

## DEFENITIONS

### **A**

**Accident:** shall mean an unexpected, unforeseen and unanticipated event that occurs at a specifically identifiable time and place during the course and scope of employment, and in the furtherance of the business of the Employer, and that may or may not result in a Participant's Injury. (USSIC)

**Accident or Accidental:** An event that (1) was unintended, unanticipated, unforeseen, unplanned and unexpected by you; (2) occurred at a specifically identifiable time and place; (3) occurred by chance or from unknown causes; (4) directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) resulted in physical Injury to a Covered Person; (5) arose out of the Covered Person's Scope of Employment; and (6) occurred during the Policy Period. (Lexington)

**Accidental Bodily Injury:** An injury suffered by the Insured while Actively at Work that is the direct result of an Accident when such Injury is involuntary and is direct and independent of all other causes. (The Peak)

**Accumulation Period:** The maximum period of time, as shown on the Schedule of Benefits, in which Covered Charges under the Accident Medical and Dental Expense Benefit Must be incurred. (GAPP-1)

### **Actively At Work or Active Work:**

The Insured must be:

1. Working for you on a permanent Basis; and
2. Performing the material and substantial duties of the Insured's regular job:
  - a. At Your usual place of business; or
  - b. at a location to which Your business

requires the Insured to travel; or  
c. while traveling between Your usual place of business and a location to which Your business requires the Insured to travel. (The Peak)

**Administrator:** The Company that is servicing the Group Policy on our behalf by performing such functions as certificate issuance, billing, collecting, payment of commissions and claims. (Union Central)

**Aggregate Limit:** The maximum dollar amount stated on the Schedule of Benefits that will be paid by us for all Occurrences during the Policy Period. (Aegis)

### **Aggregate Limit of Liability Per**

**Accident:** For all coverage under the Group Policy for a Participating Employer, the Aggregate Limit of Liability Per Accident is the amount shown in the Schedule of Coverage. This amount applies to all benefits combined, which are payable under the Group Policy to all insured employees of a Participating Employer who sustain Occupational Injuries as the result of any one Accident. If the Aggregate Limit of Liability Per Accident payable for all Insureds of a Participating Employer cannot pay the full amount of each claim, the amount of each claim will be paid in the same portion that it has to the Aggregate Limit of Liability Per Accident. (Union Central)

**Ambulatory Surgical Center:** An institution or facility, either free standing or as part of a Hospital with permanent facilities, equipped and operated for the primary purpose of performing surgical procedures and to which a patient is admitted to and discharged from within a twenty-four (24) hour period. An office maintained by a Physician for the practice of medicine or dentistry, or for the primary purpose of performing terminations of pregnancy, shall not be considered to be considered to be an Ambulatory Surgical Center. (The Peak)

**Application:** The form(s) you filled out, or which were filled out on your behalf, to request coverage under the Policy, including but not limited to the Application for Employer's Primary Indemnity Coverage and the Fax-a-Quote. (Lexington)

**Base Annual Salary:** The amount of compensation to a Covered Person, including overtime, tips and commission as reported to the Internal Revenue Service. For Covered Persons receiving payment by commission, Base Annual Salary shall be the annual earnings over the three-year period immediately preceding the date of loss. For Covered Persons receiving payment by commission that have less than a three year employment history with you, average monthly earnings will be calculated and multiplied by 12 to calculate the Base Annual Salary. The maximum Base Annual Salary that we will recognize for coverage under this Policy is \$60,000, regardless of whether a Covered Person has a Base Annual Salary in excess of this sum. (Lexington)

**Base Annual Earnings:**

- a. The amount of compensation to a Covered Person, excluding overtime, bonuses and commissions for the most recent fifty-two (52) weeks prior to the Occurrence (or the annualized compensation, excluding overtime, bonuses, and commissions, for the entire period of employment, if employed less than fifty-two (52) weeks). For commissioned Employees, Base Annual Earnings shall be the average annual earnings over the most recent three (3) year period or period of employment with you, whichever is shorter, immediately preceding the Occurrence; and
- b. One-third of the annual or annualized total

compensation paid by Policyholder for transportation services to an “Owner Operator.”  
(Aegis)

**Base Weekly Earnings:** Is the Amount of weekly compensation to an Insured, excluding overtime, tips, bonuses and/or commissions. If an Insured is compensated on an hourly basis, Basic Weekly Earnings will be determined by multiplying his hourly wage by 40 hours. If an Insured is compensated on a monthly wage basis, Basic Weekly Earnings will be determined by dividing his monthly wage by 4.33. If an Insured is compensated on an annual salary basis, Basic Weekly Earnings will be determined by dividing his annual wage by 52 weeks. For Insureds who are on commission, Basic Weekly Earnings shall be the average basic weekly earnings with the Participating Employer over the past three years; for Insureds who are on commission who have less than three years service with the Participating Employer, the average basic weekly earnings will be calculated by dividing his annual salary with the Participating Employer by 52 weeks. If employed with the Participating Employer less than one year, the average weekly earnings will be based upon the number of weeks worked. In the absence of credible salary information, the salary determined shall not exceed the National Industry Average, as defined.  
(Union Central)

## B

**Beneficiary:** The person to whom loss of Life Benefits will be paid. (The Peak)

**Bodily Injury or Injury:** A physical Bodily Injury to a Covered Person which: (1) is sustained solely through external, violent and Accidental means; (2) directly (independent of sickness, disease, mental incapacity, bodily infirmity or any cause) causes a covered loss; (3) occurs while the Covered Person is covered under this Policy; and (4) occurs within his or her Scope of Employment or while performing an alternative occupation at the request and direction of the

Named Insured. (Lexington)

**Chiropractic Care:** Chiropractic Care only if prescribed by a designated Provider. (Lexington)

**Claims Administrator:** The Claims Administrator shown in the Declarations. (Lexington)

**Class:** A class of persons the Policyholder has selected to be eligible for coverage under this Policy. Class(es) are shown in the application for this Policy. (Fidelity Security)

**Closely Related Person:** The Insured, the Insured's spouse, child, grandchild, brother, sister or parent or his spouse's child, grandchild, brother, sister or parent. For the purposes of this insurance, "Closely Related Person" includes the Participating Employer, the Insured's spouse's employer and any employee of such employer. (Union Central)

## C

**Combined Coverage Period:** The period of time within which payments must become reimbursable on behalf of a Covered Person. The coverage period begins on the date the Bodily Injury occurred. A separate Combined Coverage Period will start for each Bodily Injury. (Lexington)

**Combined Benefit Amount:** The maximum benefit payable to or on behalf of the Policyholder, Insured if the Insured's Beneficiary for Accidental Death and Dismemberment, Accidental Medical Expense and weekly Accident Indemnity per Accident, subject to the terms, limitations and restrictions of the Policy. The Maximum Combined Benefit Amount is shown on Schedule 1. (The Peak)

**Combined Deductible Amount:** The

Covered Charges that must be paid for each Insured for each covered Accidental Bodily Injury before benefits are payable under this Policy. (The Peak)

**Combined Single Limit:** The maximum amount reimbursable on behalf of a Covered Person for all losses paid for each Accident or Occurrence subject to the terms, limitations and restrictions of the Policy. The maximum Combined Single Limit is shown in the Declarations. (Lexington)

**Contract Labor Census Form:** A form acceptable to Us on which the Policyholder must list any Eligible Person not shown on the TWC Tax Employer's Quarterly Report (Form C-3) filed with the Texas Workforce Commission. (GAPP-1)

**Contractor:** A party that enters into agreement, by written contract or otherwise, to provide services to, or on behalf of, the Policyholder. (GAPP-I)

**Convalescent Nursing Facility:** An institution or distinct part thereof, operated pursuant to law and one which meets all of the following conditions:

- A. It is licensed to provide, and is engaged in providing, on an inpatient basis, for persons convalescing from an injury, professional nursing services rendered by a Nurse to assist patients to reach a degree of body functioning to permit self-care in essential daily living activities;
- B. Its services are provided for compensation from its patients and under the full-time supervision of a Physician or Nurse;
- C. It provides twenty-four (24) hour per day nursing services by licensed Nurses, under the direction of a full-time nurse;
- D. It maintains a complete medical record on each patient;
- E. It has an effective utilization review plan;
- F. It is not, other than incidentally, a place for rest, the aged, drug addicts, alcoholics, mental retardates, custodial or educational care, or care of mental disorders; and

G. It is approved and licensed by Medicare. This term shall apply to expenses incurred in (The Peak)

**Cosmetic Procedure:** A procedure performed solely for the improvement of an Insured's appearance rather than for the improvement or restoration of bodily functions. (The Peak)

**Course and Scope of Employment:** An activity of any kind or character that has to do with and originates in the work, business, trade, or profession of the Insured and that is performed by an Employee while engaged in or about the furtherance of the affairs or business of the Insured. The term includes an activity conducted on the premises of the Insured or at other locations. The term does not include:

- A. transportation to and from the place of employment unless: (1) the transportation is furnished as a part of the contract of employment or is paid for by the Insured; (2) the means of the transportation are under the control of the Insured; or (3) the Employee is directed in the Employee's employment to proceed from one place to another place; or
- B. travel by the Employee in the furtherance of the affairs or business of the Insured if the travel is also in furtherance of personal or private affairs of the Employee unless; (1) the travel to the place of the Accident would have been made even had there been no personal or private affairs of the employee to be furthered by the travel; and (2) the travel would not have been made had there been no affairs or business of the Insured to be furthered by the travel. (GAPP-II)

**Coverage:** Shall mean the benefits for which a covered employee is eligible under this contract. (Philadelphia American)

**Covered Charges:** Charges actually incurred by the Insured for inpatient or outpatient medical care and treatments. (The Peak)

**Covered Class(es):** The class of Covered Persons you have defined to be eligible for coverage

under this Policy. The Covered Class(es) are shown by Classification Codes in the Declarations.  
(Lexington)

**Covered Class(es):** The Class(es) of Employees you have defined to be eligible for coverage under this Policy. The Covered Class(es) are shown on Schedule 1. (The Peak)

**Covered Employee:** Shall mean an employee who is entitled to receive benefits in accordance with the provisions of the contract.  
(Philadelphia American)

**Covered Person:** A person who is employed in your regular business and receives his or her pay on a regular basis by means of a salary or wage directly from you. Covered Person does not include an independent contractor or third-party agent. (Lexington)

**Crew Member:** Any person who has any duties aboard an aircraft. (GAPP-1)

**Cumulative Trauma:** Injury to a Covered Person, occurring within his or her Scope of Employment, and which is caused by the combined effect of repetitive physical activities extending over a period of time. (Lexington)

**Custodial Care:** Care which is administered for assistance (rather than for training or education) of the patient in performing the activities of daily living. Such activities include, but are not limited to, walking, getting in and out of bed, personal hygiene, feeding, preparing special diets and administering medication. Custodial Care also includes non-acute care for comatose, semi-comatose, paralyzed, of mentally incompetent patient. (The Peak)

**Deductible:** The dollar amount, as shown in the Declarations, that you must pay before we will

reimburse you. We will not reimburse you for sums that do not exceed the Deductible amount. (Lexington)

**Disabled or Disability:** (1) Permanent Partial Disability; (2) Permanent Total Disability; (3) Temporary Partial Disability; and (4) Temporary Total Disability. (Lexington)

**Disability Benefit Period:** The maximum period for which Temporary Disability benefits may be paid by us. The Disability Benefit Period is stated on the Schedule of Benefits. (Aegis)

**Disease:** A condition that is a pronounced deviation from the normal health state or normal pregnancy of the Covered Person. (Aegis)

**Dispatch:** The time during which the “Owner Operator” or employee of an “Owner Operator” is engaged in the performance of any activity that has to do with such person’s work providing transportation services under contract of hire with the Policyholder, including while operating the vehicle transporting for the Policyholder, while en route to picking up a load for Policyholder, or loading or unloading a load for Policyholder. (Aegis)

## D

**Eligible Charges:** Shall mean charges for services and supplies which are:

1. Listed as an eligible charge.
2. Medically necessary
3. For which the covered employee would have a legal responsibility to pay in the absence of third party reimbursement. (Philadelphia American)

**Eligible Person:** A person, Actively at Work for the Policyholder, who is a member of an Eligible Class, defined on the Schedule of Benefits. A Contractor, or an employee of a Contractor, may be an Eligible Person. A sub-contractor of the Contractor (or an employee thereof) can never be an Eligible Person. All Eligible Persons must be identified by the Policyholder or Contractor on either: (1) the most recent TWC Tax Employer's Quarterly Report (Form C-3) filed with the Texas Workforce Commission or (2) the most recent Contract Labor Census form. (GAPP-I)

**Eligible Medical Expense:** Those charges Incurred by a Covered Person to treat an Occupational Injury, Occupational Disease, or Cumulative Trauma which occurs during the Policy Period. Eligible Medical Expenses are the actual charges (but not more than the Usual, Customary, and Reasonable charge) incurred for medical aid, medical rehabilitations, and medical services, if the treatment is Medically Necessary, including the following:

- a. medical, surgical, Chiropractic Care, podiatric, dental, nursing, and physical therapy services provided by or at the direction of a Provider;
- b. physical rehabilitation services performed by a licensed occupational therapist provided by or at the direction of a Provider;
- c. services of a Hospital of skilled nursing facility;
- d. prescription drugs, medicines, and other remedies;
- e. medical and surgical supplies, appliances, braces, artificial members, and prostheses, including training in their use. (Aegis)

## **E**

**Elimination Period:** The number of days after the Accidental Bodily Injury has been suffered and the Insured is Totally Disabled, but for which no benefits are payable. (The Peak)

**Emergency Care:** Bona fide emergency

services provided after the sudden onset of a medical condition resulting from an Injury manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably expect to result in: (1) placing the patient's health in serious jeopardy; (2) serious impairment to bodily function; or (3) serious dysfunction of a bodily organ or part. (GAPP-1)

**Employee:** Is a person directly employed by you, whose salary is paid directly by you, and whose salary is subject to all applicable state and federal income taxes. An Employee does not include sub-contractors or independent contractors, whether they are employed by you on an occasional part-time or full-time basis. (The Peak)

**Employee:** A person who is in one of the Covered Classes and, at the time of the Occurrence, is employed in the regular business of, is under the direction and control of, and receives his pay on a regular basis by means of a salary or wage directly from the Policyholder. Employee does not include an owner operator, independent contractor, subcontractor, day laborer, or third-party agent. Employee includes only those persons who, at your direction, work in Texas on your regular business, including those Employees working temporarily outside the State of Texas but under your direction and control, and in your regular business. (Aegis)

**Employee:** An employee who works less than 30 hours per week is considered part-time. (Philadelphia American)

**Employment Waiting Period:** The period of time, as shown on the Schedule of Benefits, the Eligible Person must be Actively at Work before such person is eligible to be an Insured. (GAPP-1)

**ERISA Plan or Plan:** The named Insured's Covered Person welfare benefit plan to the extent it provides benefits to Covered Persons for bodily Injury occurring within the Covered

Person's Scope of Employment. The Company must be notified in writing within 31 days of any and all amendments to the Plan. The acceptance of all changes by the Company must be in writing. If the Company is not so notified, or if the Plan changes or Plan amendments are not approved by the Company, this Policy will provide coverage based on the Plan prior to such change. (Lexington)

**Experimental Treatment:** Treatment provided when: (1) the treatment is not recognized or used by a majority of Physicians in the same area; (2) a facility is not recognized as being able to properly perform the treatment; or (3) the treatment is not considered to be effective for the Occupational Injury. We will make Our determination of whether or not treatment received is experimental based on information and positions developed by the American Medical Association, the Federal Drug Administration, the Council of Medical Specialty Societies, the National Institute of Health, the State Medical Association, or other similar organizations. (Union Central)

**Extended Care Facility:** An institution, or a distinct part of an institution, which:

- A. Is licensed as a Hospital, Extended Care Facility or rehabilitation facility by the state in which it operates.
- B. Is regularly engaged in providing twenty-four (24) hour skilled nursing care under the regular supervision of a Physician and the direct supervision of a Registered nurse.
- C. Maintains a daily record on each patient.
- D. Has an effective utilization review plan.
- E. Provides each patient with a planned program of observation prescribed by a Physician; and
- F. Provides each patient with active treatment. (The Peak)

## **Functional Capacity**

### **Examination:**

A test performed by a physical therapy professional to evaluate and estimate physical limitations.

(Lexington)

**Fungal Pathogens:** Any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols (Aegis)

**Home Health Care Agency:** A public or private agency or organization that specializes in providing medical care and treatment in the home. Such a provider must meet all of the following conditions:

A: It is primarily engaged in and duly licensed, if such licensing is required, by the appropriate licensing authority to provide skilled nursing services and other therapeutic services;

B: It has policies established by a professional group associated with the agency or organization. This professional group must include at least one (1) Physician and at least one (1) registered graduate Nurse to govern the services provided and it must provide for full-time supervision of such services by a Physician or registered graduate Nurse;

C: It maintains a complete medical record on each individual; and

D: It has a full-time Administrator. (The Peak)

**Home Health Care Plan:** A program for continued care and treatment of the insured established and approved in writing by the insured's attending Physician within seven (7) days following termination of a Hospital confinement as a resident patient, and is for the same or related condition for which (s) he was hospitalized. The attending

Physician must certify that the proper treatment of the Injury would require continued confinement as a resident Inpatient in a Hospital in the absence of the services and supplies provided as part of the Home Health Care Plan. (The Peak)

**F**

**H**

**Hospital:** A facility that: (1) is operated according to law for the care and treatment of injured people; (2) has organized facilities for diagnosis and surgery on its premises or in facilities available to it on a prearranged basis; (3) has 24 hour nursing service by registered nurses (RNs); and (4) is supervised by one or more Physicians. A Hospital does not include: (1) a nursing, convalescent or geriatric unit of a Hospital when a patient is confined mainly to receive nursing care; (2) a facility that is, other than incidentally, a rest home, nursing home, convalescent home or home for the aged; nor does it include any ward, room, wing, or other section of the Hospital that is used for such purposes; or (3) any military or veterans Hospital or soldiers home or any Hospital contracted for or operated by any national government or government agency for the treatment of members or ex-members of the armed forces. (Lexington)

**Hospital Intensive Care:**

Confinement in that section or portion of a Hospital established for critically injured persons, Which has full-time nurses or other skilled Hospital employees in constant attendance; equipment for treating the critically injured person, and direct supervision of a full-time Physician or intensive care committee of the medical staff. (GAPP-1)

**Immediate Family Member:** A person who is related to the Covered Person in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent) brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild). (Lexington)

**Incurred:** The date on which a medical procedure, service or supply is provided to a Covered Person for treatment of an Occupational Injury, or, an Occupational Disease, or Cumulative Trauma. (Aegis)

## I

**Incurred Expenses:** Those services and supplies tendered to an Insured. Such expenses shall be considered to have occurred at the time or date the services or supplies are actually provided. (The Peak)

**Injury, Injuries:** Bodily injury to an Insured which: (1) is sustained solely due to an Accident; and (2) occurs while the Insured is covered under this Policy; and, if the Policy is provided as Occupational Coverage Only (as Shown on the Schedule of Benefits), (3) arises solely out of or in the course of the Insured's regular occupation or performing an alternative occupation at the request and direction of the Policyholder. (GAPP-I)

**Inpatient:** Refers to the classification of Insured, which is admitted to a Hospital, Hospice or Convalescent Nursing Facility for treatment, and charges are made for room and board to the Insured as a result of such treatment. (The Peak)

**Inpatient Services:** Services which include: (1) Hospital room and board, but not more than the average semi-private room rate charged by the Hospital for each day of Hospital confinement,

except that for Hospital Intensive Care, not more than twice the average semi-private room rate charged by the Hospital for each day of such confinement and for not more than a maximum of 15 days for all Injuries due to any one Accident; and (2) medically Necessary Hospital services and supplies used for the care and treatment of Inpatients. This does not include personal comfort services such as radio, television, telephone, barber and beauty services. (GAPP-1)

**Insured:** A person eligible for coverage under the Policy and for whom We have accepted premium. (The Peak)

**Intensive Care Unit:** A section, ward or wing within the Hospital which is separated from other facilities and:

A: Is operated exclusively for the purpose of providing professional medical treatment for critically ill or critically injured patients;

B: Has special supplies and equipment necessary for such medical treatment available on a standby basis for immediate use; and

C: Provides constant observation and treatment by Nurse or other highly trained Hospital personnel. (The Peak)

**Intermediate Care Unit:** A unit of the Hospital which is a separate and distinct area providing special care, continuous observation, concentration of special lifesaving equipment immediately available for patients who are no longer in critical condition but who are still in serious or guarded condition and need more care than is available in the regular care area and less than is provided in the Intensive Care Unit. (Union Central)

**Intoxicated:** the state in which an Insured will be presumed if the level of alcohol in his blood meets or exceeds the amount at which a person is presumed to be under the influence of alcohol or intoxicating substance under the law of the locale in which the injury occurs. (GAPP-1)

**Loss of Use:** With regard to foot or hand means the total loss of the ability to perform each and every act and service the foot or hand was able to perform prior to the Occurrence. Loss of Use must commence within 365 days of the date of the Occurrence and continue without interruption for a period of not less than 365 consecutive days. Loss of Use must be total and irrevocable and beyond remedy by surgical or other means. (Aegis)

**Manifest:** When an Occupational Disease is reasonably capable of diagnosis by a Physician or, in the option of the Physician, the Covered Person Could reasonably be expected to be aware of its existence. (Lexington)

## M

## L

**Masculine Gender:** Classification used throughout the Group Policy to include masculine and feminine genders. (Union Central)

**Maximum Weekly Benefit:** The Maximum Wage Benefit for temporary Disability Benefits stated in the Schedule of Benefits per week. (Aegis)

**Medical Expense:** An expense incurred by a Covered Person as a result of Bodily Injury due to an Accident or Occurrence and paid by you for medical or dental services, procedures or supplies, provided the expense is Medically Necessary, Usual and Customary and prescribed by a Physician acting within the scope of his or her license. (Lexington)

## **Medical Expense Benefit Period:**

The period during which the Eligible Medical Expense must be Incurred by the Covered Person, and begins on the date of occurrence. The Medical Expense Benefit Period is stated on the Schedule of Benefits. (Aegis)

## **Medically Necessary:** Medical

Services, Procedures or supplies that are:

1. Required, recognized and commonly accepted nationally by Physicians as the usual, customary and effective means of diagnosing or treating the condition;
2. The most economical supplies or levels of service that are appropriate and available for the safe and effective treatment of the Covered Person; and
3. Not primarily for the convenience of the Covered Person, the Covered Person's family of the Covered Person's Physician or other Provider of medical services, supplies or procedures.

NOTE: Even if the service, supply or procedure is Medically Necessary, we will not reimburse you for any service, procedure or supply otherwise excluded by any condition, exclusion or definition in this Policy. (Lexington)

**Medicare:** The Health Insurance for the Aged Act, Title XCIII of the United States Social Security Amendments of 1965, as then constituted or later amended. (The Peak)

## **Minor Emergency Medical**

### **Clinic:**

A freestanding facility which is engaged primarily in providing minor emergency and episodic medical care to an Insured. A board-certified Physician, a registered Nurse, and a registered X-ray technician must be in attendance at all times that the clinic is open. The clinic facilities must include X-ray and laboratory equipment and a life support system. For the purposes of this Policy, a clinic otherwise meeting these requirements but is, in any way, part of a regular Hospital shall be excluded from the terms of this definition. (The Peak)

**Named Insured:** The employer whose name and address are stated in the Declarations, provided that for coverage purposes, the following shall apply:

1. If the Named Insured is an individual, then he or she is a Named Insured, but only with respect to the conduct of a business of which the Named Insured is the sole owner.
2. If the Named Insured is a partnership or a joint venture then members and partners are also Named Insured, but only with respect to the conduct of the partnership's or joint venture's business.
3. If the Named Insured is a corporation, only the corporation is the Named Insured. Officers, directors and shareholders are deemed to be Named Insureds for their actions on behalf of the corporate Named Insured, but only with respect to the conduct of the business or businesses of the corporate Named Insured. (Lexington)

**National Industry Average:** With respect to Basic Earnings, National Industry Average means the United States Department of Labor, Bureau of Labor Statistics' Employment and Wages Annual Averages, Bulletin 2373, Latest Edition, Table 5, Private Industry by State and 4 Digit SIC Industry, Reporting Units. (Union Central)

**New Coverage:** Either: (1) a newly acquired benefit under this Policy; or (2) an increase in the amount of an in-force benefit. (GAPP-1)

## N

**Non-Preferred Provider:** A Licensed provider of medical services who is not under agreement with the Administrator to provide those services. (GAPP-1)

**Nurse:** A registered Nurse (R.N.); Licensed

Practical Nurse (LPN); Licensed Vocational Nurse (LVN); or, a person licensed in the state in which the nursing or health care service was performed, practicing within the scope of such license. (Aegis)

## **Occupational Accident**

**Coverage:** Coverage provided for Accidental Death & Dismemberment (Section II.A), Medical Expense (Section II. B), Weekly Indemnity (Section II. C).  
(Lexington)

**Occupational Assessment:** A test of vocational capabilities. The process includes a review of medical records, Injury and treatment, history and background (education, military, previous occupation(s)), evaluation of basic skills such as reading, spelling and/or math capabilities, and vocational alternatives. (Lexington)

**Occupational Classification:** An Employee's classification which most closely describes the duties he performs for the Participating Employer. (Union Central)

**Occupational Disease or Disease:**  
A disease arising solely and independently out of a Covered Person's assigned duties in his or her Scope of Employment which causes damage or harm to the physical structure of the body. Occupational Disease includes other diseases or infections that naturally result from the work-related disease. Occupational Disease does not include: (1) ordinary disease of life to which the general public is exposed; or (2) a disease resulting from an Accident. (Lexington)

# **O**

**Occupational Injury or Injury:**  
An identifiable physical to, or death of, a Covered

Person caused by an Accident during the Scope of Employment. Occupational Injury does not include Disease, Occupational Disease, or Cumulative Trauma. (Aegis)

**Occupational Therapy:** Treatment of physically disabled person by means of constructive activities designed and adopted to promote the restoration of the person's ability to satisfactorily accomplish the ordinary tasks of daily living and those required by the person's particular occupational role. (Union Central)

**Occurrence:** An Accident or series of Accidents arising out of one event or incident. (Lexington)

**Orthotic Appliance:** An external device intended to correct any defect in form or function of the human body. (The Peak)

**Outpatient:** Refers to the insured who receives medical care, treatment, services or supplies at a clinic, a Physician's office, or at a Hospital, if not registered bed patient at that Hospital. (The Peak)

**Outpatient Services:** Services that are received at a Hospital, clinic or doctor's office by a person without such person being an Inpatient. (GAPP-1)

**Owner Operator:** A non-employee of the Policyholder who, under the contract of hire, performs transportation services for the Policyholder as a motor carrier. An "Owner Operator" is not an "Owner Operator" for purposes of this Policy when not providing transportation services to Policyholder. Nothing in this Policy shall be construed to make the "Owner Operator," or the Owner Operator's employees, employees of Policyholder. (Aegis)

## **Partial Disability/Partially**

**Disabled:** The Insured's inability to perform one or more, but not all, of the essential duties of his or her occupation. (The Peak)

**Participating Employer:** An employer who has subscribed to the Trust and made written application for insurance under the Group Policy for its employees and who has been approved for coverage under the Group Policy. (Union Central)

**Payroll:** The total compensation (as will be declared for Federal Tax Filings) paid by the Insured to the Insured's Employees, including all clerical workers and executive officers covered by this Policy during the Policy Period. For computation of premium purposes, the term Payroll shall not include overtime. The maximum compensation for any one Employee for premium computation purposes is limited to One Hundred and fifty Thousand Dollars (\$150,000.00) (GAPP-II)

**Payroll - Weekly Earnings:** Base Annual Earnings divided by 52. (The Peak)

**Payroll - Base Annual Salary:** The amount of compensation to a Covered Person, including overtime, tips and commission as reported to the Internal Revenue Service. For Covered Persons receiving payment by commission, Base Annual Salary shall be the annual earnings over the three-year period immediately preceding the date of loss. For Covered Persons receiving payment by commission that have less than a three year employment history with you, average monthly earnings will be calculated and multiplied by 12 to calculate the Base Annual Salary. The maximum Base Annual Salary that we will recognize for

coverage under this Policy is \$60,000, regardless of whether a Covered Person has a Base Annual Salary in excess of this sum. (Lexington)

## **P**

### **Payroll - Base Annual Earnings:**

- a. The amount of compensation to a Covered Person, excluding overtime, bonuses and commissions for the most recent fifty-two (52) weeks prior to the Occurrence (or the annualized compensation, excluding overtime, bonuses, and commissions, for the entire period of employment, if employed less than fifty-two (52) weeks). For commissioned Employees, Base Annual Earnings shall be the average annual earnings over the most recent three (3) year period or period of employment with you, whichever is shorter, immediately preceding the Occurrence; and
  - b. One-third of the annual or annualized total compensation paid by Policyholder for transportation services to an "Owner Operator."
- (Aegis)

### **Payroll - Base Weekly Earnings:**

Is the Amount of weekly compensation to an Insured, excluding overtime, tips, bonuses and/or commissions. If an Insured is compensated on an hourly basis, Basic Weekly Earnings will be determined by multiplying his hourly wage by 40 hours. If an Insured is compensated on a monthly wage basis, Basic Weekly Earnings will be determined by dividing his monthly wage by 4.33. If an Insured is compensated on an annual salary basis, Basic Weekly Earnings will be determined by dividing his annual wage by 52 weeks. For Insureds who are on commission, Basic Weekly Earnings shall be the average basic weekly earnings with the Participating Employer over the past three years; for Insureds who are on commission who have less than three years service with the Participating Employer, the average basic weekly earnings will be calculated by dividing his annual salary with the Participating Employer by 52 weeks. If employed with the

Participating Employer less than one year, the average weekly earnings will be based upon the number of weeks worked. In the absence of credible salary information, the salary determined shall not exceed the National Industry Average, as defined. (Union Central)

**Periods(s) of Total Disability:** The Period of time the Insured is continuously Totally Disabled. New periods must be separated by return to Active Work for at least: (1) two weeks in a row, if due to the same or related causes; or (2) one day, if due to different causes. (GAPP-1)

**Permanent Basis:** When used in reference to Actively at Work or Active Work shall mean anyone who is on-the Policyholder's payroll and is being reported by the Policyholder as an employee for the purposes of state and federal income taxes. (The Peak)

**Permanent Partial Disability:** The permanent loss of physical function or anatomical loss of use of a body part which is attributable to a work-related Injury suffered by a Covered Person and substantiated by a diagnosis from a Physician, which prevents the Covered Person from performing the duties of any occupation for which he or she is qualified by reason of education, training or experience. (Lexington)

**Permanent Total Disability:** The complete, permanent and absolute inability, substantiated by a diagnosis from a Physician, of a Covered Person from performing the duties of any occupation for which he or she is qualified by reason of education, training or experience. Such condition must be due to work-related Injury. (Lexington)

**Physician:** A licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the Covered Person; or (2) an Immediate Family Member; or (3) a practitioner retained by the Named Insured. (Lexington)

**Plan Benefits:** Those benefits payable under the terms of the Plan and actually paid by Named Insured. This Policy indemnifies or reimburses for Plan Benefits only to the extent provided in this Policy.

(Lexington)

**Policy:** This Policy, Which has been issued by the Company, and delivered to the Named Insured. The term Policy includes the quote sheets, Application and any attached riders, endorsements or amendments and any other attached papers.

(Lexington)

**Policy Period:** The Policy Period shown in the Declarations. (GAPP-II)

**Policyholder:** The legal entity to which the Policy is issued and named on the first page of the Policy. It is also referred to as You, Your or Yours.

(The Peak)

**Pollution related Disease:** Any systematic disease due to hypersensitivity disorder or atopic disease, other than those directly caused from acute allergic reactions. (The Peak)

**Pre-Admission Certification:** A program whereby prior to incurring Covered Charges due to Hospital admission (other than an admission for Emergency Care), the Insured or his Physician must obtain authorization to incur such charges from the Administrator. (GAPP-1)

### **Pre-Certification or Pre-Approval:**

A program whereby prior to incurring /Covered Charges due to Hospital admission (other than an admission of emergency care), physical therapy, MRI, CAT Scan, Sonogram, and other such testing, the Named Insured or the designated Provider will obtain authorization from the authorized Claims Administrator. (Lexington)

**Pre-Existing Condition:** Any Injury,

Disease or condition for which, during the three months before coverage began, a Covered Person for such Injury. Disease or condition was examined or treated by a licensed health care practitioner acting within the scope of his or her license, took medications or received any other medical care, treatment or advice or where a Covered Person manifested such symptoms such that the Injury. Disease or condition was reasonably capable of diagnosis by a health care practitioner or in the opinion of the health care practitioner the Covered Person could reasonably have been expected to be aware of its existence. (Lexington)

**Preferred Provider:** A licensed provider of medical services who is under agreement with the Administrator to provide those services. (GAPP 1)

**Premium Due Date:** The day of the month coinciding with the Policy Effective Date indicated on the Policy face page. (The Peak)

**Provider:** Any health care provider designated or approved by the Company to administer medical treatment, for which payment or reimbursement is authorized under the Plan. (Lexington)

**Professional Nurse:** Shall mean:

1. Registered Nurse (R.N); or
2. Licensed Practical Nurse (L.P.N.); or
3. Licensed Vocational Nurse (L.V.N.); or
4. Any other nurse whose services are required to be covered by the State of issue of this contract; who is currently licensed in the state on which the service was performed and was practicing within the scope of such license. (Philadelphia American)

**Prosthesis:** Shall mean any device by which the performance of a natural body function is aided or augmented and:

1. Its use must be for the sole and specific purpose of treating the injury present; and
2. It must be of such medically necessary type that the same results cannot be obtained through other

means not requiring the prosthesis; and  
3. In the case of special wearing apparel, on recommendation and/or prescription of a physician, the same or equally effective item of wearing apparel must not be obtainable in the absence of a physician's recommendation and/or prescription; and

4. It must not be excluded elsewhere in this contract; and

5. It must not be of general use in aiding the health or comfort of the average person.

The company reserves the right to determine whether the purchase or rental will be applicable, whichever is more economical. (Philadelphia American)

**Recurrent Loss(es):** Loss(es) for which an Insured receives medical treatment, including prescriptions, or experiences a period of disability that commences after treatment or disability for which any benefits were payable under this Policy and are considered to be the continuation of the prior period of treatment or disability unless:

A. The periods of treatment or disability are separated by an interval during which the Insured received no treatment and during which interval the Employee performed the duties of a gainful occupation with the Policyholder for at least six (6) months, or

B. The periods of treatment or disability or due to entirely unrelated causes. (The Peak)

**Rehabilitation:** Only those procedures that are performed for the purpose of restoring bodily or body function lost as a result of Bodily Injury. (Lexington)

**Room and Board:** Refers to all charges

by whatever name called which are made by a Hospital, Hospice, or Convalescent Nursing Facility as a condition of occupancy. Such charges do not include the professional services of Physicians nor intensive nursing care by whatever name called. (The Peak)

**Scope of Employment:** An activity of any kind or character that involves the furtherance of your business, trade or profession at our regular workplace in furtherance of your business, trade or profession. Scope of Employment does not include a Covered Person's transportation to and from your regular workplace unless:

1. The transportation is furnished as a part of the contract of employment, or is paid for by you, or the means of such transportation are under your control; or

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2. The Covered Person is directed in his or her Scope of Employment to proceed from one place to another place. (Lexington)

## **Social Security Disability**

**Award:** Any Social Security disability benefits claimed by the Insured which have been approved for payment by the Social Security Administration. (GAPP-1)

**Spouse:** The Covered Person's legal Spouse. (Lexington)

**Temporary Partial Disability:** A

non-permanent physical impairment, resulting from a work-related Injury and substantiated by a diagnosis from a Physician, which prevents a Covered Person from fully performing the duties for which he or she is employed by the Named Insured. (Lexington)

**Temporary Total Disability:** A non-permanent physical impairment, resulting from a work-related Injury and substantiated by a diagnosis from a Physician, which prevents a Covered Person from performing the duties of any occupation for which he or she is qualified by reason of education, training or experience. (Lexington)

**Total Disability or Totally Disabled:** During the first twenty-four months of any continuous period of disability, an insured is not able to perform any of the material and substantial duties of the insured's occupation, business or employment which he or she held when the disability began and, for the remainder of any such period of continuous disability, total disability shall mean the Insured is not able to perform any of the duties of any occupation for which he or she is reasonably fitted by education, training or experience. Benefits will not be payable for any period of disability during which the Insured is not under the continuous care of a Physician. (The Peak)

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### **Usual and Customary Charge:**

The usual charge made by a Physician or other provider of services, supplies, medication equipment that does not exceed the general level of charges made by other Providers rendering or furnishing such care or treatment within the same area.

The term "area" means a county or such other area

as is necessary to obtain a representative cross-section of such charges. Due consideration will be given to the nature and severity of the condition being treated and any medical complications or unusual circumstances that require additional time, skill and expertise. (Lexington)

**Waiting Period:** For a Covered Person who becomes Temporarily Disabled while covered under this Policy, the period of time the Covered Person must be continuously Disabled before Disability Benefits are paid under this Policy. The Waiting Period begins on the first day of Temporary Disability, and is stated on the Schedule of Benefits. (Aegis)

**We, Us or Our:** Fidelity Security Life Insurance Company, Kansas City, Missouri. (Fidelity Security)

**Weekly Earnings:** Base Annual Earnings divided by 52. (The Peak)

**Weekly Basic Salary:** Shall mean the weekly basic compensation paid to an employee which does not include:

1. Bonuses;
2. Overtime pay; or
3. Any other extra pay.

To determine the weekly basic salary for an employee:

1. Multiply his basic hourly salary by 40;
2. Divide his monthly basic salary by 4.333; or
3. Divide his annual basic salary by 52;

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if the employee does not list his salary as a weekly amount. (Philadelphia American)

**Written Request:** Any form provided by Us in its entirety, which is completed by the Policyholder or an Insured requesting insurance described in this Policy. (GAPP-1)