



CONSUMERS LIFE INSURANCE COMPANY GROUP CONTRACT

This Contract is entered into between _____
(called the Group or Employer) and **Consumers Life Insurance Company** (called Consumers Life).
This Contract supersedes any contracts previously entered into by and between the Group and
Consumers Life and its predecessors.

This Contract is made in consideration of the Group application, individual applications and Medical
History Questionnaires (MHQ), which are incorporated in and made a part of this Contract by
reference, and the payment of premiums when due, and is subject to the terms and conditions of the
Certificates, Schedules of benefits, riders, Amendments and addenda, which are incorporated in and
made a part of this Contract by reference.

Based on this consideration, Consumers Life agrees with the Group to provide to all eligible Covered
Persons, the Covered Services described in the Certificates, Schedules of benefits, riders and
Amendments listed in Addendum II of this Contract beginning on each Covered Person's Effective
Date.

The Contract Date is _____. The Contract Period shall be from the Contract Date
through _____ when, unless canceled or terminated as provided by this Contract,
or the Group's rating class or funding arrangement changes, this Contract will renew for a further
period of twelve (12) consecutive months and thereafter, from year to year. Renewal may be subject to
changes in rates and Contract terms.

IN WITNESS WHEREOF, Consumers Life hereby accepts the Group Application at its address
stated in the Group Application, and Consumers Life and the Group have signed this Contract to be
effective on the Contract Date first above written.

(The Group)

Consumers Life Insurance Company
(Consumers Life)

SIGNATURE

SIGNATURE

PRINT NAME

PRINT NAME

TITLE

TITLE

DATE

DATE

ARTICLE I - DEFINITIONS

- Section 1.1** **Amendment** - a document which alters this Contract.
- Section 1.2** **Application** - all questionnaires and forms required by Consumers Life to determine the eligibility of Covered Persons.
- Section 1.3** **Certificate(s)** - the document(s) that describe(s) Covered Services and for whom Covered Services are payable. Schedules of benefits, riders and Amendments may be included as part of the Certificate.
- Section 1.4** **Certificate Holder** - an Eligible Employee or member of the Group who is eligible for coverage under the terms of the plan and who has enrolled for coverage under the terms and conditions of this Contract.
- Section 1.5** **Contract** - these pages and the Group Application, individual Applications, Medical History Questionnaires, Certificates, Schedules of benefits, riders, Amendments and addenda.
- Section 1.6** **Covered Person** - the Certificate Holder, and if two-person or family coverage is in force, the Certificate Holder's Eligible Dependent(s).
- Section 1.7** **Covered Service** - a Provider's service, supply or accommodation described in a Covered Person's Certificate, Schedule of benefits, riders or Amendments for which Consumers Life pays.
- Section 1.8** **Effective Date** - 12:01 a.m. on the date coverage begins for a Covered Person as determined by Consumers Life.
- Section 1.9** **Eligible Dependent** - an Eligible Person other than the Certificate Holder, as defined in the Certificate or Schedule of benefits, riders or Amendments.
- Section 1.10** **Eligible Employee** - a member of the Group who receives a wage or salary from the Group, as reported on the Group's federal and state payroll reports, and who, in accordance with Consumers Life's underwriting guidelines, is eligible to be a Covered Person under the terms and conditions of this Contract.
- Section 1.11** **Eligible Person** - a person who is eligible to be a Covered Person under the terms and conditions of this Contract.
- Section 1.12** **Group (Employer)** - employer, labor union, collective bargaining unit, trust, partnership or other employer organization which, pursuant to this Contract, provides group health care benefits to its eligible and enrolled employees or members.
- Section 1.13** **Group Member** - an Eligible Employee who has been a member of the Group for at least six months; who is entitled to medical benefits coverage under a Group Contract; and who is an insured Certificate Holder under the Contract.
- Section 1.14** **Medicare** - the program of health care for the aged and disabled established by Title XVIII of the Social Security Act of 1965, as amended.
- Section 1.15** **Provider** - a Hospital, Other Facility Provider, Physician or Other Professional Provider as stated in the Certificate, Schedules of benefits, riders and Amendments.

ARTICLE II - ELIGIBILITY AND ENROLLMENT

Section 2.1 Eligibility

Only the following persons may be Eligible Persons under this Contract:

- (a) Active, full-time employees, officers or partners of the Group:
 - (i) for Groups of 50 or fewer, working 30 or more hours per week.
 - (ii) for groups of 51 or more, working ____ (May not be less than 20 hours per week) or more hours per week.
- (b) Retired employees, if retiree coverage is provided by the Group, who meet all of the following criteria:
 - (i) length of service with the Employer plus age must be sixty (60) or more years;
 - (ii) continuous service of twenty (20) hours a week or more with the Employer for five (5) or more consecutive years prior to retirement;
 - (iii) continuous enrollment in the Employer's group health insurance program for five (5) or more consecutive years prior to retirement;
- (c) Eligible participants of an employee welfare benefit trust or collective bargaining unit, trade or professional association if such entity is the Group.
- (d) Covered Persons entitled to continuation of coverage under applicable state and federal laws, who are notified according to those laws, and make elections within the grace periods specified, and continue to make the required contributions in a timely manner as specified.
- (e) A Certificate Holder's Eligible Dependents.
- (f) Employees on short or long-term disability, if such employees were covered by the previous carrier and appear on the billing of the previous carrier and are covered by a disability plan that precludes individual selection.
- (g) Dependent children who, in accordance with Georgia law are eligible for continuation coverage beyond the limiting age.
- (h) Persons for whom the Employer is required to maintain or reinstate coverage according to the terms of the Family and Medical Leave Act P.L.103-3.

Section 2.2 Ineligible Persons

Persons ineligible under this Contract include without limitation the following: part-time employees working less than the number of hours specified in Section 2.1, independent contractors, temporary employees, seasonal employees (unless such employees work at least nine (9) months in a consecutive

twelve (12) month period), employees who are laid off, and any individuals who do not meet the requirements for eligibility according to the terms of the Certificate, Schedules of benefits, riders or Amendments.

Section 2.3 Newly Eligible Persons

The Employer may add new persons to the group of persons initially enrolled. Before qualifying for enrollment, any new person must submit an application and a Medical History Questionnaire (for Groups of 50 or fewer eligible employees) and be approved and accepted by Consumers Life. The Group must give notice to Consumers Life of a new person's eligible status within thirty-one (31) days after the date that the person becomes eligible. If Consumers Life does not receive notice of the new person's eligibility status within thirty-one (31) days after the person becomes eligible, addition of the new person will be subject to Section 2.6(d), except for newborn children or children placed for adoption. The addition of a newborn or child placed for adoption to a single or two-person contract will result in a change to a two-person or a family contract.

Section 2.4 Verification of Eligibility and Changes in Eligibility

- (a) The Group must provide Consumers Life with all information required by Consumers Life to determine a person's eligibility under this Contract.
- (b) The Group must provide Consumers Life with written notice of any change in a person's eligibility under this Contract within thirty-one (31) days of the change. If the Group fails to provide such notice, the person will be subject to the provisions of Section 2.6 (d). Written notice by the Group to Consumers Life of changes in a person's eligibility must be furnished on forms approved by Consumers Life.
- (c) The Group shall be liable to Consumers Life for payments by Consumers Life for Covered Services provided to an ineligible person where the Group has failed to give prompt written notice of the person's change in eligibility.
- (d) The Group's claims experience shall include the cost of services for ineligible, canceled or terminated persons for which the Group failed to notify Consumers Life, in writing, of changes in the persons' eligibility.
- (e) Effective Dates for Covered Persons under this Contract are conditioned upon the receipt of all information required by Consumers Life to determine a person's eligibility.

Section 2.5 Re-certification

Upon request by Consumers Life, the Group shall deliver to Consumers Life a letter or other document of assurance, signed by an authorized person of the Group, certifying that the Group has complied with and continues to meet all regulations required of the Group by Consumers Life. The Group shall also promptly deliver to Consumers Life all information requested by Consumers Life to assure the continuing eligibility of Covered Persons and compliance with the terms of the contract.

Section 2.6 Enrollment

- (a) The Group agrees that to be approved and accepted and enrolled by Consumers Life, all employees and members of the Group must complete individual Applications. Medical History Questionnaires are also required from:
- i. Groups Size 3-50 - all employees or members
 - ii. Groups Size 51-99 - employees or members who enroll more than thirty one (31) days after their dates of eligibility of qualifying events.

Medical History Questionnaires will not be used to reject any Eligible Employee or dependent. However, Medical History Questionnaires may be used to evaluate and change the Group's rates, as provided pursuant to Section 4.2, if the Group's level of risk changes significantly.

- (b) The Group agrees that all Eligible Persons may enroll for coverage under this Contract.
- (c) During the enrollment process, the Group agrees to inform and explain this Contract to all Eligible Persons of the Group.
- (d) If the Group does not submit an Application and Medical History Questionnaire for an Eligible Person within thirty-one (31) days of that person becoming eligible, as required by Section 2.6(a), that person must wait to enroll until the Group's next open enrollment period. In addition, Consumers Life may impose an eighteen (18) month pre-existing condition waiting period, as permitted by federal law, beginning on the earlier of the effective date or the first day of any waiting period imposed by the Group. Claims for newborn children, children placed for adoption and maternity are excluded from any applicable pre-existing condition waiting period.
- (e) An Eligible Employee or dependent who has declined the coverage provided by this Contract may enroll for coverage under this contract during any special enrollment period if the following conditions are met:
- (1) The employee or dependent was covered under another group health plan or had other health insurance at the time of initial eligibility;
 - (2) The Eligible Employee signed a written waiver at the time of initial eligibility declining coverage for himself or his dependent(s) due to the existence of the other coverage.
 - (3) The employee or dependent was covered under COBRA continuation coverage and such coverage was exhausted; or the employee or dependent loses eligibility for the coverage due to death, divorce, legal separation, termination of employment or termination of employer contributions for the coverage.

Enrollment must be supported by written documentation of the termination of the other coverage with the effective date of said termination stated therein. Notice of intent to enroll must be provided to Consumers Life by the Group no later than thirty-one (31) days following the triggering event described in (e)(3) with coverage to become effective on the date the other coverage terminated. If Consumers Life does not receive written notice of intent to enroll within thirty-one days, addition of the Eligible Employee will be subject to Section 2.6(d).

Section 2.7 Enrollment Levels

The Group agrees to meet or exceed the enrollment requirements specified in Addendum I which is incorporated in and made a part of this Contract by reference.

ARTICLE III - CERTIFICATES AND EFFECTIVE DATES OF COVERAGE

Section 3.1 Certificates

The Certificates, Schedules of benefits, riders and Amendments listed in Addendum II are incorporated in and made a part of this Contract by reference.

Certificates, Schedules of benefits, riders and Amendments may be canceled or added during the term of this Contract.

Consumers Life will provide the Group with applicable Certificates, Schedules of benefits, riders and Amendments that describe the Covered Services and to whom payable, together with claim filing instructions. It is the responsibility of the Group to deliver the applicable Certificates, Schedules of benefits, riders and Amendments to Certificate Holders.

Section 3.2 Identification Cards

Consumers Life will provide the Group with identification cards. It is the responsibility of the Group to deliver identification cards to Certificate Holders. The receipt and/or possession of an identification card does not automatically entitle the Covered Person to benefits. The identification cards are the property of Consumers Life and must be surrendered to Consumers Life upon request. Whenever a Covered Person's coverage is canceled or terminated, the Group shall make every effort to collect the identification card and return it to Consumers Life. The Group shall be liable for claims incurred through the use of an identification card not properly collected by the Group if the Group has not provided Consumers Life with written notice pursuant to Section 2.4(b). Further use of the identification card by a person whose coverage has been canceled or terminated may subject that person to legal action.

Section 3.3 Dates of Coverage

- (a) For Eligible Persons enrolled during the Group's initial enrollment period, coverage starts on the Contract Date.
- (b) For a newly Eligible Person enrolled after the Contract Date, coverage starts as of his date of eligibility, provided Consumers Life has received such person's Application within thirty-one (31) days of the date of eligibility.
- (c) For an Eligible Person enrolled pursuant to Section 2.6(d), coverage starts on the first day of the month following acceptance by Consumers Life.

ARTICLE IV - PAYMENTS

Section 4.1 Premium Payments

- (a) The Group shall be liable to Consumers Life or an agent designated by Consumers Life for the payment of any premium.
- (b) The initial premium must be received by Consumers Life on or before the Contract Date.
- (c) Premium payments are due on the first day of each month. This is called the Premium Due Date and all premiums must be paid on or before the Premium Due Date.
- (d) A period of thirty-one (31) days from the Premium Due Date is allowed for the payment of premiums, except the initial premium. During the thirty-one (31) day period this Contract will stay in force; however, the payment of claims by Consumers Life may be suspended until the premiums are received by Consumers Life.
- (e) This Contract will be in force only so long as premiums are paid. The Group must notify in writing all of its Certificate Holders of termination of this Contract due to non-payment of premiums.
- (f) In the event the premium payments are not received by Consumers Life within thirty-one (31) days after the Premium Due Date, this Contract may be terminated by Consumers Life retroactive to the last day of the period for which premiums were paid.
- (g) The amount of premiums payable under this Contract for the Contract Period is specified in Addendum III which is incorporated in and made a part of this Contract by reference. A premium payment made when due will keep this Contract in force from the paid due date of the premium to the next Premium Due Date.

All Covered Persons entitled to continuation of coverage under applicable state and federal laws, who elect the coverage within the time frame specified in those laws, will be charged the full premium plus the administrative fee surcharge (where applicable), allowed under those laws.

- (h) This Contract may be renewed on the anniversary day of the Contract Date. This is called the Premium Renewal Date. All renewal premiums must be paid on or before the Premium Renewal Date. Renewal premiums not paid when due may subject the group to termination of coverage as defined in Section 6.1 of the Contract.

Section 4.2 Change in Premiums

Consumers Life may change the amount of premiums for this Contract. Consumers Life shall give at least sixty (60) days notice of the change in premium prior to the Premium Due Date. Changes in premium rates will be conclusively determined to have been approved by the Group if the Group pays the required premium.

ARTICLE V - UNIFORM PROVISIONS

Section 5.1 Proof of Loss

Written or electronically submitted proof of loss must be furnished to Consumers Life in accordance with the applicable Certificate. Proof must be given within ninety (90) days of Covered Services being received or as soon as is reasonably possible. In no event, except in the absence of legal capacity, may proof be submitted later than one (1) year or such later time as specified in the Group Certificate after the Covered Service has been received.

Section 5.2 Time of Payment of Claims

Covered Services under this Contract will be paid within fifteen (15) working days after receipt of a properly completed claim accompanied by sufficient documentation reasonably required by Consumers Life to accept or reject the claim. In Consumers Life fails to pay a claim within 15 days, Consumers Life will pay to the insured or provider (whichever entity is receiving the payment) interest equal to eighteen percent per annum on the amount of benefits paid. To have a claim payment or claim denial reviewed, the Covered Person must request review in writing to Consumers Life within six (6) months of the claim determination.

If the Group fails to comply with the requirements under applicable state and federal laws regarding continuation of coverage, Consumers Life will not accept liability and will return any claims received from Covered Persons to the Group.

Section 5.3 Limitation of Actions

No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three (3) years after the time written proof of loss is required to be furnished. In the case of legal action over a dispute between the parties to this Contract that does not involve the payment of benefits or the validity of the Contract, no such action may be brought more than two (2) years from the date the cause of action arises.

Section 5.4 Entire Contract

The entire Contract between Consumers Life and the Group contains these pages and the Group Application, individual Applications, Certificates, Schedules of benefits, riders, Amendments and addenda. This Contract shall be made available for inspection at the offices of the Group during regular business hours.

Section 5.5 Fraudulent Statements and Conduct

All statements, in the absence of fraud, made by the Group or any Covered Person shall be deemed representations and not warranties. No statement shall void the coverage or reduce the benefits of this Contract unless contained in a written Application attached hereto.

No statement by a person eligible under this coverage related to the person's insurability may be used in contesting the validity of the insurance with respect to which the statement was made, unless the statement is contained in writing signed by the person.

ARTICLE VI - TERMINATION

Section 6.1 Termination

The Group may cancel or terminate this Contract only upon thirty days written notice to Consumers Life. Consumers Life may cancel or terminate this Contract at any time without notice if the Group fails to pay the required premiums, including renewal premiums. Consumers Life's negotiation of any check sent or deposited into Consumers Life's lockbox after the termination date does not constitute acceptance or reinstatement by Consumers Life.

Consumers Life may cancel or terminate this Contract at any time by giving notice in writing to the Group at least sixty (60) days prior to the effective date of termination for the following reasons:

- (a) For fraud or misrepresentation by the Group at the time of application or for fraud involving the procurement of payment of claims under the policy;
- (b) The Group fails or ceases to meet the requirements specified in Addendum I;
- (c) Consumers Life ceases to offer coverage in the small group market. In that event, Consumers Life will provide at least 180 days notice of discontinuance of coverage to the Group and the Commissioner of Insurance and complies with all provisions of the Georgia Insurance Regulations regarding such event.

If this Contract is canceled or terminated pursuant to Article VI, the Group must notify in writing all of its Certificate Holders of the cancellation or termination.

Section 6.2 Liability for Premiums Upon Termination

If this Contract is canceled or terminated by Consumers Life or the Group, the Group shall be liable for all premiums due to Consumers Life, up to the date of cancellation or termination, or Consumers Life shall refund to the Group the amount of unearned premiums actually paid by the Group in advance of the termination date in accordance to Georgia code 33-24-44; provided the Group has given notice as required by Section 6.1. Unearned premium will be refunded on a pro-rata basis. For example, if the month has 30 days and the Group was only covered for 20 days of the month, 1/3 of that month's premium will be refunded.

Section 6.3 Liability of Consumers Life Upon Termination

No benefits will be paid by Consumers Life for any expenses incurred or treatment received after termination of this Contract except for Covered Services specified as payable after termination in the applicable Certificate.

Section 6.4 Termination of a Covered Person's Coverage

- (a) Consumers Life may terminate a Covered Person's coverage under this Contract upon notice to the Covered Person:
 - (1) When incorrect or incomplete information regarding a Covered Person has been furnished in an Application to Consumers Life that affects the acceptance of an Application and induces Consumers Life to enter into this Contract, set rates or premiums or to provide payment for Covered Services that otherwise would not have been done, including any medical history questions which are part of an Application;

- (2) When the Covered Person has furnished fraudulent information or statements including fraudulent claims to Consumers Life;
 - (3) When the Covered Person has permitted his or her identification card to be used by another; or
 - (4) When a Covered Person intentionally fails to comply with the terms of the plan which has been approved by the Commissioner of Insurance.
- (b) A Covered Person's coverage will also terminate:
- (1) When a Covered Person ceases to be eligible under Article II;
 - (2) When any required premiums for the Covered Person are not paid. The person's coverage terminates at the end of the last period for which payment was made; or
 - (3) When this Contract terminates, the coverage of all Covered Persons automatically terminates without notice except as provided in Section 6.3 of this Contract.
- (c) A Covered Person, who is entitled to continuation of coverage under applicable state and federal laws and has elected to continue coverage within the specified time periods, will also have his or her coverage terminated if:
- (1) The Covered Person becomes covered as an employee or otherwise under another group health plan that does not contain an exclusion or limitation with respect to any preexisting condition of that Covered Person;
 - (2) The Covered Person becomes entitled to Medicare; or
 - (3) Any required premiums for the Covered Person are not paid, or the Covered Person fails to comply with any other statutory requirements.

ARTICLE VII - COVERAGE AND RIGHTS

Section 7.1 Consumers Life as Payor

Nothing in this Contract shall have the effect of imposing upon Consumers Life any obligation to provide any Covered Service, but only to make payments to Providers or Certificate Holders for Covered Services in consideration of the premiums paid by the Group under this Contract and Addendum III hereto.

Section 7.2 Employee Retirement Income Security Act of 1974, as amended (ERISA)

The parties agree that Consumers Life, when performing its obligations under this Contract, is not an administrator, plan sponsor or a named or unnamed fiduciary as those terms are defined in ERISA. In performing its obligations under this Contract, Consumers Life is a fiduciary, as that term is defined by ERISA and to the extent allowed by ERISA, only for the purpose of processing claims. It is the responsibility of the Employer to inform Covered Persons of their ERISA mandated rights and to comply with any ERISA mandated responsibilities, obligations or duties for the Group.

Consumers Life will provide Certificates of Creditable Coverage to individuals who lose coverage under the Group's plan. We will also provide such documents upon request. If the entire group terminates its coverage under this Contract Certificates of Creditable Coverage will not be automatically sent, but will be provided upon request.

Any other notices required by the Health Insurance Portability and Accountability Act are the responsibility of the Group.

Section 7.3 Consolidated Omnibus Budget Reconciliation Act, as amended (COBRA)

It is the responsibility of the Employer to inform Covered Persons of their COBRA mandated rights according to the provisions of COBRA and to comply with all COBRA requirements outlined in the applicable federal laws.

Pursuant to a contract between Consumers Life and its contracted COBRA Administrator, the Group agrees to utilize the services of the COBRA Administrator to provide COBRA notifications and other COBRA administrative services.

Section 7.4 Change of Covered Services

Consumers Life may change or revise the Covered Services provided through this Contract at any renewal date. The Group will be given at least thirty-(30) days notice prior to the effective date of the change. If the Group makes the required payment it is conclusively determined that all Covered Persons of the Group have accepted the changes. It is the Group's responsibility to notify its Certificate Holders of these changes and the effective date thereof.

Section 7.5 Waiver of Contractual Rights

Failure by Consumers Life to insist on or enforce any of its rights shall not constitute a waiver of those rights by Consumers Life, and nothing shall constitute a waiver of Consumers Life's rights to insist on strict compliance with the provisions of this agreement.

Section 7.6 Retention of Discretion

Consumers Life shall have the right to interpret the terms of the Certificate, Schedules of benefits, riders and Amendments. The decision about whether to pay any claim, in whole or in part, is within the discretion of Consumers Life and such decisions shall be final subject to any available appeals process.

ARTICLE VIII - AUDITS AND RECORDS

Section 8.1 Cost Recovery Audits

Consumers Life may perform random cost recovery audits which do not relate to any specific group. Any amounts recovered by Consumers Life as a result of the audit will be used to offset the cost of the audit. Amounts recovered in excess of the cost of the audit will be retained by Consumers Life unless there is an adjustment to a specific claim. If there is such an adjustment, it will be reflected in the Group's claims history. The cost of the recovery will be subtracted from the adjustment.

Section 8.2 Review of Records

The Group's payroll records may be audited by Consumers Life for information related to eligibility, participation levels and Employer contributions.

The Group agrees to cooperate with Consumers Life, its agents and employees in the investigation of any complaints of fraudulent conduct by any Covered Person. Such cooperation shall include, but not be limited to, review of records, claims, applications for insurance and any other documents relating to a Covered Person's enrollment with the Group.

ARTICLE IX - MISCELLANEOUS

Section 9.1 Contract Changes

No change in this Contract will be effective until approved in writing by an authorized officer of Consumers Life. This approval must be endorsed on or attached to this Contract. No agent, employee or representative of Consumers Life, other than an authorized officer, may change this Contract or waive any of its provisions.

Section 9.2 Consumer Choice Option

The Consumer Choice Option is a plan for coverage that grants Certificate Holders the right to receive covered services outside the Provider network. The Consumer Choice Option is offered by Consumers Life under the guidelines of Georgia Insurance Code 33-20A-9.1.

Section 9.3 Amendments

The terms and conditions of this Contract may be amended by Consumers Life at any renewal date with 30 days notice to the Group. The amendment will be deemed to have been agreed to by the Group if the Group pays the next required premium. It is the responsibility of the Group to notify Certificate Holders of any changes in the terms or conditions of this Contract.

Section 9.4 Notice

Any notice required under this Contract must be in writing. Notice to the Group must be hand-delivered, or mailed by first class mail with proper postage, to the Group at the Group's address stated in the Group Application. Notice to Consumers Life must be hand-delivered, or mailed by first class mail with proper postage, to Consumers Life at Consumers Life's address stated in the Group Application. Notice shall be deemed effectively received on the date of delivery or three (3) days after the date of post mark, whichever is earlier.

Either the Group or Consumers Life may, by written notice, indicate a new notice address. Consumers Life has the right, at its option and discretion, to communicate with Covered Persons about matters relating to this Contract, or Certificates, and any riders or Amendments.

Section 9.5 Indemnification

Consumers Life and the Group shall perform their respective duties under this Contract in a prudent and diligent manner. The Group shall indemnify Consumers Life for and hold it harmless against all liabilities, claims, costs and expenses (including court costs and reasonable attorney's fees) incurred by Consumers Life in defending itself against any claims, actions or proceedings arising out of or related to in any way the Group's failure to perform its duties or obligations under this Contract in a prudent and diligent manner.

Section 9.6 Provider Discounts; Refunds

Consumers Life negotiates agreements with Providers. These negotiations are undertaken on behalf of Consumers Life and not on behalf of the Group. These negotiations and agreements are not a function Consumers Life has undertaken or will undertake pursuant to this Contract, and Consumers Life and the Group acknowledge that Consumers Life is not a fiduciary when performing this function.

The Group is obligated to pay the premiums specified in Article IV, and Consumers Life shall have no right to any additional amounts from the Group. Consumers Life is obligated to pay for Covered Services pursuant to this Contract, and the Group shall have no right to any additional amounts from Consumers Life.

Some of Consumers Life's contracts with Providers, including Institutional Providers, allow discounts, allowances, incentives, adjustments and settlements. These amounts are for the benefit of Consumers Life, and Consumers Life will retain any payments resulting therefrom. However, the deductibles, coinsurance and benefit maximums will be calculated based on the Lesser Amount as described in the Certificate.

Consumers Life has and retains the right to choose which Providers and other vendors it will contract with, and on what terms and to amend and terminate those contracts. Consumers Life has and retains the right to designate Providers as network.

Section 9.7 Cost Management Programs

The Group agrees to cooperate with Consumers Life and network providers in Consumers Life's cost and utilization management programs which Consumers Life implements from time to time, such as pre-admission certification, concurrent review, case management and other carrier liability programs.

The Group shall inform Covered Persons enrolled in any Consumers Life network program of the requirements of that program and assist Consumers Life in implementing such requirements, including, but not limited to, financial disincentives for failure to use a network Provider for non-emergency inpatient or outpatient services. The Group shall not do anything to change the financial disincentives set forth in the Certificate and will not take any other actions which discourage Covered Persons from utilizing network providers.

Section 9.8 Severability

If any provision or any part or any application of this Contract is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect or impair any other provision or right or remedy of Consumers Life.

Section 9.9 Governing Law

This Contract shall be governed by and construed in accordance with the laws of the state of Georgia.

GROUP APPLICATION

Application is hereby made to Consumers Life of Ohio (called Consumers Life) whose home office address is 2060 East Ninth Street, Cleveland, Ohio 44115, by _____ (called the Group or Employer) whose main office address is _____, for the coverage afforded by Group Number _____, the terms of which are hereby approved and accepted by the Group to take effect on the Contract Date specified in the Group Contract.

It is agreed that this application supersedes any previous applications for this Group Contract.

It is further agreed that the approval and acceptance of this Group Application and individual Applications is subject to Consumers Life's underwriting guidelines.

This Group Application is not a contract for health care benefits. The mere completion of this Group Application does not obligate Consumers Life to pay for any health care benefits. Consumers Life shall not be obligated to pay for health care benefits unless and until this Group Application is accepted in writing by an authorized officer of Consumers Life.

Signed by _____

Title _____
(Authorized Signature for the Group)

On _____, 20 _____

Witness _____

ADDENDUM I

MINIMUM ENROLLMENT AND CONTRIBUTION REQUIREMENTS

1. It is understood that this Contract will not be issued or renewed unless the Group enrolls the minimum number of Eligible Employees as specified in the table below AND enrolls at least fifty percent (50%) of the Group's total active Eligible Employees before the exclusions for 2(a) and/or (b) below are made.

<u>Eligible Employees</u>	<u>Minimum Required to Enroll</u>
2-5	All
6	5
7	6
8	6
9	7
10	8
11	9
12+	75%

2. In determining the Group's minimum enrollment, Consumers Life will count any employee who waives coverage under this plan only if the employee is enrolled:
 - a) In a spouse's employer-sponsored health plan; or
 - b) As an active Eligible Employee in another Consumers Life health plan sponsored by a second employer.
3. Eligible Employees enrolled in another product option underwritten by Consumers Life or its subsidiaries, will be included in the Group's minimum enrollment count. Eligible Employees enrolled in another product option not underwritten by Consumers Life or its subsidiaries will be counted as eligible but will not be included in the Group's minimum enrollment count.
4. Active Eligible Employees who are also Medicare eligible will be included in the Group's minimum enrollment count. Retirees or persons continuing coverage as prescribed by state or federal law, will not be included in the Group's minimum enrollment count.
5. The Group agrees not to enter into any other group health care contract, or sponsor any other program on behalf of its employees for health care benefits, other than an HMO program.
6. If a Group drops below minimum enrollment requirements, this Contract may be terminated by Consumers Life.
7. The Group must contribute a minimum of twenty-five percent (25%) of the Group's total premium and must contribute a minimum of twenty-five percent (25%) toward the premium for each enrollee, including each retiree, but excluding any employee continuing coverage under this plan as allowed by state or federal law.

ADDENDUM II

Certificates, Schedules of benefits and riders for the Contract Period are:

Book #

Group #

Document Description

Form Numbers

ADDENDUM III

Group Name

Group Number

Premium Rate Schedule – The premiums stated in the monthly premium rate schedule listed below are for the above Contract Period. The premium rates may change pursuant to Section 4.2 of this Contract.

Group Section

INDIVIDUAL

FAMILY

TWO-PERSON