

Group Hospital Confinement Indemnity “Gap” Insurance

Alvarado ISD

announces Gap Insurance protection
Proposed effective date: 09/01/2012

Help for the in-between time

Managing routine health care costs is difficult enough, but when you have a covered sickness or injury that requires a hospital stay or expensive outpatient procedures, you could find yourself trying to manage insurance deductibles, co-pays or other expenses not fully paid by your health insurance. Gap insurance is a hospital confinement indemnity insurance product that provides supplemental benefits to your existing Major Medical/Comprehensive plan. It helps you cover the expense “gap” that out-of-pocket costs related to co-insurance, co-pays and deductibles can cause. If you are already enrolled in a high deductible medical plan, or are thinking about switching to one, you can have peace of mind by enrolling in Gap coverage to help manage your out-of-pocket medical expenses.

Gap - the facts

Over \$1,600	The average cost of a one day inpatient hospital stay. ¹
5 days	Average length of hospital stay. ²
Over \$1,800	The average annual deductible for individuals with HDHPs. ³
51%	Of covered workers have coinsurance for hospital admissions. ³

¹ Kaiser State Health Facts, 2007; Health Costs and Budgets.

² CDC/NCHS, National Hospital Discharge Survey, 2008 Edition

³ The Kaiser Family Foundation and Health Research & Educational Trust: 2009 Employer Health Benefits Annual Survey.

Key Advantages of This Plan

- Fast and accurate claims service.
- No health questions for timely applicants.
- No exclusions for pre-existing conditions.

Group Hospital Confinement Indemnity “Gap” Insurance is underwritten by Fidelity Security Life Insurance Company. Policy #MG-111; Policy Form #M-9054. This is a limited policy and has some specific benefit limits. Please refer to the issued insurance policy for complete details and all benefit requirements, including all limitations, exclusions and restrictions. The policy may be canceled with advance written notice to the policyholder. Insurance policies and certain policy benefits are subject to state variations and availability. Issued insurance contracts determine all plan features and benefits. Contact Assurant Employee Benefits for additional details.

Assurant Employee Benefits is the brand name for Group Hospital Confinement Indemnity “GAP” insurance underwritten by Fidelity Security Life Insurance Company.

Jon Carter
Policy Specialist

Affordable premiums

The financial assistance that Gap insurance provides doesn't have to take a big bite out of your wallet. Review the costs below and the benefits to determine if Gap insurance is right for you. We've included an example of how benefits can be paid under this plan to help you with your decision.

Monthly Payroll Deductions

Attained Age	Employee	Employee Plus Spouse	Employee Plus Children	Employee Plus Family
18- 39	23.57	42.40	52.01	70.81
40-49	31.82	57.23	58.49	83.88
50+	54.27	97.63	87.82	131.13

Gap Plan Payment Example

The following examples are for illustrative purposes only. Your Major Medical plan might have different benefits than depicted below. Let's assume that your Major Medical plan has a \$1,500 deductible with 80/20 coinsurance and \$2,500 out-of-pocket maximum.

Inpatient Benefit Payment Example*			Outpatient Benefit Payment Example*		
Example: Hospital Stay & Surgery totaling \$12,000			Example: One week of radiation for breast cancer totaling \$10,000		
	With Gap Coverage	Without Gap Coverage		With Gap Coverage	Without Gap Coverage
Deductible:	\$1,500	\$1,500	Deductible:	\$1,500	\$1,500
Coinsurance:	\$1,000	\$1,000	Coinsurance:	\$1,000	\$1,000
Total Out-Of-Pocket:	\$2,500	\$2,500	Total Out-Of-Pocket:	\$2,500	\$2,500
Selected Gap Benefit:	\$2,000	\$0	Selected Gap Benefit:	\$1,000	\$0
Net Out-Of-Pocket:	\$ 500	\$2,500	Net Out-Of-Pocket:	\$1,500	\$2,500

**This hypothetical example is for illustrative purposes only.*

How do I know if I'm eligible to participate in this plan?

To elect coverage under this plan, you must be covered under your employer's Major Medical/Comprehensive plan (this does not include any limited medical plan).

What about coverage for my family?

If you elect coverage for yourself, you can elect coverage for your eligible family members. An eligible dependent means your spouse or unmarried dependent child(ren) who are under 19 years of age (less than age 24 if a full-time student). Dependent children include stepchildren, legally adopted and foster children.

Dependent insurance for a newborn dependent child, including an adopted newborn child or child(ren) placed for adoption, will automatically take effect at birth, adoption or placement for adoption and will continue for 31 days. For insurance to continue beyond the 31 days, you must notify us (if dependent child insurance is not already in force) and make the required premium payment within the 31-day period.

Your dependents must be covered under your Major Medical/Comprehensive plan (this does not include any limited medical plan).

State variations exist. Please contact Assurant Employee Benefits for additional eligibility information.

Do I need to answer any medical questions?

No, you can sign up for this coverage without answering medical questions so long as you apply within 31 days of the date you meet your employer's eligibility requirements.

What benefits are provided under this plan?

This plan provides benefits for out-of-pocket expenses due to hospital confinements and outpatient treatment from a covered injury or sickness up to the annual calendar year maximums selected by your employer.

Inpatient Benefits - Hospital Confinement and Emergency Room	
<p>Pays benefits up to the amount shown, per covered person, per calendar year for hospital confinement due to a covered injury or sickness. Benefits are limited to the deductible, co-payment and co-insurance amounts you or your covered dependent is required to pay under your Major Medical/Comprehensive plan.</p> <p>Hospital emergency room treatment is also covered if emergency treatment is due to covered injury or sickness . If due to covered sickness, hospital confinement is required within 24 hours of the hospital emergency room treatment in order for benefits to be payable.</p>	<p>\$ 1,500.00 per person per calendar year maximum</p>

Outpatient Benefits	
<p>Pays benefits up to the amount shown, per covered person, per calendar year for outpatient treatment due to a covered injury or sickness at a hospital, outpatient surgical or emergency facility or a diagnostic testing facility or similar facility that is licensed to provide outpatient treatment. Outpatient treatment does not exclude radiation and chemotherapy. Physician's charges are not covered. Examples of a "similar facility" where outpatient treatment may be administered include a doctor's office, a free-standing urgent care facility, or a convenient care clinic within a retail setting (e.g. Walgreen's).</p> <p>Benefits are limited to the difference between the benefit paid by your Major Medical/Comprehensive plan and the actual outpatient expenses incurred, which includes any out-of-pocket expenses such as deductibles and co-insurance.</p> <p><i>Note: This benefit is subject to a per family/per calendar year maximum of 2 times the per person, per calendar year maximum.</i></p>	<p>\$ 750.00 per person per calendar year maximum</p>

IMPORTANT DEFINITIONS

A **Major Medical/Comprehensive plan** does not include any limited medical program, Medicare, Medicaid.

Hospital means a legally authorized and operated institution for the care and treatment of sick and injured persons. It must have graduate registered nurses (R.N.) on 24-hour call and organized facilities for diagnosis or surgery either on its premises or in facilities available to it on a contractual prearranged basis. A hospital is not an institution, or part of it, which is used mainly as a facility for rest, nursing care, convalescent care, care of the aged, or for remedial education or training. Hospital confinement or hospital confined means the insured person is admitted to a facility as an overnight bed patient for a minimum of 15 consecutive hours.

LIMITATIONS

This product does not have a pre-existing condition limitation, however, a condition must be covered under the insured's Major Medical/Comprehensive plan in order for benefits to be payable under this plan. Therefore, any pre-existing condition limitation applied to the Major Medical/Comprehensive plan would, in effect, limit coverage under this plan. Pregnancy is covered the same as any other illness for insured employees and their insured spouses if the pregnancy is payable under the insured person's Major Medical/Comprehensive plan. Pregnancy (except for Complications of Pregnancy) is not covered for dependent children, unless required by state.

EXCLUSIONS

The policy does not provide any benefits for the following:

- Declared or undeclared war or any act thereof;
- Suicide or intentionally self-inflicted injury or any attempt thereat, while sane or insane;
- Any Hospital Confinement or other covered treatment for Injury or Sickness while an Insured Person is in the service of the armed forces of any country. Orders to active military service for training purposes of two months or less do not, for this exclusion, constitute service in the armed forces of any country. Upon notification to the Company of entering the armed forces of any country, the Company will return to the Insured pro rate premium paid, less any benefits which have been paid, for any period during which the Insured Person is in such service;
- Confinement in a Hospital or other covered treatment provided in a facility operated by an agency of the United States government or one of its agencies, unless the Insured Person is legally required to pay for the services;
- Confinement or other covered treatment for Injury or Sickness which is not Medically Necessary;
- Confinement or other covered treatment for Dental or Vision not related to an accidental injury;
- Mental or nervous disorders; Alcoholism, drug addiction or complications thereof;
- Any Hospital Confinement or other covered treatment for Injury or Sickness for which compensation is payable under any Workers' Compensation Law, any Occupational Disease Law, the 4800 Time Benefit Plan or similar legislation;
- Any hospital confinement or other covered treatment for Injury or Sickness that is payable under any insurance that does not required Deductible and/or Coinsurance payments by the Insured Person;
- Any hospital confinement or other covered treatment for Injury or Sickness for which benefits are not payable under the Insured Person's Major Medical/Comprehensive Plan;
- Any hospital confinement or other covered treatment for Injury or Sickness if, on the Insured Person's effective date of coverage, the Insured Person was not covered by a Major Medical/Comprehensive Plan. Our sole obligation will then be to refund all premiums paid for that Insured Person;
- and An Insured Person engaging in any act or occupation which is a violation of the law of the jurisdiction where the loss or cause occurred. A violation of the law includes both misdemeanor and felony violations.