

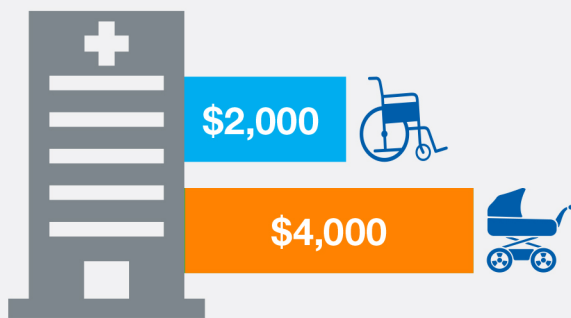


# Group Hospital Indemnity Insurance

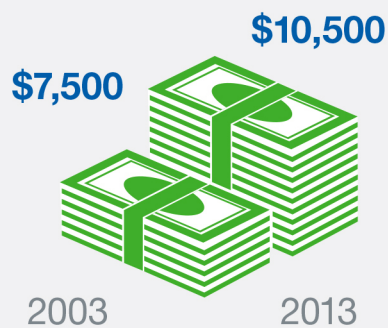
Keep your finances on track when you're in the hospital.

Planned or unplanned, a trip to the hospital can be scary. It can be even more frightening to know that your medical insurance probably won't cover all your costs. Group Hospital Indemnity insurance can help cover unexpected out-of-pocket expenses such as copays, deductibles and out-of-network charges, as well as everyday living expenses. It pays a benefit directly to you for hospital-related events, regardless of your treatment costs or other insurance coverage you might have.

A day in the hospital costs around \$2,000;<sup>1</sup> a day in the maternity ward costs about \$4,000.<sup>2</sup>



Between 2003 and 2013, the costs of the average hospital stay of 4.6 days increased from \$7,500 to \$10,500.<sup>2</sup>



1 "Components of Growth in Inpatient Hospital Costs, 1997-2009," Healthcare Cost and Utilization Project Statistical Brief #123, November 2011, Agency for Healthcare Research and Quality, [www.hcup-us.ahrq.gov/reports/statbriefs/sb123.pdf](http://www.hcup-us.ahrq.gov/reports/statbriefs/sb123.pdf)  
2 "HCUP Projections: Cost of Inpatient Discharges 2003 to 2013, Dec. 11, 2013, Report #2013-01, HCUP, [www.hcup-us.ahrq.gov/reports/projections/2013-01.pdf](http://www.hcup-us.ahrq.gov/reports/projections/2013-01.pdf)

## Complement your HSA account.

Contributing to an HSA is a great way to save for medical expenses. It can, however, take a long time to save enough to fully cover your medical deductible and out-of-pocket maximum. Hospital Indemnity insurance provides financial protection while you are building your HSA assets. Contact your employer to determine if this Hospital Indemnity plan impacts the taxability of your contributions to an HSA. It's protection that's also convenient: Your premium payments can be deducted directly from your paycheck.

## A cash benefit when you need it.

Even the best budgeters can forget to set aside money for medical expenses. Hospital Indemnity insurance provides a way to cover unexpected out-of-pocket expenses when you end up in the hospital. It also allows you to:

- **Choose how to spend your benefit.** It's your money — spend it however you want, whether it's to pay for your groceries, rent or medical bills.
- **Get a break from paying premiums during long hospital stays.** If you are in the hospital for more than 30 days, you will be able to stop making premium payments until you're discharged.
- **Take it with you.** If you leave your job, you can take your coverage with you.

Regardless of what other insurance coverage you may have, Hospital Indemnity insurance pays you a fixed benefit for every day you are in the hospital.

## Here's how it works:

Kim is out of town on a business trip when she experiences abdominal pain and a racing heartbeat. Diagnosis: ruptured gastric ulcer. She is rushed to the hospital, admitted and taken into surgery. She ends up being hospitalized for 10 days, three of which are in a critical care unit.



Kim's husband leaves their two kids with their daycare provider and flies to be at her side. The family now faces additional costs for travel and childcare.

### SAMPLE OUT-OF-POCKET EXPENSES

Medical plan deductible/coinsurance .....	\$3,000
Other non-medical expenses .....	\$475
Travel expenses (flights, change fees, etc.).....	\$350
Childcare.....	\$500
<b>Total Expenses.....</b>	<b>\$4,325</b>

Benefit for:	
Hospital admission.....	\$1,000
Hospital confinement (10 days x \$100 per day).....	\$1,000
CCU admission.....	\$1,000
CCU confinement (3 days x \$100 per day) .....	\$300
<b>Total paid to you.....</b>	<b>\$3,300</b>

Net Out-Of-Pocket Expenses.....	\$1,025
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Costs are hypothetical. Actual costs will vary by state, condition, treatments received and personal factors.

## Affordable Group Rates

Because you'll be buying this insurance through City of Fullerton, you'll have access to affordable group rates. You'll also have the convenience of having your premiums deducted directly from your paycheck. Please note, you may not enroll in coverage past age 64.

Semimonthly coverage rates for:			
You	You and your spouse	You and your children	You, your spouse and your children
\$6.88	\$14.73	\$13.45	\$22.80

Bills are the last thing you want to worry about when you're in the hospital. With Hospital Indemnity insurance, you'll be paid a benefit regardless of what your medical insurance does or doesn't cover. It can make a big difference in your total out-of-pocket expenses. You'll receive \$100 for each day you're hospitalized, up to a maximum of 15 days. And if you are confined for more than 30 days, your premium payment will be waived until the last day of the month of your hospitalization.

These are actual benefits you could receive while covered under a Hospital Indemnity plan:

Benefits	
Waiver of Premium	Premium waived if you are confined to a hospital for more than 30 days
Hospital Admission (maximum 1 per calendar year)	\$1,000 per day
Daily Hospital Confinement (maximum 15 days per stay)	\$100 per day
Critical Care Unit Admission* (maximum 1 per calendar year)	\$1,000
Daily Critical Care Unit Confinement* (maximum 15 days per stay)	\$100 per day

\* Payable in addition to the Hospital Admission and/or Daily Hospital Confinement benefit you may be eligible to receive.

## Important Details

Here's where you'll find the nitty-gritty details about Hospital Indemnity insurance.

### Portability

This coverage is portable. That means that you may be able to continue your coverage through direct bill if your employment ends, the group policy terminates or your insurance ends because you no longer meet the eligibility requirements.

### Eligibility Requirements

To be eligible for this coverage, you must be a regular Management or Federation employee of City of Fullerton, actively working in the United States at least 20 hours per week and a citizen or resident of the United States. Temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors are not eligible.

You can choose to cover your spouse, a person to whom you are legally married, your civil union partner or your domestic partner as recognized by law or by your employer's domestic partnership policy, if applicable. You can also cover your children from birth through age 25. Your child cannot be insured by more than one employee. Your spouse or children must not be full-time member(s) of the armed forces. You cannot be insured as both an individual and a dependent.

A minimum number of eligible employees must apply and qualify for the proposed plan before Hospital Indemnity insurance coverage can become effective.

### Your Effective Date

You must satisfy the eligibility requirements listed above, serve an eligibility waiting period, agree to pay premium, and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance.

If you are not actively at work on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of active work as an eligible employee.

Please contact your human resources representative or plan administrator for more information regarding the requirements that must be satisfied for your insurance to become effective.

### Annual Open Enrollment

You may enroll for coverage for you and your dependents if you enroll within 31 days after becoming eligible. However, if you do not enroll during this period, you may do so during your employer's annual open enrollment

period.

### Family Status Change

In the event of a family status change, you and your spouse or domestic partner or civil union partner may enroll for coverage if you or your spouse or domestic partner or civil union partner enroll within 31 days of the change. Family status change include:

- Your marriage or divorce or dissolution of your civil union or domestic partner relationship
- The birth of your child
- The adoption of a child
- The death of your dependent
- The commencement or termination of your spouse's employment
- A change in employment from full-time to part-time by your spouse
- A loss of hospital indemnity insurance through your spouse's employment

### Waiver of Premium

Your insurance will continue without payment of premiums if you are confined in a hospital for more than 30 days in a row. We will waive payment of premium for your insurance from the 31st day of your confinement until the last day of the month you are in the hospital.

### Exclusions

Benefits are not payable if an injury or sickness is proximately caused or contributed to by any of the following:

- War or any act of war
- Attempted suicide or other intentionally self-inflicted injury, while sane or insane
- Committing or attempting to commit a felony or being engaged in an illegal occupation
- Intoxicated or under the influence of any narcotic, unless administered on the advice of a Physician
- Travel or flight in or on any aircraft, except as a fare-paying passenger on a commercial aircraft
- Cosmetic surgery. Cosmetic surgery means surgery that is performed to alter or reshape normal structures of the body in order to improve your or your dependent's appearance. This exclusion will not apply to a Loss proximately caused by reconstructive surgery

performed to correct or repair abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease to do either of the following:

- To improve function;
- To create a normal appearance to the extent possible. Reconstructive surgery includes medically necessary dental or orthodontic services that are an integral part of reconstructive surgery for cleft palate procedures.

Note: This exclusion will not apply to a Loss proximately caused to by your or your dependent's donation of an organ or tissue.

- Any injury or sickness which occurs while you or your dependent is incarcerated in a jail, penal or correctional institution
- Mental disorder
- Dental care or dental procedures, unless treatment is the result of an injury
- Routine newborn nursing or well-baby care
- Hospital confinement of a newborn child following the child's birth unless the confinement is as a result of an injury or sickness
- Riding in or driving any automobile in a race, stunt show or speed test

### When Insurance Ends

Your insurance ends if you notify your employer or policyholder to terminate your coverage, you stop making premium payments, your employment terminates, you reach age 80, you cease meeting the member definition or the group policy terminates.

Child and spouse insurance ends when your insurance ends, they cease to meet the definition of child or spouse, you stop making premium payments for child or spouse insurance, spouse or child insurance is no longer offered under the group policy or the group policy terminates.

### Group Insurance Certificate

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage, including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy. The information present in this summary does not modify the group policy, certificate or the insurance coverage in any way.

### About Standard Insurance Company

For more than 100 years, we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group employee benefits. To learn more about products from The Standard, visit us at [www.standard.com](http://www.standard.com).

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon, in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

This is a limited benefit policy.

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**IMPORTANT NOTICE TO PERSONS ON MEDICARE: THIS IS NOT MEDICARE SUPPLEMENT INSURANCE**

**Some healthcare services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- Hospitalization
- Physician services
- Hospice
- Outpatient prescription drugs if you are enrolled in Medicare Part D
- Other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before you buy this insurance:**

- Check the coverage in all health insurance policies you already have.
- For more information about Medicare and Medicare Supplement insurance, review the Guide to Health Insurance for People with Medicare, available from Standard Insurance Company.
- For help in understanding your health insurance, contact your state insurance department or state health insurance assistance program (SHIP).