claims to Us on Our customary notice (Proof of Loss form). This notice must be given within 30 days of the date the Participant becomes aware of the facts which would reasonably suggest the possibility that benefits will be incurred which are covered by this Contract and which are equal at least 50% of the Specific Deductible.

The Participant shall also notify Us immediately of the expenses of any Covered Person which meet any the following criteria:

- a. continuous hospitalization for more than [one] month, or
- b. a claim for any one of the following disabilities:
 1. Mental disorder requiring hospitalization.
 2. Brain injury.
 3. Spinal injury resulting in real or suspected paralysis of the limbs.
 4. Serious burns involving:
 - (1) 10% or more of the body with third degree burns; or
 - (2) 30% or more of the body with second degree burns.
 5. Multiple or serious fractures.
 6. Crushing or massive internal injuries.
 7. Premature births.
 8. Acquired Immune Deficiency Syndrome (AIDS).]

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The Participant shall submit on a timely basis proofs, reports, and supporting documents including, but not limited to, a monthly summary of all Eligible claims Payments processed by the Participant.

CONTRACT TERMINATION

This Contract will end at the earliest of the following dates:

1. As to any Participant:
 - a. The date given in writing by the Participant. We must be told at least 31 days before this Contract will end.
 - b. The end of any period for which premiums were not paid.
 - c. The end of the Participant's Contract Period.
 - d. The date the Employee Benefit Plan ends.
 - e. The date the administrative agreement between the Participant and the Designated Third Party Administrator ends. This provision will not apply if We have agreed in writing to the Participant's Naming of a successor Third Party Administrator.
 - f. The date the Participant does not provide funds to pay claims.
 - g. The date given in writing by Us to the Participant. We will provide such notice at least [31, 60] days before this Contract will end.
2. As to all Participants:
 - a. The date given in writing by the Contractholder. We must notified at least 31 days before this Contract ends.
 - b. The end of any period for which premiums were not paid.
 - c. The end of the Contract Period.
 - d. The date given in writing by Us to the Contractholder. We will give such notice at least [31,60] days before this Contract ends.

MISCELLANEOUS PROVISIONS

1. **Liability:** We will not directly pay any Covered person or provider for any benefit which the Participant has agreed to provide under the terms of the Employee Benefit Plan. Our sole liability is to the participant. Nothing in this Contract shall be construed to permit a Covered Person to have a direct right of action against Us.
2. **Payment of Premiums:** Each Premium for this Contract is payable on or before its due date as set forth in the Schedule to Us or Our authorized representative. Payment of a premium will not maintain this Contract in force beyond the period for which such premium is paid, except as otherwise stated in the Grace Period.

If the Participant's Effective Date of this Contract is other than the first day of a calendar month, premiums payable under this Contract are due and payable on the first of each calendar month.
3. **Grace Period:** A grace Period of 30 days will be allowed for the payment of each premium after the first premium. If a premium otherwise due is not paid during the Grace Period, this Contract will end as to a Participant without further notice. This termination will be retroactive to the date for which premiums were last paid. Our liability will be limited to claims paid by the Participant prior to the date of termination. There will be no refund on any premium shown in the Schedule.

MISCELLANEOUS PROVISIONS, continued

4. **Entire Contract:** The entire Contract consists of all of the following:
- a. This Contract Form as issued to the Contractholder.
 - b. Contracthold's Application.
 - c. The Participant's Application.
 - d. Other papers (if any) attached to this Contract at issue.
 - e. A copy of the Participant's Employee Benefit Plan.

We have relied upon the underwriting information provided by the Participant or the Participant's Agents, in providing coverage under this Contract. If information becomes known later which, if known prior to the Effective Date of the Participant's coverage under this Contract, would affect the terms this Contract, We will have the right to revise the terms of this Contract as of such Effective Date. Any such revisions will be provided by written notice to the Participant.

5. **Concealment, Fraud:** This entire Contract will be void as to a Participant if the Participant or its Agent has concealed or misrepresented any material fact or circumstance concerning this Contract. This includes any claim or in any case of fraud by the Participant or its Agent relating to this Contract.
6. **Clerical Error:** Clerical error in keeping any records pertaining to the coverage, will not invalidate coverage otherwise validly in force nor continue coverage otherwise validly terminated.
7. **Audits:** We will have the right:
- a. to inspect and audit all records and procedures of the Participant and Designated Third Party Administrator; and
 - b. to require, upon request, proof of records satisfactory to Us that payment has been made to the Covered Person or the provider of such services or benefits which are the basis for any claim by the Participant.
8. **Notice of Appeal:** Any objection, notice of legal action, or complaint received on a claim process by the Participant or the Designated Third Party Administrator, and on which it reasonably appears a benefit will be payable to the Participant under this Contract shall be brought to the immediate attention of Our claims department.
9. **Changes:** Only the President or Executive Officer of Ours have the authority to alter this Contract, or to waive any of Our rights and then only in writing. No such alteration of this Contract shall be valid unless endorsed on or attached to this Contract. No Agent, Broker, or Third Party Administrator has the authority to alter this Contract or to waive any of its provisions.
10. **Notice:** If any notice is required from Us under the terms of this Contract; notice to the Participant's Designated Third Party Administrator shall be considered notice to the Participant.
11. **Amendments to the Employee Benefit Plan:** The Employee Benefit Plan shall not be changed while this Contract is in force without Our prior written consent. Notice of any change to the Employee Benefit Plan must be given to Us or Our authorized representative at least [30] days prior to the effective date of the change. We will have the sole option to accept the change. If We accept the change, We reserve the right to revise this Contract as of the effective date of the change. If such change is not agreed to in writing, We will pay benefits as if the Employee Benefit Plan was not changed.
12. **Responsibilities of the Participant's Designated Third Party Administrator:** Without waiving any of Our rights under this Contract, and without making the Designated Third Party Administrator a party to this Contract, We agree to recognize the Designated Third Party Administrator with regard to the normal administration of the Employee Benefit Plan. This provision is subject to:
- a. The Third Party Administrator being responsible for: (1) auditing and processing all claims under the Employee Benefit Plan within a reasonable period of time; (2) preparing periodic reports as required by Us; and (3) maintaining and making available to Us at all times such information as We may reasonably require for proof of payment of the claims(s) by the Participant.

MISCELLANEOUS PROVISIONS, continued

- b. The Third Party Administrator performing such other duties as may be reasonably required by Us. This included but not limited to, maintaining an accurate record of eligible Covered Persons of the Participant.
- c. We will not be responsible for any compensation due the Designated Third Party Administrator for functions performed in relation to this Contract.
- d. This Contract will not be deemed to make Us a party to any agreement between the Participant and the Designated Third Party Administrator.

13. Hold Harmless:

- a. The Participant agrees to indemnify and hold Us harmless for any legal expenses incurred, reasonable settlements made, or judgment(s) awarded, arising out of any dispute involving a Plan Member or former Plan Member of the Participant's Employee Benefit Plan. This provision does not apply if such legal expenses, settlements, or judgements were incurred as a result of Our sole negligence or intentional wrongful acts.

We, after notification of Our being or likely to be, named as defendant in any dispute will, within a reasonable time in writing, notify the Participant of the dispute. We will cooperate with the Participant in matters pertaining to the dispute; however, such cooperation will not waive Our rights to solely defend or settle any action in a manner We deem prudent.

- b. The Participant shall be responsible for any State premium taxes incurred with respect to funds paid to or by the Participant under the Employee Benefit Plan. Taxes incurred with respect to premiums paid for this contract will be Our responsibility.

14. Offset: We will be entitled to offset claim payments to the Participant against premiums due and unpaid by the Participant.

15. Assignments: Neither the Contractholder nor the Participant shall assign any of its rights under this Contract without Our Prior written consent. Any assignment without prior written consent shall be void.

16. Subrogation: The Participant shall prosecute any and all valid claims that the Participant may have against third parties arising out of any occurrence resulting in a loss payment by the Participant and to account for any recovery. Should the Participant fail to prosecute any valid claims against third parties and We become liable to make payments to the Participant under the terms of this Contract, then We shall assume all the Participant's rights against such third parties. In such case, the Participant will be responsible for any reasonable legal expenses incurred in the course of the prosecution.

17. Recoveries: We shall be entitled to recover first up to its full share of paid claims before the Participant shares in any amount recovered.

18. Arbitration: Any controversy or claim arising out of or relating to this Contract shall be settled by Arbitration in accordance with the rules of the American Arbitration Association, with the express Stipulation that the arbitrator(s) shall strictly abide by the terms of this Contract and shall strictly apply Rules of law applicable thereto. All matters shall be decided by a panel of 3 arbitrators. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. This provision shall survive the ending of this Contract. The parties to this Contract may alter any of the terms of this provision only by express written agreement. Any such alteration may be before or after any rights or obligations arise under this provision.

19. Insolvency: This insolvency; bankruptcy; financial impairment; receivership; voluntary plan of arrangement with creditors; or dissolution of the Participant or the Participant's Designated Third Party Administrator shall not impose upon Us any liability other than the liability defined in this Contract. The Insolvency of the Participant shall not make Us liable to the creditors of the Participant, including Covered Persons.

MISCELLANEOUS PROVISIONS, continued

20. **Severability Clause:** Any clause deemed void or unenforceable shall not render any of the other provisions of the Contract invalid.
21. **Renewal:** Renewal is not automatic but available if permitted by Us. Renewal may be subject to new Contract terms.
22. **Group Specifications – Changes:** We reserve the right to revise the terms of this Contract on any of the following dates:
 1. When the Participant adds or deletes a subsidiary or affiliate;
 2. When there is a change in the geographical area in which the Participant is located;
 3. When there is a change in the nature of the Participant's business;
 4. When there is an increase or decrease in the number of Covered Units which exceeds [10%] in any one month or [20%] over any period of three consecutive months.