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Mutual OF OMAHA

V. J. SKUTT, President

OMAHA, NEBRASKA THE LARGEST EXCLUSIVE HEALTH & ACCIDENT COMPANY IN THE WORLD

March 7, 1960

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President
Government Employees' Health Association, Inc.
c/o Joseph E. Jones Agency
1200-18th St., N.W.
Washington 6, D.C.

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This letter will confirm our understanding that the premium contained in the group insurance contract filed with the United States Civil Service Commission in compliance with the Federal Employees' Health Benefits Act is a gross premium from which the Government will deduct their 4% reserve, and the balance will be forwarded to us as our net premium.

Yours sincerely,

A. W. Randall.

A. W. Randall
Vice President

AWR:mr

MUTUAL OF OMAHA GOLDEN Anniversary 1909 · 1959

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MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION

OMAHA

NEBRASKA

(Hereinafter called the Association)

IN CONSIDERATION of the application of

GOVERNMENT EMPLOYEES HEALTH ASSOCIATION, INC.

(Hereinafter called the Policyholder)

for this policy, copy of which application is attached hereto and made a part hereof, and in consideration of the payment by the Policyholder of the initial premium and of the payment thereafter by the Policyholder, during the continuance of this policy, of all premiums as they become due, as hereinafter provided,

HEREBY INSURES as protected persons members in good standing of the Government Employees Health Association, Inc. who are eligible for health benefits in accordance with the Federal Employees Benefits Act of 1959 and authorized regulations thereunder, and

HEREBY AGREES to pay, with respect to the protected persons insured hereunder, in accordance with and subject to all the terms, conditions and limitations of this policy, the benefits described in the Plan of Insurance selected by the protected person, if and when any such protected person becomes entitled thereto.

The term of this policy begins on the effective date at 12:01 A.M., Standard Time of the place where the main office of the Policyholder is located, from which date and time all policy years and months shall be computed, and ends on the first anniversary thereof, but the policy may be renewed from year to year, as hereinafter provided, upon due payment of premiums.

The provisions set forth on the following pages are a part of this contract as fully as though recited at length over the signatures hereto affixed.

IN WITNESS WHEREOF, MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION has caused this policy to be signed by its President and its Secretary.

W. J. Maginn
Secretary

V. J. Schmitt
President

Form 500MGM

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1. ELIGIBLE PERSONS. The following persons shall be eligible for insurance hereunder: Members in good standing of the Government Employees Health Association, Inc. and who are eligible for health benefits in accordance with the Federal Employees Benefits Act of 1959, and authorized regulations thereunder.

2. PROTECTED PERSONS: A protected person is one who is eligible for insurance, who has made appropriate application therefor, and who is currently paying the required contribution.

Each protected person's insurance shall become effective on the day specified in the Federal Employees Health Benefits Act of 1959 and authorized regulations thereunder.

If a protected person is confined in a hospital on the date such person becomes eligible for insurance hereunder and is eligible for benefits for such confinement under discontinued group policy GMF-1514, such person's insurance shall not become effective until final discharge from the hospital.

If a protected person was not insured under discontinued group policy GMF-1514, such person's insurance shall become effective on the date he becomes eligible hereunder, notwithstanding the fact such person is confined in a hospital; provided, however, that benefits for that period of hospital confinement shall not exceed, in the aggregate, $500.00 if the protected person selects Plan of Insurance No. I and $1,000.00 if the protected person selects Plan of Insurance No. II.

3. AMOUNTS OF COVERAGE. The benefits and amounts for which a protected person is covered under this policy shall be those benefits and amounts shown in the Plan of Insurance which he selects.

4. TERMINATION OF INDIVIDUAL INSURANCE. The insurance of any protected person shall terminate on the date this policy is terminated or on the day specified in the Federal Employees Health Benefits Act of 1959 and authorized regulations thereunder subject to any extensions of coverage or conversion privilege under such Act or regulations.

5. CONVERSION PRIVILEGE. If a protected person ceases to be within the class or classes of persons eligible for insurance under this group policy, such protected person shall be entitled to have issued to him, without furnishing evidence of insurability, an individual policy, or, if the protected person's dependents were also insured under this group policy, a family policy; provided that such protected person makes written application and the first premium payment therefor to the Association within thirty-one days after termination of his insurance under this group policy. The form of the individual or family policy, the coverage thereunder, and all other terms and conditions thereof shall be as provided by the rules of the Association for such individual or family policy at the time of such application. Such individual or family policy may, at the option of the protected person, be guaranteed renewable, except that it may be cancelled for fraud, over-insurance, or nonpayment of premiums. Under the family policy the protected person may include only those of his dependents, excluding any dependent children over age 17, who were insured under this group policy on the date his insurance terminated. Dependent children over age 17 who were insured under this group policy on the date the protected person's insurance terminated shall have the privilege to convert to an individual policy in the same manner and subject to the same rules as apply to the protected person.

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The individual or family policies, if issued, shall become effective on the day the application is signed or on the date of termination of insurance under this group policy, whichever is the later, and any benefits which are payable under this group policy shall be excluded from coverage under the individual or family policy.

Regardless of any provision contained in this conversion privilege, the issuance of any policy described herein shall be subject to all of the rules and regulations of the state in which application is made.

6. CONTINUANCE OF POLICY. This policy may be continued in force for a further term of one year upon the payment, prior to the expiration of the grace period immediately following the anniversary date of the policy, of the premium for the insurance so continued, in accordance with General Provisions 7, 8 and 9 relating to payment of premiums. At least sixty days notice prior to the renewal date must be given to the Association prior to termination by the Policyholder or by the U.S. Civil Service Commission; however, nothing herein shall be construed to prohibit the modification of this policy by mutual agreement of the parties.

7. EXPERIENCE RATING. On the first policy anniversary and upon each premium due date thereafter, providing the then current premium rates have been in effect for at least twelve months, the Association shall have the right to change the premium rates at which further premiums shall be computed, but no increase shall be retroactive.

The Association may, on any anniversary date of this policy, reduce the premium rates for the policy year just completed. Should the Policyholder qualify for any retroactive rate refund, such refund shall be made at the end of each contract period.

8. PAYMENT OF PREMIUMS. The premium for this policy shall be calculated as follows:

Benefits described in Plan of Insurance No. I
Protected Person.....$1.48
Protected Person and one
or more Dependents.....$4.06

Benefits described in Plan of Insurance No. II
Protected Person.....$1.62
Protected Person and one
or more Dependents.....$6.47

The initial bi-weekly premium shall be due on the 1st day of July, 1960 (herein called the effective date). Subsequent premium shall be payable biweekly in advance thereafter during the continuance of this policy. The premium due on the effective date hereof and on each subsequent due date shall be the sum of the individual premiums of each protected person determined according to his respective benefits and his classification at the time the premium is due.

All premiums or installments thereof are due and payable in advance at the Home Office of the Association in Omaha, Nebraska, or to a designated agent on or before the due date. Premiums may be paid **bi-weekly at the Association's rates** therefor. The payment of any premium or installment thereof shall not maintain the policy in force beyond the due date of the next premium or installment, except to the extent hereinafter expressly provided. The Association operates on the full legal reserve basis and the contingent mutual liability hereunder shall not exceed one additional premium in the amount of the premium required herefor.

9. **GRACE IN PAYMENT OF PREMIUMS—TERMINATION OF POLICY.** A grace period of thirty-one days will be granted to the Policyholder for the payment of every premium due after the initial premium during which time this policy shall remain in force, unless the Policyholder or the Association shall have given previous notice that the policy is to be terminated as of the due date of such premium in which event no grace period will be allowed.

If such notice is not given and the premium is not paid before the expiration of the grace period, this policy may be terminated by the Association by mailing to the Policyholder written notice stating when, not less than five days thereafter, such termination shall be effective. In the event of such notice, or if written notice is given by the Policyholder to the Association during the grace period that the policy is to be terminated, the Policyholder shall be liable to the Association for the pro rata premium for the period from the due date of such premium to the date of such termination.

The mailing of notice as aforesaid shall be sufficient proof of notice and shall terminate the policy as of the date stated in the notice. Delivery of such written notice whether by the Policyholder or the Association shall be equivalent to mailing.

10. **POLICY CONTRACT**. This policy and the application therefor together with the individual applications, if any, of the protected persons, constitute the entire contract between the parties hereto. No change or modification may be made nor the date of payment of any premium changed except by agreement in writing signed by an officer of the Association, and the Association shall not be bound by any promise or representation affecting this contract made at any time by any person other than an officer of the Association. All statements made by the Policyholder and the protected persons shall be deemed representations and not warranties and no such statement shall avoid this policy unless it is contained in the written application therefor, a copy of which is attached hereto.

11. **RECORDS—INFORMATION TO BE FURNISHED**. The Policyholder shall keep a record of the protected persons, containing the essential particulars of the insurance of each such person. The Policyholder shall furnish monthly, on the Association's forms such information relating to new protected persons, adjustments because of changes in classification and termination of insurance as may be required by the Association to properly administer this insurance. The Policyholder's books and records which may have a bearing on the insurance provided under this policy shall be open to the Association for inspection at any time during the policy period and within one year after termination of the policy.

12. **CLERICAL ERROR**. If an eligible person made proper written application for insurance hereunder during the required qualifying period, if any, or within thirty-one days after becoming an eligible person and also made the required contribution, if any, to the Policyholder, but, through clerical error, the Policyholder failed to give due notice thereof to the Association, the insurance to which such eligible person would have been entitled shall nevertheless be effective from the date specified in the first paragraph of General Provision 2 as soon as proper premium remittance to the Association is made.

13. **INDIVIDUAL CERTIFICATE**. The Association will issue to the Policyholder for delivery to each protected person insured hereunder an individual Certificate setting forth a statement as to the insurance benefits to which such protected person is entitled under this policy and to whom such benefits are payable. The certificate shall also set forth the procedure to be followed in making a claim under the policy.

14. **EXCLUSIONS AND LIMITATIONS**. This policy does not cover (a) any disability due to accidental bodily injuries arising out of or in the course of the employment of the protected person or his dependents, if insured, or due to disease covered by a Workmen's Compensation Act or similar legislation, (b) hospitalization or medical or surgical treatment provided by or paid for by the United States government or any instrumentality thereof, or (c) any loss caused by war or any act of war; or loss incurred while engaged in military, naval or air service (upon written notice to the Association of entry into such service, the pro rata unearned premium shall be returned).

DEPENDENT INSURANCE

The benefits for dependents provided under this policy shall be applicable only if the protected person is eligible for, has requested and is insured for such dependent benefits. The benefits and amounts for which a dependent is covered under this policy shall be those benefits and amounts shown in the Plan of Insurance selected by the protected person.

ELIGIBILITY. Eligible dependents shall be those dependents of the protected person who are eligible to be insured under this policy as dependents in accordance with the Federal Employees Health Benefits Act of 1959 and authorized regulations thereunder.

If a dependent is confined in a hospital on the date such dependent becomes eligible for insurance hereunder and is eligible for benefits for such confinement under discontinued group policy GMF-1914, such dependent's insurance shall not become effective until final discharge from the hospital.

If a dependent was not insured under discontinued group policy GMF-1914, such dependent's insurance shall become effective on the date the dependent becomes eligible hereunder, notwithstanding the fact such dependent is confined in a hospital; provided, however, that benefits for that period of hospital confinement shall not exceed, in the aggregate, $500.00 if the protected person selects plan of Insurance No. I and $1,000.00 if the protected person selects plan of Insurance no. II.

EFFECTIVE DATE OF DEPENDENT INSURANCE. A dependent's insurance shall become effective on the day specified in the Federal Employees Health Benefits Act of 1959 and authorized regulations thereunder.

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TERMINATION OF DEPENDENT INSURANCE. The protected person's insurance with respect to any dependent shall terminate on the date this policy is terminated or on the day specified in the Federal Employees Health Benefits Act of 1959, and authorized regulations thereunder subject to any extensions of coverage or conversion privilege under such Act or regulations.

Plan of Insurance No. I

Insurance Benefits for Protected Persons and Dependents

HOSPITAL EXPENSE BENEFITS

Daily Room Limit.....$13.50
Maximum Miscellaneous Hospital
Expense Benefit.....$202.50 plus 80% of balance up to a maximum of $5000.00
Maximum Outpatient Benefit.....$202.50

PART A.
HOSPITAL EXPENSE BENEFITS

HOSPITAL ROOM BENEFIT -- If a protected person or an eligible dependent, because of accidental bodily injuries or sickness, shall be confined as a resident patient in a legally constituted hospital, the Association, provided such hospital confinement commences while the protected person or dependent is insured under this policy, will pay benefits for the expense actually incurred by the protected person for hospital room and board during the period of hospital confinement, but not to exceed the Daily Room Limit per day nor to exceed 90 days for any one period of hospital confinement.

MISCELLANEOUS HOSPITAL EXPENSE BENEFITS -- During the period of hospital confinement for which benefits are paid under the preceding paragraph, the Association will pay for the expense actually incurred by the protected person for all other necessary care and treatment for which the hospital makes a charge (excluding charges made by the protected person's or dependent's nurse or physician) together with the expense actually incurred for regular and customary charges made by

(1) persons other than regular hospital personnel for administration of anesthetic (up to $25.00 for any one period of hospital confinement), and

(2) the ambulance company for transportation to and from the hospital in an ambulance (up to $25.00 for any one period of hospital confinement),

but not to exceed, in the aggregate, the Maximum Miscellaneous Hospital Expense Benefit for all such expense incurred for any one period of hospital confinement.

HOSPITAL OUTPATIENT EXPENSE BENEFITS -- (A) If a protected person or an eligible dependent, while insured under this policy, shall, because of accidental bodily injuries, require emergency outpatient hospital attention within forty-eight hours after the accident, the Association will pay for the expense actually incurred by the protected person, during said forty-eight hours, for care, treatment and services of the type described under MISCELLANEOUS HOSPITAL EXPENSE BENEFITS, but not to exceed, in the aggregate, the Maximum Outpatient Benefit.

(B) In case of hospital confinement of a protected person or an eligible dependent for a surgical operation resulting from accidental bodily injuries or sickness, and for which there is no charge for room and board made by the hospital, the Association, provided such confinement occurs while the protected person or dependent is insured under this policy and further provided that in case of accidental bodily injuries no benefits are payable under paragraph (A), will pay for the expense actually incurred during such confinement for care, treatment and services of the type described under MISCELLANEOUS HOSPITAL EXPENSE BENEFITS, but not to exceed, in the aggregate, the Maximum Outpatient Benefit for all such expense incurred for any one period of hospital confinement.

OUTPATIENT SERVICE IN A RECOGNIZED HOSPITAL OR CLINIC -- If a protected person or an eligible dependent shall, while insured under this policy, receive outpatient services in a hospital or clinic recognized and registered by the American Medical Association in their census of hospitals entitled "Hospital Service in the United States", the Association, providing no benefits are payable under any other provision of this policy, will pay for the expense actually incurred for such service of the type described in the policy under MISCELLANEOUS HOSPITAL EXPENSE BENEFITS, but not to exceed, in the aggregate, the Maximum Outpatient Benefit for any one accident or sickness.

SUCCESSIVE PERIODS OF HOSPITAL CONFINEMENT -- Successive periods of hospital confinement shall be considered one period of hospital confinement unless the subsequent confinement commences after complete recovery from the injuries or sickness causing the previous confinement, or unless the subsequent confinement is due to causes entirely unrelated to the causes of the previous confinement, or in the case of a protected person, unless the subsequent confinement commences after return to active work on full time.

MATERNITY BENEFITS -- If a female protected person or a dependent wife, while insured under this policy, shall become confined in a legally constituted hospital as a result of pregnancy, including resulting childbirth or miscarriage, the Association will pay benefits as follows:

(a) Normal Maternity - the Association will pay benefits up to $10.00 per day during the period of hospital confinement, but not to exceed 8 days for any one pregnancy.
(b) Abnormal Maternity (Caesarean, Termination of Ectopic Pregnancy and Miscarriage) - the Association will pay for the expense actually incurred during the period of hospital confinement for hospital care, treatment and service (of the type described under HOSPITAL ROOM BENEFIT and MISCELLANEOUS HOSPITAL EXPENSE BENEFITS) received by the female protected person or dependent wife in her own behalf, but not to exceed, for any one pregnancy, the limits specified for any one period of hospital confinement under HOSPITAL ROOM BENEFIT and MISCELLANEOUS HOSPITAL EXPENSE BENEFITS.

In case the female protected person or dependent wife is not hospital confined at any time during pregnancy, but is cared for at home by a registered graduate nurse, the Association, provided maternity benefits would have been payable if the protected person or dependent wife was hospital confined, will pay for the expense actually incurred for such nurse's fees, but not to exceed $36.00 for any one pregnancy.

Maternity benefits for female protected persons are not payable unless, in addition to the premium for the protected person, a dependent premium is also paid on her behalf during that period of her pregnancy in which she is among the classes of persons eligible for this insurance.

EXCEPTION -- This HOSPITAL EXPENSE BENEFITS provision does not cover pregnancy, including resulting childbirth or miscarriage, except as provided under MATERNITY BENEFITS. This provision is also subject to the EXCLUSIONS AND LIMITATIONS section of the General Provisions. Further, if a protected person or dependent is eligible for benefits under discontinued policy GMF-1514, the amount payable under this HOSPITAL EXPENSE BENEFITS provision shall be reduced by the amount of hospital benefits payable under such discontinued policy.

PART B.

SURGICAL OPERATION EXPENSE BENEFITS

If a protected person or an eligible dependent, while insured under this policy, shall, because of accidental bodily injuries or sickness, have an operation performed or a dislocation or fracture repaired by a legally qualified physician or surgeon, the Association will pay for the expense actually incurred by the protected person, but not to exceed the Maximum Payment specified for such operation in the following Schedule:

SCHEDULE

	Maximum Payment
ABDOMEN	
Appendectomy, freeing of adhesions or exploration of, or cutting into, the abdominal cavity	$100.00
Removal of, or other operation on gall bladder	150.00
Gastroenterostomy	187.50
Resection of stomach, bowel or rectum	250.00
ABSCESSES. (See Tumors)	
AMPUTATIONS	
Thigh, leg	156.25
Upper arm, forearm, entire hand or foot	125.00
Fingers or toes, each	18.75
BLOOD TRANSFUSION, each	31.25
BREAST	
Removal of benign tumor or cyst requiring hospital confinement	62.50
Simple amputation	125.00
Radical amputation	187.50
CHEST	
Complete thoracoplasty, transthoracic approach to stomach, diaphragm, esophagus, sumpathectomy or laryngectomy	250.00
Removal of lung or portion of lung	250.00
Bronchoscopy, esophagoscopy	50.00
Induction or artificial pneumothorax, initial	31.25
refills, each (nor more than 12)	12.50
CYSTS. (See Tumors)	
DISLOCATION. Reduction of	
Hip, vertebra, ankle-joint, elbow or knee-joint (patella excepted)	43.75
Shoulder	31.25
Lower jaw, collar bone, wrist or patella	18.75
For dislocations requiring an open operation, the maximum amount of payment is 2 times amount indicated.	

	Maximum Payment
EXCISION OR FIXATION BY CUTTING	
Hip-joint	$187.50
Shoulder, knee-joint, semilunar cartilage, elbow, wrist or ankle-joint	125.00
Removal of diseased portion of bone, including curettage (Alveolar processes excepted)	62.50
EAR, NOSE OR THROAT	
Fenestration, one or both sides	250.00
Mastoidectomy, one or both sides	
Simple	125.00
Radical	187.50
Tonsillectomy, adenoidectomy, or both	55.00
Sinus operation by cutting (puncture of antrum excepted)	62.50
Submucous resection of nasal septum	62.50
Tracheotomy	62.50
Any other cutting operation	18.75
EYE	
Operation for detached retina	250.00
Cataract, removal of	187.50
Any other cutting operation into the eyeball (through the cornea or sclera) or cutting operation on eye muscles	125.00
Removal of eyeball	93.75
Any other cutting operation on eyeball	25.00
FRACTURE. Treatment of	
Thigh, vertebra or vertebrae, pelvis, (coccyx excepted)	93.75
Leg, kneecap, upper arm, ankle (Pott's)	62.50
Lower jaw, (Alveolar process excepted) collar,bone, shoulder blade, forearm, wrist (Colles), skull	31.25
Hand, foot	18.75
Fingers or toes, each	12.50
Nose	12.50
Rib or ribs, three or more	31.25
Fewer than three	12.50

	Maximum Payment
FRACTURE. (Continued)	
If counpound fracture, maximum amount of payment is 1½ times amount indicated. If open operation, maximum amount of payment is 2 times amount indicated. (Bone grafting or bone splicing considered as open operation; skeletal traction pin is not so considered.)	
GENITOURINARY TRACT	
Removal of, or cutting into kidney	$250.00
Fixation of kidney	187.50
Removal of tumors or stones in ureter or bladder	
by cutting operation	125.00
by endoscopic means	43.75
Cystoscopy	31.25
Removal of prostate by open operation	187.50
Removal of prostate by endoscopic means	125.00
Circumcision	18.75
Varicocele, hydrocele, orchidectomy or epididymectomy, single	62.50
bilateral	93.75
Hysterectomy	165.00
Other cutting operations on uterus and its appendages with abdominal approach	125.00
Cervix amputation	62.50
Dilatation and curettage (non-puerperal), cervix cauterization or conization, polypectomy, or any combination of these	31.25
Vaginal plastic, operation for cystocele or rectocele	93.75
GOITRE	
Removal of thyroid, subtotal	187.50
Removal of adenoma or benign tumor of thyroid	125.00
HERNIA	
Single hernia	100.00
More than one hernia	140.00
JOINT	
Incision into, tapping excepted	31.25
LIGAMENTS AND TENDONS	
Cutting or transplant, single	62.50
multiple	93.75
Suturing of tendon, single	43.75
multiple	62.50

	Maximum Payment
OBSTETRICAL PROCEDURES	
Delivery of child or children	$ 80.00
Caesarian section	150.00
Abdominal operation for extra-uterine pregnancy	150.00
Miscarriage	50.00
PARACENTESIS	
Tapping	18.75
PILONIDAL CYST OR SINUS	
Removal of	62.50
RECTUM	
Hemorrhoidectomy, external	31.25
Internal or internal and external	62.50
Cutting operation for fissure	31.25
Cutting operation for thrombosed hemorrhoids	18.75
Cutting operation for fistula-in-ano, single	62.50
multiple	93.75
SKULL	
Cutting into cranial cavity (trephine excepted)	250.00
trephine	31.25
SPINE OR SPINAL CORD	
Operation for spinal cord tumor	250.00
Operation with removal of portion of vertebra or vertebrae (except coccyx, transverse or spinous process)	187.50
Removal of part or all of coccyx, or of transverse or spinous process	62.50
TUMORS	
Benign or superficial tumors and cysts or abscesses requiring hospital confinement	31.25
not requiring hospital confinement	12.50
Malignant tumors of face, lip or skin	62.50
VARICOSE VEINS	
Injection treatment, complete procedure, one or both legs	50.00
Cutting operation, complete procedure, one leg	62.50
both legs	93.75

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Conditions:

(a) Any cutting operation not specified in this Schedule will be covered and the Association will determine the amount of payment (based on the amount payable for an operation of similar average severity).

(b) Two or more surgical procedures performed through the same abdominal incision will be considered as one operation (the most expensive surgical procedure shall govern).

(c) Where two or more operations are performed during one period of disability, but not through the same abdominal incision, the amount payable for each shall not exceed the Maximum Payment specified for each and the amount payable in the aggregate shall not exceed the Maximum Payment for the most expensive operation listed in the Schedule.

(d) Benefits for the Obstetrical Procedures specified in this Schedule shall be paid if the procedure is performed while the female protected person or dependent wife is insured under this policy. Obstetrical Benefits for the protected person are not payable unless, in addition to the premium for the protected person, a dependent premium is also paid on her behalf during that period of her pregnancy in which she is among the classes of persons eligible for this insurance.

SUCCESSIVE OPERATIONS -- Successive operations shall be considered to have been performed during one period of disability unless the subsequent operation is performed after complete recovery from the injuries or sickness causing the previous operation, or unless the subsequent operation is due to causes entirely unrelated to the causes of the previous operation, or in the case of a protected person, unless the subsequent operation is performed after return to active work on full time.

EXCEPTION -- This SURGICAL OPERATION EXPENSE BENEFITS provision does not cover pregnancy, including resulting childbirth or miscarriage, except as provided in the Schedule under the section entitled "Obstetrical Procedures". This provision is also subject to the EXCLUSIONS AND LIMITATIONS section of the General Provisions. Further, if a protected person or dependent is eligible for benefits under discontinued policy GMF-1514, the amount payable under this SURGICAL OPERATION EXPENSE BENEFITS provision shall be reduced by the amount of surgical benefits payable under such discontinued policy.

Plan of Insurance II

HOSPITAL EXPENSE BENEFITS

Daily Room Limit	$20.00
Maximum Miscellaneous Hospital Expense Benefit	$202.50 plus 80% of balance up to a maximum of $5000.00
Maximum Outpatient Benefit	$202.50

PART A.
HOSPITAL EXPENSE BENEFITS

HOSPITAL ROOM BENEFIT -- If a protected person or an eligible dependent, because of accidental bodily injuries or sickness, shall be confined as a resident patient in a legall constituted hospital, the Association, provided such hospital confinement commences while the protected person or dependent is insured under this policy, will pay benefits for the expense actually incurred by the protected person for hospital room and board during the period of hospital confinement, but not to exceed the Daily Room Limit per day nor to exceed 90 days for any one period of hospital confinement.

MISCELLANEOUS HOSPITAL EXPENSE BENEFITS -- (A) If a protected person or an eligible dependent, while insured under this policy, shall, because of accidental bodily injuries, require emergency outpatient hospital attention within forty-eight hours after the accident, the Association will pay for the expense actually incurred by the protected person, during said forty-eight hours, for care, treatment and services of the type described under MISCELLANEOUS HOSPITAL EXPENSE BENEFITS, but not to exceed, in the aggregate, the Maximum Outpatient Benefit.

(B) In case of hospital confinement of a protected person or an eligible dependent for a surgical operation resulting from accidental bodily injuries or sickness, and for which there is no charge for room and board made by the hospital, the Association, provided such confinement occurs while the protected person or dependent is insured under this policy and further provided that in case of accidental bodily injuries no benefits are payable under paragraph (A), will pay for the expense actually incurred during such confinement for care, treatment and services of the type described under MISCELLANEOUS HOSPITAL EXPENSE BENEFITS, but not to exceed, in the aggregate, the Maximum Outpatient Benefit for all such expense incurred for any one period of hospital confinement.

OUTPATIENT SERVICE IN A RECOGNIZED HOSPITAL OR CLINIC -- If a protected person or an eligible dependent shall, while insured under this policy, receive outpatient services in a hospital or clinic recognized and registered by the American Medical Association in their census of hospitals entitled "Hospital Service in the United States", the Association, providing no benefits are payable under any other provision of this policy, will pay for the expense actually incurred for such service of the type described in the policy under MISCELLANEOUS HOSPITAL EXPENSE BENEFITS, but not to exceed, in the aggregate, the Maximum Outpatient Benefit for any one accident or sickness.

SUCCESSIVE PERIODS OF HOSPITAL CONFINEMENT -- Successive periods of hospital confinement shall be considered one period of hospital confinement unless the subsequent confinement commences after complete recovery from the injuries or sickness causing the previous confinement, or unless the subsequent confinement is due to causes entirely unrelated to the causes of the previous confinement, or in the case of a protected person, unless the subsequent confinement commences after return to active work on full time.

MATERNITY BENEFITS -- If a female protected person or a dependent wife, while insured under this policy, shall become confined in a legally constituted hospital as a result of pregnancy, including resulting childbirth or miscarriage, the Association will pay benefits as follows:

(a) Normal Maternity - the Association will pay benefits up to $16.00 per day during the period of hospital confinement, but not to exceed 3 days for any one pregnancy.

(b) Abnormal Maternity (Caesarean, Termination of Ectopic Pregnancy and Miscarriage) - the Association will pay for the expense actually incurred during the period of hospital confinement for hospital care, treatment and service (of the type described under HOSPITAL ROOM BENEFIT and MISCELLANEOUS HOSPITAL EXPENSE BENEFITS) received by the female protected person or dependent wife in her own behalf, but not to exceed, for any one pregnancy, the limits specified for any one period of hospital confinement under HOSPITAL ROOM BENEFIT and MISCELLANEOUS HOSPITAL EXPENSE BENEFITS.

which benefits are paid under the preceding paragraph, the Association will pay for the expense actually incurred by the protected person for all other necessary care and treatment for which the hospital makes a charge (excluding charges made by the protected person's son's or dependent's nurse or physician) together with the expense actually incurred for regular and customary charges made by the ambulance company for transportation to and from the hospital in an ambulance (up to $25.00 for any one period of hospital confinement),

but not to exceed, in the aggregate, the Maximum Miscellaneous Hospital Expense Benefit for all such expense incurred for any one period of hospital confinement.

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In case the female protected [illegible] or dependent wife is not hospital confined at any time during pregnancy, but [illegible] by a registered graduate nurse, the Association, provided maternity benefits would have been payable if the protected person or dependent wife was hospital confined, will pay for the expense actually incurred for such nurse's fees, but not to exceed $36.00 for any one pregnancy.

Maternity benefits for female protected persons are not payable unless, in addition to the premium for the protected person, a dependent premium is also paid on her behalf during that period of her pregnancy in which she is among the classes of persons eligible for this insurance.

EXCEPTION -- This HOSPITAL EXPENSE BENEFITS provision does not cover pregnancy, including resulting childbirth or miscarriage, except as provided under MATERNITY BENEFITS. This provision is also subject to the EXCLUSIONS AND LIMITATIONS section of the General Provisions. Further, if a protected person or dependent is eligible for benefits under discontinued policy GMF-1514, the amount payable under this HOSPITAL EXPENSE BENEFITS provision shall be reduced by the amount of hospital benefits payable under such discontinued policy.

PART B.
SURGICAL OPERATION EXPENSE BENEFITS

If a protected person, while insured under this policy, shall, because of accidental bodily injuries or sickness, have an operation performed or a dislocation or fracture repaired by a legally qualified physician or surgeon, the Association will pay for the expense actually incurred by the protected person, but not to exceed an amount to be determined by multiplying the Relative Value Units listed below for the surgical procedure performed by the Unit Value of $5.00. If the surgical procedure is not listed below, the Company will determine the maximum amount payable for such procedure. A surgical procedure of an equivalent gravity and severity included in the California Relative Schedule shall be used as a basis of the Company's settlement.

Anesthosiology will also be payable in accordance with the full California Relative Value Schedule.

SCHEDULE

Description of Surgical Procedure	Relative Value Units
ABDOMEN	
Appendectomy	35
Colectomy, partial, with anastomosis and with or without proximal colostomy	80
Total gastrectomy	100
Gastroduodenostomy	50
Cholecystectomy	55
Cholecystectomy with exploration of common duct	65
ABSCESS	
Drainage of subcutaneous abscess (where not specified elsewhere)	1
AMPUTATION OF	
Finger	13
Toe	10
Hand	30
Forearm	30
Foot at ankle	40
Leg	40
Arm	30
Thigh	50
Thigh at hip	80
BREAST	
Radical mastectomy, including breast, pectoral muscles and axillary lymph nodes	60
Complete (simple) mastectomy	30
CHEST	
Total or subtotal lobectomy	100
Thoracotomy, exploratory, including control of hemorrhage and/or biopsy and cardiac massage	50
Pneumothorax: intrapleural injection of air, initial	5
Pneumothorax: intrapleural injection of air, subsequent	2
Bronchoscopy, diagnostic	15
Bronchoscopy, with removal of foreign body	25
EAR	
Myringotomy: tympanotomy; plicotomy	2
Mastoidectomy, simple	40
Mastoidectomy, radical	60
Fenestration of semicircular canals	100
ESOPHAGUS	
Esophagotomy for removal of foreign body	60
EYE	
Removal of foreign body from surface of cornea	1
Reattachment of retina, electro-coagulation, initial	80
Extraction of lens, intracapsular or extracapsular, unilateral	70

Description of Surgical Procedure	Relative Value Units
EYE (Cont'd)	
Sclerectomy for glaucoma, with scissors, punch or trephination (Lagrange, Holth, Elliott)	80
Enucleation of eyeball (bulb or globe)	30
Pterygium	20
Blepharectomy incision or excision of Meibomian glands (chalazion), single	5
FRACTURES, Treatment of	
Collar-bone	10
Shoulder blade	10
Forearm, one bone	10
Tarsals	8
Metatarsals	7
Os calcis	15
Thigh	30
Upper arm	15
Lower leg, one bone	15
Forearm, two bones	15
Kneecap	10
Pelvis, not requiring traction	10
Lower leg, two bones	20
Lower jaw	5
Carpals	8
Metacarpals	7
Nose	5
Rib	2
Sternum	10
Vertebrae, compression	20
Finger	5
Toe	3

The amounts shown above are for simple fractures. For a fracture requiring an open operation with bone grafting, bone splicing, or metallic fixation at point of fracture, the maximum will be twice the amount for the corresponding simple fracture. For a compound fracture, the maximum will be one and one-half times the amount for the corresponding simple fracture.

GENITOURINARY TRACT	
Nephrectomy	70
Nephropexy: fixation or suspension of movable kidney (independent procedure)	60
Nephrolithotomy, removal of calculus	70
Cystoscopy with fulguration of bladder tumor, initial	25
Prostatectomy, suprapubic, one or two stages	70
Transurethral electroresection of prostate, partial, initial	40
Prostatectomy, perineal, subtotal	70
Orchidectomy, simple, unilateral	20
Epididymectomy, unilateral	30
Excision of hydrocele, unilateral	20

Description of Surgical Procedure	Relative Value Units
GENITOURINARY TRACT (Cont'd)	
Excision of varicocele (independent procedure), unilateral	30
Radical hysterectomy for cancer (Wertheim)	80
Removal of extrauterine embryo (ectopic pregnancy), by laparotomy	40
Hysterectomy (with or without dilation and curettage and surgery on tubes, ovaries, ligaments, etc.)	50
Dilation and curettage of uterus (independent procedure)	10
GOITRE	
Thyroidectomy, total or complete	60
HERNIA	
Hernioplasty: Herniorrhaphy, Herniotomy, Inguinal, unilateral	30
Hernioplasty: Herniorrhaphy, Herniotomy, Inguinal, with appendectomy	40
JOINTS AND DISLOCATIONS	
Arthroplasty	
Shoulder	70
Hip	100
Knee	80
Elbow	60
Wrist	50
Ankle	60
Arthrotomy	
Shoulder	30
Elbow	30
Wrist	30
Hip	50
Dislocations	
Finger	3
Toe	3
Shoulder	5
Elbow	8
Wrist	7
Ankle	10
Lower Jaw	5
Hip	15
Knee	10
Kneecap	5

For a dislocation requiring an open operation, the maximum benefit for such dislocation shall be twice the applicable amount listed above.

NOSE	
Antrum puncture, unilateral	2
Excision of nasal polyp	2
Septectomy: submucous resection	30
Submucous resection of turbinate, complete or partial, unilateral or bilateral (independent procedure)	10

Description of Surgical Procedure	Relative Value Units
OBSTETRICAL PROCEDURES	
Delivery of child or children	16
Caesarean Section	30
Miscarriage	10
RECTUM	
Complete proctectomy, combined abdomino-perineal, one or two stages	100
Hemorrhoidectomy, external only	5
Hemorrhoidectomy, internal and external	25
Fistulotomy or fistulectomy, simple	20
Fissurectomy, with or without sphincterotomy	15
SKULL	
Osteoplastic craniotomy (other than operation for brain tumor)	100
Trephination (or burr holes), exploratory, unilateral	35
THROAT	
Tonsillectomy, with or without adenoidectomy, any age	15
Laryngoscopy, direct, diagnostic (independent procedure)	10
TUMORS	
Excision of pilonidal cyst or sinus	20
Excision of cyst, fibroadenoma or other benign tumor, aberrant breast tissue, duct lesion or nipple (including any other partial mastectomy), unilateral	15
Local destruction of small benign neoplastic, cicatricial, inflammatory or congenital lesion, one	3

In case of X-ray or radium treatment for any of the above listed tumors, the maximum benefit payable for the entire course of treatment including surgical removal shall be that provided for its surgical removal.

VEINS	
Ligation and division and complete stripping of long or short saphenous veins	25

left out Obstetrical procedures (a)

Conditions:

(a) Two or more surgical procedures performed through the same abdominal incision will be considered as one operation (the most expensive surgical procedure shall govern).

(b) Where two or more operations are performed during one period of disability, but not through the same abdominal incision, the amount payable for each shall not exceed the Maximum Payment specified for each and the amount payable in the aggregate shall not exceed the Maximum Payment for the most expensive operation listed in the Schedule.

(c) Benefits for the Obstetrical Procedures specified in this Schedule shall be paid if the procedure is performed while the female protected person or dependent wife is insured under this policy. Obstetrical Benefits for the protected person are not payable unless, in addition to the premium for the protected person, a dependent premium is also paid on her behalf during that period of her pregnancy in which she is among the classes of persons eligible for this insurance.

SUCCESSIVE OPERATIONS -- Successive operations shall be considered to have been performed during one period of disability unless the subsequent operation is performed after complete recovery from the injuries or sickness causing the previous operation, or unless the subsequent operation is due to causes entirely unrelated to the causes of the previous operation, or in the case of a protected person, unless the subsequent operation is performed after return to active work on full time.

EXCEPTION -- This SURGICAL OPERATION EXPENSE BENEFITS provision does not cover pregnancy, including resulting childbirth or miscarriage, except as provided in the Schedule under the section entitled "Obstetrical Procedures". This provision is also subject to the EXCLUSIONS AND LIMITATIONS section of the General Provisions. Further, if a protected person or dependent is eligible for benefits under discontinued policy GMF-1514, the amount payable under this SURGICAL OPERATION EXPENSE BENEFITS provision shall be reduced by the amount of surgical benefits payable under such discontinued policy.

PART C.

MAJOR MEDICAL EXPENSE BENEFITS

The benefits for dependents provided under this MAJOR MEDICAL EXPENSE BENEFITS provision shall be applicable only if the protected person is eligible for, has requested and is insured for such dependent benefits.

If a protected person or an eligible dependent, because of accidental bodily injuries or sickness, shall, while insured under this provision and during a period of twelve consecutive months or less, incur for such injuries or sickness, "covered charges" (defined in the paragraph entitled COVERED CHARGES) in excess of the Deductible Amount (defined in the paragraph entitled DEDUCTIBLE AMOUNT), the Association will pay 80% of such excess covered charges, but not to exceed, in the aggregate, the Maximum Payment (defined in the paragraph entitled MAXIMUM PAYMENT).

DEDUCTIBLE AMOUNT - The amount of covered charges which the protected person or dependent must incur before becoming entitled to benefits. The Deductible Amount is $100.00 in addition to the benefits payable under any other provision of this policy.

If, after benefits become payable, there is a period of three consecutive months during which covered charges do not exceed $50.00, or if two years have elapsed since the deductible was last applied, the further payment of benefits shall be subject to reapplication of the Deductible Amount.

MAXIMUM PAYMENT - The maximum aggregate benefits payable under this provision. The Maximum Payment is $10,000.00 for all accidents or sicknesses or any combination thereof for each insured person.

After a total of at least $1,000.00 has been paid under this provision for expenses incurred by any one person, effective the first of the subsequent policy year and on the first of each policy year thereafter, $1,000.00 will be added to the balance of the Maximum Payment for which such person then qualifies until the Maximum Payment is reinstated to the original amount of $10,000.00

COVERED CHARGES - The covered charges referred to in this provision shall be those charges incurred for the following services and supplies which are reasonably necessary for treatment of an injury or illness, and which are not unreasonably priced or of a luxury nature, as determined by the charges generally incurred for cases of comparable nature and severity in the particular geographical area concerned:

1. Covered Hospital Charges - those covered charges incurred for the following services, and treatments and supplies which are recommended by the attending physician in the diagnosis and treatment of an injury or illness:
   (a) Hospital charges for room and board, excluding any charge in excess of $20.00 for hospital confinement in a private room.
   (b) Hospital charges for drugs, medicines and other services and supplies, if used while confined in the hospital as a resident patient.
   (c) Hospital charges for outpatient services in connection with (1) a surgical operation, or related charges incurred within forty-eight hours after the surgery is performed, or (2) emergency treatment for accidental bodily injuries incurred within forty-eight hours after the accident.
2. Covered Surgical Charges - those covered charges incurred for the following services:
   (a) Charges made by a physician or surgeon for the performance of an operation or the repair of a dislocation or fracture (excluding assisting surgeon's charges).
   (b) Charges for the services of a professional anesthetist, providing the anesthetist is not employed by a hospital which submits a charge to the protected person or dependent for his services.
3. Other Covered Charges - those covered charges incurred for the following services and supplies which are recommended by the attending physician in the diagnosis and treatment of an injury or illness, and which are not included in the description of Covered Hospital Charges or Covered Surgical Charges above:

(a) Ot[illegible] received as an outpatient.

(b) Charges made by a physician for medical services, including his active services as an assistant surgeon.

(c) Charges made by a registered graduate nurse or qualified physiotherapist, except for services rendered by a person who ordinarily resides in the protected person's household or is a member of his family.

(d) Charges for local professional ambulance service, and if the injury or illness requires special and unique hospital treatment, transportation within the United States or Canada to the nearest hospital equipped to furnish the treatment not available in a local hospital, by professional ambulance, railroad or commercial airlines on a regularly scheduled flight.

(e) Charges for the following additional services and supplies: drugs and medicines requiring a physician's written prescription; diagnostic X-ray and laboratory service; oxygen and the rental of equipment for its administration; blood or blood plasma and its administration; radium, radioactive isotopes and X-ray therapy; casts, splints, braces, trusses and crutches; rental of hospital type bed, wheel chair, iron lung or similar durable therapeutic equipment; artificial limbs and eyes to replace natural limbs and eyes lost while insured under this provision; dental services rendered by a physician or dentist for the treatment of an injury to the jaw or to natural teeth, including the initial replacement of these teeth and any necessary dental X-rays resulting from an accident occurring while insured under this provision, provided the treatment is rendered within six months from the date of the accident.

NERVOUS OR MENTAL DISORDERS - If a protected person or an insured dependent shall incur covered charges because of a nervous or mental disorder, the following conditions shall also apply:

1. Covered Hospital Charges, charges for convulsive or shock treatment and charges for surgery performed as a result of a nervous or mental disorder shall be compensable in the same manner and subject to the same limitations and conditions as any other illness.
2. For all other covered charges incurred as a result of a nervous or mental disorder or combination thereof, the Association, providing such charges are incurred while the protected person or dependent is totally and continuously disabled, will pay 50% of covered charges in excess of the Deductible Amount; provided, however, that the maximum payable for professional psychiatric treatment by a physician at home, the office or the hospital shall not exceed $15.00 per visit and not more than 50 visits during any one calendar year.

COMPLICATIONS OF PREGNANCY - Complications of pregnancy shall be defined to include only the following:

1. Surgical operations for extrauterine pregnancy;
2. Intra-abdominal surgery after termination of pregnancy;
3. Pernicious vomiting of pregnancy; and
4. Toxemia with convulsions.

If a female protected person or a dependent wife shall incur covered charges because of complications of pregnancy, as herein defined, the Association will pay benefits in the same manner and subject to the same limitations and conditions as any other illness, provided:

1. If such female protected person or dependent wife is eligible for maternity benefits under any other benefit provision of this group insurance plan for expenses incurred, payment for complications of pregnancy under this provision shall be in lieu of such maternity benefits.

2. If such female protected person or dependent wife is not eligible for maternity benefits under any other benefit provision of this group insurance plan for expenses incurred, the amount of benefits payable for complications of pregnancy shall be reduced by $250.00.

COMMON ACCIDENT - If a protected person and one or more dependents or if two or more dependents, while insured under this provision, are injured in the same accident, all covered charges incurred as a result of such accident may be combined and only one Deductible Amount shall be charged, if applicable, against such covered charges, regardless of the number of individuals involved. This combined Deductible Amount shall also apply to future reapplications of the Deductible Amount for such common accident; however, nothing herein shall be construed to reduce the Maximum Payment for each insured person.

DEFINITIONS - As used in this provision:

1. A physician or surgeon shall be defined as one who is duly licensed to prescribe and administer all drugs and to perform all surgery.
2. The term "hospital" shall be defined as an institution which provides overnight inpatient care, has full diagnostic and therapeutic facilities under the supervision of a staff of physicians and twenty-four hour nursing services by registered graduate nurses, and such institution is not, other than incidentally, a nursing home, or a place for rest, or for the aged, drug addicts or alcoholics.

EXCEPTIONS AND LIMITATIONS - This provision does not cover:

1. Dental services rendered by a physician or dentist except as specifically provided under "Other Covered Charges"; or
2. Eye refractions or the fitting or cost of eyeglasses of hearing aids; or
3. Cosmetic surgery except for the repair of accidental injuries sustained while insured under this provision; or
4. Alcoholism or drug addiction; or
5. Pregnancy, including resulting childbirth, miscarriage or abortion, or resulting complications, except as provided under the paragraph entitled COMPLICATIONS OF PREGNANCY; or
6. Nervous or mental disorders except as provided under the paragraph entitled NERVOUS OR MENTAL DISORDERS.
7. Covered Charges will be reduced by the amount of benefits payable or value of services provided (a) under any other plan for which any employer of the protected person or dependent makes payroll deductions or contributions, or (b) under any federal, state or other governmental program.
8. This provision is also subject to the exceptions contained in the EXCLUSIONS AND LIMITATIONS section of the General Provisions.

SETTLEMENT OF CLAIMS

PAYMENT OF CLAIMS. All indemnities provided by this policy will be payable within sixty days after receipt of due proof. All indemnities shall be payable to the protected person.

If any benefits of this policy shall be payable to the estate of the protected person or to a protected person or beneficiary who is a minor or otherwise not competent to give a valid release, the Association may pay to the hospital, physician or surgeon, on whose charge or fee claim is based, any sums due for Hospital Expense Benefits, Surgical Expense Benefits or Medical Expense Benefits toward satisfaction of any amounts still owed such hospital, physician or surgeon, and any balance of such sums may be paid, up to an amount not exceeding $1,000.00, to any relative by blood or connection by marriage of the protected person or beneficiary who is deemed by the Association to be equitably entitled thereto. Any payment made by the Association in good faith pursuant to this provision shall fully discharge the Association to the extent of such payment.

FREE CHOICE OF PHYSICIAN. Each protected person shall have free choice of physician or surgeon, legally practicing, and the doctor-patient relationship shall be maintained at all times.

MEDICAL EXAMINATION. The Association shall have the right, through its medical examiner, to examine any protected person so often as it may reasonably require during the pendency of a claim hereunder, and the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

NOTICE AND PROOF OF CLAIMS. Written notice of injury or of sickness, for which claim is made, must be given the Association at its Home Office in Omaha, Nebraska, within sixty days after the date of the accident or within sixty days after the commencement of the sickness. Proof of such injury or sickness must be furnished to the Association at its Home Office in Omaha, Nebraska, within ninety days after the end of the period of disability for which claim is made. Failure to furnish notice of proof within the required time shall not invalidate nor reduce any claim if it shall be shown that notice or proof was given as soon as was reasonably possible.

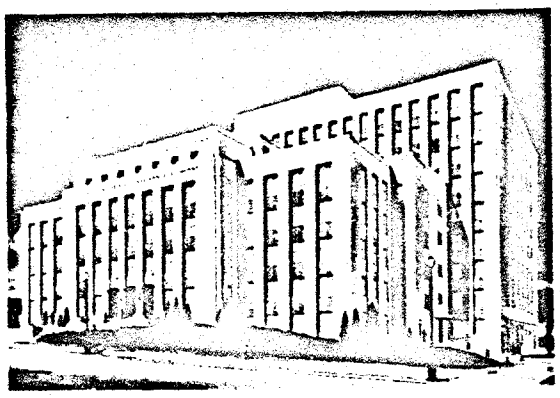
The Association will furnish such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished before the expiration of fifteen days after the Association receives notice of any claim hereunder, the person making such claim shall be deemed to have complied with the requirements of the policy as to proof of loss upon submitting within the time fixed herein for filing proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss is less than that permitted by the law of the state in which the main office of the Policyholder is located at the time the policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

LEGAL PROCEEDINGS. No action at law or in equity shall be brought for recovery under this policy prior to the expiration of sixty days after proof of loss has been filed in accordance with the requirements of the policy and no such action shall be brought at all unless brought within two years from the expiration of the time within which proof of loss is required by the policy.

If any time limitation of this policy with respect to bringing an action at law or in equity is less than that permitted by the law of the state in which the main office of the Policyholder is located at the time the policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

CONFORMITY WITH STATUTES. Any provision of this policy which, on its effective date, is in conflict with Public Law 86-382, Federal Employees Health Benefits Act of 1959 and authorized regulations thereunder is hereby amended to conform to the minimum requirements of such Act and regulations.



Countersigned By

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Licensed Resident Agent

MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION

OMAHA
NEBRASKA

MASTER POLICY

No. GMG-1799

Issued To

GOVERNMENT EMPLOYEES
HEALTH ASSOCIATION

Washington, D.C.

Effective Date

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LARGEST ORGANIZATION OF ITS KIND IN THE WORLD