



Group Hospital Indemnity

- Employers choose the plan design that coordinates with their medical plan.
- Product is available in Utah and Wyoming (Not yet available in Colorado)
- 50+ lives require to quote
- Platform Availability: VBCP (Available 7/1 on EVB)

- The average price for inpatient hospital admissions rose 5.3% in 2011, outpacing the rate of inflation at 3.2%.¹
- Annually, there are 45 emergency room visits for every 100 people in the U.S.²

| Plan 1 (HSA-compatible) — Base plan | |
|--|---|
| Hospital admission: | |
| • 10 levels: \$500–\$5,000 (increments of \$500) | Standard: 1 per person/calendar year Alternate: 1 per person/admission |

Wellness Benefit

- Employer chooses a benefit amount of \$50, \$75 or \$100 per calendar year per covered individual for a health screening test
- The Wellness Benefit ends when the insured individual's group hospital indemnity coverage ends

Daily hospital confinement

- Pays a benefit for each day that the insured individual is confined to the hospital, up to a maximum of 15 days per calendar year (or per confinement, if selected)
- Benefit amounts available: \$100, \$200 or \$400 per day — tied to the amount of the hospital admission benefit selected

| Plan 2 — Base plan | | | | |
|--|-------------------|---|----------|----------|
| Hospital admission: | | | | |
| • 10 levels: \$500–\$5,000 (increments of \$500) | | Standard: 1 per person/calendar year Alternate: 1 per person/admission | | |
| Outpatient surgical procedure: | | | | |
| • 1 option allowed per plan design | | | | |
| | Option | 1 | 2 | 3 |
| | Tier 1 | \$500 | \$750 | \$1,000 |
| | Tier 2 | \$1,000 | \$1,500 | \$2,000 |
| | Calendar-year max | \$1,500 | \$2,500 | \$3,000 |
| Diagnostic procedure: | | | | |
| • 1 option allowed per plan design | | • Pays once per person/calendar year for specific diagnostic tests | | |
| • \$250, \$500 or \$1,000 | | | | |

| Plan 3 — Base plan | | | | |
|--|-------------------|---|----------|----------|
| Hospital admission: | | | | |
| • 10 levels: \$500–\$5,000 (increments of \$500) | | Standard: 1 per person/calendar year Alternate: 1 per person/admission | | |
| Outpatient surgical procedure: | | | | |
| • 1 option allowed per plan design | | | | |
| | Option | 1 | 2 | 3 |
| | Tier 1 | \$500 | \$750 | \$1,000 |
| | Tier 2 | \$1,000 | \$1,500 | \$2,000 |
| | Calendar-year max | \$1,500 | \$2,500 | \$3,000 |
| Diagnostic procedure: | | | | |
| • 1 option allowed per plan design | | • Pays once per person/calendar year for specific diagnostic tests | | |
| • \$250, \$500 or \$1,000 | | | | |
| Inpatient surgical procedure: | | | | |
| • Max of one inpatient surgical procedure per person/calendar year | | • Pays \$250–\$1,000 (increments of \$250) | | |
| Transportation benefit: | | | | |
| • Pays if a covered person must travel from his/her residence more than 50 miles one way on physician's advice for treatment of a covered sickness or injuries resulting from a covered accident | | • Pays \$.40/mile (max 3 trips per covered sickness or accident) | | |
| Lodging benefit: | | | | |
| • Pays for one motel/hotel room for a companion to accompany the covered individual if he/she is confined to a hospital | | • Pays \$150/night for up to 30 days per covered sickness or accident | | |

Portability

- Allows coverage continuation without any new health questions or change in rate; ported coverage can remain in force even if master policy terminates
- Applies if the primary insured individual and spouse become legally divorced after coverage is effective, or if the employee dies

Rates

- Issue age rates based on last birthday
- Unisex, uni-tobacco
- 2-year rate guarantee standard
- Final rate will be based on plan design and case-specific factors
- Rating factors include plan design, pre-existing condition limitation, rate guarantee and optional features

Broker Commissions

Group Hospital Indemnity (GHI)

| Funding method | | |
|---|----|------------------------------|
| Employee paid with issue age rates | | |
| High/Low ¹ | or | Flat equivalent ² |
| Commission rates ³ | | |
| 55%–Year 1 5%–Years 2-4 2.5%–Years 5+ | or | 15% |

^{1,2} Commissions will be paid to you at the rate(s) selected by you in accordance with the company's then-current policies and procedures.

³ For all states except CO, CT, FL, MD, MN, NH, NJ, NY, ND, RI, VT and WA.

| | |
|---------|---|
| Utah | Pre-existing condition limitation: 6/6 |
| Wyoming | Pre-existing condition limitation: 6/12 |

Valuable selling points

- ❖ Hospitalization can cause serious financial setbacks for employees, due to out-of-pocket costs that are not covered by a typical medical plan.
- ❖ Hospital indemnity benefits are paid in a lump sum, not as cost reimbursement. The benefit can be used to defray out-of-pocket expenses like co-insurance, co-pays, deductibles and other costs associated with hospitalization — or however the covered individual chooses.
- ❖ No physical exam is required for eligibility; guaranteed issue is available.
- ❖ Flexible plan design options are chosen by the employer to complement employees' major medical plan. Plan designs can include outpatient and inpatient surgical benefits, as well as a diagnostic procedure benefit.
- ❖ Plan designs include benefit options for emergency room treatment, intensive care, daily confinement and others.
- ❖ The optional Wellness Benefit adds value by encouraging covered individuals to seek annual health screening or tests

| Employer-elected optional benefits | Plan 1 | Plan 2 | Plan 3 |
|---|--------|--------|--------|
| Daily Hospital Confinement: <ul style="list-style-type: none"> • 15 days per person/calendar year <ul style="list-style-type: none"> – Alternate: 15 days/covered person/confinement • \$100/\$200/\$400/day • Level tied to level of Hospital Admission benefit chosen: <ul style="list-style-type: none"> – \$100/day for \$500-\$2,000 Hospital Admn benefit – \$200/day for \$2,500-\$3,500 Hospital Admn benefit – \$400/day for \$4,000-\$5,000 Hospital Admn benefit | ● | ● | ● |
| Hospital Intensive Care Unit Confinement: <ul style="list-style-type: none"> • 15 days per person/calendar year <ul style="list-style-type: none"> – Alternate: 15 days/covered person/confinement • 2x the Daily Hospital Confinement benefit amount • Only available if Daily Hospital Confinement benefit is selected | ● | ● | ● |
| Wellness Benefit/Express Wellness: <ul style="list-style-type: none"> • \$50, \$75, \$100 (ER selected) • Pays for one health screening test per person per calendar year | ● | ● | ● |
| Enhanced Admission Payout: <ul style="list-style-type: none"> • After a certain number of years that coverage is inforce, the initial benefit amount for the Hospital Admission benefit increases by a certain percentage <ul style="list-style-type: none"> – After 5 years: 10% – After 7 years: 15% – After 10 years: 20% | ● | ● | ● |
| Care extension: <ul style="list-style-type: none"> • Increases 15-day maximum stay for Hospital Confinement, Intensive Care Confinement and Rehabilitation Unit Confinement (as applicable) by 5 days | ● | ● | ● |
| Portability: <ul style="list-style-type: none"> • Allows the covered individual to continue his/her coverage at the same rates and be billed directly for the premium | ● | ● | ● |
| Emergency Room Treatment: Sickness and Accident <ul style="list-style-type: none"> • Pays \$150 for an emergency room visit — once per person, per calendar year • Ambulance transport (ground and air) benefits included | | ● | ● |
| Emergency Room Treatment: Accident Only <ul style="list-style-type: none"> • Pays \$150 for an emergency room visit — once per person, per calendar year • Ambulance transport (ground and air) benefits included | ● | | |
| Rehabilitation Unit Confinement: <ul style="list-style-type: none"> • 15 days/covered person/calendar year <ul style="list-style-type: none"> – Alternate: 15 days/covered person/confinement • Amount equal to Daily Hospital Confinement benefit • Only available if Daily Hospital Confinement benefit is selected | | | ● |