

Definitions (Continued)

Organ Transplant (kidney)

The actual undergoing, as a recipient, of a transplant due to failure of the kidney.

End Stage Renal Failure

Diagnosis by a Legally Qualified Physician who is a board certified Nephrologist, of End Stage Renal disease which: (1) results in chronic irreversible failure of both kidneys to function; and (2) requires an insured person to undergo regular renal dialysis at least weekly.

Exclusions and Limitations

Benefits will not be payable for any such loss resulting from or in connection with: (1) suicide, attempted suicide or intentional self-inflicted Injury, whether sane or insane; (2) war or any act of war (whether declared or undeclared) or participating in a riot or felony; (3) being intoxicated (as determined by the laws governing the operation of motor vehicles in the jurisdiction where the loss or cause of loss occurs) or under the influence of an illegal substance or a narcotic (except for narcotics used as prescribed to an insured person by a physician); (4) the insured person's commission or attempt to commit a felony or to which a contributing cause was the insured person's being engaged in an illegal occupation; (5) loss that begins prior to the effective date of coverage.

PRE-EXISTING SICKNESS OR INJURY PROVISION:

The benefits of the policy will not be payable during the first 12 months that coverage is in force with respect to an insured person for a loss caused by a Pre-Existing Sickness or Injury disclosed or not disclosed in the application. This 12 month period is measured from the effective date of coverage for each insured person. A Pre-Existing Sickness or Injury means a Sickness or Injury which is Diagnosed by a legally qualified physician or for which medical advice or treatment was recommended or received from a legally qualified physician within 12 months prior to the effective date of coverage for each insured person.

Underwritten By:
Philadelphia American Life Insurance Company
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CRISIS RECOVERY

CRITICAL ILLNESS INSURANCE PLAN



Protection when you need it most to help you cope with the high cost of recovering from a Medical Crisis



POLICY FORM H-0186

Introducing

CRISIS RECOVERY

Thanks to medical advances, more and more American are surviving major medical crises— cancer, strokes, heart attacks and kidney failure.

We all realize that many individuals who have been diagnosed with what at one time were considered fatal illnesses are now overcoming the odds and surviving.

Unfortunately, it places a tremendous emotional strain on the family and many times accompanied by an overwhelming financial burden.

Your financial security is most threatened when you are told by a physician that you have suffered a heart attack or stroke or that the tissue taken during a biopsy is, in fact malignant.

Crisis Recovery is designed to ease the financial pressure by providing a lump sum cash benefit paid directly to you upon the diagnosis of a covered illness.



Use your Crisis Recovery benefits any way you wish.

- ◆ Non-medical expenses resulting from your condition.
- ◆ Deductibles, co-pays, prescriptions, experimental treatments and out of network expenses.
- ◆ Extended convalescence services or for rehabilitation
- ◆ Treatments that are not covered by or limited by your existing medical insurance.
- ◆ Your mortgage, auto loans and credit card payments.
- ◆ Home or automobile alterations for special needs.
- ◆ Expenses for child and/or nursing care
- ◆ Your income and your spouse's lost wages while he or she cares for you.

Or any other bills you may have.

**It's your money
the choice is up to you**

Select the amount that's right for you.

You may apply for up to \$50,000 of valuable critical illness protection. Children may apply for \$10,000.

Select a Benefit level to fit your needs.

\$10,000 \$20,000 \$30,000

\$40,000 \$50,000

Dependent Children's Benefit \$10,000

CATEGORY ONE BENEFITS	
Conditions	Percent Paid
Cancer (Internal Cancer)*	100%
Non-Invasive Carcinoma In-Situ	25%
CATEGORY TWO BENEFITS	
Conditions	Percent Paid
Heart Attack	100%
Stroke	100%
Coronary Artery Bypass**	25%
Angioplasty	10%
Pacemaker Implant -single chambered	30%
Pacemaker Implant -double chambered	40%
End Stage Renal Failure	100%
Organ Transplant (kidney)	50%
Organ Transplant (heart, lung, liver and pancreas)	100%

* Excludes pre-malignant conditions or conditions with malignant potential; cervical intraepithelial neoplasia (CIN) stage I and II; Carcinoma in Situ and Skin Cancer.
** Payable for one Coronary Artery Bypass Surgery only.

If you collect a benefit for the first diagnosed illness or procedure under this policy in one category of benefits and then have a second diagnosis of a condition or procedure in another category under this policy we will pay the maximum benefit to you again.

If a partial benefit is paid (25%) the remainder of the benefit will be payable upon the diagnosis of another covered condition.

Waiting Period

The benefits of this Policy are payable for loss that begins more than 90 days after the Effective Date of coverage for each Insured person. If the Diagnosis is made within the first 90 days, we will pay 25% of the benefit payable as listed in Category One and Two of the policy.

Reduced Benefits

During the first 90 days after the Effective Date of coverage, Reinstatement date or for a second date of occurrence resulting in a Diagnosis or procedure in a Multiple Condition instance, We will pay 25% of the Percentage Benefit Payable listed in the Policy Schedule.

Reduction of Benefits Due To Age

Any benefits remaining at age 65 or older will reduce 50%.

Guaranteed Renewable

This Policy is guaranteed renewable to age 75 by the timely payment of premiums. It must be paid on or before its due date, or within the 31 days that follow. When an Insured's coverage terminates at age 75, coverage for other Insured persons, if any, shall continue under this Policy.

After the first 12 months, We reserve the right, subject to 30 days (45 or 60 days depending on state) prior written notice to You at Your last known address, to establish a new schedule of premium rates; such schedule of rates will be effective on the following renewal date for all or any class of Insured's covered by this Policy. Premiums are scheduled to change annually based upon each Insured's attained age. Attained age means the age of the Insured on the Policy Effective Date of coverage and subsequent Policy anniversary.

Attained Age Pricing

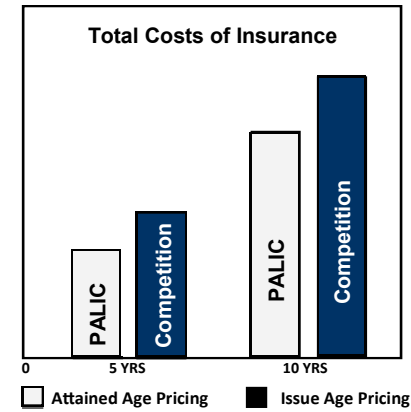
In order to make this plan as affordable as possible, we used a pricing method that is called Attained Age Pricing. By using this method the cost of the plan is lower at the beginning and takes small incremental increases each year there after.

This is in contrasts to a method called Issue Age Pricing where the premium starts out much higher but remains at the same level for several years or the life of the policy.

Which method is better?

We believe that Attained Age Pricing is better for the consumer since it's more affordable up front and allows you to purchase the amount you need by paying less when your income is lower and as your income continues to grow you will be able to pay a little higher premium.

In comparing this method to other insurance carriers that prices their product using Issue Age Pricing, we find that our method can save you as much as 20% to 30% (see graph) in the first 10 Years depending on your age.



Benefit Definitions

Cancer (Internal Cancer)

A disease that is identified by the uncontrolled and abnormal growth of malignant cells. This includes Hodgkin's Disease, leukemia, lymphoma, carcinoma, sarcoma, malignant melanoma that is Diagnosed as Clark's Level III or above or Breslow greater than .75mm and malignant tumors. Diagnosis must be made by a Pathologist based on a microscopic examination of fixed tissue or preparations from the hemic system.

For purposes of the policy, the following are not considered Cancer (Internal Cancer): pre-malignant conditions or conditions with malignant potential, cervical intraepithelial neoplasia (CIN) stages I and II, Carcinoma in Situ, Non-Invasive Carcinoma In-Situ, Leukoplakia, hyperplasia, polycythemia, moles, lesions, Skin Cancer.

Non-Invasive Carcinoma In-Situ

A localized malignant tumor, which contains one or several cells that have the potential to invade or metastasize but have not yet done so. This excludes Skin Cancer. Diagnosis must be made by a licensed Pathologist.

Heart Attack

The death (infarction) of a portion of the heart muscle as a result of inadequate blood supply. Diagnosis of a Heart Attack must be made by a Legally Qualified Physician who is a board certified Cardiologist. Diagnosis of a Heart Attack must be based on all of the following criteria:

- (1) associated new EKG changes consistent with Injury;
- (2) elevation of cardiac enzymes above generally accepted laboratory levels of normal (a diagnostic elevation of Troponin I or in the case of CPK, a CPK-MB measurement must be used) and
- (3) confirmatory imaging studies such as thallium scans, MUGA scans or stress echocardiograms.

The following are not considered a Heart Attack: an EKG change consistent with transient ischemic change, angina, or chance finding of EKG changes suggestive of a previous Heart Attack, or death of the heart muscle coincident with death of an insured from other causes.

In the event of death, an autopsy confirmation and death certificate identifying Heart Attack as the cause of death will be accepted.

Stroke

A cerebrovascular event resulting in permanent neurological damage, including infarction of, hemorrhage of, or embolization to brain tissue from an extracranial source. Diagnosis of Stroke must be made by a Legally Qualified Physician who is a board certified Neurologist. Diagnosis of a Stroke must be based on the following criteria:

- (1) documented neurological impairment or deficits; and
- (2) confirming neuroimaging studies.

Stroke does not mean a cerebrovascular event resulting from a head Injury, transient ischemic attack, chronic cerebrovascular insufficiency and reversible ischemic neurological deficits.

Coronary Artery Bypass Surgery (surgical treatment)

The first ever heart surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts, performed by a Legally Qualified Physician who is a board certified Cardiothoracic Surgeon. Payable for one Coronary Artery Bypass Surgery per insured person.

Angioplasty

The undergoing of angioplasty, atherectomy or laser treatment for coronary artery disease, which cannot be adequately controlled by medical therapy, following a recommendation by a cardiologist. Angiographic evidence of the underlying disease must be provided.

Pacemaker Implant

The procedure to insert an artificial pacemaker. A pacemaker is a device that sends small electrical impulses to the heart muscle to maintain a suitable heart rate or to stimulate the lower chambers of the heart (ventricles). A pacemaker may also be used to treat fainting spells (syncope), congestive heart failure and hypertrophic cardiomyopathy.

Organ Transplant (heart, lung, liver, pancreas)

The actual undergoing, as a recipient, of a transplant due to failure of one of the following organs: heart, lung, liver or pancreas.