

PREMIUM INFORMATION

Since this policy's benefits are tied to Medicare's deductible amounts and its copayment amount and limits, benefit and premium changes are expected to occur each year. In addition, when you applied for your policy; you selected a premium structure in which your renewal premium is based upon your current age at each policy anniversary. This means your renewal premium will increase automatically on each policy anniversary date. This outline of coverage includes the original schedule of premiums. For more information on our right to change your schedule of premium please refer to the **RENEWAL INCLUDING RIGHT TO CHANGE PREMIUM** provision of the policy.

DISCLOSURES

Use this outline to compare benefits and premiums among policies.

READ YOUR POLICY CAREFULLY: This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and Philadelphia American Life Insurance Company. It is important that you **READ YOUR POLICY CAREFULLY!**

RIGHT TO RETURN POLICY: If you are not satisfied, you may return it to the agent from whom the policy was purchased or to the Home Office or Administrative Office. It must be returned within 30 days after you receive it. We will refund your money. Then, the Policy was never in force.

POLICY REPLACEMENT: If you are replacing another health insurance policy or other health coverage do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

NOTICE: This policy may not fully cover all of your medical costs. Neither Philadelphia American Life Insurance Company nor its agents are connected to Medicare. This outline of coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult "Medicare & YOU" for more details.

COMPLETE ANSWERS ARE VERY IMPORTANT: When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information. Review the application carefully before you sign it. Be certain that all information has been properly recorded.

PREEXISTING CONDITIONS: This policy does not pay for expenses during the first six months following the Effective Date if such loss was due to a Preexisting Condition which was not stated on your application. Coverage for a Preexisting Condition which is disclosed on your application or for which we have not requested medical information on the application will be covered from the Effective Date. Charges incurred on or after six months due to such Preexisting Condition will be covered.

REFUND OF PREMIUM: This policy refunds overpayment of premium upon cancellation or death of the insured. The policy refunds unearned premium due to cancellation by the insured, non-cancellation by the insurer.