

## Summary of the South Carolina Life and Accident and Health Insurance Guaranty Association Act and Notice Concerning Coverage Limitations and Exclusions

Residents of South Carolina who hold life insurance, annuities, or health insurance policies should know that the insurance companies and health maintenance organizations (HMOs) licensed in this state to write these types of insurance are required by law to be members of the South Carolina Life and Accident and Health Insurance Guaranty Association (SCLAHIGA). The purpose of SCLAHIGA is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this happens, SCLAHIGA will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. However, the valuable extra protection provided by these insurers through SCLAHIGA is limited. Consumers should shop around for insurance coverage and exercise care and diligence when selecting insurance coverage.

### Disclaimer

Under South Carolina law, the South Carolina Life and Accident and Health Insurance Guaranty Association (SCLAHIGA) may provide coverage of certain direct life insurance policies, accident and health insurance policies, annuity contracts and contracts supplemental to life, accident and health insurance policies and annuity contract claims (covered claims) if the insurer becomes impaired or insolvent. South Carolina law does not require the SCLAHIGA to provide coverage for every policy. **COVERAGE MAY NOT BE AVAILABLE FOR YOUR POLICY.**

Coverage is generally conditioned upon residence in this state. Other conditions that may preclude or exclude coverage are described in this notice. Even if coverage is provided, there are significant limits and exclusions. Please read the entire notice for further details on limitations and exclusions.

Insurance companies and insurance agents are prohibited by law from using the existence of the SCLAHIGA or its coverage to sell you an insurance policy. You should not rely on the availability of coverage under SCLAHIGA when selecting an insurer. The South Carolina Life and Accident and Health Insurance Guaranty Association or the Department of Insurance will respond to any questions you may have which are not answered by this document.

If you think the law has been violated, you may file a written complaint with the SCLAHIGA or the South Carolina Department of Insurance at the addresses listed below:

**South Carolina Life and Accident and Health  
Insurance Guaranty Association**

Attention: Executive Director  
P.O. Box 8625  
Columbia, SC 29202

**South Carolina Department of Insurance**

Attention: Office of Consumer Services  
1201 Main Street, Suite 1000  
Columbia, SC 29201  
Electronic complaint submission via  
[www.doi.sc.gov/complaint](http://www.doi.sc.gov/complaint)

Please attach copies of all pertinent documentation. You may submit a written complaint or a complaint electronically to the Department through submission of the electronic form on the Department's website at [www.doi.sc.gov/complaint](http://www.doi.sc.gov/complaint). You should receive a response to your complaint within 10 days.

This safety-net coverage is provided for in the South Carolina Life and Accident and Health Insurance Guaranty Association Act (the Act). The following summary of the Act's coverages, exclusions and limits does not cover all provisions of the Act; nor does it in any way change any person's rights or obligations under the Act or the rights or obligations of the SCLAHIGA.

### **COVERAGE**

Generally, individuals will be protected by the SCLAHIGA if they live in this state and hold a covered life, accident, health or annuity policy, plan or contract issued by an insurer (including a health maintenance organization) authorized to conduct business in South Carolina. The beneficiaries, payees or assignees of insured persons may also be protected if they live in another state unless circumstances described under the Act exclude coverage.

### **EXCLUSIONS FROM COVERAGE**

Persons who hold a covered life, accident, health or annuity policy, plan or contract are not protected by SCLAHIGA if:

- They are eligible for protection under the laws of another state (This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.);
- The insurer was not authorized to do business in this state; or
- They acquired rights to receive payments through a structured settlement factoring agreement.

SCLAHIGA also does not provide coverage for:

- A portion of a policy or contract or part thereof not guaranteed by the member insurer, or under which the risk is borne by the policy or contract owner;
- A policy or contract of reinsurance, unless assumption certificates have been issued;
- Interest rate or crediting rate yields or similar factors employed in calculating value changes that exceed an average rate;
- Any policy or contract issued by assessment mutuals, fraternal, and nonprofit hospital and medical service plans;
- Benefits payable by an employer, association or other person under: (a) a multiple employer welfare arrangement; (b) a minimum premium group insurance plan; (c) a stop-loss group insurance plan; or (d) an administrative services contract;
- A portion of a policy or contract to the extent that it provides for (a) dividends or experience rating credits; (b) voting rights; or (c) payment of any fees or allowances to any person, including the policy or contract owner, in connection with the service to or administration of the policy or contract;
- A portion of a policy or contract to the extent that the assessments required by Section 38-29-80 with respect to the policy or contract are preempted by federal or state law;
- An obligation that does not arise under the express written terms of the policy or contract issued by the member insurer to the enrollee, certificate holder, contract owner or policy owner, including without limitation: (a) Claims based on marketing materials; (b) Claims based on side letters, riders or other documents that were issued by the member insurer without meeting applicable policy or contract form filing or approval requirements; (c) Misrepresentations of or regarding policy or contract benefits; (d) Extra-contractual claims; or (e) A claim for penalties or consequential or incidental damages;
- An unallocated annuity contract;
- A policy or contract providing any hospital, medical, prescription drug or other health care benefits pursuant to Medicare Part C or D or Medicaid; or
- Interest or other changes in value to be determined by the use of an index or other external references but which have not been credited to the policy or contract or as to which the policy or contract owner's rights are subject to forfeiture, as of the date the member insurer becomes an impaired or insolvent insurer, whichever is earlier.

#### **LIMITS ON AMOUNTS OF COVERAGE**

The South Carolina Life and Accident and Health Insurance Guaranty Association Act also limits the amount that SCLAHIGA is obligated to pay for covered claims. The benefits for which SCLAHIGA may become liable shall in no event exceed the lesser of the following:

- (i) With respect to one life, regardless of the number of policies or contracts:
  - \$300,000 in life insurance death benefits, or not more than \$300,000 in net cash surrender and net cash withdrawal values for life insurance;
  - For health insurance benefits: (a) \$300,000 for coverages not defined as disability income insurance or health benefit plans or long-term care insurance, including any net cash surrender and net cash withdrawal values; (b) \$300,000 for disability income insurance; (c) \$300,000 for long-term care insurance; (d) \$500,000 for health benefit plans; or
  - \$300,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values;
- (ii) With respect to each payee of a structured settlement annuity or beneficiary if the payee is deceased, \$300,000 in present value annuity benefits, in the aggregate, including net cash surrender and net cash withdrawal values, if any,
- (iii) The association is not obligated to cover more than an aggregate of \$300,000 in benefits with respect to any one life except with respect to benefits for health benefit plans, in which case the aggregate liability of the association shall not exceed \$500,000 with respect to any one individual or with respect to one owner of multiple nongroup policies of life insurance, whether the policy or contract owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, more than \$5,000,000 in benefits, regardless of the number of policies and contracts held by the owner;
- (iv) The limitations on the benefits for which the association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer attributable to covered policies. The costs of the association's obligations may be met by the use of assets attributable to covered policies or reimbursed to the association pursuant to its subrogation and assignment rights;
- (v) Benefits provided by a long-term care rider to a life insurance policy or annuity contract are considered the same type of benefits as the base life insurance policy or annuity contract to which it relates.

# STANDARD INSURANCE COMPANY

A Stock Life Insurance Company  
900 SW Fifth Avenue  
Portland, Oregon 97204-1282  
(503) 321-7000

## GROUP HOSPITAL INDEMNITY INSURANCE POLICY

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Policyholder:	Berkeley County School District
Group Policy Number:	174525-B
Group Policy Effective Date:	January 1, 2026
State of Issue:	South Carolina

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The consideration for this Group Policy is the application of the Policyholder and the payment by the Policyholder of premiums as provided herein.

Subject to **The Group Policy** and **Premium Payment** sections, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Eligibility, Premium Rates, and Participation Requirement** and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

All provisions on this and the following pages are part of this Group Policy. "You" and "your" mean the Member. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized. Section and provision headings, and references to them, appear in boldface type.

The Group Policy is a legal contract between the Policyholder and us. Please read the Group Policy carefully.

**THIS IS A LIMITED BENEFIT POLICY THAT PROVIDES HOSPITAL INDEMNITY BENEFITS. THIS POLICY DOES NOT PROVIDE COMPREHENSIVE HEALTH INSURANCE COVERAGE. IT IS NOT INTENDED TO SATISFY THE INDIVIDUAL MANDATE OF THE AFFORDABLE CARE ACT (ACA) OR PROVIDE THE MINIMUM ESSENTIAL COVERAGE REQUIRED BY THE ACA (OFTEN REFERRED TO AS "MAJOR MEDICAL COVERAGE"). IT DOES NOT PROVIDE COVERAGE FOR HOSPITAL, MEDICAL, SURGICAL OR MAJOR MEDICAL EXPENSES.**


**THIS LIMITED BENEFIT POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. FOR MEMBERS ELIGIBLE FOR MEDICARE, REVIEW "THE GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE" AVAILABLE FROM US.**

STANDARD INSURANCE COMPANY

By



President and CEO



Corporate Secretary

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## ELIGIBILITY, PREMIUM RATES, AND PARTICIPATION REQUIREMENT

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### Eligibility

Employer(s): Berkeley County School District  
Eligible Class(es): All Members

### Premium Rates and Renewals

	Low	Medium	High
Member only:	\$263.16	\$337.08	\$387.36
Member and Spouse only:	\$451.68	\$577.20	\$734.04
Member and Child only:	\$373.92	\$477.24	\$584.40
Member and Dependents:	\$663.84	\$848.88	\$930.60
Premium Due Date:	January 1, 2026 and the first day of each calendar month thereafter.		
Initial Rate Guarantee Period:	01/01/2026 to 01/01/2029		
Grace Period:	60 days from Premium Due Date.		
Notice of Rate Change:	180 days		
Notice of Termination:	31 days		

### Participation Requirement

Minimum Participation Number: 10 insured Members

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## THE GROUP POLICY

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### **The Group Policy; Entire Contract**

The Group Policy is the entire contract between the Policyholder and us. We will provide benefits according to the terms of the Group Policy.

The Group Policy consists of the following:

- This group hospital indemnity insurance policy issued by us to the Policyholder and identified by the Group Policy Number.
- The Policyholder's attached application.
- Group hospital indemnity insurance certificates with the same Group Policy Number.
- Any amendments to the Group Policy or certificates.

The Policyholder's rights or the rights of any Member will only be affected by provisions that are part of the Group Policy. Only an executive officer of Standard Insurance Company may bind us by making a promise or a representation; or accept a representation that relates to the Group Policy.

### **Changes to the Group Policy**

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. No agent has authority to change the Group Policy, or to waive any of its provision. The Policyholder, an Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups of Members.

### **Incontestability of Group Policy**

Any statement made by the Policyholder to obtain the Group Policy is a representation and not a warranty. No misrepresentation by the Policyholder will be used to deny a claim or to deny the validity of the Group Policy unless all of the following are true:

- The Group Policy would not have been issued if we had known the truth.
- We have given the Policyholder a copy of a written instrument signed by the Policyholder which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years except for nonpayment of premiums or fraudulent misrepresentations.

### **Termination of the Group Policy**

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium.

The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us written notice. The effective date of termination will be the date stated in the notice. If no date is stated in the notice, then the effective date of termination will be the last day of the calendar month for which premium was paid in full.

We may terminate the Group Policy as follows:

- On any Premium Due Date if the number of persons insured is less than the Minimum Participation Number shown in **Eligibility, Premium Rates, and Participation Requirement**.
- On any Premium Due Date if we determine that the Policyholder has failed to promptly furnish any necessary information requested by us, or has failed to perform any other obligations relating to the Group Policy.

The minimum advance Notice of Termination by us is stated in **Eligibility, Premium Rates, and Participation Requirement**.

With respect to a Member who has continued insurance under the **Continuation of Insurance (Portability) for the Member provision** continued coverage will not terminate unless it would otherwise terminate under the terms of the **Continuation of Insurance (Portability) for the Member provision**.

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## PREMIUM PAYMENT

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### Premiums

Each premium is payable on or before its Premium Due Date to us. The premium due on each Premium Due Date is the sum of the premiums for all Members and Dependents then insured. Premium Rates are shown in **Eligibility, Premium Rates, and Participation Requirement**.

The payment of each premium as it becomes due will maintain the Group Policy in force until the next Premium Due Date.

### Contributions from Members

The Policyholder determines the amount, if any, of each Member's contribution toward the cost of insurance under the Group Policy.

### Changes in Premium Rates

We may change Premium Rates whenever:

- A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations.
- Factors material to underwriting the risk we assumed under the Group Policy with respect to an Employer including, but not limited to, number of persons insured, age, gender, and occupational classification, changes by 25% or more.
- The premium contribution arrangement for Members is changed or varies from that stated in the Group Policy when issued or last renewed.
- We and the Policyholder or the Employer mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in **Eligibility, Premium Rates, and Participation Requirement**. Thereafter, except as provided above, we may change Premium Rates upon 180 days advance written notice to the Policyholder. Any such change in Premium Rates may be made effective on any Premium Due Date, but no such change will be made more than once in any contract year. Contract years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

### Premium Adjustments

Premium adjustments involving a return of unearned premiums to the Policyholder will be limited to the 12 months just before the date we receive a request for premium adjustment.

## **Grace Period and Termination For Nonpayment**

If a premium is not paid on or before its Premium Due Date it may be paid during the Grace Period shown in **Eligibility, Premium Rates, and Participation Requirement**. The Group Policy or an Employer's coverage under the Group Policy will remain in force during the Grace Period.

If the premium is not paid during the Grace Period, the Group Policy will terminate automatically at the end of the Grace Period.

The Policyholder is liable for premium for insurance during the Grace Period. We may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after the Grace Period.

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## **GENERAL PROVISIONS**

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### **Certificates**

We will issue a certificate to the Policyholder showing the coverage under the Group Policy. The Policyholder will distribute a certificate to each insured Member.

### **Records and Reports**

The Policyholder will furnish on our forms all information reasonably necessary to administer the Group Policy. We have the right at all reasonable times to inspect the payroll and other records of the Policyholder which relate to insurance under the Group Policy.

### **Agency and Release**

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard Insurance Company. The Policyholder, Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard Insurance Company from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of any of them or their representatives, agents or employees.

### **Notice of Suit**

The Policyholder or Employer shall promptly give us written notice of any lawsuit or other legal proceedings arising under the Group Policy.